



Annual Report 2003



roinn fiontar trádála agus fostaíochta
department of enterprise, trade and employment




Department of Enterprise, Trade & Employment

We will work for Government and the people to equitably grow Ireland's competitiveness and quality employment.

Annual Report 2003

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Our Strategy Statement has been based on activities aligned along five pillars. The Department's divisions were restructured during 2003 in order to more efficiently deliver on the ambitions set out under each of those pillars.

The Department continues to be very active in the modernisation of the civil service through our participation in the Change Management Network, through the various modernisation initiatives set out in the Sustaining Progress Agreement and through working within our internal modernisation structures, including the Partnership Committee.



Foreword by the Tánaiste and Minister for Enterprise, Trade & Employment

In the foreword to our last Annual Report, I described 2002 as a year of great volatility, with enterprises globally experiencing difficult trading conditions, underscoring the need to focus on growing our competitiveness. A year later, I am happy to report that key economic indicators show that we are addressing the challenges created by the international slowdown. Inflation has dropped to below 2% for the first time since 1999, our unemployment rate continues to be significantly lower than in the rest of the Euro Zone, and our growth in GDP also compares very favourably with other European countries. And while job losses have been experienced in some sectors, these are being more than offset by new employment creation, with employment reaching 1.82 million in 2003, up from 1.18 million a decade earlier. Against a backdrop of a significantly improved global economy in recent months, I am confident that we have a sustainable platform for resumed economic growth in Ireland.

But that growth has to take place in a changed economic environment. The challenges resulting from our own recent success and the accession of 10 new EU Member States demand different enterprise policy responses. This is why, in July 2003, I announced the formation of the Enterprise Strategy Group, under the chairmanship of Eoin O'Driscoll, with a brief to produce a blueprint for a new enterprise strategy for growth and employment up to 2010.

One of the most significant Government decisions in recent times, in terms of providing a stimulus to economic development in the regions and improving public services has been the announcement of the decentralisation programme. In this context, over 1,000 employees of the Department of Enterprise, Trade and Employment and its agencies will move out of Dublin. I know that every effort will be made by the people responsible in the Department to ensure that this move will be implemented in a way that is not only expeditious and efficient, but also that responds to the needs of our staff and customers.

If inflation was a major macro target in terms of addressing competitiveness, it has long been recognised that, at a sectoral level, the cost of insurance was a major problem both for business and consumers generally. In this regard, 32 of the recommendations of the Motor Insurance Advisory Board Report have already been implemented with a substantial portion of the rest substantially implemented or progressing. These reforms have already brought about significant reductions in the cost of insurance. Specifically, 2003 saw the passing by the Houses of the Oireachtas of the Personal Injuries

Assessment Board Bill, which was signed into law on 28th December 2003. The Board will become operational during 2004 and will dramatically reduce the cost of delivering compensation to claimants with a consequent further positive impact on premium charges.

The transformation in the Irish labour market was underlined by the record number of 47,500 work permits issued in 2003. We have decided that from 1st May 2004, nationals of the 10 new Member States of the European Union will not need employment permits to work in Ireland. It is likely that from that date the bulk of our overseas labour needs can be met from within the enlarged European Union

In 2003, I was very pleased to preside at the awards for the "Best Companies to Work For" competition, when the Department of Enterprise, Trade and Employment was listed as one of the top 50 employers in the country. Indeed, we were the only civil service department included in the top 50. I was even more pleased to preside over a repeat of this performance in 2004! The good thing about this competition is that success is determined by the views of the employees of the organisation. On behalf of myself and my Ministerial colleagues, Michael Ahern and Frank Fahey, I wish to express my appreciation and thanks to all those employees for the continuing efforts they make to achieving the objectives of the Department.

Mary Harney TD

Tánaiste & Minister for Enterprise, Trade & Employment



Brollach ón Tánaiste agus Aire Fiontair, Trádála agus Fostaíochta

Sa bhrollach den tuairisc bhliantúil dheireanach, chuir mé síos ar 2002 mar bhliain thar a bheith soghlaithe, le deacaireachtaí trádála domhanda ag fiontair, agus an gá díriú ar fhás ár iomaíocht, dá mbarr. Bliain níos déanaí, tá áthas orm a thuairisciú go bhfuil comharthaí eacnamaíola ag taispeáint go bhfuilimid ag tabhairt na ndúshlán a chruthaigh an moillú idirnáisiúnta. Tá an rátha boillsnithe titithe fé bhun 2% don gcéad uair ó 1999, Tá an ráta dífhostaíochta fós go maith fé bhun an ráta sa chuid eile de Zón na hEorpa, agus tá an fás san Ollsoláthar Intire sásúil i gcomparáid le tíortha Eorpacha eile. Cé go bhfuil postanna cailte i rannóga áirithe, tá postanna nua á gcruthú ina n-áit, agus tá 1.82 milliún duine fostaithe i 2003, i gcomparáid le 1.18 milliún deich mbliana roimhe sin. Le feabhas cuimsitheach sa eacnamaíocht domhanda le míonna anuas, tá mé muiníneach go bhfuil bunús maith againn do athfhás eacnamaíúil in Éirinn.

Níor mhór don bhfás sin tarlú i dtimpeallacht éagsúil eacnamaíúil, áfach. Tá dúshláintí tagtha de bharr chomh maith is a d'éirigh linne anseo, agus ón deich dtír nua agus beidh freagraí polasaí éagsúla ag teastáil dá réir. Is chuige sin gur fhógair mé bunú an Ghrúpa Stráitéise Fiontair, faoi chathaoirleacht Eoin O'Driscoll, le go gcuirfidís plean le chéile do straitéis nua fiontair do fhás agus fostaíocht go dtí an bhliain 2010.

Ó thaobh spreagthaigh forbartha eacnamaíúil sna réigiúin agus chun feabhsaithe na seirbhíse poiblí, bhí cinneadh an Rialtais an clár díláraithe a fhógairt thar a bheith cinniúnach. Sa chomhthéacs seo, bogfaidh os cionn 1,000 fostaí ón Roinn Fiontair, Trádála agus Fostaíochta agus ó Oifigí na Roinne amach as Baile Átha Cliath. Tá fhios agam go ndéanfaidh na daoine atá freagrach as an mbogadh seo gach iarracht le cinntiú go mbeidh sé éifeachtach agus éasca, agus go bhfreagrófar riachtanaisí na fóirne agus ár gcustaiméirí.

Má bhí boillsniú mar phríomh sprioc ó thaobh iomaíochta de, tá sé aitheanta le fada go raibh costas árachais ina fhadhb mhór do lucht ghnó agus do chustaiméirí i gcoitinne. Maidir leis seo, tá 32 cinn dena moltaí ón dTuairisc Mholtaí Árachais curtha i bhfeidhm cheana féin, le cuid mhaith dena moltaí eile á gcur i bhfeidhm ná ag déanamh dul chun cinn. Tá na hathraithe seo tar éis laghdaithe suntasacha a chruthú i luach árachais. Ar leith, chuaigh an Bille Boird mheastúcháin Ghortaithe Pearsanta tríd Thithe an Oireachtais agus tháinig siad sa dlí ar an

28adh Nollag 2003. Tiocfaidh an Bórd i bhfeidhm i 2004 agus tiocfaidh laghdú suntasach an chostais cúitimh do éilitheoirí, agus beidh tionchar dearfach aige seo ar tháillí árachais.

Léirigh an 47,500 ceadúnas oibre, a heisíodh i 2003, coriarracht ann féin, an t-athrú mór i margadh saothair na hÉireann. Tá sé beartaithe againn nach mbeidh na ceadúnais seo de dhíth ar shaoránaithe ón deich mBallstát nua san Aontas Eorpach le bheith ag obair in Éirinn ón gcéad lá Bealtaine 2004. Ba chóir go mbeadh ár riachtanaisí saothair eachtrannacha á líonadh laistigh den Aontas Eorpach méadaithe.

I 2003, chuir sé áthas orm bheith i láthair ag na gradaim "Comhlachtaí is fearr le bheith ag obair dóibh" nuair a liostáladh an Roinn Fiontair, Trádála agus Fostaíochta mar cheann den gcéad 50 fostóir sa tír. Go deimhin, ba muid an t-aon Roinn Státseirbhíse a bhí sa gcéad 50. Chuir sé fiú níos mó ríméid orm a bheith i láthair don éacht céanna arís i 2004! Sé an rud deas faoin gcomórtas seo ach gur iad fostaithe na heagraíochta a dhéanann na cinnithe. Ar son Airí eile na Roinne, Michael Ahern agus Frank Fahey, ba mhaith liom mo bhuíochas a chuir in iúl dona fostaithe uilig dá niarrachtaí leanúnacha chun aidhmeanna na Roinne a bhaint amach.

Mary Harney TD

Tánaiste agus Aire Fiontair, Trádála agus Fostaíochta



Introduction by Secretary General

The Department's Annual Report for 2003 is the first since we published our Statement of Strategy last year, covering the years 2003-2005. The Statement of Strategy grouped our goals, strategic actions and performance indicators around five pillars, reflecting the key strategic business functions of the Department - enterprise, science and innovation; quality work and learning; better regulation; customer service and the European Union. This Annual Report is structured under the same five pillars, demonstrating the considerable achievements of 2003 across the Department's strategic functions.

2003 presented a variety of challenges for the Irish economy, against a backdrop of the continuing global economic slowdown (although the latter part of the year showed sign of recovery). In terms of competitiveness, the most recent report from the National Competitiveness Council showed that Ireland, along with Finland, is the most expensive country in the Euro area for consumer goods and services. We have taken action to redress this situation by, among other things, steering the enactment of the Personal Injuries Assessment Board Act 2003, leading to the establishment of the Personal Injuries Assessment Board (PIAB). The PIAB, by processing uncontested claims, without the need for litigation costs, should significantly reduce compensation awards. The Competition Authority continues to work towards removing barriers to competition, thus helping to ensure that healthy competition in the market place will lead to better choice and lower prices. In 2003 we also saw the need to encourage the development of a stronger consumer lobby in Ireland. This led to the establishment in March 2004, of the Consumer Strategy Group, the role of which is to advise on the development of a national consumer policy.

The establishment of Science Foundation Ireland (SFI) on a statutory basis in July 2003, marked Ireland's commitment to the promotion of Ireland as a world centre of research excellence in strategic scientific areas, particularly in the sciences that underpin Biotechnology and Information and Communication Technologies (ICT). To date, SFI has made commitments of over €320 million, involving 149 researchers and their teams working in areas such as materials science, nanotechnology, photonics, software engineering, genomics, proteomics and neuroscience. This is in line with our strategic goal of prioritising investment in science, technology and innovation and our commitment to the Lisbon Agenda of developing the knowledge society.

In terms of quality work and learning, the Department continued to strive to ensure that our policies respond to shifting skills needs and that our interventions are targeted at delivering better jobs, greater social inclusion, protecting the rights and welfare of people in work and lifelong learning for all. In the area of Social Partnership, the Department played a key role in negotiating the new National Agreement - Sustaining Progress - ratified in March 2003.

Finally, 2003 saw a continuing commitment within the Department to the Strategic Management Initiative. Key initiatives in this area include major progress in the development of the Management Information Framework, the development of a Human Resources Strategy, the appointment of an Equality Facilitator and a Disability Liaison Officer and the introduction of a formal complaints procedure which provides our customers with an accessible and simple to use system to submit complaints about the quality of service that we provide.

2004 presents further challenges to the Department, not least those of implementing the Government's decentralisation programme and key input into the European agenda, particularly in terms of Ireland's Presidency of the EU during the first six months of the year. I am confident that, with the continuing high level of engagement and cooperation of my colleagues, we will more than meet these challenges.

Paul Haran

Secretary General



Réamhrá ón Ard Rúnaí

'Sé Tuairisc Bhliantúil na Roinne do 2003 ár gceád ceann ó d'fhoilsíomar ár Ráiteas Straitéise anuraidh, ag clúdach na mblianta 2003-2005. Rinne an Ráiteas Straitéise grúpa dár n-aidhmeanna, ár ngíomhartha agus ár dtreoracha gnímh thart ar cúig ghné, ag léiriú na príomh fheidhmeanna gnó straitéiseacha atá ag an Roinn - fiontar agus nuálacht, deá obair agus foghlaim, stiúradh feabhsaithe, seirbhís custaiméara agus an Aontas Eorpach.

Tá an Tuairisc Bhliantúil seo faoin struchtúr céanna, ag léiriú an dul chun cinn suntasach a rinneadh i 2003 ar fud na Roinne.

Bhí roinnt dúshláintí do Eacnamaíocht na hÉireann i 2003, agus an moilliú domhanda eacnamaíoch mar chúlra. Ó thaobh iomaíochta de, léirigh an tuairisc is déanaí ón gComhairle Iomaíochta Náisiúnta, gur í Éire, chomh maith leis an bhFionlainn, an tír is daoire i limistéar an Euro do earraí pearsanta agus seirbhísí. Tá gníomhartha déanta againn chun a leasaithe seo, ina measc, an teacht i bhfeidhm den Acht Mheastúchán Ghorthaithe Pearsanta a sheoladh, as ar tháinig an Bórd Mheastúchán Ghorthaithe Pearsanta (BMGP). Ba chóir go mbeadh an BMGP inann méideanna cúitimh a laghdú de bharr bheith inann iarratais a phróiseáil, gan aon ghá le costaisí dlí. Tá an tÚdarás Iomaíochta ag leanacht ag obair chun fáil réidh le constaicí iomaíochta, agus ag cinntiú go gcruthóidh iomaíocht roghanna níos fearr agus praghasanna níos ísle. Sa mbliain 2003, facthas dúinn go raibh an gá grúpa úsáidírí a chuir chun cinn. Dá bharr sin, i Márta 2004, bunaíodh an Grúpa Straitéise Úsáidireachta, agus beidh an ról acu moltaí a chuir chun cinn ar fhorbairt pholasaí úsáidire náisiúnta.

Léirigh bunú dleathúil Fondúireacht Eolaíochta Éireann (FEÉ) i Mí Iúil 2003, go bhfuil Éire sásta í féin a chuir chun cinn mar aonad domhanda i réimsí eolaíochta staitéiseacha, go háirithe sna heolaíochta atá mar thaca ag Bitheicneolaíocht agus ag Techneolaíochtaí Eolais agus Comarsáide (TEC). Go dtí seo, tá os cionn €320 curtha ar fáil ag FEÉ do obair ina bhfuil 149 taighdeoirí agus a bhfóirne ag obair i réimsí mar eolaíocht ábhar, nantheicneolaíocht, fotinicíocht, innealltóireacht bhogearraí, ginomaíocht, prótomaíocht agus neureolaíocht. Leanann sé seo ár n-aidhm cur le infheistíocht san eolaíocht, teicneolaíocht agus nuathraithe, agus ár gceangal le Réim Lisbon i bhforbairt an chuideachta feasa. Ó thaobh foghlama agus scothoibre de, lean an Roinn ag cinntiú go gcomhlíonfaidh ár bpolasaithe na riachtanaisí scileanna éagsúla agus go gcabhróidh ár ngíomhartha le postanna níos fearr a chuir ar fáil, áireamh sóisialta breise a chothú,

cearta an fhórsa oibre a chosaint, agus foghlaim bhreise do chách. I réimse an Pháirtnéireacht Shóisialta, bhí dlúthbhaint ag an Roinn le aontú an Chonradh Náisiúnta nua - Cothú na Forbartha - a tháinig i bhfeidhm i Mí Márta 2003.

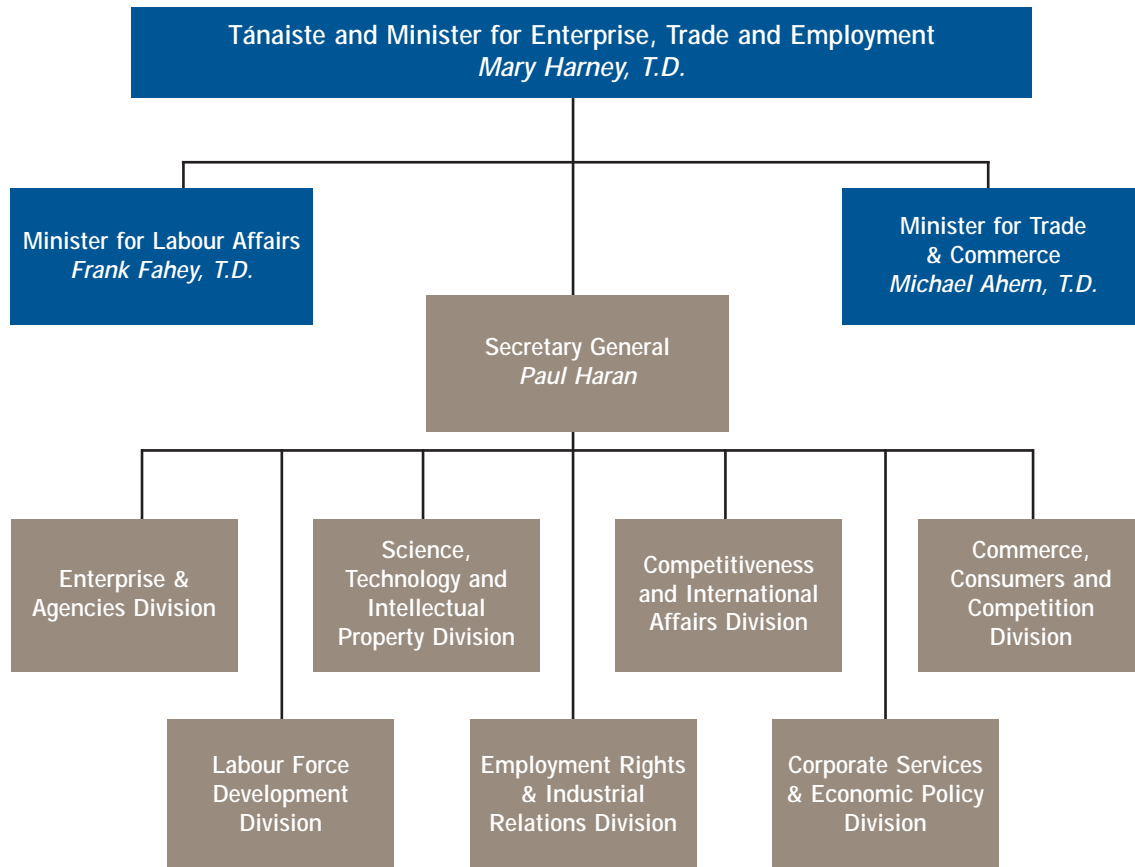
Ar deireadh, lean an Roinn le dul chun cinn laistigh den bPlean Straitéise Bainistíochta. Rinneadh mór dhul chun cinn anseo i bhforbairt an Chreatlaigh Eolais Bainistíochta, forbairt Straitéise acmhainní daonna, ceapachán áisitheora Cothromaíochta agus Oifigeach ceangail máchaille agus tugadh isteach córas foirmeálta gearáin a thugann deis dár gcustaiméirí teacht ar chóras sothuigthe le gearánta a dhéanamh faoi chaighdeán na seirbhíse a chuirimid ar fáil.

Tabharfaidh 2004 dúshláintí breise chuig an Roinn, ina measc clár dhilárnaithe an Rialtais agus tionchar mhór ar obair na hórpa, go háirithe i dtaobh Uachtarántachta na hÉireann den AE sa gcéad sé mhí den mbliain. Tá mé dóchasach go sáróimid na dúshláintí seo, le caighdeán ard oibre agus comhoibriú mo chomhleacaithe.

Paul Haran

Ard Rúnaí

Organisation Chart



Department's Management Board 2003

Back row (left to right):
Martin Cronin, Ronald Long, Seamus O'Morain, Brian Whitney

Middle row (left to right):
Sean Gorman, John Walsh, Michael McKenna

Front row (left to right):
Muireann Murtagh (Secretary), Ned Costello, Paul Haran (Secretary General), Clare Dunne, Margo Monaghan



Divisional Structure

DIVISIONAL STRUCTURE	PRINCIPAL OFFICERS	SECTIONS WITHIN DIVISION	OFFICES & AGENCIES OF THE DEPARTMENT
Enterprise & Agencies Division Assistant Secretary Brian Whitney	Páraig Hennessy Conor O'Mahony Kieran Grace	Overseas & Indigenous Enterprises Enterprise Policy and Standards OPMU, Small Business and Local Enterprise eBusiness Support North/South Co-operation	Enterprise Ireland, Forfás, IDA Ireland, National Standards Authority of Ireland, Shannon Development Company, City & County Enterprise Boards, InterTradelreland (North/South Implementation Body)
Science, Technology and Intellectual Property Division Assistant Secretary Ned Costello	Martin Shanagher Michael English Tony McGrath Jacob Rajan (Principal Examiner of Patents)	Science and Technology Unit Intellectual Property Unit	Science Foundation Ireland Patents Office
Competitiveness and International Affairs Division Assistant Secretary Seamus O'Morain	Lorraine Benson Pat Hayden Margo Monaghan Tony Joyce	EU Affairs & Competitiveness Bilateral Trade Promotion Environment EU Common Commercial Policy Internal Market	
Commerce, Consumers and Competition Division Assistant Secretary Ronald Long	Philip Donegan Vincent Madigan Pat Nolan Eamonn Carey Tanya Holly	Company Law Administration Company Law EU New Legislation Company Law Review Competition & Consumer Policy Legal advice and services	Companies Registration Office, Office of the Registrar of Friendly Societies, Office of the Director of Corporate Enforcement, Competition Authority and Office of the Director of Consumer Affairs. Also Interim Board of IAASA
Labour Force Development Division Assistant Secretary Sean Gorman	David Barry Michael Cunniffe Pdraig Cullinane Fergus McCafferty William Parnell	Employment & Training Strategy Labour Market Policy Policy on Employment Services Work Permits ESF Policy Unit	FÁS
Employment Rights & Industrial Relations Division Assistant Secretary John Walsh	William Jestin Martin Lynch Breda Power	Employment Rights Legislation, Employment Rights Enforcement, Redundancy Payments, Insolvency Payments, Health and Safety Authority Liaison, Industrial Relations	Employment Appeals Tribunal, Health & Safety Authority, Labour Relations Commission, Labour Court, Rights Commissioners
Corporate Services & Economic Policy Division Assistant Secretary Michael McKenna	Gerry Donnelly Clare Dunne Peter Fisher John P. Kelly Eamonn Laird Ciarán O'Cuinneagain Ronnie Sheehan	Planning & Freedom of Information, Personnel & Training, Press, Consultancy & Internal Audit, Information and Organisation Resources, IT and Business Process Review, Finance, Insurance Reform Section	



Economic Environmental Context

Economic Environmental Context

ECONOMIC ENVIRONMENTAL CONTEXT

Introduction

- 0.1.1 The Department's current Statement of Strategy covers the period 2003-2005. It was originally conceived in an economic environment which was undergoing rapid change following a period of unprecedented growth in output and employment. This economic growth took place against a backdrop of favourable global conditions and reflected a process of accumulated catch-up following a period in which the economy failed to realise its full potential. The Department's strategy and proposed activities were moulded and developed in light of a number of economic conditions, many of which are undergoing continuing change. Some of the underlying conditions, such as Ireland's position as one of the most open economies in the world, GDP growth, employment trends, the industrial relations climate, the importance of expenditure on research and development, inflation and the resourcing environment, which are important drivers in the Department's work, continue to inform the direction of our thinking.
- 0.1.2 This section sets out the continuing development of our analysis of those economic issues which are shaping the Department's agenda going forward.

Employment

- 0.2.1 The last 2 to 3 years have seen a slowdown in the world economy, but despite this the Irish labour market has remained very resilient, with employment continuing to grow and unemployment remaining relatively stable (see Table 1).
- 0.2.2 While job losses have been experienced in some sectors, these are being more than offset by employment opportunities in other sectors and it is predicted that this will continue to be the pattern into the foreseeable future. ESRI forecasts employment growth over the next couple of years at around 1% per year.
- 0.2.3 Employment has increased in the last ten years from 1.18 million in 1993 to 1.82 million in 2003, an increase of 54%. Employment growth in 2003 showed an increase of 44,600 in the year. Part-time employment accounted for almost 23%, or 10,100 of the annual employment increase.
- 0.2.4 Overall, the employment rate for 2003 was 65.6% compared to 65% in 2002. The employment rate for males and females both showed increases over the year with the male rate increasing from 74.9% to 75.2% and the female rate increasing from 55% to 56%.
- 0.2.5 In a longer-term context, employment growth has been strong, particularly in the Education & Health and Construction sectors (see Table 2), while there was a fall off in employment in production industries (predominantly manufacturing) and agriculture over the past five years.
- 0.2.6 The level of notified redundancies was an indicator of the downturn in the labour market. While there were over 25,300 notified redundancies in 2002, an increase of almost 28% on the previous year, 2003 saw the figure rise to 27,700, giving a further increase of 9.2%.
- 0.2.7 Employment grew at a greater rate in the Southern and Eastern (S&E) region compared to the Border Midland and Western (BMW) region (26,300 and 18,300 respectively) in 2003. All unemployment growth was concentrated in the S&E region (2,600) as against the BMW region where unemployment decreased slightly (-200).
- 0.2.8 At the end of 2003 there were 86,500 people unemployed, an increase of 2,400 in the year, giving an unemployment rate of 4.5%. There was an annual increase of around 1,200 in the numbers in short-term unemployment while the long-term unemployed increased by over 1,100 to 25,900. During 2003, the long-term unemployment rate remained at just under 1.4%.
- 0.2.9 In 2003 the labour force increased by 47,100 to 1.9 million, with the number of males up by 21,100 and females by 26,000. Demographic factors, such as the increase in the population of working age, added an estimated 35,500 to the labour force with the balance being due to increases in labour force participation rates.



Economic Environmental Context

Table 1 - Employment Statistics ('000s)¹

	1999	2000	2001	2002	2003
Labour Force	1,736.1	1,779.1	1,825.5	1,854.7	1,901.8
Male	1,030.5	1,048.8	1,069.1	1,083.4	1,104.5
Female	705.6	730.3	756.5	771.3	797.3
Total Employed	1,647.4	1,710.3	1,752.9	1,770.7	1,815.3
Male	977.5	1,007.4	1,024.2	1,031.8	1,051.2
Female	669.9	702.9	728.7	738.9	764.1
Total Unemployed	88.7	68.8	72.6	84.1	86.5
Male	53.0	41.4	44.9	51.7	53.3
Female	35.7	27.4	27.7	32.4	33.2
Of which long term unemployed²	36.0	24.2	21.3	24.7	25.9
Male	26.0	18.6	17.1	18.8	19.4
Female	10.0	5.5	4.3	5.9	6.5

Table 2 - Employment Growth by Sector

	1998	1999	2000	2001	2002	Q4 2003	% Change '98-'02	% Change '98-Q4'03
Agriculture Forestry And Fishing	136.3	140	122.7	124.4	119.8	119.6	-12.1	-12.25%
Other Production Industries	305.6	314	321	318	302.2	294.6	-0.1	-3.6%
Construction	136.7	154.8	178.1	184.8	190.8	200	39.6	46.3%
Wholesale and retail trade	215.3	229.3	242.6	245.6	250.3	255.7	16.2	18.8%
Hotels and restaurants	100.4	105.1	110	109.1	112.4	116.2	11.9	15.7%
Transport, storage and communication	93.9	99.9	105.2	110.9	112.3	113.1	19.6	20.4%
Financial and other business services	184.4	205.3	216.3	228.2	225.3	231.7	22.2	25.7%
Public Administration and Defence	70.4	78.3	78.5	81.4	87.1	89.4	23.7	27%
Education and Health	211.3	225.8	214.8	255.7	272.7	289.7	29	37.1%
Other services	90.4	95.1	94.1	94.9	97.7	105.2	8.1	16.4%
Total	1,544.70	1,647.40	1,710.30	1,752.90	1,770.70	1,815.3	14.6	17.5%

Source: Quarterly National Household Survey, CSO

¹ Data for both tables refer to QNHS 4th quarter (September - November).

² Unemployed for one year and over.

Social Inclusion

0.3.1 The Department continues its strong commitment to, and engagement with, the social inclusion agenda from the labour market perspective. An officer in the Labour Force Development Division has been appointed as liaison person with the recently established Office of Social Inclusion in the Department of Social & Family Affairs. The Department contributed to the preparation of the second National Action Plan against Poverty and Social Inclusion 2003-2005 which was completed and sent to the EU Commission on 31 July 2003. The Department is also involved in assessing the progress made since the commencement of the plan.

0.3.2 The Department continues to contribute to, and is represented on, a number of committees and working groups which are charged with promoting and developing progress in terms of social inclusion. These groups include the Interdepartmental Group on Drugs, the Monitoring Committee on Travellers and the Dublin Employment Pact.

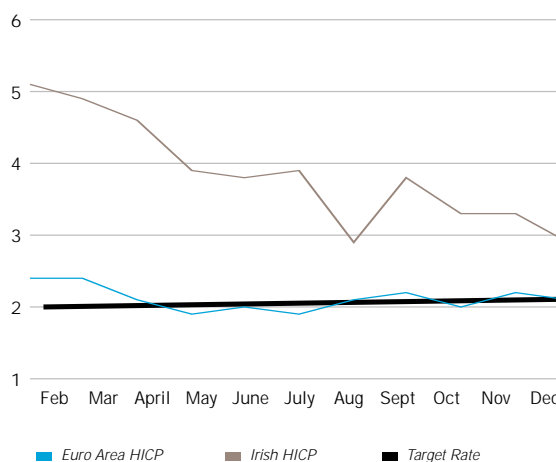
Inflation

0.4.1 The average annual rate of inflation for 2003 was 3.5% as measured by the Consumer Price Index (CPI) and 4.0% as measured by the Harmonised Index of Consumer Prices (HICP)³. The rate of inflation decreased to 1.9 per cent in December from 2.2 per cent in November. This is the lowest rate since November 1999. The significant moderation in the rate of inflation over the course of 2003 is due largely to falling mortgage interest rates, the sustained strength of the Euro relative to the Dollar and the Pound Sterling, and a considerable easing in services sector inflation.

0.4.2 While the average rate of inflation in Ireland remains relatively high, it should be noted that it fell from 5.1% in February 2003 to 2.9% in December 2003, as measured by the HICP. In conjunction with this, the gap between Irish inflation and the euro area average has narrowed significantly to around 0.8% compared to 2.7% at the start of 2003, and initial figures for 2004 suggest that the downward trend is continuing.

0.4.3 In February 2003 a new social partnership programme, *Sustaining Progress*, was agreed by the Government and the social partners. By ensuring that wage increases are kept to sustainable levels we will continue to focus on our competitiveness and avoid losing jobs. A key element of this programme is an Anti-Inflation Initiative through which the Government, in cooperation with the social partners, aims to bring the average rate of inflation down towards a target of 2%.

Inflation in Ireland and the Euro Area in 2003



³ CPI and HICP differ in the coverage of certain goods and services; CPI includes some items which are excluded from HICP e.g. mortgage interest and motor car insurance.



Economic Environmental Context

Prices and Consumer Issues

0.5.1 While Ireland's inflation has fallen to below 2% for the first time since 1999, our average inflation rate and general price levels in Ireland still remain above those of our main competitors. The National Competitiveness Council Annual Competitiveness Report 2003 confirms that Ireland is still ranked amongst the most expensive countries to live in. The latest report from the Council warned that huge price hikes were damaging the country's competitiveness. It urged the government to avoid increasing VAT and other inflation-fuelling taxes to help Ireland keep its competitive edge. According to the Report, international competitiveness benchmarking shows that:

- Ireland is now the joint most expensive country in the euro area for consumer goods and services, along with Finland;
- Ireland ranks 4th most expensive of 16 countries for insurance premiums per capita;
- Ireland ranks 3rd most expensive out of ten countries for landfill costs;
- Ireland ranks 3rd most expensive of nine countries for industrial electricity costs;
- Ireland ranks only 13th out of 16 countries with regard to the intensity of domestic competition.

0.5.2 While the development of a strong consumer lobby is primarily the responsibility of organisations that represent the interests of consumers, there is a growing concern to ensure that such development is to be encouraged by whatever means possible, including ensuring that there are adequate opportunities and mechanisms for the interests of consumers to be reflected in the policy making process. The diverse and changing nature of the consumer agenda has meant that there is no effective consumer lobby in Ireland. In this context, the role of the Consumer Advisory Council was recently reviewed. In March 2004, the Tánaiste announced the appointment of a new Consumer Strategy Group to advise on the development of a national consumer policy, to be chaired by Ann Fitzgerald, Chief Executive of the Irish Association of Investment Managers. This initiative is designed to address gaps in consumers' knowledge of their rights and to

determine how to enforce those rights, and to instil confidence that the system will support them if their rights are denied. More specifically, in 2003 the Office of the Director of Consumer Affairs carried out a successful price awareness campaign to stimulate awareness amongst consumers that shopping around pays.

0.5.3 Unit Pricing Regulations were signed into law in December 2002 and were actively enforced by the Office of the Director of Consumer Affairs during 2003. They improve consumer information through greater price transparency, enabling better choice based on price per unit.

0.5.4 Sale of Goods and Associated Guarantees

European Communities (Certain Aspects of the Sale of Consumer Goods and Associated Guarantees) Regulations 2003 (S.I. No. 11 of 2003) was signed by the Tánaiste on 22 January 2003. The Regulations transpose Directive 1999/44/EC into national law and their general purpose is to strengthen consumer protection and confidence in relation to cross-border shopping, by laying down a common set of minimum rules for goods purchased within the European Union.

Competitiveness

0.6.1 Trade

The CSO statistical release "External Trade, December 2003" noted that the value of merchandise exports in 2003 declined by 12% over 2002, reflecting the difficult international economic environment throughout most of the year. However, as the year progressed and the global economy began to show signs of recovery, the rate of decline appears to have levelled off. While risks remain for traders, not least the rising value of the Euro, the outlook for 2004 is for a more stable trading pattern to emerge, with the likelihood of a return to export growth.

Economic Growth

- 0.7.1 Economic development in recent years has changed the nature of our economy in profound ways. While policies to support and promote business have resulted in outstanding growth in national wealth and employment, these have also helped change the competitive characteristics of our economy, specifically in terms of how and where this wealth is generated and where job growth is located. The changing international environment in which we do business presents more complex challenges for policymakers than it has for some time, and national policies that support and help enterprise have to recognise these changing market imperatives and move with them.
- 0.7.2 The outlook for the global economy has shown significant improvement over recent months, and developments in the US, Japan and the EU have made global recovery increasingly apparent. Domestically, the Irish GNP growth rate has risen from virtually no growth in 2002 to an estimated⁴ 2.25% in 2003. The strengthening of the global economy, combined with an improvement in consumer confidence domestically, suggests the economy will continue to recover. However, the Central Bank and Financial Services Authority Winter 2003 Quarterly Bulletin points out that 'further appreciation of the Euro could adversely affect competitiveness and result in much slower growth for a longer period of time'.
- 0.7.3 The Quarterly Bulletin has indicated real GDP growth in Ireland to be at about 1.6% in 2003 and forecasts a growth rate of 3.5% for 2004. This compares very favourably with GDP growth in the euro area of about 0.5% in 2003 and 1.8% forecast for 2004. The significantly lower unemployment rate in Ireland relative to the euro area and the converging inflation rates place Ireland in a relatively strong economic position. However, the volume both of exports and of imports declined during 2003, by about 4.25% and 5.5% respectively, although this trend is expected to reverse in 2004, with growth expected to be in the region of 5.25% and 4.75% respectively.

Foreign Direct Investment

- 0.8.1 Foreign Direct Investment (FDI) has had a significant impact on the development and modernisation of the Irish economy. The level of FDI in Ireland, relative to the size of the economy, is one of the highest in the world. Ireland has for a long time received a far higher proportion of FDI inflows into the EU than our 1% of the population would suggest.
- 0.8.2 Our taxation rates, our infrastructure and our skills base have been vital components in our attractiveness as a location of choice for overseas investors. However the success of our economy during the nineties and on into this decade means that Ireland is now much less competitive as a location for low wage manufacturing projects. Ireland must now gear itself towards attracting a different type of investor. The focus for the future must be to attract investment requiring high skill levels, innovation rather than production orientated, and that links to an increasingly sophisticated business environment.
- 0.8.3 The competition for FDI is already intense and likely to become more so. The current economic slowdown has meant that there are fewer companies actively seeking to invest overseas. Our global approach needs to be more sophisticated in relation both to our needs and our stage of economic development. More balanced regional development is also imperative in order to reduce the disparities between and within the South and East region, and the BMW (Border, Midlands West) region.

⁴ Central Bank & Financial Services Authority of Ireland, Quarterly Bulletin, Winter 2003



The Taoiseach, Mr Bertie Ahern, T.D, the Tánaiste, Ms Mary Harney, T.D. and Minister of State at the Department of the Taoiseach and at the Department of Foreign Affairs with responsibility for European Affairs, Mr Dick Roche, T.D. at the launch of the logo of the Irish Presidency of the EU on 27 July 2003.

EU & Enlargement

0.9.1 During Ireland's Presidency of the EU, ten further countries - Malta, Cyprus, Hungary, Poland, the Czech Republic, the Slovak Republic, Slovenia, Estonia, Latvia and Lithuania - will accede to the EU on 1 May 2004, bringing the total number of member states to 25. Although Ireland's trade with the accession countries is currently relatively low, it has nevertheless been growing over the past number of years, and should be further increased following enlargement. Currently, trade between the Union and the enlargement countries is already largely free, but enlargement will bring significant benefits through the extension of the single market to a total of some 500 million consumers.

- 0.9.2 Enlargement is expected to lead to a restructuring of economic activity across the EU. It will give rise to more competition in the EU domestic market, particularly in consumer and industrial goods, telecommunications and financial services, which will impact on consumers in a positive way.
- 0.9.3 Following enlargement, Irish-owned companies will have new opportunities to invest in the accession states to enhance trade and investment. The Irish agri-food sector in particular, however, will encounter strong competition from the candidate countries and will require new strategies to meet this challenge and to take advantage of the new opportunities in the expanded single market.
- 0.9.4 Ireland will benefit from access to a larger pool of labour and skills. In the shorter term, the availability of skilled workers from the accession states will support Ireland's skills needs and alleviate skills shortages in a number of areas. In the longer term, in light of the anticipated decline in the population of working age in Ireland, the net inflow of labour will prove to be important. It is also expected that the lower labour costs in many of the candidate countries will also encourage some Irish companies to outsource some economic activities to these countries.
- 0.9.5 Ireland is the only one of the current EU Member States that is granting full access to its labour market from the date of accession without any requirement to obtain a permit. It is expected that the vast majority of Irish employers' residual labour needs can be met from within the enlarged EU after accession. However, there will be a continuing need to recruit from the wider world in respect of clearly specified, higher skills areas in the years ahead.

Better Regulation

- 0.10.1 The Taoiseach launched a Government White Paper on Better Regulation on 20 January 2004. The White Paper sets out a number of principles of Better Regulation and an action programme which is designed to improve the quality of new and existing regulations and regulatory processes.
- 0.10.2 The six new principles of better regulation are:
- Necessity
 - Effectiveness
 - Proportionality
 - Transparency
 - Accountability
 - Consistency
- 0.10.3 Specific actions to follow the White Paper include the introduction of a Regulatory Impact Analysis (RIA), systematic reviews of existing regulations in key areas, improvements to sectoral regulation, concerted action to reduce 'red tape', greater clarity and accessibility of regulation through a major programme of statute law revision, and the indexing of fines and penalties.
- 0.10.4 This Department is complying fully with the activities outlined in the Action Programme.

Industrial Relations

- 0.11.1 Primary responsibility for the conduct of industrial relations lies with employers, workers and their representative organisations. The State, however, has a responsibility to provide the institutional framework, including legislation, for the resolution of disputes and the promotion of good industrial relations. The dispute resolution agencies - the Labour Relations Commission and the Labour Court - play an important role in the industrial relations arena, with the demand for their services continuing to grow. Both agencies have a consistently good track record, with over 80% of cases settled at conciliation by the Labour Relations Commission and the vast majority of the recommendations of the Labour Court being accepted by the parties.

- 0.11.2 The industrial relations climate remained relatively stable during 2003. CSO data for the first three-quarters of the year indicate that the number of days lost through industrial disputes was 33,215 compared to 17,902 for the same period in 2002. (Approximately 80% of the days lost during the first nine months of 2003 were as a result of two strikes - one in the health sector and one in the civil service.) The number of strikes for the first three-quarters of 2003 was 18 while the number for the same period in 2002 was 24.

- 0.11.3 The success of social partnership has been instrumental in improving the industrial relations climate in Ireland. Negotiations were concluded on a new partnership agreement, Sustaining Progress, which was ratified in March 2003. This agreement covers the period 2003 - 2005.

Employment Rights

- 0.12.1 Significant developments in the employment rights, health and safety and industrial relations environments included:
- the successful conclusion of the 'Sustaining Progress: Social Partnership Agreement 2003-2005',
 - the passing of legislation on Fixed-Term Contracts and Redundancy and Insolvency Payments, and
 - the making of a substantial number of regulations covering health and safety and employment rights.
- 0.12.2 The Department maintained Ireland's international profile at EU and ILO level and continued to improve its customer services in employment rights enforcement and the administration of Redundancy and Insolvency Payments. The Department also continued to focus on improving its services and providing information on legal duties and rights under the legislation within its remit. The work of preparing a Programme for the forthcoming Irish Presidency of the European Union, and in particular, for the Employment, Social Policy, Health and Consumer Affairs Council, presented a major challenge to the Department in the latter part of the year.



Economic Environmental Context

Research and Development

- 0.13.1 Ireland's gross expenditure on research and development increased in 2001 (most recently available data) to €1,338.7m from €1,097.0m in 1999. While Gross R&D expenditure has increased significantly in the 10 year period 1991 to 2001, the base from which it has grown is low by international standards and Ireland's ranking amongst 29 OECD countries, as measured by the proportion of GDP devoted to R&D, remains low at 20th position. With 1.17% of GDP invested in R&D, Ireland is significantly behind the EU average (1.93%).
- 0.13.2 Ireland's Business Expenditure on R&D (BERD) amounted to €917m in 2001, up from €784m in 1999. The average annual growth rate of BERD in the two-year period was 8.2%, compared to a rate of 13.2% in the 1997-1999 period. In real terms, allowing for inflation, the average growth rate was 4% for 1999-2001 and 11.8% for the previous period (1997-1999).

The Institutional Environment

0.14.1 Irish Financial Services Regulatory Authority

The Irish Financial Services Regulatory Authority (IFSRA) was established in May 2003. The Financial Services Regulator is responsible for the regulation of all financial services firms in Ireland. It also has an important role in the protection of the consumers of those firms. Some functions which had until then been part of the remit of this Department, including insurance regulation, some functions of the ODCA and the Office of the Registrar of Friendly Societies transferred to the IFSRA upon its establishment.

0.14.2 County Enterprise Boards

2003 marked the tenth anniversary of the establishment of the City and County Enterprise Boards (CEBs). The CEBs have been very successful over the last ten years in fulfilling their core objective of promoting new micro-business start-ups and facilitating and assisting employment generation in those ventures.

0.14.3 Personal Injuries Assessment Board

The Personal Injuries Assessment Board Act (Number 46 of 2003), which established PIAB on a statutory basis, was signed into law in December 2003. By processing uncontested claims and making awards as appropriate, thereby eliminating the need for litigation costs where legal issues are not in dispute, the PIAB should significantly reduce the cost of delivering compensation. The Interim PIAB, which has the function of facilitating the establishment of the Statutory Board, has made significant progress on the logistics front, e.g. identifying and procuring IT support systems, identifying a suitable premises and identifying staffing requirements. Recruitment to the PIAB commenced in early 2004 (further information is contained under Pillar 3).



Pillar One

Enterprise, Innovation, Growth

We will prioritise investment in science, technology and innovation and the development of the knowledge society.

We will review and update industrial policies and interventions in light of the evolving competitiveness environment, developments in respect of the all island economy, and the need for regional balance. We will implement change where necessary.

We will develop and implement policies to enhance the enterprise environment, leading to the start up and growth of competitive firms, continued foreign direct investment and sustainable development.

1.1.1 During 2003 the Department took a number of actions to fulfil its commitments to enhancing the enterprise environment, implementing change to meet the needs of the evolving competitiveness environment and building for the future through investment in science, technology and innovation.

KEY EVENTS IN 2003

Establishment of Science Foundation Ireland

1.1.2 Science Foundation Ireland (SFI), (www.sfi.ie), was established on a statutory basis in July 2003 under the Industrial Development (Science Foundation Ireland) Act. SFI was set up in 2000 under the aegis of Forfás to establish Ireland as a centre of research excellence in strategic scientific areas related to economic development, particularly in the sciences that underpin Biotechnology and Information and Communications Technologies (ICT's).

1.1.3 To date, SFI has made commitments of over €320 million involving 149 researchers and their teams working in areas such as materials science, nanotechnology, photonics, software engineering, genomics, proteomics and neuroscience.

1.1.4 SFI currently has five major programmes including the SFI CSET (Centre for Science Engineering and Technology) programme which supports research partnerships linking scientists, engineers and industry.

1.1.5 In 2003, the SFI research budget increased by 100% to €70 million and the Tánaiste announced a further increase of 62% to €113 million for 2004.

Research & Development Tax Credit

1.1.6 In 2003, the Budget contained a commitment to introduce in 2004 a tax credit of 20% for incremental R&D expenditure above a specified baseline. The credit will provide an effective incentive to industry to increase R&D without placing an unreasonable burden on the Exchequer. It will help to enhance our competitiveness as a location for new internationally mobile research-related investment,

and will encourage existing overseas and indigenous firms to add research functions to their operations in Ireland or to increase their level of research activity.

European Research Area

1.1.7 Ireland's increased investment in Research and Development activity contributed towards the efforts to create a European Research Area. Enhanced support and information structures were put in place to ensure greater involvement of Irish researchers, industry and SMEs in the EU Sixth Framework Programme for Research (FP6). Preparations for the Irish EU Presidency research agenda in 2004 were successfully completed.

Formation of Enterprise Strategy Group

1.1.8 The Tánaiste launched an initiative to chart our enterprise strategy over the next decade and to ensure that Ireland remains a dynamic economy. In July she announced the formation of the Enterprise Strategy Group under the chairmanship of Mr. Eoin O'Driscoll and gave it a brief to report by the middle of 2004 with a blueprint for an enterprise strategy for growth and employment up to 2010. The Group has been asked to take into account long-term trends in globalisation, our changing cost and competitiveness base and the desirability of an appropriate balance between regions as set out in the National Spatial Strategy. The Group's terms of reference⁵ are to develop a medium term enterprise strategy and to propose and prioritise national policy responses, which among other objectives will:

- Strengthen the competitiveness of Ireland's enterprise environment;
- Promote the emergence of an innovation and knowledge driven economy;
- Sustain those industries already providing employment; and
- Encourage business start-ups and companies with potential for growth.

⁵ Details about the Group, its membership and terms of reference can be found at <http://www.entemp.ie/press03/280703.htm> and <http://www.entemp.ie/press03/010803.htm>



The Tánaiste Mary Harney, T.D. and Mr Eoin O'Driscoll, Chairman Enterprise Strategy Group

Pillar One - Enterprise, Innovation, Growth

- 1.2.2 EMBL is an Inter-Governmental Research Organisation established in 1974 in Heidelberg, Germany by eleven European countries and Israel, who are members of the European Molecular Biology Conference (EMBC). It now has 17 members (including Ireland). Its mission is the development of molecular biology throughout Europe.
- 1.2.3 Membership of EMBL will complement Ireland's significant investment in the biotechnology area by presenting opportunities for research training, networking and enhanced international collaborations. Membership should also have the effect of stimulating the research community in Ireland to strengthen its research capacity, in addition to increasing networking and collaborative activity with scientists in other countries.

1.1.9 To set the context for the Group's work, the Department published a Review of Industrial Policy and Performance in September 2003. This analysis examines the broad policies that have contributed to enterprise success or otherwise over the past number of years and discusses how these have influenced firm growth, development, investment and innovation over recent years.

Sustainable Development Strategy

1.1.10 The Department published a Sustainable Development Strategy in December 2002, which set out a number of recommendations to be implemented over the three-year period 2003-2005. Considerable progress was made in 2003 on the implementation of each of the four priority strategic areas of the Strategy. Details of progress in relation to Climate Change, Competitive Sustainability and Corporate Social Responsibility are set out later in this section, while progress on Departmental Sustainability is outlined under Pillar four.



Dr. Patrick Fottrell, Chairman, SFI, Prof. Frank Gannon, Executive Director, EMBO (European Molecular Biology Organisation), the Tánaiste, Mary Harney TD and Dr Michael Comer, Acting Director, SFI, at the Frontiers of Molecular Biology meeting in Killarney in October 2003.

SCIENCE, TECHNOLOGY & INNOVATION

European Molecular Biology Laboratory (EMBL)

1.2.1 Ireland became a member of the European Molecular Biology Laboratory with effect from 1 January, 2004.

Discover Science & Engineering

1.2.4 The Report of the Task Force on the Physical Sciences recommended that all science promotional activities should be drawn together to maximise effectiveness. A new integrated awareness programme, Discover Science & Engineering, managed by Forfás, to replace and expand on the STI Awareness Programme was launched by the Taoiseach in October 2003. The

aim of the programme is to link and build on existing awareness activities, such as the Journalism Awards, Primary Science Day and Science Week Ireland, in a way that provides a more focused and effective return. The underlying aims of Discover Science & Engineering are to raise the general level of awareness and understanding of the physical sciences amongst the public and to promote a positive attitude towards careers in Science, Engineering and Technology. A new science based television series targeting 15-19 year olds, Scope, was first broadcast in November 2003 under the aegis of the Programme attracting very satisfactory viewing figures.

Exploration Station

- 1.2.5 Exploration Station, a custom-designed interactive learning centre with a predominantly scientific theme for children and young adults, was announced by the Tánaiste in December 2003. Exploration Station will also be an education and outreach centre for teachers and pupils, with exhibits and programmes developed to complement the National Curriculum and will open its doors, subject to necessary planning permissions, in 2006.

European Research Area

- 1.2.6 The Lisbon European Council of March 2000 adopted the ambitious ten-year goal of making the European Union the world's most dynamic, competitive and sustainable knowledge-based economy. The creation of a European Research Area (ERA) is a key component of this goal. To catch up with Europe's competitors in the international research community, the Barcelona European Council, in March 2002, set the Union a target of raising its research investment to as close as possible to 3% of gross domestic product (GDP) by 2010, and that two-thirds of the increased investment should come from the private sector. In April 2003, the European Commission put forward an Action Plan which comprised a broad range of actions in research and innovation policies as well as in other policy areas.

- 1.2.7 During 2003, Ireland worked closely with the Commission to pursue the objective of increasing investment in R&D in the Union. This objective is strategically in line with our national priority to develop a globally competitive and sustainable knowledge-based economy.

- 1.2.8 In April 2003, the Tánaiste established a high level Cross-Departmental Group to assess and agree policy priorities which Ireland should pursue as its contribution towards the creation of a European Research Area and the 3% target. This group is due to report by mid-2004.

EU Sixth Framework Programme for Research (FP6)

- 1.2.9 The EU Framework Programme for Research is the EU's main research policy instrument. It funds collaborative projects involving a mix of researchers and companies from three or more European states on a competitive basis.
- 1.2.10 During 2003 an evaluation of the National Information and Support Structure, which promotes FP6 and assists Irish researchers and companies to participate in the Programme, was completed and its recommendations implemented. The overall performance by Ireland in the first calls under FP6 has shown significant improvement - the national 'take' from the first year of a four-year programme was around €50m, and this outcome is a considerable improvement on FP5 when the total take over its four years was €120m.
- 1.2.11 The Department and its agencies are continuing to step up support actions, particularly in relation to industrial and SME participation which, across the EU, has not been as strong as is desirable. The performance of Irish researchers and companies is being monitored with a view to continuing to strengthen national support actions and to inform the Irish strategy towards participation in the Mid Term Review of FP6 to be conducted at EU level in 2004. In the second half of the year, the Department was also extensively involved in the issue of Guidelines for embryonic stem cell research within the EU framework programme.



Pillar One - Enterprise, Innovation, Growth

Irish Presidency Research Agenda Agreed

1.2.12 The Irish Presidency research agenda was finalised during the year following close consultation with the Commission and Member States, with priority being placed on initiatives to further advance the creation of a European Research Area (ERA). In this context, Ireland will actively support the implementation of the Commission's 3% Action Plan. The Presidency will also seek to progress the debate on the need for an improved level of basic research in Europe and on initiatives to enhance the mobility of researchers in the ERA. European Union Space Policy (examination and implementation of a Commission White Paper) and the international thermonuclear fusion project (ITER) will also be pursued during the Irish Presidency.

Research, Technology and Innovation (RTI) Programmes for Enterprise

1.2.13 The two main research schemes delivered on behalf of the Office of Science and Technology by Enterprise Ireland are the Competitive and Capability schemes. Investment is targeted at increasing innovation and raising the competitiveness levels within Irish companies in order to add economic value to their activities, increasing output and employment levels.

The Competitive Research, Technology Development and Innovation (RTDI) Scheme

1.2.14 The Competitive Research, Technology Development and Innovation Scheme supports research and development undertaken by manufacturing or internationally traded firms in Ireland. In 2003, 197 companies were approved for assistance, of which 147 were in the Southern & Eastern Region and 50 in the Border, Midland and Western Region (BMW). Total approvals amounted to €33.5million.

R&D Capability Scheme

1.2.15 This initiative supports the building-up of a company's R&D infrastructure in the context of a development plan by the company for growing the business. Proposals for investment must represent a clear "step-up" in the development of the R&D function. The total amount approved for assistance in 2003 was €22.4m. Support under this scheme is becoming more equity-based; in 2003, equity as a percentage of total approved was equal to 63% (€14.1m). €20.6m was approved for the S&E Region and €1.8m for the BMW region.

European Space Agency (ESA)

1.2.16 Ireland has been a member of the European Space Agency (ESA) since 1980. The main objective of membership is to assist Irish companies to develop leading-edge technologies through ESA space activities. Ireland participates in ESA programmes in Telecommunications, Launchers, Satellite Navigation, and General Technology support. A strategy of using contracts in these programmes as a developmental tool for industry has continued to introduce an increasing number of Irish companies as first-time contractors to ESA.

1.2.17 In line with this, seven of the Irish companies which secured ESA contracts in 2002 were first-time contractors, reflecting the increasing interest by Irish technology firms in ESA development opportunities. This brings the total number of Irish companies involved in ESA programmes since 1995 to thirty-four. Commercial revenue for participating companies is estimated at approximately €32m in 2003.

1.2.18 Ireland was also an active participant in ESA science programmes in 2002. The large ESA scientific mission 'Integral' was launched successfully on 17 October 2003. Integral is a gamma-ray astronomy telescope intended to survey the distant universe at extreme energies and to understand, for example, the collapse of massive stars into black holes giving rise to gamma-ray bursts. Irish researchers at University College Dublin and the Dublin Institute for Advanced Studies have been working in the 10

year long development of the instrument payload for INTEGRAL, specifically in construction of the Optical Monitor Camera, which is one of the key instruments on the mission.

- 1.2.19 Several Irish research teams have succeeded in participating in projects under ESA's new Life & Physical Sciences Programme, 'ELIPS'. These experiments are intended ultimately to be carried out under microgravity conditions on the International Space Station when it becomes fully operational in a few years time. These projects include studies on magnetic fluids at TCD, alloys at UCD, bone tissue at UCC and aqueous foams at TCD. It is expected that beneficial industrial applications will result from these studies.

Patents (Amendment) Bill

- 1.2.20 At time of writing, the Patents (Amendment) Bill has passed second stage in Dáil Éireann. The main purpose of the Bill is to update the Patents Act 1992, so that it accords with the provisions of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).
- 1.2.21 Work has been undertaken to identify changes needed in Irish legislation to give effect to the revision of the European Patent Convention and to the Patent Law Treaty, additional international obligations that arose after the publication of the Bill, as well as certain miscellaneous amendments to other intellectual property legislation. A revised scheme of the Bill will be submitted to Government in early 2004.

ENTERPRISE POLICY

Applied Research Enhancement

- 1.3.1 Following consultations with the Office of Science and Technology (OST) and the Monitoring Committee of the Productive Sector Operational Programme, the Enterprise Ireland Board approved the Applied Research Enhancement initiative for the Institutes of Technology in the Border, Midland & Western (BMW) Region. The initiative is designed to enhance the applied research capabilities within the sub regions of the BMW

region, with a particular focus on those areas where the research funding accrued in the previous five years is below €5m. The purpose of the action is to create and sustain applied research of value to the locality in the broadest sense. A budget of €2 million has been agreed for a pilot phase of the project.

Innovation Management

- 1.3.2 The Champions of Innovation Programme, which was piloted in 2002 to provide advanced training to practitioners in the provision of innovation services, was re-run in 2003 with an additional module under which attendees are prepared for the internationally-recognised Product Development and Management Association's (PDMA) New Product Development Professional (NPDP) certification. The development of this module was in response to calls from experienced Research & Development practitioners for further development and testing of skills.

Research & Development Awareness

- 1.3.3 Following a successful pilot phase of the Research & Development Awareness initiative, the initiative was again run for 2003 to 2004. In the pilot phase a total of 260 companies with historically low levels of R&D expenditure attended information meetings around the country.
- 1.3.4 167 companies were supported under the scheme. 74 assisted companies went on to submit Research, Technology and Innovation (RTI) applications. In addition to the RTI scheme, 18 companies have indicated that they will submit applications under the Feasibility Study Grant Scheme and 4 under the R&D Capability Initiative.

Productive Sector Operational Programme (PSOP)

- 1.3.5 As an Intermediate Body under the Productive Sector Operational Programme, the Office of Science and Technology's responsibilities include the submission of claims for funding from the European Regional Development Fund (ERDF). The Office submitted ERDF claims amounting to €45,521,221 in 2003.



INDUSTRIAL POLICY

Publication of triennial reviews of industrial policy and performance

- 1.4.1 The basis for any meaningful evaluation of industrial policy is an assessment and understanding of business performance and the contribution of enterprise to our economic and social prosperity. Businesses are influenced both by the international environment in which they trade and the impact national policies have on shaping their operating environment, especially those which assist firms to grow and develop.
- 1.4.2 In September, the Department published the Review of Industrial Performance and Policy 2003, which provided an analysis of how our economy, enterprise sector and enterprise environment has developed over the past decade. The Review was prepared in compliance with section 13 of the Industrial Development Act 1993, which provides for the preparation of triennial reviews of industrial performance and policy. Though the Review surveyed policy developments, it did not enunciate any major policy changes or set out new directions for enterprise policy. Rather it aimed to provide a detailed, baseline set of information against which the Enterprise Strategy Group could assess the impact and effectiveness of present enterprise policies and prioritise new initiatives to inform and guide future Departmental and Government strategy in this area.

IDA Ireland

- 1.4.3 IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment to Ireland. The Agency, through its project divisions and network of local and overseas offices, is actively marketing Ireland - including individual areas and regions - to overseas investors as a potential location for foreign direct investment.
- 1.4.4 IDA Ireland supported companies continue to be a critical driving force in the economy. In 2002, IDA supported companies spent €14.7 billion in the Irish economy from their annual sales of €69.3 billion and exports of €65.2 billion⁶. The total grants paid by IDA Ireland to its client companies were €94.9 million in 2003. The Corporation Tax

contribution by IDA Ireland backed companies in 2003 reached over €2.5 billion, up somewhat on the 2002 outcome of over €2.4 billion.

- 1.4.5 9,182 new jobs were created during 2003 in IDA-supported companies, which is on a par with job creation in the mid-nineties. There was a net loss of 3,011 jobs in the year. At 12,193, gross losses were disappointing but showed a continued slowing of the job loss trend seen in 2001 and 2002. Total employment is now just short of 129,000 in IDA-supported companies, which is 40% higher than at end 1995. The areas of growth during the year were in pharmaceuticals and medical technologies and in international services, while electronics and engineering and other manufacturing had declining job numbers. Job trends reflect the move of lower value activities to lower cost locations and their replacement by higher value business.
- 1.4.6 While acknowledging that 2003 was a tough year for inward investment, there were continuing improvements from the results of 2002. In 2003, 64 greenfield and expansion projects were secured, compared with 55 in 2002. Of the 64 projects secured, 21 projects are to locate in the BMW Area and 43 projects in the S&E Area. These projects will be engaged in a range of sectors, including international services, pharmaceuticals, medical technologies, ICT and engineering.
- 1.4.7 A major part of IDA Ireland's work during 2003 focused on consolidating and building on the strategic importance of the more than 1,000 existing IDA Ireland supported companies. The aim is to ensure that IDA client companies continue to become more fully embedded in the Irish economy and contribute more to overall corporate success. In particular, progress was made with existing companies in adding high value research activities to their Irish operations.
- 1.4.8 During 2003, twenty-three companies added significant new functions to their operations in Ireland and thirty-nine R&D investments, totalling over €100 million, were approved for IDA companies. Nearly half of all IDA-supported companies now have some expenditure on R&D and 7,300 people are engaged in this activity.

⁶ Latest available figures from the Annual Forfás Employment Survey

1.4.9 A Steering Group chaired by the Department and including representatives from the Department of Finance, Forfás, IDA Ireland and OPW was formed in September 2002 to carry out an expenditure review of IDA Ireland's Property Portfolio. Eleven meetings of the Steering Group took place during 2003. Work on the Report is at an advanced stage and is now scheduled to be completed in 2004.

Enterprise Ireland

1.4.10 Enterprise Ireland (EI) launched a revised funding approach in 2003 that is simple to access, is more appropriate for the changing economic environment in which its client companies are operating and more directly reflects Government policy. Some key features of the new approach were the expansion of risk-sharing with clients through the provision of equity based finance to early stage start-up companies; increased emphasis on Research & Development and Training; and the introduction of more favourable packages for companies in the BMW and S&E Regions.

1.4.11 Repayable funding via equity finance to EI companies accounted for almost 32% of all approved company investment in 2003, up 2 percentage points on the position in 2002.

1.4.12 A significant improvement in the regional share of projects was achieved by EI in 2003 compared with 2002. In terms of new start-ups, the proportion establishing outside Dublin increased from 35% to 50% of the total, while the BMW region increased its share marginally from 20% to 21%.

1.4.13 Regarding significant new investments, the number of such projects approved to companies outside Dublin increased from 52% to 63% and in the BMW area from 24% to 29%. In value terms, the position is even more dramatic, rising from 48% to 63% outside Dublin and from 20% to 24% in the BMW area.

1.4.14 Under the National Development Plan 2000-2006, Enterprise Ireland has committed €95m to 15 new Venture Capital Funds, managed by the private sector and with a particular focus on regions and sectors. During 2003, all Funds (established

during the preceding 2 years) were fully operational and continuing to make investments. These funds will leverage over €400m in total investment in start-ups and early stage development businesses.

1.4.15 The challenging conditions facing Irish industry continued for much of 2003 with some improvement in international markets indicated in the 3rd quarter - a trend that gathered pace towards the latter end of the year.

1.4.16 According to the Forfás Annual Employment Survey, as a result of these improved conditions and rising confidence, gross job gains among EI client companies amounted to 11,207. These, however, were offset by losses of 14,413 leading to a net fall of 3,206 overall. These losses, however, were less than anticipated and dramatically down on 2002, which recorded the highest losses in 10 years. This indicates that the scale of jobs losses has bottomed out and that a more upbeat prognosis for employment is likely going forward.

1.4.17 The most resilient sector in 2003 was the food sector where employment levels held up well and which saw a marginal increase in employment over the previous year. While virtually all other sectors saw a net fall in jobs numbers, the strongest decline was experienced in clothing/footwear (down 13%) and textiles (down 24%), which highlights the ongoing decline in these industries.

1.4.18 Metals and Engineering also showed a decline of 3%; however the most dramatic result was in the International Services area, which showed its first ever net loss (3.6%) in employment. For over 10 years this sector has enjoyed strong growth, in some instances at high double-digit levels. While employment growth was modest in 2002, the net fall in 2003 is a strong indication of the severe pressure on the sector, which was sustained throughout last year.

1.4.19 The Forfás Annual Business Survey is currently underway and preliminary results are expected to be available during April 2004. It is expected that Enterprise Ireland client exports may slightly undershoot the target of €1.1b in new business, although in overall terms sales and exports are expected to be of a similar order to the 2002 outturn.



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- 1.4.20 This comparatively benign result was underwritten by a heavy focus in 2003 on Enterprise Ireland generating and following up export sales leads in conjunction with clients. In this regard, over 9,000 meetings between clients and potential buyers were facilitated by the agency, leading to the establishment of over 800 new customers, distributors or partners for clients. Over 160 clients secured substantial business in new export markets and over 150 established new overseas offices to drive their international sales. All outturns in this area exceeded both EI's targets and the 2002 outturns.
- 1.4.21 In mid 2003, Enterprise Ireland introduced a €10m dedicated Competitiveness Fund to support SMEs, particularly in the more traditional sectors, to improve their productivity and competitiveness and thus their prospects for maintaining or increasing their export business. The fourth and final call for proposals under the fund closed on 6 February 2004 with over €7.5 million already committed to Irish firms.
- 1.4.22 Work on the Review of Enterprise Ireland's Overseas Office Network began in October 2002. The data collection exercise is now complete. This has involved:
- A comprehensive survey of Department of Foreign Affairs' (DFA) missions and Enterprise Ireland's Overseas Offices;
 - An independent survey of EI clients to aid assessment of the network's impact; and
 - The establishment of focus groups to gather the views of EI domestic staff on the effectiveness of the overseas network.
- 1.4.23 Drafting of the Review is currently underway. The Department has met with industrial representative bodies to obtain their input. The Review is scheduled for completion in April 2004.

Shannon Development

- 1.4.24 In 2003, the number of assisted companies in Limerick was 300, in North Tipperary 70, South Offaly 21, North Kerry 87 and Clare 132 (all indigenous). The number of assisted companies in the Shannon Free Zone was 118.
- 1.4.25 1,499 jobs were created in Shannon Development assisted companies in 2003 - 1,000 by indigenous enterprise clients and 499 at Shannon Free Zone (SFZ). Against a difficult international economic environment, there were job losses of 1,713 in assisted companies giving a net decline of 214 in employment levels.
- 1.4.26 In 2002, indigenous industry sales increased by 3% in monetary terms and SFZ Sales decreased by 5%. The total sales for Shannon Development assisted companies decreased by 2.1%. It is expected that 2003 will show an improvement in both cases.
- 1.4.27 Research and development expenditure by indigenous companies in the Shannon region grew from €35m in 2001 to €40m in 2002. Additionally, R&D as a percentage of sales increased from 1.9% in 2001 to 2.2% in 2002 (a 16% increase). R&D expenditure for Shannon Free Zone companies grew significantly from €37m in 2001 to €47m in 2002 while R&D as a % of sales grew from 1.3% to 1.7%.
- 1.4.28 Other data also show that indigenous industry exports grew by 7% in monetary terms in 2002, SFZ exports decreased by 5%, and that total exports for Shannon Development assisted companies decreased by 2.7%.
- 1.4.29 There were 31 closures of indigenous industry assisted firms in 2003, and 4 in the Shannon Free Zone.

City and County Enterprise Boards

- 1.4.30 Under the Border, Midland and Western, and the Southern and Eastern Regional Operational Programmes of the NDP for 2000-2006, the County Enterprise Boards (CEBs) continued to support the development of micro-enterprises with a progressive move to non-financial supports such as advice, mentoring, and management development. Where finance was provided, this was increasingly in the form of equity and refundable grants. The Boards gave priority to manufacturing and internationally traded services companies, which over time may develop into strong export entities.
- 1.4.31 The independent mid-term evaluations of the two Regional Operational Programmes, carried out in 2003, showed that measures to support the micro-enterprises were performing well and had met their physical and financial targets.
- 1.4.32 During 2003⁷
- A total of €11.8m was approved in grants to 992 projects, of which 728 are classified as start-up enterprises and 264 are classified as expansions;
 - €1.73m was committed in equity for 39 projects;
 - €2.83m was committed in refundable aid to 200 projects;
 - €12.28m was paid in grants;
 - 1,576 net jobs were created.

Review of the role of the CEBs in the development of micro enterprises

- 1.4.33 In July 2003 the Department, in association with Forfás, engaged the consultancy firm Fitzpatrick Associates to carry out a review of the role of the CEBs in the development of micro enterprises. The report, completed in November 2003, reflects positively on the performance of the CEBs. The recommendations contained in the report are currently being examined by the Department.

Late Payment in Commercial Transactions

- 1.4.34 During the year the SME Unit of the Department carried out a survey of Irish business to obtain information on payment practices generally and to establish the level of awareness and effectiveness to date of the European Community (Late Payment in Commercial Transactions) Regulations 2002.
- 1.4.35 The survey showed, firstly, that there was a very high level of awareness of the Regulations among respondents (82%). It also found that since the Regulations came into operation, there had been an increase (7%) in businesses paying their bills within 30 days.

North/South Co-operation

- 1.4.36 During 2003, North-South economic co-operation was progressed through the implementation of the mandated work programme of Inter *Tradel*reland, one of the six all-island bodies established under the Good Friday Agreement. A number of initiatives were launched in 2003 to enhance the development of the island economy. These included:
- the launch of ACUMEN, an all-island business development programme designed to stimulate cross-border trade amongst small to medium sized enterprises on the island of Ireland;
 - the first All-Island Competitiveness Forum, which examined the competitiveness challenges facing North and South, and
 - the launch of www.expertiseireland.com, a gateway to the island's knowledge base which is a significant addition to highlight the world-class research capability that exists on the island of Ireland.
- 1.4.37 The Tánaiste and the Minister for Trade and Commerce both delivered keynote addresses at a number of high profile business events, including events organised by Inter *Tradel*reland, encouraging business to grasp the opportunities of trading on an all-island basis. These included the Derry Chamber of Commerce and the launch of ACUMEN.

⁷ Figures are provisional and may be subject to change



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- 1.4.38 Arising from the suspension of the Northern Ireland Assembly, the North/South Ministerial Council cannot meet. As a consequence, the British-Irish Agreements have been amended. The amendments provide that, during the period of suspension of the North/South Ministerial Council, the British and Irish Governments take joint decisions, when appropriate, on matters relating to Inter *Tradelreland* and the other North South Implementation Bodies. No additional functions can be conferred on the North South Implementation Bodies during this period.
- 1.4.39 In accordance with these procedures, the Tánaiste was a party to the following joint Ministerial decisions in relation to Inter *Tradelreland* during 2003:
- Appointment of Board Members;
 - Recommended budget for 2003 and projected budgets for 2004-05;
 - Approved Business Plan for 2003;
 - Approved Annual Report & Accounts for 2002;
 - Approved Business Plan for 2004, and
 - Recommended budget for 2004 and projected budgets 2005-06.
- 1.4.40 The Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in Northern Ireland jointly fund Inter *Tradelreland*, and both Departments maintained ongoing liaison during the year.
- 1.4.41 Inter *Tradelreland*'s strategy is to lead the development of the island economy through distinctive knowledge-based interventions, which will produce significant returns in the areas of cross-border trade and business development. Its projects are designed to develop the capability of businesses to trade across the island by increasing the stock of knowledge and information required by businesses and policy makers, and by improving the flow of such knowledge to those who can use it to create value. Inter *Tradelreland* works in close partnership with the economic and industrial development agencies across the island.
- 1.4.42 Inter *Tradelreland* delivered projects covering Trade Awareness, Trade Development, Business & Economic Research, Micro-Enterprise Support, Private Equity, Science & Technology, All Island Benchmarking and Supply Chain & Cluster Development. Specifically, Inter *Tradelreland*'s activities in 2003 included:
- the provision of financial, legal and market information to more than 1,500 companies to enhance their ability to trade on an all-island basis;
 - the provision of direct financial support to selected companies seeking to expand their businesses on an all-island basis, through the FOCUS and ACUMEN projects;
 - the creation of nine strategic all-island partnerships, covering industrial sectors, universities and economic development agencies. These include task forces addressing all-island science & technology issues and the Digital Island project;
 - the establishment of more than 60 technology transfer projects involving businesses and research institutes across the island through the FUSION project;
 - the creation of unique projects such as the all-island Research and Development portal (www.expertiseireland.com), which has been developed through collaboration with the nine universities on the island, and the first all-island Seedcorn Competition, part of the Inter *Tradelreland* EquityNetwork project;
 - the preparation and publication of Business & Economic Research Reports such as North/South Trade Statistics, Quarterly Trade & Production Monitors, Market Sector Reports and Case Studies. The focus of these reports is to describe the collaborative competitive advantages of working in the context of an all-island economy and market; and
 - the promotion of trade awareness and the creation of business opportunities through a programme of all-island awards and events in partnership with other economic development agencies across the island, including the organisation of the first major conference addressing all-island competitiveness.

- 1.4.43 The development of the all-island economy will continue to be a priority in 2004.

Responding to Competitiveness and Sector Specific Issues

- 1.4.44 Continuing vulnerability to low cost competition and exchange rate movements (strong Euro against the dollar and sterling) were important factors to continuing significant job losses in 2003 through closures and downsizing of overseas and indigenous enterprises.
- 1.4.45 Where such job losses occurred, the State Agencies under the aegis of the Department worked closely with the companies affected and with local interests in addressing the difficulties arising and seeking alternative job opportunities. In this context, FÁS played a key role in providing a comprehensive service to workers affected, including skills analysis, training / retraining programmes and job placement services. The other State Agencies were actively involved in attracting replacement industry and encouraging the expansion of existing enterprises with a view to providing alternative employment.

Utilisation of intellectual property

- 1.4.46 Following initial work in 2002, the Department organised a number of meetings in 2003 with industry representative bodies and relevant State Agencies to establish whether a problem existed in regard to intellectual property (IP) awareness and if so, how this might be addressed both in the SME sector and in the Universities. It was concluded that the issue was multi-faceted in that under-utilisation of IP stemmed not only from any possible lack of awareness of IP protection, but was also inextricably linked with the concept of innovation. It was noted that Enterprise Ireland and Science Foundation Ireland are already playing an active role in changing the mind-set of universities in relation to commercial exploitation and patenting, with progress in the right direction, albeit slow. The Department saw private sector initiatives, such as that of the Irish Exporters Association, as beneficial in upping the ante of IP awareness. A small number of specific recommendations fall to be progressed in 2004.

eBusiness and the development of an e-friendly regulatory framework

- 1.4.47 The Department secured and managed Information Society funding of €1.6m for eBusiness support initiatives during 2003. The objective of developing an e-friendly regulatory framework was advanced by the transposition into Irish law of the outstanding provisions of the Electronic Commerce Directive 2000/31/EC in February 2003. In December 2003, the Department established a project group to review the policy approach taken to date and to develop a new strategy to encourage and assist SMEs, including microenterprises, to use eBusiness to increase their competitiveness.



The Tánaiste, Ms Mary Harney, TD and Mr Dan Flinter, former CEO Enterprise Ireland at the launch of Enterprise Ireland's "Practical eBusiness".



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Report on specific activities undertaken

- 1.4.48 The eBusiness and IT Enablement Programme was launched by Enterprise Ireland in May 2003. Under the programme SMEs were provided with assistance to assess their eBusiness/IT strategy requirements. A campaign to increase the awareness among small companies of the benefits and importance of engaging with eBusiness was also launched in December. The campaign is being delivered through Enterprise Ireland's enhanced website www.openup.ie.
- 1.4.49 Funding was also provided to the Chambers of Commerce of Ireland to undertake a further project in 2003, focused on raising awareness and providing training in e-procurement as the main impetus to the use of ICTs among SMEs.
- 1.4.50 Shannon Development was supported to commission a detailed and integrated regionally-focussed strategy for demand stimulation activity to complement Shannon Broadband supply-side activities.

Use of ICT

- 1.4.51 The 2003 CSO Enterprise ICT survey⁸ found that 95% of all enterprises, with 10 or more persons engaged, use computers. 86% of such enterprises use the Internet. 43% of such enterprises made purchases by e-commerce (Internet and EDI) in 2002. Such purchases accounted for 5% of the total purchases by those enterprises. 27% of enterprises had sales via e-commerce. These sales accounted for 18% of total turnover in such enterprises.

COMPETITIVENESS ENVIRONMENT

National Competitiveness Council

- 1.5.1 The National Competitiveness Council (NCC) published its sixth Annual Competitiveness Report and the Competitiveness Challenge 2003 in December 2003. The report highlights five key areas of concern that need to be addressed in order to improve our competitiveness. The areas, which are listed below, contain specific recommendations for action:

- Business and Work Environment;
- Economic and Technological Infrastructure;
- Education and Skills;
- Entrepreneurship and Enterprise Development;
- Innovation and Creativity.

- 1.5.2 The Government has decided to review the implementation of the NCC's recommendations every six months. The Department was charged with establishing a light monitoring regime to oversee the implementation of these recommendations and to report back to Government by June 2004.

National Statement of Trade Policy

- 1.5.3 A draft revised National Statement of Trade Policy was prepared and circulated to relevant Government Departments for comment in December. Production of the Statement, scheduled for the end of September, slipped due to the internal restructuring of the Department, a staff shortage in Forfás, our partner in the production of the draft, and a need to take account of the outcome of the Cancun WTO Ministerial meeting.
- 1.5.4 During 2003, the Tánaiste and the Minister for Trade and Commerce each participated in fourteen separate trade promotion missions in fifteen countries.

Control of trade in military and dual-use goods

- 1.5.5 The review of arrangements for the control of trade in military and dual-use goods has been carried out in two phases. Phase one, the results of which were published in August 2003, involved a short review of the current licensing system. It identified perceived gaps in operational procedures and a number of other issues requiring further consideration.
- 1.5.6 Phase two constituted a more detailed review of the licensing system. This involved:
- a public consultation process;
 - discussions with Government Departments,

⁸ Central Statistics Office Information Society Statistics - Ireland 2003 report - November 2003. Note the survey was conducted in March 2003.

agencies, international organisations, specialised agencies, users of the system and other interested parties;

- establishing international best practice. In this regard, a number of countries were selected against which our systems would be benchmarked. These included the US, the UK, Sweden and Austria.

- 1.5.7 The Review is expected to be completed by April 2004.

Recommendations in the Forfás Report 'Legislation for Competitive Advantage in eBusiness and ICTs' in relation to intellectual property

Patents

- 1.5.8 The Department was identified as the appropriate actor on two recommendations on patents. An initial examination of these recommendations suggests that there is little or no scope to action them, given in particular developments at EU level.

- 1.5.9 The general thrust of the recommendations in relation to patents was towards a US-style patents regime where business methods are patentable. Business methods and computer programs 'as such' are excluded from patentability under the provisions of the European Patent Convention, of which Ireland is a member. The proposed Directive on the patentability of computer-implemented inventions (see Pillar five) aims to harmonise the application in the EU Member States of the rules in this area, as divergences had arisen in interpretation in the Member States. However, the Directive will not change the underlying criteria for patentability, and the prohibition on the granting of patents for business methods and computer programs 'as such' is unaffected. Ireland could not unilaterally permit more liberal patentability criteria, even if it wished to do so. In addition, the rights given by such patents would be limited to Ireland and offer no extra-territorial protection.

- 1.5.10 A second recommendation related to the establishment of a Community Intellectual Property Court and suggested that the Government should seek to have the Court of First Instance of this Court based in Ireland. The proposed jurisdictional

arrangements for the Community Patent, as agreed in its common political approach of 3 March 2003 by the EU Competitiveness Council, envisage the establishment of a judicial panel to be called the 'Community Patent Court'. The Community Patent Court will be attached to the Court of First Instance of the Court of Justice. Its seat shall be at the Court of First Instance, which is in Luxembourg.

Stamp Duty

- 1.5.11 A further recommendation of the Forfás Report related to the need to examine the case for the removal of stamp duty on intellectual property transfers in Ireland. While this is primarily actionable by the Department of Finance and the Revenue Commissioners, this Department engaged in discussions with those parties in 2003 in support of the case for the abolition of stamp duty on Intellectual Property transfers. The rationale is that as Ireland wishes to develop as a location base for the innovation and knowledge-based industry sector, it is necessary to create the enabling environment to encourage those industries to locate here. In the context of the 2003 Budget, it was announced that transfers of intellectual property such as copyright, patents and trade marks would be exempted from stamp duty.

Round Table for Small Business



Minister for Trade and Commerce, Mr Michael Ahern, TD, and Mr Brendan Finucane, Executive Director (Technology Development) at the Enterprise Ireland Competitive Advantage Conference.



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- 1.5.12 Two meetings of the Department's Round Table for Small Business were held during 2003. The objective of the Round Table is to facilitate exchanges of information and ideas on issues affecting the small and medium sized enterprise sector.
- 1.5.13 A Round Table was held on 9th June 2003 to discuss the National Competitiveness Council's Statement on Inflation⁹ and the EU Commission Green Paper on Entrepreneurship¹⁰. Inflation was one of the most contentious issues in the negotiations between the Social Partners which led to the Sustaining Progress Social Partnership Agreement in early 2003.
- 1.5.14 The Round Table held on 25th November 2003 discussed changes proposed in relation to public procurement and, in particular, implementation of the National e-Procurement Strategy. There was also a presentation and discussion on innovation and investment in research and development in Ireland.

Climate Change

- 1.5.15 The Department continued to assist in the development of measures to enable the industry sector to meet its commitments under the Kyoto Protocol and the National Climate Change Strategy, including:
- Participation in negotiations on the EU Directive on Emissions Trading, which was finalised in October 2003, with the trading scheme due to begin in 2005. The Department was actively involved in the interdepartmental discussions leading to recommendations to Government on the establishment of national institutional arrangements for emissions trading. The Environmental Protection Agency is responsible for implementing the Emissions Trading Directive in Ireland, including preparation of the first National Allocation Plan by March 2004, as well as setting up systems to monitor emissions and track trades and holdings of greenhouse gas emissions allowances. To implement the Directive the Department, along with other relevant Departments, worked on the Steering

Committee overseeing the work of consultants (ICF & Byrne O'Cleirigh) engaged to assist the Government in deciding the portion of Ireland's total emissions allowances to be given to the trading and non-trading sectors. The consultants' report was finalised in January 2004.

- Participation in continuing negotiations on the EU Commission proposal for a Directive linking the Kyoto project-based mechanisms, Joint Implementation and Clean Development Mechanism, to the EU Emissions Trading Scheme.
- Sustainable Energy Ireland published its final report on the Negotiated Agreements Pilot Programme in September 2003. This report will be taken into account by the Department in continuing to develop mechanisms for industry to reduce emissions.
- Continued engagement with the Department of Finance, other relevant Departments and agencies and industry on the development of a framework for carbon taxation. The Department submitted a response to the Department of Finance Consultation Paper on Carbon Taxation in September 2003.
- Establishment of the Industry & Climate Change Working Group to assist in information sharing and capacity building, as well as facilitating further engagement with industry and other relevant Departments and agencies on climate change issues. The Group acts as a consultative forum to brief the Department on various climate-related policy issues arising for the industry sector.

Competitive Sustainability

- 1.5.16 The Department commissioned research to investigate factors influencing the take-up by Irish enterprises of funding available under various grant schemes relating to sustainable production, technology, innovation and practices. The completed report will help identify how such factors might be addressed in order to increase the level of participation in relevant funding programmes. It is hoped to apply the

⁹ Available online at: http://www.forfas.ie/publications/pricing_inflation_2003/0305_statement_on_inflation_72dpi_s.pdf

¹⁰ Available online at: http://europa.eu.int/eur-lex/en/com/gpr/2003/com2003_0270en01.pdf

recommendations to achieve an increase in the number of SMEs availing of financial initiatives to improve their environmental performance.

- 1.5.17 The Department is working with the County Enterprise Boards to increase awareness of environmental and sustainability issues in micro-enterprises. This has resulted in a specific project being initiated by Sligo County Enterprise Board.
- 1.5.18 The Environment Unit is actively involved in Department of Environment, Heritage and Local Government committees relating to waste and other issues.
- 1.5.19 Details of activities undertaken in relation to EU draft legislation are set out under Pillar five.

Corporate Social Responsibility

- 1.5.20 The Environment Unit assisted Enterprise Ireland in the development of their environment information website, www.envirocentre.ie, which provides information on environmental matters to Irish businesses, with the aim of improving environmental practices in enterprises.
- 1.5.21 The Environment Unit participates on the judging panel for the ACCA Environmental Reporting Awards. This initiative has helped to promote the concept of reporting on environmental impacts and a representative cross-section of businesses are now participating in the scheme.
- 1.5.22 Assistance has been provided to the National Standards Authority of Ireland in relation to the Eco-label scheme.
- 1.5.23 The Department continued to participate in the EU High Level Group on Corporate Social Responsibility (CSR), with a view to exchanging best practice on CSR. The Department also made a presentation at the Italian EU Presidency conference in Venice in November, which was the third in an EU series on CSR.

Consultation mechanism with overseas industries

- 1.5.24 The Tánaiste and officials met with companies and representative organisations, in particular the ICT, Pharmaceutical and Medical Devices Sectors, to discuss factors impacting on business competitiveness. Issues of concern addressed included the cost environment for business, education / skills, infrastructure (including energy, transport, broadband and waste) and R&D.

Strategies and supports to grow and develop the biotechnology sector.

- 1.5.25 In December 2003, the Department completed an analysis of factors impacting on the development of the Biotechnology Sector. The Department also participated in continuing discussions/monitoring on the EU Strategy and Action Plan for the Biotechnology Sector in order to facilitate its development.

EU Tariff Suspensions Scheme

- 2.5.26 This scheme provides that companies can avail of duty suspensions on imports from outside the EU of raw materials/components used in further processing by the micro-electronics and pharmaceutical/chemical sectors. The Department continued to represent the interests of Irish industry in 2003 in the scheme. Duty savings of many million euros accrue to Irish industry on foot of suspensions negotiated in 2003 and in previous years that are still in force.



Pillar Two

Quality Work and Learning

We will ensure that labour market policy responds to changing skills needs and we will prioritise investment that delivers better jobs, lifelong learning for all and enhanced social inclusion.

We will further enhance quality employment by improving and enforcing employment rights and entitlements and promoting industrial peace and effective dispute resolution.

- 2.1.1 In a rapidly changing labour market, the imperative to provide the greatest range of training and employment opportunities to the greatest range of people continues to be a priority. We strive to ensure that our policies respond to shifting skills needs, and that our interventions are targeted at delivering better jobs, greater social inclusion and lifelong learning for all. We endeavour to support quality employment by improving and enforcing employment rights and entitlements and promoting industrial peace and effective dispute resolution.

KEY EVENTS IN 2003

EHRDOP Mid Term Evaluation

- 2.1.2 The Mid Term Evaluation of the Employment and Human Resources Development Operational Programme, which will invest a total of €14.2 billion in education, skills training, social inclusion and employment supports over the period 2000-2006, was completed in August 2003. The evaluation concluded that there is a continuing strong degree of concordance between national policy formulation in relation to the labour market and the priorities and guidelines of the European Employment Strategy.

Work Permits

- 2.1.3 The year 2003 was exceptionally demanding and productive in the area of economic migration. A record 47,500 work permits were issued, compared with 40,300 in 2002. However, the disaggregated figures are more meaningful and show that, of the total, 25,000 permits were renewals and a further 3,555 were in respect of persons already in the state but changing employer. Accordingly, only about 19,000 persons are likely to have come into the State on foot of the total output of 47,500 permits issued. Furthermore, as 38% of the 40,300 permits issued in 2002 were not renewed, some element of the new arrivals in 2003 is likely to have constituted replacement personnel for persons who had left the State. In summary, the net addition to the overseas workforce in the State is likely to have been much smaller than the headline output figures might suggest.

eBusiness - Work Permits Online

- 2.1.4 In November 2003 the Secretary General approved revised proposals governing how the Work Permits Section would deliver its online service. Following extensive consultations with external agencies and the establishment of data sharing agreements, tender documents for the design phase of the new system will be completed and published in February of 2004. It is anticipated that the development contract will be awarded by October 2004 and that the project will be completed and implemented by May 2005.

FÁS Budget, Activities and Modernisation Programme

- 2.1.5 In 2003, FÁS expenditure was €814.2m which was comprised of €222m from the National Training Fund and €592.2m from the Exchequer/ESF. The most recent draft figures from FÁS indicate that during 2003 a total of 75,911 people participated in training and employment schemes, of which 31,815, or 42%, were long term unemployed. FÁS also continues to implement its modernisation programme, and the FÁS progress report on its action plan required under Sustaining Progress was examined by the Department and subsequently approved.

Ability '03

- 2.1.6 Ability '03, sponsored by this Department and organised by the Aisling Foundation, took place at Dublin Castle on 30 April 2003. The conference was promoted by the Aisling Foundation (www.aislingfoundation.org) as a platform event to help Irish business employers become more aware of the extensive untapped talent and business potential in employing people with disabilities.



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- 2.1.7 The target audience consisted mainly of Ireland's leading CEOs and HR Directors to highlight at that level the potential of people with a disability for the labour market. Ability '03 was conceived as a showcase of capability, to answer employers' questions surrounding disability in the workforce, and increase specific awareness of government initiatives, including grants and supplements.
- 2.1.8 The event was opened by the Tánaiste and included a number of national and international viewpoints presented by, among others, Peter Sutherland, Chairman and Managing Director, Goldman Sachs International; Prionsias de Rossa, MEP, and Kay Allen BSKyB.
- 2.1.9 The second edition of an information guide for private sector employers called "Ready, Willing and Able", a joint publication between FÁS, the Aisling Foundation and IBEC, was launched at the Conference. Available through FÁS and IBEC, the booklet is also accessible on the Departments website under Publications.
- 2.1.10 The booklet is intended as a guide to employers to help simplify the process of hiring people with disabilities, and outlines: the benefits of employing people with disabilities; information employers need for hiring a disabled person; the range of state supports available to private sector employers when employing a disabled person, or when retaining an employee who has acquired a disability.
- 2.1.11 Access Ability, a concept that originated with Gandon's Workpath services (Gandon is part of the Rehab Group), was also launched at the Conference. This is a new consultancy organisation funded under the EQUAL programme (further information in Pillar Five) to assist organisations recruit and work effectively with employees who have a disability. The consultancy will work in partnership with the Aisling Foundation. For further information contact www.accessability.ie.

Merger of Expert Group on Future Skills Needs and National Training Advisory Committee

- 2.1.12 Following deliberations conducted during 2003, the National Training Advisory Committee was merged with the Expert Group for Future Skills Needs in January 2004. Ms Anne Heraty was appointed as the new Chairperson of EGFSN for a period of three years, with immediate effect, to replace the previous Chairperson, Dr Daniel O'Hare.
- 2.1.13 There are very significant synergies between the work of the EGFSN and the work of the National Training Advisory Committee. The EGFSN had previously advised Government on skills and labour supply issues for the enterprise sector and made recommendations on the steps required to address Ireland's skills needs. The NTAC provided independent and strategic advice in relation to training people in employment. It has been forecast that approximately 80% of people who will make up the workforce of the knowledge economy in Ireland in 2015 are already at work. In this light, training and education of those already in employment will become increasingly important in terms of Ireland's ability to provide industry with the right number of people with the right mix of skills.

Forum on the Workplace of the Future

- 2.1.14 The Forum on the Workplace of the Future was established on 6 October 2003. It aims to foster in-depth discussion of how workplaces can best adapt to competitiveness pressures, improve the delivery of services and respond to the changing needs and preferences of employees. The Department contributes to the work of the Forum in identifying and addressing workplace change issues through its participation on the Steering Committee and on the Forum's Public Sector Panel.

Conformity with EU legislation requirements

- 2.1.15 Ireland is in conformity with all EU legislation requirements in the employment rights area with the exception of those relating to exempted sectors under the Organisation of Working Time regime, where the Department is assisting other Departments to attain conformity.
- 2.1.16 The year 2003 saw a significant improvement in Ireland's conformity with EU health and safety requirements, with the transposition of fourteen Directives and the putting in place of an ongoing rolling programme to ensure timely implementation. Legislation covering fixed-term employees was enacted, the Redundancy Payments Acts were amended and regulations were made on the protection of employees on the transfer of undertakings.

Industrial Relations (Amendment) Bill 2003

- 2.1.17 The Industrial Relations (Miscellaneous Provisions) Bill 2003 was published in July and passed its Second Stage in the Dáil in November. It enhances existing dispute-settling procedures in cases where arrangements for collective bargaining are not in place.

Social Partnership Agreement - Sustaining Progress

- 2.1.18 The Industrial Relations Unit represented the Department of Enterprise, Trade and Employment in the negotiations on a new National Agreement. The new Agreement - Sustaining Progress - was ratified on 26 March 2003. The Department continues to play a key role in monitoring progress on the implementation of the Agreement through the provision of progress reports and participation at Plenary and Steering Group meetings.

TRAINING AND EMPLOYMENT SUPPORTS

National Training Fund

- 2.2.1 Funds received by the National Training Fund during 2003 amounted to €250 million. When the (provisional) surplus of €67.5 million brought forward from 2002 is added to that figure, the total funds available for the purposes of the Fund during 2003 amounted to €317.5 million.
- 2.2.2 The Fund is resourced by a levy on employers of 0.7% of reckonable earnings in respect of employees in Class A and Class H employments. This represents approximately 75% of all insured employees.
- 2.2.3 In 2003, the National Training Fund supported schemes operated by FÁS, Enterprise Ireland, IDA Ireland, SFADCO, Skillnets Ltd., FORFÁS, the Institution of Engineers of Ireland, and the Higher Education Authority. Total National Training Fund expenditure on schemes operated by these bodies amounted to €233.7million.

National Training Advisory Committee

- 2.2.4 The National Training Advisory Committee (NTAC) pursued its mandate in 2003 of:
1. Advising the Tánaiste on the overall strategy for enterprise training in Ireland;
 2. Identifying best practise on enterprise training and its application to public policy; and
 3. Advising on the priority training needs of the enterprise sector and the National Training Fund.



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- 2.2.5 A primary focus of the NTAC in 2003 related to highlighting the need to accord priority to National Training Funding for schemes that meet the training needs of those in employment in order to ensure that the Irish economy remains competitive. At the request of the NTAC, a synthesis of the main reports and recommendations on enterprise training produced over the last number of years by various research bodies such as the Expert Group on Future Skills Group and the ESRI, was initiated by FÁS. The outcome of this work will be available in 2004 and will assist future policy development in the area of enterprise training.
- 2.2.6 Consideration of the potential synergies between the NTAC and the Expert Group on Future Skills on the basis of their mutual focus on the enterprise sector was initiated towards the end of 2003. The two bodies were merged in January 2004 (see the 'key events' section at the start of this pillar).

ESF Funding

- 2.2.7 In its capacity as Paying Authority for the European Social Fund (ESF) in Ireland, the Department certified and submitted claims to the value of €250 million to the European Commission in 2003.

In-Company Training measure of the Employment and Human Resources Development Operational Programme (EHRDOP)

- 2.2.8 The In-Company Training measure, co-funded by the European Social Fund (ESF), promotes the training and up-skilling of people in employment and supplements existing activity in this area by FÁS and Enterprise Ireland. The measure adopts a group-based approach and includes actions in which the social partners take the lead.
- 2.2.9 A total of 23 projects, valued at nearly €5.4million, were approved for funding under this measure in 2003, of which ESF funding amounted to nearly €3.4 million.

Apprenticeships

- 2.2.10 The FÁS Board re-established the National Apprenticeship Advisory Committee (NAAC) at its meeting of the 8th March 2001 as the sole committee with responsibility for advising it on all matters pertaining to apprenticeship.
- 2.2.11 The Committee is made up of representatives of the social partners in industry, the educational sector and relevant government departments.
- 2.2.12 FÁS conducted a review of all the apprenticeship programmes during 2003.
- 2.2.13 Trade-specific Subject Matter Expert Groups, comprised of social partners, educational and FÁS representatives, presented their technical amendments and overarching recommendations to the NAAC for consideration. The final Subject Matter Expert Group presentations were made to the NAAC on the 18th December 2003. The NAAC adopted the FÁS Curriculum and Quality Assurance Unit's apprenticeship curriculum management and design proposal for the writing up of the technical recommendations from the respective Subject Matter Expert Groups.
- 2.2.14 It is evident that the review will result in a more effective, efficient and expansive apprenticeship system that will meet the expected future needs of Irish Industry.
- 2.2.15 Presently, the FÁS Curriculum & Quality Assurance Unit is preparing for the implementation of its apprenticeship curriculum management and design process to facilitate the approved amendments to the apprenticeship curricula.

National Employment Service

- 2.2.16 FÁS commissioned Fitzpatrick Consultants to carry out a review of the National Employment Service. A Memorandum for Government is presently being drafted to progress the recommendation contained in this review.

2.2.17 A cross-departmental review of all schemes aimed at the Long Term Unemployed is currently being undertaken within the Department, with a target completion date of December 2004 (further information is provided under Pillar 4).

Lifelong Learning

2.2.18 In noting the report of the Taskforce on Lifelong Learning¹¹ and authorising its publication, the Government decided that the National Adult Learning Council (NALC) should be designated as the body to co-ordinate, review and report on the implementation for the framework set out in the report. The Department of Education and Science is currently reviewing the functions of the NALC. The staffing arrangements of the NALC remain to be determined in the light of the statutory functions to be accorded to the Council.

2.2.19 The Government also decided that a Steering Committee, to be chaired by a senior official of the Department of Enterprise, Trade and Employment would oversee and direct the work of the NALC insofar as it relates to the implementation of the Report of the Task Force on Lifelong Learning. The Steering Committee has overseen the preparation of a status report on the implementation of the Taskforce recommendations, which was presented to the Plenary Meeting on Sustaining Progress in October 2003.

2.2.20 Including those mentioned above, the Task Force on Lifelong Learning made a total of 36 recommendations requiring action by the Department of Enterprise, Trade and Employment and its agencies, the Department of Education and Science and its agencies or joint action by these Departments to facilitate collaborative action by agencies under the aegis of both Departments. Pending the establishment of the NALC on a statutory basis and the assignment of staff, the Department of Enterprise, Trade and Employment, the Department of Education and Science, FÁS and other relevant agencies are proceeding with the implementation of those recommendations which do not require further research or additional resources to advance implementation.

Expert Group on Future Skills Needs

2.2.21 In October 2003 the Expert Group on Future Skills Needs published the fourth report in a series of periodic reviews of future skills requirements of key sectors of the Irish economy. The Fourth Report brought together all the individual pieces of research undertaken by the Expert Group over the period 2002/2003. In the course of 2003 the EGFSN published eight reports.

Reports published by the Expert Group on Future Skills Needs

2.2.22 The following reports were published by the EGFSN during 2003:

- National Survey of Vacancies in the Private Non-Agricultural Sector 2001/2002 (*Published March 2003*)
- National Survey of Vacancies in the Public Sector 2001/2002 (*Published March 2003*)
- The Demand and Supply of Skills in the Food Processing Sector (*Published April 2003*)
- The Demand and Supply of Engineers and Engineering Technicians (*Published June 2003*)
- Skills Monitoring Report - Construction Industry 2003/2010 (*Published July 2003*)
- Benchmarking Education and Training for Economic Development in Ireland (*Published July 2003*)
- The Demand and Supply of Skills in the Biotechnology Sector (*Published September 2003*)
- The Fourth Report of the Expert Group on Future Skills Needs (*Published October 2003*)

(Following the publication of the Fourth Skills Report the Chairman, Dr. Daniel O'Hare stepped down as Chairman of the Group having held the position since 1999.)

¹¹ The report is available online at www.entemp.ie/publications/labour/2002/lifelonglearning.pdf



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Supported Employment

2.2.23 In the light of a review carried out on behalf of FÁS, new criteria for the provision of Supported Employment services were introduced in 2003. Following a tender process with project sponsors, FÁS has contracted with a number of organisations to deliver supported employment services under the new criteria. FÁS engaged in active dialogue with representative organisations on aspects of the new criteria.

Review of vocational training provision for people with disabilities

2.2.24 A review of vocational training provision for people with disabilities carried out by consultants appointed by the Department in 2002 was completed in 2003. The purpose of the review was to examine the delivery of vocational training for people with disabilities through various forms of provision funded by FÁS, and to identify areas where efficiencies and effectiveness could be improved. Consultations with key service providers and other stakeholders on the conclusions and recommendations contained in the report were conducted by FÁS under the aegis of the National Advisory Committee on Disability. The broad thrust of the consultants' recommendations have been accepted and will be implemented by FÁS under an Action Plan to be approved by the FÁS Executive Board in 2004.

Regional Disability Events

2.2.25 The European Union designated 2003 as the European Year of People with Disabilities (EYPD) in order to raise awareness of the abilities, talents and participation of the people with disabilities in Europe, as well as barriers to inclusion and the difficulties they face daily.

2.2.26 As a key contribution towards promoting the EYPD employment theme, a consortium of organisations working for the employment of people with disabilities was assembled at the request of the Minister for Labour Affairs, Mr Frank Fahey, TD, and supported by the Department of Enterprise, Trade and Employment, to present a series of five

regional awareness-raising conferences in Cork, Galway, Limerick, Sligo and Waterford. The conferences were funded under a combination of a grant awarded by the EYPD National Coordinating Committee and matching funding by consortium members.

2.2.27 The objective of the conferences was to present flagship local events aimed at generating the maximum possible publicity, designed to capture employers' imaginations and change attitudinal thinking towards employing people with disabilities by taking a fresh approach.

Community Employment

2.2.28 The Department continued to provide support to the Cabinet Sub-Committee in its consideration of the future participation level and operational focus of Community Employment (CE) throughout 2003. By end year Ministers had decided that funding would be provided in 2004 to enable a continuation of the end 2003 level of participation throughout the coming year. Ministers also mandated officials to bring forward further proposals for a more labour market oriented CE, while having due regard to the role of CE in supporting community services.

The Social Economy Programme

2.2.29 The Social Economy Programme supports the development and operation of enterprises that provide locally demanded services in and for disadvantaged communities, and meaningful employment opportunities for long-term unemployed and other disadvantaged persons. The outturn for the Programme in 2003 was €36.025 million.

2.2.30 By year-end, 334 enterprises had commenced operations employing 2,370 grant-supported employees.

Preventative strategy

- 2.2.31 The Preventative Strategy involves a systematic engagement with the unemployed and was introduced in September 1998. On reaching a certain duration on the Live Register each individual is referred by the Department of Social and Family Affairs to FÁS. Initially this duration was 6 months for those under 25 and 12 months for 25-55 year olds. The threshold for the latter group was reduced to 9 months in July 2000. Since March 2003 a common referral threshold equivalent to six months applies to all age groups. The Strategy is now being rolled out on a phased basis to all persons who are over six months on the live register and had not been selected for inclusion in the process. The process commenced in Dublin in May 2003 and, as of the end of December 2003, the process was operational in six of the eight FÁS regions, including Dublin. It will become operational in all regions during 2004. In Dublin some 9,000 persons should benefit from this process over the next 18 months, with about an additional 27,000 persons benefiting in the remaining regions. Arrangements have been put in place to ensure that priority is given to people referred under this process for places on employment programmes and other training and development opportunities.
- 2.2.32 Rollout of the earlier intervention process had commenced in all FÁS regions by end 2003.

Training Networks Programme

- 2.2.33 Skillnets Ltd is an independent company, with a tri-partite board, which operates the Training Networks Program, and is primarily funded by the Department through the National Training Fund.
- 2.2.34 The scheme is targeted at people in employment and Skillnets funding is available to all business sectors, irrespective of company size. An indicative fund of over €15 million has been allocated to Skillnets for the period 2002-2005. This is to be matched by additional private sector funding.

- 2.2.35 To date the total commitment by the Skillnets board to funding networks under this programme is €10.9 million. In total there are now 58 network projects in operation and these networks involve an estimated total of 2,900 companies participating in the process. The projected trainee numbers are 25,000.

WORK PERMITS/MIGRATION

Employment Permits Act 2003

- 2.3.1 In April 2003 the Oireachtas passed the Employment Permits Act 2003 which provides for the free movement of nationals of the new Member States, for purposes of work, after EU Enlargement on 1 May 2004. This means that, after enlargement, nationals of the 10 new Member States will not need employment permits to work in Ireland. Only some 35% of our overseas labour needs have been met from the Accession States in recent years and, in light of experience of the jobs being filled, it is the Department's belief that the great bulk of our labour needs from overseas can be met from within the enlarged EU. In future, as a general rule, only higher skilled, higher paid posts will need to be filled by way of recruitment from outside the enlarged EU and economic migration policy will be implemented accordingly.

Employment Permits (No. 2) Bill 2003

- 2.3.2 It is anticipated that the Employment Permits (No. 2) Bill 2003 which is intended to put the various instruments of economic migration on a modern, statutory basis will be published in the second quarter of 2004. Drafting on the basis of Heads approve by the Government was completed in August 2003 and the draft Bill has received further examination within the Department in the interim period.



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Economic Migration Policy

- 2.3.3 The Government announced early in 2003 that Ireland would permit full freedom of movement for work after EU Enlargement to the Accession countries. In addition, the Accession Treaty requires Member States to give preference to Work Permit applications to Accession country nationals. In spite of the above, it emerged late in 2003 that employers in Ireland were still seeking only some 35% of their overseas labour needs from the Accession States. Accordingly, the Department began to implement a very active policy of Accession Country preference by sending back to employers, with an explanation of policy, applications in respect of third country nationals in cases where experience had shown that the requisite skills were available in the Accession countries. Employers were also advised that an application to fill the post in question with an Accession country national would receive favourable and speedy consideration.
- 2.3.4 At end 2003 it was clear that as the labour supply available to Irish employers from within the EU will increase dramatically after May 2004. The Department will need to assess the degree to which migration from the wider world will be needed to meet specific skill shortages in the medium term. An initial statement of economic migration policy in the new environment will be prepared in the second half of 2004.
- 2.3.5 The Work Permit processing fee was increased from 6 January 2003 and ranged from €65 for 1 month up to €500 for a year.

Working Visas/Work Authorisations

- 2.3.6 The number of working visas/work authorisations granted in the period January-October 2003 was 1,053, which would suggest that the end year figure would be significantly below that of earlier years, despite the extension of the facility to a broad range of professional occupations in the health sector. It is not immediately clear why this should be the case but it is likely that the bursting of the 'dot com bubble' in 2001 played a role. It may also be that as a backlog of vacancies was filled in the early years of the facility, employers put more effort into staff retention at the new, higher employment levels.

EMPLOYMENT RIGHTS AND ENTITLEMENTS

Temporary Agency Workers/Review of Employment Agency Act

- 2.4.1 At the end of 2003, discussions at EU level on a Draft Directive on Temporary Agency Workers had failed to reach agreement. Such a Directive, if adopted, would establish norms in relation to the terms and conditions of employment of agency workers. It would also impact on the employment agency sector which is currently subject to the licensing provisions of the Employment Agency Act 1971. In line with the commitment given in the Programme for Sustaining Progress, the Social Partners Agreement 2003-2005, the Employment Rights Legislation Section completed by end 2003 a draft Discussion Paper addressing the various options that might be considered for the regulation of employment agencies. It is intended that this document will be circulated to interested parties for observations in early 2004. This will be followed by meetings aimed at seeking a consensus on the most appropriate approach to adopt. However, in order to effect an early update of penalties under the 1971 Act, the opportunity was availed of in the Protection of Employees (Fixed-Term Work) Act 2003 to increase the level of fines for operating without an agency licence to €2,000 and a further amount of €1,000 per day for continuing offences.

Revised Safety, Health & Welfare at Work Bill

- 2.4.2 Progress in drafting a revised and updated bill to replace the Safety, Health and Welfare at Work Act 1989 continued in 2003. The Bill will run to over one hundred sections and it is based on recommendations received from the Board of the Health and Safety Authority following their review of the 1989 Act. The new Act will provide for increased penalties and the introduction of on-the-spot fines for a range of breaches of the health and safety legislative code by either employers or employees. It is expected to be ready for publication by April 2004.

Safety in the Construction Sector

- 2.4.3 A new Construction Safety Partnership (CSP) Plan 2003-2005 was launched in September 2003. This is the second CSP Plan, which consolidates work to date and focuses on pre-site commencement improvements relating to Planning, Design and Procurement. Among the achievements of the CSP to date is the fact that nearly 300,000 workers have undertaken the Safe Pass Programme, which is a basic health and safety awareness training programme. A substantial number of managers and safety representatives have been trained and it is now mandatory for all sites with more than 20 workers to have a site safety representative. An additional €301,000 was made available to the Board of the Health and Safety Authority for health and safety projects in the workplace.
- 2.4.4 Further funds of €150,000 were also given to the Health and Safety Authority in 2003 to prepare a major advertising campaign to heighten awareness of dangers on construction sites. This campaign is to coincide with European Safety Week 2004.
- 2.4.5 During 2002, two sets of Construction Amendment Regulations came into operation. The first set strengthened the existing provisions covering the general duties of the employer, amended the provisions dealing with protective and preventive services concerning competency and introduced requirements for the provision of measures relating to fire fighting. The second set allowed FÁS to restructure the relevant training programmes to

facilitate the requirements of the construction industry. This should also reduce the cost to industry of training programmes, and will aid competitiveness while improving the quality and applicability of the training being obtained.

Other Health and Safety Statutory Instruments

- 2.4.6 Five other statutory instruments were made in 2003 covering the area of occupational safety. These statutory instruments mainly covered dangerous substances (including classification, packaging, labelling and notification, marketing and use, and control of major accident hazards involving dangerous substances) and explosive atmospheres.

Farm Safety

- 2.4.7 A campaign involving a series of hard-hitting television advertisements aimed at highlighting the dangers on farms was initiated in November 2003 by the Health and Safety Authority. In addition a 'Farm Safety Self-Assessment' document was also distributed to every farmer in the country. This document is designed to help farmers identify major hazards on their farms and identify key controls for such risks and completion of the Self Assessment will assist the farmer in the preparation of a Safety Statement required by the health and safety legislation.

EU Directives on Health and Safety

- 2.4.8 Fourteen Health and Safety Directives were transposed by the end of the year. However, five remained to be transposed by two Statutory Instruments early in 2004.



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Review of Functions of Employment Rights Bodies

- 2.4.9 The current Programme for Government includes a commitment to a review of the functions of Employment Rights Bodies.
- 2.4.10 A Review Group with representatives from the Department of Enterprise, Trade and Employment, the Department of Justice, Equality and Law Reform, the Labour Court, the Employment Appeals Tribunal, the Labour Relations Commission (for the Rights Commissioner Service) and the Equality Tribunal was established in September 2003.
- 2.4.11 The Group will report to Government by June 2004 and make a Report available to interested parties after that reporting process. The Bodies included in the review are the Labour Court, The Employment Appeals Tribunal, The Rights Commissioner Service, the Employment Rights Enforcement Unit of the Department of Enterprise, Trade and Employment, (incorporating the Information Unit/Labour Inspectorate/Legal Services) and the Equality Tribunal (Office of the Director of Equality Investigations)). Work is progressing well on the preparation of the report.

National Minimum Wage

- 2.4.12 In June 2003 Mr Frank Fahey TD, Minister for Labour Affairs, signed an order to increase the national minimum wage to €7.00 per hour with effect from 1 February 2004. An information campaign to publicise the increase was conducted in January 2004.

Redundancy and Insolvency Payments

- 2.4.13 In 2003, the Redundancy Payments Act 2003 was enacted to give effect to some of the changes set out in the Redundancy Review Group Report and agreed in Sustaining Progress. The level of statutory redundancy was increased to 2 weeks per year of service plus a bonus week. This replaced the old provision of $\frac{1}{2}$ week's pay per year of service under 41 and one week over 41 plus a bonus week. The increased benefits came into effect on 25 May 2003. An upgrade of the

redundancy IT system is required to implement the full range of changes set out in the new Act. It is anticipated that the new system, when it is fully operational, will simplify administration for all.

- 2.4.14 The Act also amended a provision in the Protection of Employees (Employers' Insolvency) Act 1984. The amendment enables employees covered by the Insolvency Payments Scheme to claim their minimum notice entitlements without first having to obtain an award from the Employment Appeals Tribunal.

Operation of the Redundancy Payments Scheme

- 2.4.15 In 2003, the numbers of proposed redundancies notified to the Department under the Redundancy Payments Acts totalled 27,702, compared with 25,358 in 2002, an increase of 9.2%. The main sectors affected were Distributive Trades, Banking, Finance and Insurance, other Manufacturing and other Services.
- 2.4.16 Rebates of statutory redundancy lump sums paid from the Social Insurance Fund to employers in 2003 amounted to €72,946,728 compared with €46,354,614 in 2002, an increase of 57%. The increase in payments can be accounted for by the increased entitlements provided for by the Redundancy Payments Act 2003 as part of the Sustaining Progress Agreement of March 2003. During the year €16,521,796 was paid directly to workers where employers had failed to pay statutory redundancy lump sums, compared with €7,947,064 in 2002, an increase of 108%. In these cases the Department, on behalf of the Fund, claims and endeavours to recover the appropriate amounts from the employers concerned. A total of approximately €466,172 was recovered from employers in respect of monies owed to the Fund by way of redundancy lump sums paid directly to employees compared with €678,228 in 2002.
- 2.4.17 A redundancy calculator was made available on the Department's website (<http://www.entemp.ie>) during 2003. This allows users to calculate redundancy entitlements in a simpler way; this is part of the ongoing development of access to services on-line.

Collective Redundancies

2.4.18 Collective redundancy notifications under the Protection of Employment Act 1977 amounted to 12,339 compared with 9,685 in 2002, an increase of 27%. In each case, the local FÁS office was contacted by the Department to facilitate early interaction with the newly redundant workers leading to the provision of employability and training supports.

Insolvency Payments Scheme

2.4.19 The purpose of the Insolvency Payments Scheme is to protect certain outstanding pay-related entitlements due to employees in the event of the insolvency of their employer.

2.4.20 In 2003, the Insolvency Payments Section processed 9,980 applications for entitlements, compared with 8,188 in 2002, an increase of 22%. These applications were on behalf of 5,140 employees, compared with 3,800 in 2002, an increase of 35%, and related to 321 employers who were insolvent for the purposes of the Protection of Employees (Employers' Insolvency) Act 1984, an increase on 252 (27%) in 2002.

2.4.21 A total of €10.05m was paid under the scheme in 2003, compared with €6.15m in 2002, an increase of 63%. Payments were made in respect of various entitlements, including arrears of wages and pension contributions, holiday pay and minimum notice. The amount recovered in 2003, mainly through priority debts was €0.95m. The equivalent amount in 2002 was €0.96m.

2.4.22 An amendment to the Protection of Employees (Employers' Insolvency) Act 1984 by a provision in the Redundancy Payments Act 2003 enabled the existing arrangement for processing claims for payment in lieu of notice under the Insolvency Payments Scheme to be streamlined and output to be increased. The effect of this amendment was to enable employees covered by the Insolvency Payments Scheme whose employment ended on or after 25 May 2003 to claim their minimum notice entitlements without first having obtained an award from the Employment Appeals Tribunal. In most cases, all the main claims can now be processed together. This, in turn, freed the EAT to

take on more cases under other legislation. Application forms, which are available on the Department's website, were revised to cover the new procedure and improve the efficiency of processing claims.

Employment Appeals Tribunal

2.4.23 In 2003, the number of claims/appeals referred to the Employment Appeals Tribunal was 5,586 (6,287 in 2002). The decrease in the number of claims/appeals is largely due to the amendment to the minimum notice provision in the Protection of Employees (Employers' Insolvency) Act 1984.

2.4.24 In 2003, the Employment Appeals Tribunal disposed of 5,857 cases, an increase of 25% on the 4,671 cases completed in 2002.

Protection of Employees (Fixed-Term Work) Act 2003

2.4.25 The EU Directive on Fixed-Term Work was transposed by means of the Protection of Employees (Fixed-Term Work) Act 2003 (No. 29 of 2003), which came into operation on 14 July 2003.

2.4.26 The purpose of the Act, which implements Directive 1999/70/EC of 28 June 1999 concerning the Framework Agreement on Fixed-Term Work concluded by UNICE, CEEP and the ETUC is:

- to provide for the improvement of the quality of fixed-term work by ensuring the application of the principle of non-discrimination (i.e. fixed-term workers may not be treated less favourably than comparable permanent workers) and
- to provide for the removal of discrimination against fixed-term workers where such exists and the establishment of a framework to prevent abuse arising from the use of successive fixed-term employment contracts.



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Employment Rights

2.4.27 The Employment Rights Enforcement Section of the Department consists of three Units: Employment Rights Information, Labour Inspectorate and Legal Services Unit. The Legal Services Unit has separate prosecution and enforcement functions.

Employment Rights Information Unit

2.4.28 The Employment Rights Information Unit provides a service to answer enquiries from employers and employees about employment rights legislation. The total number of calls in 2003 was 148,976 which represents a 16.7% increase on the 2002 total of 129,498.

2.4.29 Staff in the Information Unit also dealt with 5,165 email contacts, 10,753 postal enquiries and 1,280 'person-to-person' consultations. All these categories show an increase in volume over the respective figures for 2002 which were: 4,647 email contacts, 8,835 postal enquiries and 1,245 'person-to-person' consultations. There were 10 visits to Citizens Information Centres, Exhibitions and other presentations undertaken during 2003. The number of comparable visits in 2002 was 24.

2.4.30 The Unit also provides a comprehensive range of explanatory leaflets and guides on different entitlements under employment rights legislation. An updated 'Guide to Labour Law' was published in November. Work was also completed on a series of information leaflets in nine languages about employment rights legislation in Ireland. The guides and leaflets are available on request or via the Department's Website.

Labour Inspectorate

2.4.31 Work continued during 2003 on the final phase of a Business Process Re-engineering project that had commenced in August 2002. In the early part of 2003 Inspectorate Staff resources were focused, almost exclusively, on the testing and implementation of a new computer system called RECONCILE. The system was launched in June 2003. The end of 2003 saw completion of the

Business Process Re-engineering Project, with the phasing out of the old manual Case Management System.

2.4.32 The bulk of investigative work undertaken during the year was targeted by following up on contacts either directly from employees or through interested parties. During 2003 the Labour Inspectorate carried out a total of 7,168 inspections/visits, of which 1,593 were undertaken in respect of the Protection of Young Persons Employment Act 1996. In this regard, 740 inspections/visits were conducted at night. The comparable figures for 2002 are 8,323 inspections/visits in total. Of that number 1,454 inspections/visits were undertaken in respect of the Protection of Young Persons Employment Act 1996. The latter figure includes 673 inspections/visits conducted at night.

2.4.33 The Inspectorate collected arrears of monies underpaid to employees in respect of wages, overtime, holiday pay, etc. amounting to €226,000 (€354,000 in 2002). A total of 14 cases, arising from Labour Inspectorate activity, were referred through the Legal Services Unit of the Division to the Chief State Solicitor's Office for prosecution.

Legal Services Unit

2.4.34 The Prosecution Staff of the Legal Services Unit referred a total of 25 cases (14 arising from Labour Inspectorate activity) to the Chief State Solicitor's Office (CSSO) for prosecution during the year. Over the year, 28 cases were successfully concluded (though 2 cases were unsuccessful) leading to 21 convictions and fines.

2.4.35 The Enforcement Staff of the Legal Services Unit deal with the enforcement of awards of both the Labour Court and the Employment Appeals Tribunal through the Courts. During 2003, 78 new cases were registered. Cases referred to the CSSO amounted to 35 and 63 cases were concluded over the course of the year. For comparison purposes, the 2002 outturns were 63 cases registered, 36 cases referred to the CSSO and 41 cases concluded. Arrears collected in 2003 and 2002 were €271,000 and €79,000 respectively.

2.4.36 Under the Protection of Young Persons (Employment) Act 1996, children working in the entertainment industry must be covered by licence. Applications for such licences are processed within the Legal Services Unit. Total licences issued in 2003 and 2002 were 25 and 29, respectively.

European Union

2.4.37 The Department continued to progress the transposition of the Information and Consultation Directive and the European Company Statute. A Consultation Paper was published in July 2003 on the Information and Consultation Directive. The submissions received are being considered by the Department and they will inform policy development going forward.

2.4.38 The Department continued its participation on the EU Expert Group on the European Company. This Group, comprising the EU Commission and other Member States, was established to co-ordinate national measures for the transposition of the Directive. The Group issued its report in June 2003.

International Labour Organisation

2.34.39 Ireland was represented at the 91st Session of the International Labour Conference in June 2003 by a delegation, representing the Government, Trade Unions and Employers. The Session adopted a Convention (No.185) revising the Seafarers' Identity Documents Convention, 1958. The Conference also discussed Human Resources Training and Development - Revision of the Human Resources Development Recommendation (No. 150), adopted in 1975; the Scope of the Employment Relationship; and ILO Standards-Related Activities in the area of Occupational Safety and Health and the Elaboration of a Plan of Action for such Activities. The Fourth Global Report (under the Follow-Up to the ILO Declaration on Fundamental Principles and Rights at Work) was on the Elimination of Discrimination in Employment and Occupation. This is part of the ILO's ongoing campaign to promote 'Decent Work' worldwide.

2.4.40 The Department submitted annual reports on Ireland's implementation of ILO Conventions ratified by this country and answered a number of detailed ILO questionnaires on various areas of employment (including Migration Policy, Fishing Industry and Human Resources and Development).

Council of Europe

2.4.41 On 24 March 2003, an Information Seminar on 'the European Social Charter and its significance for Ireland' was held in Dublin Castle. It was organised collectively by the Irish Centre for European Law, the Departments of Enterprise, Trade and Employment and Foreign Affairs and the Council of Europe. It was aimed at increasing awareness in Ireland of the Council of Europe's Revised Social Charter and the Collective Complaints Protocol. The Seminar was attended by 120 people including representatives from Government Departments / Agencies and a number of Non-Governmental Organisations.

2.4.42 During 2003, Ireland continued to report regularly on how it implements the Council of Europe's Social Charter and to answer questions at the Governmental Committee of the European Social Charter in Strasbourg on its Reports. The Department submitted its 21st Report on Ireland's implementation of the European Social Charter to the Council of Europe.

INDUSTRIAL RELATIONS AND SOCIAL PARTNERSHIP

Sustaining Progress

2.5.1 As mentioned earlier in this report, the Department was actively involved in the negotiations on a new National Agreement - Sustaining Progress - which was ratified in March 2003. The Agreement sets out a number of objectives and actions to be attained by the end of 2005 along with ten Special Initiatives, which address issues that are of key national concern. As a member of the Steering Group established to monitor and manage the implementation of the Agreement and the ten Special Initiatives, the Department continues to



Pillar Two - Quality Work and Learning

work with the Department of the Taoiseach, the Department of Finance and the Social Partners to ensure implementation of the Agreement.

Work Life Balance Policies

2.5.2 The Department chairs and provides the secretariat to the National Framework Committee for Work Life Balance Policies provided for under Sustaining Progress. The remit of the Committee is to support and facilitate Work Life Balance policies at the level of the enterprise and to examine how best to improve access to family friendly working arrangements. Funding of €500,000 was made available for the work of the committee during 2003 under the National Development Plan.

2.5.3 A number of initiatives were undertaken by the Committee in 2003, including the following:

- A conference entitled 'The Way Forward' was hosted by the Committee on 28 February 2003 to mark the third Family-Friendly Workplace Day.
- 'Off the Treadmill - Achieving Work Life Balance' - the research project commissioned by the Committee in 2002, was published and officially launched in October.

- The Committee hosted a seminar for policymakers on 'Taking Stock and Looking to the Future of Work Life Balance'.

- A second round of Direct Financial Assistance was advertised at the end of 2003 and, following a selection process, a number of organisations were chosen for funding.

Workplace of the Future

2.5.4 The Forum on the Workplace of the Future was established on 6 October to foster in-depth discussion of how workplaces can best adapt to competitiveness pressures. This followed the launch of a consultative document in July 2003 setting out the main themes for discussion at the Forum. In addition, employee and employer surveys on attitudes to changes in the workplace were carried out by the National Centre for Partnership and Performance.

2.5.5 Four panels have been established to progress the work of the Forum:

- Meeting the Needs of a Changing Workforce Panel;
- Private Sector Panel;
- Public Sector Panel;
- National Policy and Supports Panel.

The work of the Forum will feed into the EU Presidency Conference in February 2004 on Adaptability and Adjustment to Change in the Workplace. The Conference will provide an opportunity to input an international perspective into the work of the Forum.



Ms Breda Power, Principal Officer and Minister for Labour Affairs, Mr Frank Fahey, T.D., at the launch of the National Framework Committee for Work Life Balance research report.

Industrial Relations (Amendment) Bill 2003 and Codes of Practice on Voluntary Dispute Resolution and Victimisation

- 2.5.6. The Government published a Bill on 2 July 2003 entitled the Industrial Relations (Amendment) Bill 2003 (renamed the Industrial Relations (Miscellaneous Provisions) Bill 2003). The main purpose of the Bill is to implement specific measures set out in Section 8.9 of Part Two of the National Agreement, Sustaining Progress. It enhances the effectiveness of existing dispute settling procedures in cases where arrangements for collective bargaining are not in place. The Bill passed Second Stage in the Dáil in November 2003.
- 2.5.7 In addition, the Department requested the Labour Relations Commission to prepare a revised Code of Practice on Voluntary Dispute Resolution and a Code of Practice on Victimisation in line with the provisions of Section 8.9 of Part Two of Sustaining Progress. The Labour Relations Commission, in consultation with trade union and employer representatives, submitted an Enhanced Code of Practice on Voluntary Dispute Resolution to the Minister for his consideration. Discussions are ongoing between the Labour Relations Commission and the social partners on the content of the Code of Practice on Victimisation.

Industrial Relations Dispute Resolution Institutions

- 2.5.8 In the context of both the Mercer Report into staffing, grading and business processes of the Labour Relations Commission (LRC) and the additional demands made on the LRC in the National Agreement 'Sustaining Progress', the Department secured a significant increase in resources for the LRC in 2003 and agreed a restructuring package with the LRC to enable it to meet increased demands for its services. Additional resources were also secured for the Labour Court.



Pillar Three

Making Markets and Regulation work better

We will take concerted action to ensure that regulation is fair, balanced and effectively implemented; to encourage commerce, ensure competitiveness, confidence in business and the welfare of citizens.

We will promote competition in all sectors of the economy and ensure that consumers derive the maximum benefit from the fair and efficient operation of the market.

3.1.1 The Department remains committed to the promotion of competition in all sectors of the economy. Through our policies and strategies, we aim to ensure that consumers derive maximum benefit from the fair and efficient operation of the market. We endeavour to ensure that regulation is necessary, fair, balanced, consistent and effectively implemented.

KEY EVENTS IN 2003

3.1.2 Insurance Reform Programme

- 32 of the 67 Motor Insurance Advisory Board recommendations were implemented;
- The Personal Injuries Assessment Board Act 2003 (no. 46 of 2003) was passed in December 2003;
- The bulk of the work on the joint study into insurance by this Department and the Competition Authority was completed and a Preliminary Report and Consultation Document on Competition Issues in the Non-Life Insurance Market was published on the 18th February 2004.

New Companies Legislation and the Company Law Review Group

3.1.3 The Company Law Review Group (CLRG) is a statutory advisory expert body charged with advising the Tánaiste on the review and development of company law in Ireland. The first report of the CLRG was published in February 2002, and focused on the transparency and simplification of existing codes of legislation. Among other recommendations, the first report recommends that the public company (plc), the focus of existing companies legislation, be replaced by the private company limited by shares, as the standard type of company. This accords with the reality that nearly nine in every ten companies registered in Ireland are private companies limited by shares. The first report also mapped out a framework for the consolidation of what is currently an extremely complex companies code into a single act.

3.1.4 During 2002 and 2003, considerable progress was made on drafting the General Scheme (Heads) of the new companies consolidation and reform bill. As part of a commitment to accountability and transparency, the Tánaiste approved the posting of the entire General Scheme of the new Bill on the website of the Company Law Review Group (www.clrg.org). As they are completed, the proposed Parts of the General Scheme of the new Bill to reform and consolidate company law have been posted on the Company Law Statute Book for view and consultation. By March 2004, 9 Parts of the Bill, dealing with Incorporation and Consequential Matters, Share Capital, Corporate Governance, Duties of Directors and other Officers, Debentures and Charges, Receivers, Reconstructions, Dissolution and Reinstatement and Compliance Investigation and Enforcement had been posted on the website. It is intended that observations received on all of the Parts of the General Scheme will inform the ultimate shape of the legislative proposals which the Minister will bring to Government for approval.

3.1.5 This is a key part of a new Online Company Law Statute Book facility available to the general public and to interested parties. This facility includes access to all existing companies legislation. The Statute Book will help businesses considering incorporation, existing company directors, shareholders, creditors and the general public to navigate the complex area of company law. Each section of legislation features information specific to that section ranging from Oireachtas Debates, Explanatory Memoranda, Briefing Notes to the Minister of the day and cross references to amending legislation¹².

¹² All of this information is available online at <http://www.clrg.org/companiesbill/default.asp>



Pillar Three - Making Markets and Regulation work better

3.1.6 The 2nd Report of the Company Law Review Group covering its work programme for 2002-3 has been completed and will shortly be published. This report builds on the framework for reform of company law established by the 1st Report of the Review Group and subsequently approved by the Government as the basis for drafting the General Scheme of the companies consolidation and reform bill. The recommendations in the 2nd Report flesh out proposed reforms in the areas of liquidations, share capital, debentures and the registration of charges, corporate governance and company management regulations, and audit and accounting issues.

3.1.7 The Report takes account of company law developments in the EU, having regard in particular to the elaboration of the Financial Services Action Programme. The Report also outlines progress to date in drafting the General Scheme of the Consolidated Companies Bill.

Irish Auditing and Accounting Supervisory Authority

3.1.8 The Companies (Auditing and Accounting) Act 2003 was signed into law in December 2003. Inter alia the Act provides for the establishment of the Irish Auditing and Accounting Supervisory Authority (IAASA) to supervise the regulation by the accountancy bodies of their members. It also transfers certain powers of the Minister in relation to the recognition of accountancy bodies, for the purposes of audit, under the Companies Acts to IAASA.

3.1.9 The Interim Board of the IAASA provided advice to the Minister and Department on the drafting of certain provisions of the Bill, and is assisting with preparations for its establishment on a statutory basis.

Development of the international financial services sector

3.1.10 Assisting in the development of the international financial services sector was an area of particular focus during 2003. Investment fund products are generally established either as UCITS - Undertakings for Collective Investment in Transferable Securities - or as companies

established under Part XIII of the Companies Act 1990. The Department seeks to assist the international financial services sector by ensuring that appropriate statutory provisions are in place both in terms of the development of new products and markets as well as ensuring that investors are adequately protected.

3.1.11 To this end, the Department drafted and commenced a number of new Statutory Instruments. These provided for, inter alia:

- The consolidation of all existing UCITS provisions;
- The introduction of a facility for the funds industry to create products as common contractual funds;
- The giving effect to the EU Product Directive which expands the product range for UCITS; and
- The giving effect to the EU Management Directive, which broadens the range of activities management companies can undertake as well as providing for appropriate regulation of such companies by the Irish Financial Services Regulatory Authority.

INSURANCE

3.2.1 The Personal Injuries Assessment Board Act 2003 (no. 46 of 2003) was passed in December 2003 and is now being administered by the Department.

Insurance Reform Programme

3.2.2 While responsibility for the regulation of insurance was transferred to the Irish Financial Services Regulatory Authority (IFSRA) in May 2003, this Department retained responsibility for the Insurance Reform Programme. This programme was launched by the Tánaiste on 25th October 2002, and aims to improve the functioning of the Irish insurance market and investigate competitiveness in the market, with the final objective of bringing about a reduction in insurance costs for the benefit of consumers and business alike. The Insurance Reform Programme

is a comprehensive and coordinated approach across Government Departments and other key organisations. A Ministerial Committee chaired by the Tánaiste monitors progress on its implementation. Considerable progress was made during 2003 in implementing the Insurance Reform Programme.

Motor Insurance Advisory Board (MIAB)

3.2.3 The 67 recommendations contained in the Motor Insurance Advisory Board (MIAB) Report form a major part of the Programme. During 2003, significant progress was made on implementing the MIAB recommendations. Progress made during the year includes implementation of road safety measures (e.g. penalty points) by the Department of Transport, enactment of PIAB legislation by this Department, and preparation of legislation dealing with fraudulent and exaggerated personal injury claims by the Department of Justice, Equality and Law Reform. The Irish Financial Services Regulatory Authority (IFSRA) and the Irish Insurance Federation (IIF) also made progress in the areas of consumer information campaigns and Codes of Practice for insurers. To date, 32 of the 67 recommendations have been implemented. A further 3 have been partially implemented and 21 are being actively progressed.

3.2.4 There are indications that the Reform Programme is having its desired effect. A number of companies have announced reductions in motor premia rates and more reductions are expected. Reductions in relation to employer's liability and public liability insurance premia are also beginning to occur.

Personal Injuries Assessment Board (PIAB)

3.2.5 The establishment of the Personal Injuries Assessment Board (PIAB) is a key element of the Reform Programme. The legislation to establish PIAB on a statutory basis was signed into law in December 2003, and the body will begin to deal with cases in 2004. The PIAB will process uncontested claims and make awards as appropriate. By eliminating the need for litigation

costs where legal issues are not in dispute, the PIAB will significantly reduce the cost of delivering compensation. Large numbers of claims will be kept out of the courts system altogether, allowing for a much faster and more efficient system. In the first instance, PIAB will deal with employer liability claims with an extension as soon as possible to public liability and motor cases.

3.2.6 The Interim PIAB, which has the function of facilitating the establishment of the Statutory Board began work early in 2003. Supported by staff from this Department, the Interim Board made significant progress in 2003 on the logistics front, e.g. identifying and procuring IT support systems, identifying a suitable premises and identifying staffing requirements.

Joint Study on Competition in the Insurance Sector

3.2.7 The Programme for Government contains a commitment to remove unwarranted constraints on competition in the economy. The MIAB report also maintained that consumers' concerns would be unlikely to be allayed without an investigation into the insurance market by the Competition Authority. Hence, one of the key measures in the Insurance Reform Programme is to investigate competition issues in the insurance market. The Department and the Competition Authority are jointly undertaking a study into insurance, examining all aspects of the industry. Issues relating to rivalry between companies and barriers to entry are being examined. During the year external consultants were engaged to assist in the study. The bulk of the study was completed in 2003 and a Preliminary Report and Consultation Document on Competition Issues in the Non-Life Insurance Market was published on the 18th February 2004. Following a two-month consultation period, a final report will be published which will contain recommendations based on its findings.



COMPETITION AND CONSUMERS

Competition Authority

- 3.3.1 The Competition Act 2002 reformed, modernised and consolidated previous legislation relating to competition policy and merger control. The Act provides an up-to-date legislative framework for the Authority to undertake its mission. In particular the 2002 Act:
- increased the penalties for serious cartel activities, such as price fixing;
 - enhanced the independence of the Competition Authority; and
 - transferred responsibility for controlling mergers and acquisitions from the Minister to the Competition Authority.
- 3.3.2 In 2003, both the financial and staffing resources of the Authority were increased. Staffing levels have increased from 29 in 2000 to 47 in 2003, while the Authority's budget has more than doubled during this time.

Removing unwarranted constraints on competition

- 3.3.3 During 2003, the Competition Authority continued its study of eight individual professions, including medical practitioners, barristers, solicitors, engineers and architects. The study of each profession strongly focuses on entry barriers and restrictive practices. It is expected that the professions study will be completed by end 2004.
- 3.3.4 The Competition Authority is also involved in studies of the insurance and banking areas. The study of competition in the provision of banking services (excluding investment banking) will identify barriers to entry into non-investment banking in the State and will identify and analyse industry practices, legislation and/or administrative practices in non-investment banking in the State that limit the degree of rivalry in the market to the detriment of consumers. The studies are continuing and it is intended to publish reports in 2004.

Retail Pharmacy

- 3.3.5 The Pharmacy Review Group, appointed by the Minister for Health and Children in October 2001, completed its report on the retail pharmacy sector in 2003 and made a number of recommendations. The Group was established following criticism by OECD of certain restrictive aspects of the retail pharmacy sector in Ireland. The Department of Enterprise, Trade and Employment and the Competition Authority were both represented on the Group. The Minister for Health and Children is currently examining the Group's report.

Liquor Licensing

- 3.3.6 In 2003, the Commission on Liquor Licensing published its fourth and final report which recommended many structural reforms to the licensing system. The Department and the Competition Authority were both represented on the Commission. Liquor Licensing is the responsibility of the Minister for Justice, Equality and Law Reform, who has announced that these recommendations will be addressed in the codification of the licensing code. It is expected that an outline of this Bill will be available by mid-2004.

Review of consumer legislation

- 3.3.7 Presidency work was undertaken during 2003 in relation to the review of consumer legislation. This work was carried out in conjunction with our examination of the proposed new EU Directive on Unfair Commercial Practices. A consultation document on the UCP Directive was prepared in 2003, issued in early 2004, and will be developed further during the year.

Enhancement of the Consumer voice and Use of eGovernment - Consumer Portal

- 3.3.8 The Portal (a web site which will provide a one-stop access point for consumers and businesses on consumer rights information) originates from the Department's strategy in relation to eGovernment. The appropriate shape, scope and

content of the portal have been discussed and agreed with the Office of the Director of Consumer Affairs. The Department has also reached agreement with Comhairle, which hosts the OASIS and Citizens' Advice web portal, to host the Consumer Portal. The portal project is expected to be operational and on-line by end 2004.

Sustaining Progress Anti-Inflation Group

- 3.3.9 The Competition and Consumer Policy Section was represented on this Group which highlighted eight specific areas for attention. These areas included a targeted approach to reducing inflation, controlling wage inflation, controlling public expenditure and increasing competition. Progress was made in all areas as evidenced by the fall in inflation in December to below the Government's target of 2%.

Budget Grant to the Consumers' Association of Ireland (CAI)

- 3.3.10 In 2003 Competition and Consumer Policy Section continued to oversee payment of the €63,000 per annum budget grant to the CAI, which was first announced in the 2001 Budget. The purpose of the grant is to enhance the capacity of the CAI to represent consumers. The grant for 2003 was aimed at financing a recruitment drive for membership to the Association. 110 new members joined the Consumers' Association of Ireland during the year.

Irish Clearing House for the European Extra-Judicial Network (EEJ-Net)

- 3.3.11 In 2003, the Department continued to jointly fund (with the EU Commission) Ireland's Clearing House for the pilot European Extra-Judicial Network (EEJ-Net). The EEJ-Net is a European Network which aims to help consumers resolve cross-border disputes through an appropriate alternative dispute resolution (ADR) scheme. Each country has a member or Clearing House and if the European Consumer Centre ('ECC') cannot solve the consumer's cross-border dispute by finding an amicable solution with the trader, the Clearing

House can take the case to an Alternative Dispute Resolution (ADR) body in the other country. In Ireland the Dublin European Consumer Centre acts as our Clearing House. The Clearing House dealt with 90 cases in 2003.

- 3.3.12 Competition and Consumer Policy Section is responsible for nominating Irish ADR bodies to the European Commission under European Commission Recommendations (98/257/EC) on the Principles applicable to bodies responsible for the out-of-court settlement of consumer disputes (2001/310/EC) and listing the Principles for bodies who are involved in the consensual resolution of consumer disputes. During 2003, the Section attended three meetings and a two-day conference organised by the European Commission (EC) with regard to the Network and also provided comments on the EC's draft report on the pilot phase of the Network.

Liaison with the Office of the Director of Consumer Affairs

- 3.3.13 During 2003, Competition and Consumer Policy Section continued to work closely with the Office of the Director of Consumer Affairs (ODCA). The ODCA is an independent statutory office responsible for providing advice and information to consumers and for the enforcement of a wide range of consumer protection laws. Meetings of the ODCA Liaison Committee, comprising officials from the Section and the ODCA, provided formal opportunities during the year for discussion and follow up on administrative and policy matters of relevance to both bodies.

The ODCA has reported the following compliance levels for 2003:

Footwear Labelling

- 3.3.14 The first visits in March-April 2003 revealed 24% compliance and 76% non-compliance based on 226 premises. Follow up enforcement actions reduced this to 12% non-compliance (27 premises) by June 2003. All premises visited were compliant by year-end.



Pillar Three - Making Markets and Regulation work better

Water Safety

- 3.3.15 118 premises were visited and 949 items examined. 18 items were found to be in breach, which represents 2% of the total. All these cases have been resolved.

Candle Safety

- 3.3.16 87 premises were visited and a total of 482 items were examined. Of these, a total of 117 items (24%) had inadequate safety warnings and 71 items (15%) failed the initial visual risk assessment.

Christmas Lights

- 3.3.17 169 premises were visited and 1,336 items were examined. 10 were found to be non-compliant with the Regulations and, of these, only one item was considered to pose a serious risk - a rate of non-compliance of 0.8%.

Christmas Toy Safety

- 3.3.18 180 outlets were visited and 2,938 toys were examined. 34 technical breaches (1.1%) and 7 possible serious risks (0.23%) were uncovered. The overall rate of non-compliance was 1.43%

Drinks Prices Display Survey

- 3.3.19 During the latter part of 2003, inspectors from ODCA undertook a survey into the level of compliance with the Retail Price (Beverages in Licensed Premises) Display Order 1999. The initial survey indicated that, of the 233 premises visited, 32% were found to be compliant with the requirements of the legislation. However compliance levels were found to have substantially increased to 73% in the course of second visits.

Product Prices Regulations 2002

- 3.3.20 Compliance ranged from:
- 87% in March to 91% at end of year for display of selling prices and
 - 42% in March to 81% at end of year for display of correct unit prices.

Food Labelling

- 3.3.21 During 2003, ODCA inspectors carried out a survey on 48 premises ranging from supermarkets, specialist delicatessens and ethnic shops countrywide to establish the level of compliance with the 2002 Food Labelling Regulations. It is compulsory under these Regulations for all products to be labelled in the English language. 1,099 products were surveyed.
- 3.3.22 The first inspection showed a compliance level of 95.8%. The follow up inspection showed a compliance level of inspection 98.4%. ODCA is following up on the non-compliant products.

eCommerce

- 3.3.23 ODCA is a member of the International Consumer Protection and Enforcement Network ('ICPEN'). ICPEN is a network of governmental organisations involved in the enforcement of fair trade practice laws and other consumer protection activities. Membership includes organisations from 29 countries (including Ireland). Each year ODCA participates in the ICPEN Internet Sweep day, where websites are reviewed under set criteria. ODCA reviewed 67 Irish websites for the 2003 Internet Sweep day on misleading travel information. 14% of these websites were non-compliant under the Distance Selling Regulations and were contacted by ODCA, following which 100% compliance was achieved. The 2004 Sweep Day on 17 February 2004 was entitled "Too good to be True". This is an umbrella title that covered such areas as get rich quick schemes, work at home programmes and lottery scams.
- 3.3.24 The European Consumer Centre, which is jointly funded by the European Commission and ODCA, conducted a cross-border eCommerce project entitled "Realities of the European online marketplace" in 2002. The main objective of the project was to examine the quality of Internet shopping in the internal market on the basis of the Distance Selling and the eCommerce Directives.

- 3.3.25 15 Irish websites were identified as having possible breaches of the Distance Selling and eCommerce Regulations. As the European Consumer Centre has no powers of enforcement, the ODCA reviewed the 15 websites and 11 were found to be non-compliant. Follow-up enforcement actions by ODCA resulted in 100% compliance.
- 3.3.26 In the second half of 2003, the ODCA Inspectorate conducted an in-house review of Irish websites. The main objective of the exercise was to examine the content of Irish websites on the basis of the Distance Selling and eCommerce Regulations.
- 3.3.27 This study consists of two parts, phase 1 and 2 as follows:
Phase 1: Review of the content of websites.
Phase 2: Purchase and return of products from agreed websites in order to investigate company procedures in relation to payment, delivery terms, cancellation and returns policy (i.e. requirements that could not be tested under Phase 1).
- 3.3.28 In relation to Phase 1, of the 55 websites searched, 7 were advertising or trade-only sites and did not sell products or services to consumers, therefore, they could not be included in the analysis report. Of the remaining 48, only 2 were found to have no breaches. 46 sites had breaches and these were drawn to the attention of the web traders by the inspectors. Following this contact, 38 web traders have updated their websites to include the required information, resulting in 82% compliance. The remaining 8 have agreed to update their websites and are in the process of doing so.
- 3.3.29 Phase 2 will commence in 2004.

NSAI Liaison & Standards Section

- 3.3.30 NSAI is the foremost Irish Certification Body accredited for a very broad range of scopes of certification in both Europe and America. The NSAI Liaison and Standards Section was established within the Department to act as a liaison unit with the National Standards Authority of Ireland with the primary aim of facilitating greater efficiencies within that agency. The section has also been given a role to enhance the development of a coherent policy in relation to EU and International Standards and in monitoring the enforcement of standards regulation. Responsibility for Motor Vehicle (type approval) Directives was transferred to the Department of Transport in the latter part of the year.



At the joint launch of two new standards. I.S. 127:2002 Visual Strength Grading of Timber & I.C.P. 2:2002 Code of Practice for Roof Installers.

L-R: Mr. Dan Tierney, Chairman, NSAI, Mr. Michael Ahern, Minister for Trade and Commerce & Mr. Simon Kelly, Chief Executive, NSAI.



Pillar Three - Making Markets and Regulation work better

Standards and Legal Metrology

- 3.3.31 The National Standards Authority of Ireland (NSAI) published 1,724 standards, most of which were adoptions of European Norms.
- 3.3.32 NSAI was elected onto the 18 strong ISO Council for the 2003-2004 term at the Stockholm General Assembly in September 2002. This is the first time since the 1960's that NSAI has held such a position. In 2003, NSAI took an active part in ISO Council deliberations, particularly in the preparation of the strategy 'ISO Horizon 2005-2010'.
- 3.3.33 NSAI hosted several international standards meetings in Ireland in 2003, notably meetings in Dublin in November of CEN (European Committee for Standardization) and ISO committees on Solar Energy.
- 3.3.34 In 2003, despite the redeployment of resources required to deal with increased taximeter numbers, over 5,000 measuring instruments were inspected.
- 3.3.35 As part of its role to provide representation at international level on legal metrology matters, the Legal Metrology Service represented Irish interests at EU Council negotiations for a Council Directive on Measuring Instruments. It is expected that this Directive will be adopted by Council in 2004.

Review of Groceries Order

- 3.3.36 The current Order was introduced in 1987 to curb anti-competitive practices such as 'hello' money and also to ban below-cost selling. The Order covers all grocery goods as well as intoxicating liquor and other household goods ordinarily sold in grocery shops. It does not cover fresh fruit, fresh vegetables, fresh and frozen meat, or fish. Enforcement of the Order is the responsibility of the Office of the Director of Consumer Affairs. However, the Tánaiste is reviewing the operation of the Order.

Regulation and Markets

3.3.37 Food Labelling

During 2003, agreement was reached with the Department of Health and Children to the effect that future legislative proposals in regard to food labelling would more appropriately be handled by that Department. The reason for this is that modern food labelling is primarily concerned with public health issues.

- 3.3.38 However, two Statutory Instruments relating to food labelling were prepared by the Department of Enterprise, Trade and Employment during 2003 as follows:

- S.I. No. 257 of 2003 - European Communities (Labelling, Presentation and Advertising of Foodstuffs) (Amendment) Regulations 2003 - applies exclusively to the labelling of products which contain meat as an ingredient. This Instrument was prepared for signature by the Minister of Health and Children.
- S.I. No. 451 of 2003 - European Communities (Labelling, Presentation and Advertising of Foodstuffs) (Amendment) (No.2) Regulations 2003 - extended the exemption from providing a weight indication (which already applied to sugar confectionery) to pre-packaged chocolate products which have a net weight of less than 50 grams. This S.I. was signed into law by the Tánaiste and Minister for Enterprise, Trade and Employment as the issue was still being considered by this Department when the function was transferred.

3.3.39 Draft EC Directive on Precious Metals

A draft Directive in relation to precious metals was first mooted in the mid 1990s. Negotiations on the draft Directive were revived during the Italian Presidency with a view to creating an internal market for precious metals within the community. However, it was considered that the proposal would have led to the lessening of consumer protection in relation to silver, gold and platinum objects. Ireland is a party to the International Convention on Control and Marking of Precious Metals, which is operated by the Assay Office in Dublin. The Convention provides a high level of consumer protection in this area. The draft

Directive, if adopted, would have allowed for the free circulation of precious objects, which would have not complied with Ireland's high standards.

- 3.3.40 The Italian Presidency had planned to bring the Proposal to the November 2003 Competitiveness Council for adoption. However, Ireland was part of a "blocking minority" which prevented this and the matter is unlikely to be raised again in the foreseeable future.

COMPANIES

Company Law Inquiries

- 3.4.1 In November 2001, responsibility for the investigation of company law offences was assigned to the Director of Corporate Enforcement. The Department has responsibility for a number of ongoing investigations.

Section 8 Inquiries

- 3.4.2 Two investigations are underway under Section 8 of the Companies Act 1990. The companies involved are National Irish Bank Limited and National Irish Bank Financial Services Limited.

National Irish Bank Ltd./National Irish Bank Financial Services Ltd.

- 3.4.3 These High Court inquiries commenced in 1998. Inspectors Judge John Blayney and Mr Tom Grace submitted a further interim report to the High Court in July 2003.

Ansbacher (Cayman) Limited

- 3.4.4 The High Court Inspectors appointed to Ansbacher (Cayman) Limited presented their Report to the High Court on Monday 10 June 2002. The High Court ordered the publication of the Ansbacher Report. It is now the statutory responsibility of the Director of Corporate Enforcement to pursue the possible breaches of the Companies Acts identified in the report. An out of court settlement on the issue of costs was reached on 16 December 2003.

Section 19 Examinations

- 3.4.5 Three examinations of company books and documents were ongoing at the end of the year under Section 19 of the Companies Act 1990. The companies involved are College Trustees Ltd., Guinness & Mahon (Ireland) Ltd. and Hamilton Ross Co. Ltd. The report on the Section 19 investigation of Celtic Helicopters Ltd was completed in March 2003 and has been referred to the Director of Corporate Enforcement.

Prosecutions under the Companies Acts 1963-2001

- 3.4.6 Since the 28th of November 2001, responsibility for the investigation - and where appropriate prosecution - of suspected breaches of the Companies Acts 1963-2001 rests with the Director of Corporate Enforcement. The Registrar of Companies is responsible for the enforcement of various requirements to file returns under the Companies Acts.
- 3.4.7 The Companies Registration Office enforcement activity for filing offences under the Companies Acts resulted in the conviction of 39 directors and 14 companies. In addition, 20,319 companies in total were struck off the register in comparison to 6,249 in 2002.
- 3.4.8 In 2003, the Office of the Director of Corporate Enforcement secured:
- convictions or other Court orders being made on application by the Director in 33 cases (up from 8 in 2002);
 - the restriction by the High Court of nearly 200 directors on the application of liquidators following the Office's examination of the liquidators' reports;
 - the issue of several hundred warning letters to company directors and others drawing attention to certain defaults and indicating that enforcement action would be taken in the absence of future compliance;
 - the referral of over 1,000 filing-related cases to the Companies Registration Office for attention.



Pillar Three - Making Markets and Regulation work better

Overseeing Self-Regulation of the Accountancy Bodies

3.4.9 The Department continued to oversee the manner in which the recognised accountancy bodies supervised their members in 2003, insofar as such members are entitled to practice as auditors. The Companies (Auditing and Accounting) Act 2003, which establishes the new oversight body, the Irish Auditing and Accounting Supervisory Authority (IAASA), was signed on 23 December 2003, and Orders to commence the Act will be made during 2004.

Interim Board of Irish Auditing and Accounting Supervisory Authority

3.4.10 The Interim Board of the Irish Auditing and Accounting Supervisory Authority (IAASA) continued to advise the Department in relation to the drafting of the relevant provisions of Companies (Auditing and Accounting) Act 2003, and to prepare the ground, insofar as resources and logistics permitted, for its establishment on a statutory basis.

Companies (Auditing and Accounting) Bill

3.4.11 The Companies (Auditing and Accounting) Bill was published in February 2003. Between then and its signature into law on 23 December 2003, the section was involved with assisting with the passage of the Bill through the Oireachtas which entailed detailed Ministerial briefing, consultation with relevant stakeholders and necessary re-drafting and refinement to the draft measure.

3.4.12 The Act broadly implements the recommendations in the Report of the Review Group on Auditing. The Act contains provisions to:

- establish the Irish Auditing and Accounting Supervisory Authority (IAASA) to supervise the regulation by the accountancy bodies of their members;
- transfer powers of the Minister in relation to the recognition of accountancy bodies under the Companies Acts to IAASA;
- enforce accounting standards;
- require companies to disclose non-audit fees paid to auditors;

- require certain categories of companies to establish audit committees;
- require directors of companies to draw up compliance statements covering companies' compliance with their statutory obligations.

Review of the Future of the Registry of Friendly Societies (RFS)

3.4.13 The Department is reviewing the role of the RFS and its relevance, having regard to the transfer of credit unions to IFSRA. A consultation paper issued in July 2003 to each of the 1,300 (approx.) bodies registered with the RFS, to their representative organisations and to a wide range of other relevant interested parties. The paper was an open invitation to all interested parties to express their views and have a participative role in the decision making process. This will allow the Department to bring forward more concrete proposals on how the remaining functions of the RFS should be carried out in the future. It is likely to be early 2004 before decisions are taken.

New Companies Legislation

3.4.14 The overall objective of the Company Law Review Section is to achieve a simplified, consolidated and accessible company law regime, within which creditor and shareholder rights are clear and readily enforceable.

3.4.15 The main mechanism for achieving this end is the Company Law Review Group (CLRG). The CLRG is a group of experts appointed by the Tánaiste and Minister for Enterprise, Trade and Employment to develop proposals for the review and reform of company law on the basis of a regular two-year work programme.

3.4.16 The Company Law Review Section of the Department serves as secretariat to the CLRG. The main tasks of the Company Law Review Section are to:

- Expedite the work programme of the Group;
- Produce, every second year, the report which results from the work programme;

- Translate the recommendations in the Review Group's reports into legislative proposals;
 - Secure government agreement to these proposals;
 - Draft the ensuing Heads of the Bill; and
 - Progress these Heads to enactment.
- 3.4.17 A draft report covering the Review Group's Second Work Programme 2003-4 has been completed. On approval by the Review Group it will be presented to the Tánaiste for approval early in 2004. The intention is that the recommendations in the report, which deals with the following 6 areas, will be incorporated into the proposals for the Company Law Consolidation Bill currently being drafted:
- Windings up/liquidations;
 - Debentures and registration of charges;
 - Proposed EU developments in company law;
 - Shares and shareholders;
 - Corporate Governance and Company Management Regulations (Table A); and
 - Audit and accounting
- 3.4.18 In the course of 2004 the intention is that the Tánaiste will take the General Scheme of this Bill to Government for agreement.
- 3.4.19 The review of company law issues in the Second Work Programme takes place against the background of the ongoing major reform and consolidation of company law initiated on foot of the Review Group's First Report (February 2002). That report mapped out a strategy for the restructuring, consolidation, simplification and modernisation of company law in Ireland. The General Scheme of the Bill to give effect to the proposals for this reform of company law is now being drafted in the Section and this, alongside the work on the Second Work Programme of the Review Group, was the major focus of the Review Group's attention in 2003. For the purposes of information and consultation, the draft Heads of each Part of the new Bill are posted on the website of the Company Law Review Group (www.clrg.org) as they are formulated.

- 3.4.20 In addition, the Company Law Review Section is tasked with developing the overall strategic response to company law proposals emerging from the European Commission. To that end, the Section drew up the national response to the EU Action Programme on Company Law, which issued to the Commission on 5 September 2003 and which will set the context for the Irish position on, and responses to, the elements in the Action Plan as these are developed.

Secondary Legislation

- 3.4.21 A total of ten Statutory Instruments were made under the Companies Acts, the Registration of Business Names Act 1963 and the European Communities Act 1972 during 2003.

European Commission proposals in the area of company law

- 3.4.22 In May 2003, the European Commission published proposals for action plans in the areas of company law and statutory audit which is likely to bring about a considerable degree of reform and harmonisation in this area over the coming decade.



Pillar Four

Quality, Value and Continuous Improvement

We will ensure that the resources entrusted to us deliver value for money. We will grow our skills and competencies to continuously improve our service to our customers and stakeholders at all levels.

4.1.1 We continue to endeavour to provide the highest quality services to our customers. We strive to ensure that we maximise the returns for the resources invested in us, and that we consistently deliver value for money. We continue to invest in our human and other resources in order to grow our skills and competencies to deliver our services to our customers and stakeholders at all levels.

KEY EVENTS IN 2003

New Divisional Structures

4.1.2 In tandem with the introduction of the Department's new Statement of Strategy for 2003-2005, the Department underwent a series of changes at divisional level to improve on the effective delivery of the key activities outlined in the new strategy statement and to enhance our service to our customers.

4.1.3 The new divisional structures reflect the continually evolving EU, competitiveness, and enterprise support environment, and the growing importance of Science, Technology and Innovation as a key driver of national economic development. The new divisions came into effect in June 2003, and will be reviewed in 2005. (The new structures are set out at the start of this report).

Information Unit

4.1.4 The Department's website www.entemp.ie/ is a vital information channel for our customers. During 2003, the website underwent a substantial amount of reorganisation and a common 'look and feel' and a standardised layout were developed. All Divisional pages now follow the same format, which will make it substantially easier to navigate and to find information.

4.1.5 The website was awarded the runner-up prize in the recent Public Sector Times eGovernment awards. It was praised in particular for the amount and quality of information it contained.



Mr Paul Vickers, Mr Sean Smith, Ms Mary Hanafin, TD, Minister of State at the Department of the Taoiseach (with special responsibility as Government Chief Whip and for the Information Society) and Mr Pdraig O'Conaill at the Public Sector Times eGovernment awards 2003.

4.1.6 During 2003 the website received a total of 781,834 visits (over 37% of these were from Ireland). This represents an increase of just over 18% on the 2002 figure of 655,195. A total of 5,741 e-mail queries were received for the year through the Department's website, which was 6.63% up on the previous year's figure of 5,384.

4.1.7 The Information Resources Unit dealt with 22,550 telephone queries in 2003, an increase of 6.44% over 2002.



Pillar Four - Quality, Value and Continuous Improvement

Sustaining Progress - Departmental Action Plan

- 4.1.8 During 2003, as part of the Sustaining Progress social partnership agreement, the Department drafted an Action Plan to deliver a number of key modernisation objectives across the duration of the agreement. These modernisation objectives include commitments to improving customer services including publishing a customer charter, the development of the partnership process within the Department, moving to competitive merit-based promotion systems for all grades, the reform, restructuring and consolidation of Company Law, the adoption and development of new technologies and eGovernment, greater training and furthering the equality agenda.
- 4.1.9 In addition to its report at the end of 2003, the Department will periodically review the plan, and report to the Department of Finance and to the Civil Service Performance Verification Group in relation to progress on the action plan.

Reducing our environmental impact

- 4.1.10 The Environment Unit provides ongoing support and information to other sections in the Department relating to environmental issues. It has also ensured that the concept of sustainable development has been incorporated into the Department's Strategy Statement.
- 4.1.11 The Department has appointed a Green Officer and a Green Team to produce and implement an Environmental Management Plan for the Department. Implementation of the plan is continuing. Some of the achievements of the Green Team include green purchasing, raising awareness of green issues and the implementation of a recycling program in the Kildare Street building (to be extended to other buildings throughout 2004).

'Best Companies to Work For' Competition 2003

- 4.1.12 In 2003, the Department was listed as one of the 50 best organisations to work for in Ireland. The 'Best Companies to Work For in Ireland' competition forms part of an EU initiative designed to draw attention to the many progressive workplaces throughout Europe, both in the public and the private sectors. Participation in the competition entailed 250 randomly selected employees completing an attitude survey to measure their perceptions about working in the Department. A management questionnaire which reviewed the Department's culture, including its HR policies, was also completed.
- 4.1.13 A report, which provides an analysis of the views expressed by the 174 staff members who returned the survey questionnaire, and which benchmarks the Department against the Irish and EU winners of the 'Best Companies to Work For' awards, is currently being examined in a number of internal working groups with a view to improving the Department as a place to work.

STRATEGY & PLANNING

- 4.2.1 Business planning is an important driving force in the management and implementation of the Department's work. Business plans for 2003, which set out the activities to be taken to meet the goals and objectives outlined in the Strategy Statement, were presented and discussed at the Department's annual senior management conference early in February 2003.
- 4.2.2 Progress against the plans was regularly reviewed at section level. At divisional level, mid term reviews were undertaken and presented to the Management Board in early Autumn 2003. End-of-year reviews and presentations of the divisional business plans for 2004 took place in January and February 2004.

MANAGING CHANGE FOR IMPROVEMENT

Value for money reviews

4.3.1 In 2003, the Business Process Review (BPR) Unit undertook reviews in the following areas within the Department:

- The processes and procedures for the drafting and issuing of Labour Court Recommendations;
- The reception facilities in Kildare Street, Davitt House, Earlsfort Centre and Parnell House;
- The administration of the Ministerial Representations System.

4.3.2 The report of the review carried out in the Labour Court highlighted the need to update existing procedures which clearly identified the responsibilities and functions both of the Court Divisions and the Secretariat. The final report issued to the Labour Court in March 2003.

4.3.3 The review of reception facilities was conducted to ensure the optimisation of a quality customer service provided to the Department's customers at the first point of contact. The review focused on the informational needs of external customers of the Department. As well as the role of reception staff, the physical surrounds of each Reception area were examined. The report, finalised in August 2003, included recommendations specific to each building as well as cross-cutting issues relevant to all buildings.

4.3.4 The review of the Ministerial Representations System was a follow up to a previous review carried out in 1998, which led to the introduction of a new integrated electronic tracking system (to deal with representations to the Tánaiste and Ministers of State at the Department). The follow-up review was completed in November 2003. It identified the need to make the Tracking System more intuitive and to improve service standards.

4.3.5 The Business Process Review Committee, set up by the Department to review progress made in implementing recommendations made in BPR reports, met twice during 2003. The Committee reviewed progress on implementing recommendations in reports of reviews of the Permanent Representation in Brussels, the Office of the Director of Consumer Affairs and the Patents Office.

Expenditure Reviews

4.3.6 In 2003, as part of the Department of Finance's Expenditure Review Initiative, the Department commenced expenditure reviews of the IDA Ireland Property Programme, and of Enterprise Ireland's Overseas Office Network. Both reviews are expected to be concluded early in 2004. The reviews are expected to draw conclusions on the effectiveness and efficiency of the programmes, and to make recommendations, if necessary, to achieve improvements in the programmes. The Department is satisfied that the reviews will, inter alia, result in improvements in the measuring of performance.

4.3.7 A pilot cross-departmental review of supports for the long term unemployed commenced in 2003, and is expected to be concluded by the end of 2004. The review is to examine the complete range of State-supports available through a number of Government Departments and Agencies, including the Departments of Social and Family Affairs, Education and Science, Community, Rural & Gaeltacht Affairs, Justice, Equality and Law Reform, and Tourism, Sport and Recreation, the Office of the Revenue Commissioners and FÁS.

Cross functional teams to drive the modernisation agenda.

4.3.8 Four Working Groups were established during 2003 to drive and deepen the modernisation agenda within the Department. The groups were established to examine and report on the areas of Quality Customer Service and Openness, Transparency and Accountability; Information Systems Management/ICT; Human Resources



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Management; and Financial Management. Detailed work programmes were agreed by each group.

- 4.3.9 The ICT group was established to oversee the implementation of the Department's ICT Strategy, and to provide a coordinated approach to ICT proposal evaluation, including infrastructure, and to the development of a more formal and focused approach to ICT projects in the Department and its Offices. The HR group's principal remit is to monitor and assist in the transition from personnel management to human resource management within the Department. During 2003, this group contributed significantly to the development of the Department's draft Human Resources Strategy, and ensured that issues raised in the most recent Staff Perceptions Survey are addressed through the appropriate mechanisms. The Financial Management group addresses issues in relation to such matters as the Department's Annual Estimates, the administrative budget allocations and expenditure reviews. The Quality Customer Service and Openness, Transparency and Accountability group assisted in the development of the complaints procedure, and facilitated the QCS-proofing of business plans in each unit of the Department during 2003.

- 4.3.10 An overarching Steering Committee was established to coordinate the activities, and ensure consistency across the Working Groups. This Steering Committee is also tasked with the development of performance indicators for the new Management Information Framework. The Committee will report on activities periodically to the Department's Management Board.

Partnership Committee

- 4.3.11 The Department's Partnership Committee promotes a participative approach to implementing the modernisation agenda and to resolving issues generally within the Department. It comprises staff, management and union representatives across the entire organisational structure and provides a forum where members can freely express views outside of these traditional roles.

- 4.3.12 Throughout 2003, the Partnership Committee and sub groups established under its aegis continued to progress the modernisation agenda. The Committee worked to further improve Customer Service, how we use ICTs and to develop the Department's HR Strategy. Working in partnership, the Committee assisted in developing the Department's Action Plan, which details how the modernisation agenda will be progressed over the period of Sustaining Progress, and in producing the Department's first progress report on implementation of the Action Plan. A priority for 2003 was to heighten awareness of the partnership process and good progress was made in this regard. The Committee also made further progress in improving health and safety.

ENHANCED OPENNESS, TRANSPARENCY AND ACCOUNTABILITY

Trend in volume of information made available to the public.

- 4.4.1 The Department's website continues to be an important conduit for making information available to the public. The content of the website continues to grow and this is reflected in increases in the number of visits to the site, which at 781,834 was up 18% on the 2002 figure. Agreement has been secured to publish three additional key classes of records on the site:

1. The monthly Management Information Reports submitted to the Management Board;
2. Details of consultants engaged by the Department;
3. Key documents submitted to the Department of Finance in support of the Department's commitments and progress contained in the Action Plan under Sustaining Progress, once those documents have been agreed by the Performance Verification Group.

It is expected that this additional information will be made available on the Department's web site early in 2004.

Trend in Freedom of Information (FOI) requests

- 4.4.2 The total number of FOI requests received during 2003 was 151, which was down on the corresponding figure for 2002 of 204. The trend in requests has been downwards since the inception of FOI, but the 2003 decrease is likely to be substantially attributable to the introduction of up-front fees for making non-personal requests. It is still very early to make definitive statements about long-term trends in request volumes. The Department continues to develop other conduits for making information available, including release outside FOI and publication on its website.

Effective response to FOI and Data Protection requests

- 4.4.3 Considerable priority is given to proper and timely responses to FOI requests. In the very small proportion of cases where it is not possible to respond fully to requests within normal time limits, the agreement of the requester is always secured for any delayed response. Decision makers and appeals officers undergo formal training, and open cases are regularly monitored by a dedicated FOI Unit, to ensure that responses are timely and of a high quality.

Extension of the FOI Act to additional bodies

- 4.4.4. Late in 2003, the Department of Finance sought nominations for additional public bodies to be covered by Freedom of Information by the end of 2005. The Department has nominated an additional six bodies which come under its aegis for inclusion under FOI, and expects to be in a position to nominate further bodies early in 2004.

Mullarkey Report

- 4.4.5. The Report of the Working Group on the Accountability of Secretaries General and Accounting Officers (Mullarkey Report) sets out various recommendations aimed at strengthening governance arrangements in the civil service. The Report was endorsed by the Government in December 2002, and Departments and Offices are required to implement its recommendations in

accordance with a two year timetable. The Department's Internal Audit Unit (IAU) prepared an implementation plan and coordinated and facilitated the implementation of the report recommendations. Work has been continuing to introduce a formal risk management process to the Department in the latter part of 2004.

Annual Report

- 4.4.6. In line with our commitments in the Department's Statement of Strategy 2003-2005, the Department's Annual Report 2002 was published and circulated to all staff in April 2003.

HUMAN RESOURCES MANAGEMENT

Human Resources Strategy

- 4.5.1 A draft Human Resources Strategy was prepared in 2003, in consultation with the SMI Human Resources Sub Group, which is representative of all Divisions, and the Department's Partnership Committee which comprises management, union and staff representatives, and is representative of the various buildings of the Department. The views of staff were key drivers in the process, with the development of the Strategy being informed by the results of a recent Staff Perceptions and Attitudes Survey.
- 4.5.2 The purpose of the Human Resources Strategy is twofold: to articulate the Department's current HR policies and to map out an action plan for the further development of a more strategic approach to the management of our human resources which will support better delivery of our business goals. The Human Resources Strategy is central to the Department's move from the traditional narrow view of personnel as an administrative function to a more strategic and developmental human resources management (HRM) approach. This move is recognised as a key support for the modernisation agenda.



Pillar Four - Quality, Value and Continuous Improvement

Performance Management and Development System (PMDS)

4.5.3 The Department's PMDS Monitoring Group met regularly throughout the year to monitor the implementation of PMDS and to provide guidance to facilitate its consistent application across the Department. In accordance with the civil service wide agreement on the formal integration of upward feedback within the PMDS, a staff perceptions and attitudes survey was conducted. The results of the survey were formally presented to the Department's Partnership Committee in the Autumn. They are currently being examined by a number of internal sub groups with a view to formulating proposals to address the challenges highlighted by the survey. It is intended that this exercise will be finalised shortly and that a programme of training to assist staff to give and receive upward feedback within the PMDS will commence in 2004.

Training & Development

4.5.4 Throughout 2003 we continued to allocate resources towards the training and development of our staff. Our main aim was to deliver training on a value for money basis within the existing target of 4% of payroll. Taking account of administration and training staff costs, we reached a figure of 3.5% in 2003.

4.5.5 Courses provided included Effective Writing, Report Writing, Speech Writing, Clear and Critical Thinking, Communication/Assertiveness, Presentation Skills, Customer Service, Teamworking, Government Accounting, Policy Analysis, the Legislative Process, and Human Resource Management. In preparation for Ireland's Presidency of the EU, training courses were provided for staff participating in EU meetings. All of these courses were identified in the Department's co-ordinated training plan which was prepared having regard to individual training and development plans drawn up in the context of the PMDS.

4.5.6 One of our priorities for 2003 was the roll out of a management development programme for all Higher Executive Officers, Administrative Officers and equivalent grades. The objective of the programme was to equip these officers with the necessary personal, interpersonal and management competencies to allow them to meet their current role objectives and to prepare for future management roles. This programme was based on action learning and required participants to complete work before and after modules and to make a presentation to the Management Board evaluating the benefits of the course.

4.5.7 In accordance with the objectives of the PMDS and the development of lifelong learning, members of staff were also encouraged to avail of informal training opportunities to enhance their competencies. A series of information briefings on key activities of the Department was delivered by experienced staff members to facilitate this. Substantial progress was made in developing some specific e-learning programmes which will be launched in 2004.

4.5.8 The Department also administered its Refund of Fees Scheme, which provides financial assistance to staff who wish to pursue relevant third level courses in their own time.

IT Training and Development

4.5.9 A major feature of IT competency development during 2003 was the provision of ECDL training for staff. By the end of the year, 114 staff members had successfully completed the course and received the ECDL qualification. This rollout of the ECDL training programme will continue in 2004. Also, by the end of 2003, an additional 147 staff members received specialist IT training, typically in Microsoft Word, Excel and PowerPoint. Senior management were also provided with one-to-one IT training.

Appointment of Equality Facilitator

4.5.10 The Department is committed to fostering a culture in which diversity is valued and there are equal opportunities for all. In October 2003, the Department appointed an Equality Facilitator to work closely with the Equality Sub Group of the Partnership Committee on the implementation of the Department's Equality Strategy. A key part of this work will be the design and delivery of an awareness campaign to further promote the Department's equality and diversity policies.

Disability Liaison Officer

4.5.11 The Department has a Disability Liaison Officer (DLO) who acts as a point of contact for people with disabilities and for managers to whom a staff member with a disability is assigned, and facilitates staff in accessing information and advice. In addition, the DLO monitors the numbers of staff with disabilities employed by the Department and its agencies and provides statistics to the Department of Finance. Having exceeded the 3% quota for the employment of people with a disability, the focus of the Department is on ensuring we have the facilities to accommodate the needs of people with disabilities with regard to the workplace, training, development and career progression opportunities. In this way we will endeavour to create an environment in which the abilities of all staff can be developed to their full potential.

QUALITY CUSTOMER SERVICE

Introduction of a Formal Complaints Procedure

4.6.1 The Department introduced its first formal complaints procedure in July. In doing so, the Department has provided for its customers a well publicised, accessible and simple to use system to submit complaints about the quality of service provided.

4.6.2 The introduction of a formal structure has provided a uniform procedure for complaints handling at business unit level. It is a form of feedback which has proved useful in highlighting areas of service delivery which could be improved. There is continual monitoring of complaints received via daily checks on the complaints tracking system and the generic customer service email address.

4.6.3 Since its introduction, the Department has recorded one complaint with regard to service provision, which was resolved.

Customer Care Research

4.6.4 During 2003, the Department continued its rolling programme of Customer Care Research in collaboration with the IPA.

4.6.5 In April, an in-depth analysis and report on the views of the principal customers of the Enterprise Divisions was received. Both Divisions are currently in the implementation phase of the research findings.

4.6.6 In May, the research project was further expanded to include a comprehensive study of Employment Rights/Industrial Relations Division and Labour Force Development Division. These Divisions have a large and diverse customer base, mainly of individuals with a smaller number of companies and corporate bodies and State Agencies. Accordingly, the results from the research should give the Department a good understanding of the perceptions and expectations of its biggest customer base. The results are expected in early 2004.



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Quality Customer Service-proofing of business plans

- 4.6.7 As an implementation mechanism for the twelve quality customer service principles, the Quality Customer Service Unit examined the business plans of each of the Department's business units, using the principles as a template against which to assess each plan.
- 4.6.8 The QCS Unit held a series of meetings with each of the Department's Principal Officers to discuss the outcome of the audits and to increase the quantitative and qualitative adoption of the twelve QCS principles in future business plans, by setting standards and providing for performance measurement, as well as aiming to promote and develop a customer service ethos throughout the Department.

Customer Charter

- 4.6.9 The Department will publish a Customer Charter in 2004 describing the level of service our customers can expect. By working through the four-step cycle of consultation, commitment, evaluation and reporting, the Department will ensure that the level of service provided to our customers is constantly improving.
- 4.6.10 Preparatory work on the Charter commenced in early 2003 and we are currently analysing feedback from customers in areas where Customer Care Research has been undertaken. Drawing upon the research findings, it is our intention to develop and propose service standards for the Department. Phase two - 'Commitment to Service Standards' - will commence in early 2004.

Organisation Unit

- 4.6.11 The Unit continued to supply the necessary services to provide the Department with a safe and comfortable working environment. During 2003, the Unit oversaw a number of refurbishment and building projects that created an improved working environment for staff. Additionally, the Unit contributed to the implementation of the management information framework system, particularly in relation to the development of the asset register module.

Volume and timeliness of responses to representations and Parliamentary Questions

- 4.6.12 During 2003, the Department continued to strive to issue responses to representations and Parliamentary Questions within the appropriate deadlines.

Employment Rights - Redundancy Payments

- 4.6.13 During the year, the average waiting period for rebate claims has been reduced from 11 weeks to 9 weeks. Work started on drawing up a Request for Tender for a new IT system, which will be e-enabled.

Insolvency Payments

- 4.6.14 The processing of claims for minimum notice entitlements was streamlined and simplified by the removal (by an amendment to the 1984 Act) of the requirement that employees obtain an award from the Employment Appeals Tribunal (EAT) before submitting claims. This resulted in a significant increase in output and processing speed. The average waiting period of four weeks was maintained, but this now included the direct processing of minimum notice claims at the same time as those for arrears of wages, etc., with the removal of the need to wait for an award from the EAT.

Employment Appeals Tribunal

- 4.6.15 The average waiting time between the date of receipt of claims/appeals and the date of hearing increased from 5 months in 2002 to 6 months in 2003. This reflected a carry-over of claims from 2002 awaiting completion and the necessity to ensure that all adjourned cases were completed by the end of the term of the current Tribunal members, which was due to expire in January, 2004. Reviews of the internal procedures of the Tribunal, as well as the operational aspects of the Secretariat, will be carried out in 2004.

Employment Rights Information

- 4.6.16 The Employment Rights Information Unit published an updated Guide to Labour Law in November. In addition, a series of information leaflets about employment rights legislation in Ireland was prepared in nine languages. These are available from the Department on request or via the Department's website.

Delivery of services electronically

- 4.6.17 Within the design constraints of the Department's existing website, an extensive revamp of the Employment Rights content was undertaken in 2003, with the material codified and structured in a user-friendly manner. This task will be revisited when the website is redesigned. In addition, the Redundancy on-line calculator was commissioned to improve customer service and efficiency. The specification of a new Redundancy system will provide for an e-enabled system. The Employment Rights pages were viewed 103,000 times in 2003.

FINANCIAL MANAGEMENT AND CONTROL

Management Information Framework and Financial Systems Improvements

- 4.7.1 The Department participated in the development of a new Civil Service wide Management Information Framework (MIF). In that context, a project to modernise and integrate the financial systems within the Department was substantially completed during the year. A new Financial System is due to come into operation in the Spring of 2004.

Performance Indicators

- 4.7.2 The Department's Strategic Management Initiative Steering Committee was established during 2003. In 2004, the Committee will, inter alia, serve as the vehicle to drive the development of appropriate performance indicators for the management information reports under the Management Information Framework.

Financial Outturn¹³

- 4.7.3 Provisional Figures for 2003 indicate that the Department had a gross outturn of €1,166.060 million and income of €135.252 million, leaving the net outturn at €1,030.808 million.
- 4.7.4 The Administrative Budget provisional outturn was €48.527 million of which salaries accounted for €30.565 million.

Departmental Internal Audit

- 4.7.5 The Internal Audit Unit provides an assurance to the Accounting Officer (Secretary General) on the adequacy of the Department's internal controls.
- 4.7.6 As indicated in pillar five, available audit resources were concentrated on structural funds obligations particularly in the early months of 2003. However, the unit completed three wide-ranging and substantial internal audits during the year.

Business Expansion Scheme (BES) / Seed Capital Scheme (SCS)

- 4.7.7 In 2003, the Consultancy Unit undertook a review of the BES and SCS scheme with the Department of Finance and Office of the Revenue Commissioners. The schemes were due to cease on the 31 December 2003. As a result of the review, the Department made a detailed submission to the Department of Finance recommending the extension of the schemes for a further three years to 31 December 2006. The Department also made recommendations on additional changes in relation to the operation of the schemes. The BES' and SCS' main purpose is to encourage the provision of risk capital for start up companies and small medium size enterprises (SMEs) with a view to create or maintain employment.
- 4.7.8 In light of the review, the Minister for Finance announced the extension of the schemes until 31 December 2006 in the 2004 Budget, and also increased the maximum amount a company can raise under both schemes from €750,000 to €1 million.

¹³ Further details are provided in Appendix 1.



INFORMATION SYSTEMS

IT Business Services Unit

4.8.1 A priority recommendation of the recent ICT Strategy was the establishment of an IT Business Services Unit to act as a single-point-of-contact for all Business Units of the Department and its Offices. Established in 2003, this new Unit now provides:

- Administration services, dealing with the day-to-day running of the IT Unit, including IT Budget and Payment Administration, IT Procurement and Purchasing, IT Training, Unit Co-ordination (FOI requests, PQ's, liaising with the Department of Finance) and management of the Helpdesk contract.
- Business Services, by working directly with business units throughout the Department to identify where IT systems can assist them in achieving their business goals; provide advice on the application of IT systems; facilitate quality customer feedback; service the ICT Steering Group and ICT User's Panel.

Network and Desktop Services

4.8.2 The IT Unit continued to provide network and desktop services to a high level during 2003. Preparations for the move to Microsoft XP on the desktop, as recommended by the ICT Strategy Report, were finalised at the end of 2003 with the rollout expected to be complete by May 2004. Important developments during the year included the award of a three-year contract for virus control software and the selection of consultants to prepare a Disaster Recovery and Business Continuity Plan for the Department. The resilience of the Department's network was also improved with the installation of fail-over equipment, including stand-by generators, in two key locations.

4.8.3 The IT Unit also undertook extensive work in preparation for the Irish Presidency of the European Union.

Intranet

4.8.4 A single, organisation-wide Intranet, designed for accessing and sharing information of common interest across the Department, was launched in June 2003. Initially the site contained information provided by the following Units within the Corporate Services Division of the Department - Personnel, Finance, Information Technology, Training, Planning and Freedom of Information, Information and Organisation Resources, and the Press Office. Content relating to the Employee Assistance Service and to the role of this Department in the Irish Presidency of the European Union were added later in the year.

4.8.5 Content from other Divisions and Offices of the Department will be added to the site on a phased basis during 2004 and 2005.

BASIS

4.8.6 BASIS is a cross-departmental eGovernment project managed by this Department. Its objectives are to deliver integrated public sector information to the business community in a client centred manner based around the everyday actions or 'events' in the life of a business, and to work with public sector agencies and Reach in the development of the delivery of integrated electronic services to the business community.

4.8.7 The website (www.basis.ie) was launched by the Tánaiste in November 2001 and provides the business community with a single point of access to information on public sector services. An accessibility and usability review of the website was carried out in September 2002 and the recommendations of this review were implemented on the website during 2003.

Development of online integrated services

- 4.8.8 The BASIS project team has continued to work with Reach and Government Agencies in the area of identity management for business entities dealing with Government, in particular the development of a single identifier for business, similar to the PPSN introduced for the individual.
- 4.8.9 A cross-departmental study, undertaken by the BASIS project, into the feasibility of the delivery of a range of services over the Internet was completed at the end of 2002. The results of this study were published in early 2003 and at the same time presented to the business facing public sector bodies. During the course of this study, the development of an online work permit system was identified as a suitable candidate for delivery over the Internet. A process review was carried out in 2003 in order to streamline and improve this service taking advantage of the opportunities for sharing data among a number of Government agencies.



Pillar Five

The European Union

We will work proactively within the European Union and within domestic institutional structures:

- to achieve our strategic goals and help make Europe the most competitive economy in the world with more and better jobs and greater social cohesion, and
- to create a more liberal world trade and investment environment.

5.1.1 The European Union is a very significant key factor in the Department's work. We continue to pursue an extensive agenda within the European Union in order to realise the Department's strategies and to assist in ensuring that Europe's economy becomes the most competitive in the world, providing an enhanced job market and greater social cohesion. We also strive to advance Irish and EU goals by continuing to work towards the creation of a more liberal world trade and investment environment.

KEY EVENTS IN 2003

5.1.2 The Department developed, jointly with other Departments, the Programme for Ireland's Presidency of the EU in the first half of 2004. The Department's own Programme and Priorities across all key areas with an EU involvement was the subject of intensive preparations during the year. In addition this Department contributed to the preparation of Annual and Multi-Annual Programmes for the Council.



President of the European Parliament, Mr Pat Cox, MEP and Minister for Labour Affairs, Mr Frank Fahey, TD.



Minister of State at the Department of the Taoiseach and at the Department of Foreign Affairs with responsibility for European Affairs, Mr Dick Roche, T.D., the Tánaiste, Ms Mary Harney, T.D. and the Taoiseach, Mr Bertie Ahern, T.D. at the launch of the logo of the Irish Presidency of the EU.

PRESIDENCY 2004 AND ENLARGEMENT

Preparations for the Irish Presidency of the EU

5.2.1 Preparations for the Irish Presidency of the European Union in the first six months of 2004, and in particular the development of the Department's programme and priorities for the Presidency, formed a central focus of the work of the Department during 2003. The Department participated in a number of inter-departmental Committees which coordinated Ireland's planning for the presidency, on both logistics and policy fronts. In addition, a number of bilateral visits were undertaken at political level by the Tánaiste and the Ministers of State, in particular to the Accession Countries, to discuss matters relating both to the Irish Presidency and to the Enlargement of the Union in May 2004. Meetings were also held at official level with European representative organisations to discuss Presidency issues.

5.2.2 The Department also contributed to a range of programmes linked to the Irish Presidency. These included the Irish Presidency Programme, the Joint Operating Programme for the Council for 2004 (incorporating the Irish and Dutch Presidencies), and the Multi-Annual Strategic Programme for 2003-2005 (incorporating six successive Presidencies - Ireland, Netherlands, Luxembourg, UK, Austria and Finland). In



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In addition, on a sectoral level, we developed the Irish Presidency Programme for the Employment, Social Policy, Health and Consumer Affairs Council (in conjunction with the Departments of Social and Family Affairs, Justice, Equality and Law Reform, and Health and Children), and we were the lead Department in the preparation of the Irish Presidency Programme for the Competitiveness Council.

EU Competitiveness Council

- 5.2.3 Significant effort was mobilized during the year to strengthen the working methods and focus of the Competitiveness Council (a relatively new formation of Council), through the submission of papers, presentations to related support structures and through the establishment of a network of like-minded Member States. This culminated in a commitment by the Council to drive the competitiveness agenda at the European level in a more coherent and integrated way.

Involvement in general EU issues

- 5.2.4 The business goals of the Department across virtually all key policy areas are inextricably linked with developments in the European Union. This is reflected throughout the various activities reported upon in this Annual Report. This reality is not surprising, given that the high level goal in Pillar Five of the Department's Statement of Strategy for 2003-2005 closely reflects the Union's strategic goal set at the Lisbon Summit in 2000 to become by 2010 "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion".
- 5.2.5 During 2003, the Department continued to take a proactive approach to EU affairs both through individual policy areas and in an overarching and coordinated way. This activity of monitoring and linking developments arising at EU level with Departmental strategy was further supported by representatives of the Department assigned to Ireland's Permanent Representation to the EU in Brussels and, insofar as certain other relevant interests of the Department are concerned, by those assigned to the Permanent Mission in Geneva.

EU CONSTITUTIONAL AND INSTITUTIONAL REFORM

- 5.3.1 The Department participated during 2003 in a number of inter-departmental Committees on the monitoring of developments in both (initially) the Convention on the Future of Europe and (subsequently) the Inter-Governmental Conference (IGC) and the making of contributions on issues of interest and importance which arose in those fora. The draft Constitution for Europe was adopted by the Convention in July 2003, and the IGC began its consideration of the draft Constitution in October 2003. The IGC had not completed its work by year-end.
- 5.3.2 Contributions were made by the Department, including through participation in the inter-departmental Lisbon Group, to Ireland's input to the Spring European Council in March 2003, which reviewed and gave further impetus to the achievement of the Lisbon goals. Ireland's interests in the two Council formations for which Ireland's participation is led by this Department, namely, the Competitiveness Council, and the Employment, Social Policy, Health and Consumer Affairs Council were actively promoted and developed.

HORIZONTAL

EU Directives

- 5.4.1 The Department made strenuous efforts in 2003 to increase the level of transposition of EU Directives in advance of Ireland's Presidency of the EU. A total of 25 Directives was transposed by the Department in 2003 as opposed to 16 in 2002. This contributed to a significant improvement in Ireland's position on the EU Directives Internal Market Scoreboard. The Department monitors and reports on Ireland's transposition performance in respect of single market measures across all Departments. At the beginning of 2003 Ireland was in 13th position on the Scoreboard with a transposition deficit of 4.6%. By the end of the year, Ireland's deficit was 1.4% and we were ranked joint 3rd on the Commission's league table. This exceeded the target set by the European Union of having 98.5% of all EU measures adopted into national law within one year.

Oireachtas Scrutiny of EU Proposals

5.4.2 The Department participated in the system for Oireachtas Scrutiny of EU proposals which had its first full year of operation in 2003 and which, in terms of the number of information notes submitted to the Oireachtas, impacted more on this Department than on any other Department. This Department dealt with 80 proposals on which information notes were prepared. The Department's first six-monthly report as required under the European Union (Scrutiny) Act 2002 was submitted to the Oireachtas.

ENTERPRISE, INNOVATION, GROWTH

EU R&D Framework Programme

5.5.1 The EU Sixth Framework Programme is dealt with in Pillar one.

Multiannual Programme for Enterprise & Entrepreneurship 2001-2005

5.5.2 Irish involvement in the Multiannual Programme for Enterprise and Entrepreneurship was maximised and the Department arranged national participation in a record 13 projects during the year. Projects which had reported at year's end included:

- Education and Training for Entrepreneurship
- Responsible Entrepreneurship
- Entrepreneurship amongst Women
- Taxation of Employee Stock Options
- Transfer of Business
- Clusters and Networks
- Restructuring, Bankruptcy and a Fresh Start

State Aid

5.5.3 While the European Commission has yet to produce proposals on revision of the Regional Aid Guidelines, it has indicated that its preliminary conclusions on the future of regional aid post 2006 are that:

- there are good reasons for maintaining the level of 75% of EU average GDP as the threshold for eligibility for aid under Art. 87. 3 (a), (i.e. equivalent to objective 1 status under Structural Funds, currently applicable in the BMW Region);
- there should be transitional arrangements for those regions which no longer have Art. 87.3 (a) status in the enlarged EU;
- there is a strong case for ensuring continuity of aid in those regions which lose their Art. 87.3(a) status due to statistical reasons arising from enlargement. However, the Commission considers this continuity could be adequately provided for through status under Art. 87.3(c);
- the transition mechanism for regions losing Art. 87.3 (a) status through statistical reasons should be more generous than that for regions losing it due to their economic performance;

5.5.4 In effect, this would mean that Ireland would no longer have any Art. 87.3(a) region but would maintain some Art. 87.3(c) regions post 2006. The scenario as outlined by the European Commission would meet some of the key concerns expressed by Ireland, i.e. that:

- BMW region should be afforded appropriate transitional provisions in terms of permitted aid intensity;
- Regional aid policy should not act as a barrier to Member States' actions to tackle specific local problems which do not present real competition concerns at Community level. There is a need for flexibility in relation to economically insignificant aid.

5.5.5 Discussions between the European Commission and EU Member States on the revision of the Regional Aid Guidelines are likely to commence in 2004.

Other State Aid Developments

5.5.6 In 2003 a new 'Guide to State Aid for Public Bodies' was published on the Department's website. Information on new developments on State Aid was disseminated through the Inter-



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Departmental Coordinating Committee on State Aid, which met each quarter. Annual reports were prepared and transmitted to the European Commission in respect of the Department's State Aid schemes operated by its Agencies. Statistical data was compiled for the European Commission's 'Annual State Aid Scoreboard.'

EU Environmental Policy

5.5.7 Details of the Department's work on EU Climate Change initiatives are outlined under Pillar One above. Our involvement with some of the other significant EU environmental policy issues are as follows:

5.5.8 EU Chemicals legislation (also known as REACH)

This draft legislation proposes a very far-reaching new regime for the control of chemicals throughout the EU. The measure could have significant competitiveness implications for Irish industry. To address the issue, the Department established an Inter-Departmental/Agency Committee to assess the proposed new Regulation and this Committee prepared, and submitted to the European Commission, a national position paper which reflects the competitiveness needs of industry. Many of these concerns were taken into account in a revised draft of the proposal, which was published by the Commission after the consultative process. Following the European Council in October 2003, it was decided that the Department of Enterprise Trade and Employment would have lead responsibility for negotiation on this dossier, in conjunction with the Department of Environment, Heritage and Local Government. Procedures for dealing with this dossier during the Irish Presidency in 2004 were developed by the Department in consultation with the Inter Departmental Committee and have been operating successfully.

5.5.9 Draft Environmental Liability Directive

The Department of Environment, Heritage and Local Government are the lead Department on this measure but we have been liaising closely with them in relation to the proposals. This initiative seeks to address the issue of environmental damage caused by significant industrial accidents

and to ensure that those responsible pay for remedying the damage caused. The EU sees the need for the measure due to the lack of property rights over the general environment. Some of the original provisions would have created significant difficulties for industry, e.g. a proposal that mandatory insurance cover would be required. These proposals have now been modified to improve the workability of the dossier and reduce possible negative effects on competitiveness.

5.5.10 Draft Directive on Eco-design of Energy using Products (EuP).

This draft Directive seeks to improve the environmental impact of certain products, by ensuring that environmental factors are more fully taken into account at design stage. Negotiations are still at an early stage and we will be working to ensure that a workable and practicable initiative will emerge.

Proposal for a Directive of the European Parliament and of the Council on the Enforcement of Intellectual Property Rights

5.5.11 This Directive aims to harmonize the law and practice in all Member States in relation to enforcement measures to protect intellectual property. Specifically, the measures it would extend throughout the EU include injunctions to halt the sale of counterfeit or pirate goods, provisional measures such as precautionary blocking of suspected offenders' bank accounts, evidence-gathering powers for judicial authorities and powers to force offenders to pay damages to rights holders to compensate for lost income.

5.5.12 Significant progress was made on this proposal in the period June to December 2003 under the Italian Presidency. Work on this dossier will continue under the Irish Presidency with a view to achieving political agreement on the measure with the Council and Parliament in March 2004.

Patents - Proposal for a Directive of the European Parliament and of the Council on the patentability of computer-implemented inventions

- 5.5.13 Computer programs “as such” are excluded from patentability by EU Member States’ patent laws and the European Patent Convention, which applies to the operation of the European Patent Office (EPO). However, while the statutory provisions setting out the conditions for granting such patents are similar, their application in the case law and the administrative practices of Member States is divergent. In addition, there are differences, in particular, between the case law of the Boards of Appeal of the European Patent Office and the courts of Member States. Thus, a computer-implemented invention may be protected in one Member State but not in another one, which has direct and negative effects on the proper functioning of the internal market.
- 5.5.14 In November 2002 the Competitiveness Council agreed a common approach on a Directive aimed at rectifying the position and making the conditions of patentability more transparent.
- 5.5.15 In September 2003, the European Parliament suggested a wide range of amendments to the proposal. Consideration of the Parliament’s amendments commenced in the EU Council Working Party on Patents in late 2003. Work on this dossier will continue under the Irish Presidency with a view to reaching a Common Position of the Council on the European Parliament amendments at the Competitiveness Council in May 2004.

Community Patent

- 5.5.16 On 3 March, the Competitiveness Council reached agreement on a common political approach for the proposed Community Patent. The approach sets out the parameters to apply on the contentious elements of translation and costs, the role of the national patent offices, distribution of fees and the jurisdictional system.
- 5.5.17 Agreement on the Community Patent Regulation was narrowly missed at the Competitiveness Council on 27 November 2003. The major sticking point was the time period to be allowed for the

translation of patent claims into all official languages. Although there was very considerable convergence of positions, it was not possible to secure unanimous agreement on the time period to be allowed.

- 5.5.18 It will fall to the Irish Presidency to attempt to secure political agreement on the Community Patent Regulation at the Competitiveness Council in March 2004 and the Presidency will be working with the other Member States and the Commission to try to achieve this.

Trade Marks - Proposal for an amendment to the Community Trade Mark Regulation

- 5.5.19 The Competitiveness Council, at its meeting in November 2003, unanimously agreed a draft Regulation modifying some of the administrative provisions of Regulation 40/94 which established a unitary system of registration for the protection of trade marks throughout the Community. The revised Regulation is intended to increase the effectiveness of the Community system of registration without substantively changing the system itself. One of the main changes which will flow from the adoption of the Regulation is that the system of national searches to establish prior legal rights will continue for a transitional period of four years, after which national searches will become optional for applicants and be subject to a search fee.

STRUCTURAL FUNDS OPERATIONAL PROGRAMMES

European Social Fund

- 5.6.1 In its capacity as Paying Authority for the European Social Fund (ESF) in Ireland, the Department certified and submitted claims to the value of €250 million to the European Commission in 2003. This included final claims amounting to approximately €100 million in respect of the 1994-1999 Structural Funds programming period, which were lodged with the European Commission by the regulatory deadline of 31 March 2003. More than €111 million in ESF transfers was received before the end of the year. The balance of claims submitted should be received in 2004, subject to



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any adjustments which may be made by the European Commission.

EU Structural Funds Audit

- 5.6.2 The Department's Internal Audit Unit has responsibility for implementing a bilateral agreement with the European Commission on audit co-operation in respect of the European Social Fund.
- 5.6.3 The unit prepares an annual risk-based national audit plan, covering ESF activity across one Community Initiative and various Operational Programmes. The resulting audit activity is either undertaken directly by the unit or, on its behalf, by internal audit units in implementing Departments / organisations. All such audit activity is forwarded to the Commission and is also reviewed and followed up by the unit. The unit also liaises with the Commission in relation to issues arising from this audit activity and in relation to various aspects of EU financial control requirements. The unit has commenced an audit of the ESF paying and managing functions within the Department and also participated in three audit missions by the Commission (DG Employment & Social Affairs) during 2003.
- 5.6.4 The unit has a specific and extensive role in relation to closure of the 1994/1999 round of Structural Funds and was required to provide a statement of closure to the Commission for the ESF elements of each Operational Programme and Community Initiative (16 in total). This was a priority area of activity for the unit and culminated in statements being provided to the Commission by the 31 March 2003 deadline. The unit has been liaising with the Commission in relation to various matters arising from the closure process.

Mid-Term Evaluation of the EHRDOP

- 5.6.5 The Mid Term Evaluation of the Employment and Human Resources Development Operational Programme (EHRD OP) 2000-2006, which will invest a total of €14.2 billion in education, skills training, social inclusion and employment support over the period 2000-2006, was completed in

August 2003 by Fitzpatrick Associates. The evaluation concluded that there is a strong degree of concordance between Ireland's labour market policy and the priorities and guidelines of the European Employment Strategy. A number of suggestions were made by the evaluators to ensure that investment under the EHRD OP is in keeping with the changing labour market needs of the economy, including that the fundamental nature of the Operational Programme should be changed (either a broader Human Resource Development Strategy or a shorter programme duration), that attention should be refocused on certain areas, e.g. Skills Training for the Unemployed, and that In-Company Training be maintained. The report was transmitted to the European Commission at the end of October, accompanied by the formal opinion of the Operational Programme Monitoring Committee on the evaluation.

- 5.6.6 The evaluation of the EHRDOP fed in to the Mid Term Evaluation of the NDP/CSF 2000-2006. The Department participated on the Steering Group which oversaw the completion of this broader evaluation by the ESRI and associates. The Department was also represented in subsequent discussions with the European Commission on the Mid Term Review of the NDP/CSF.
- 5.6.7 A review of activity and expenditure under the EHRDOP will be completed in the first quarter of 2004, in consultation with relevant Departments and agencies, to ensure the maximum draw down of available ESF funds to the end of the Operational Programme in 2006. The recommendations in the Mid Term Evaluation of the EHRD OP will be taken into account in this review.

Mid-Term Evaluation of the EQUAL Community Initiative

- 5.6.8 The EQUAL Community Initiative, which is part-financed by the ESF, continued to test new approaches to tackling labour market discrimination by supporting projects operated by 21 Development Partnerships (consortia groups) during 2003. There is a strong link between the activities carried out under EQUAL and the guidelines and priorities of the European Employment Strategy.

5.6.9 The Mid Term Evaluation of the EQUAL Community Initiative was completed at the end of October 2003. The report, accompanied by the formal Opinion of the EQUAL Monitoring Committee, was forward to the European Commission before the regulatory deadline of 31 December 2003. The report concluded that the priorities set out in Ireland's EQUAL programme, which was drafted in 2000, are still relevant in the context of the current labour market situation. However, the report recommended some rebalancing of investment in favour of adaptability and lifelong learning in the labour force.

European Regional Development Fund - Productive Sector Operational Programme

5.6.10 The Mid Term evaluation of the Productive Sector Operational Programme, which provides investment of €7.3billion in areas covering Research, Technological Development and Innovation, Indigenous and Foreign Direct Investment, and is part-funded by the European Regional Development Fund (ERDF), made no recommendations overall for changing direction for investment in the Programme. The Report did conclude that, where doubts exist on whether targets will not be met under any specific measure, funds should be re-allocated. The evaluation report will form part of the review process of the Programme, which will be undertaken in early 2004.

QUALITY WORK AND LEARNING

EU Employment Strategy

- 5.7.1 The Department is responsible for the preparation of Ireland's National Employment Action Plan under the EU Employment Strategy.
- 5.7.2 A revised European Employment Strategy covering the period 2003-2005 was agreed in July 2003. The Strategy encompasses ten guidelines to be addressed in the pursuit of three overarching objectives in the areas of employment, work quality and productivity and social cohesion. In response to the Strategy, a National Employment Action Plan was prepared in consultation with relevant Government Departments and the Social Partners and submitted to the European Commission in October 2003. The Action Plan was subject to a

Peer Review by the Commission and fellow Member States. It was also examined at a bilateral meeting between the Commission, Government Departments and the Social Partners in January 2004.

- 5.7.3 The European Employment Taskforce Report was presented to the European Commission in November 2003. The report complements and reinforces the work already being done in the context of the European Employment Strategy. Its recommendations have been taken on board as part of the ongoing deliberative process being undertaken in the preparation for the ESPHCA Council and European Council in March 2004.

Development of Vocational Training at EU level

- 5.7.4 The Joint Interim Report on the implementation of the 'Education and Training 2010' programme was adopted by the Education Council at its February 2004 meeting. This report will be submitted to the European Council at its meeting on 25-26 March 2004. It has also been agreed that the next Joint Interim Report to the European Council will be in two years time.

Corporate Social Responsibility

- 5.7.5 The Department continued to participate in the EU High Level Group on CSR, with a view to exchanging best practice on CSR. The Department also made a presentation at the Italian EU Presidency conference in Venice in November, which was the third in an EU series on CSR.

Transposition of Council Directive No. 2001/23/EC of 12 March 2001.

- 5.7.6 Regulations implementing the mandatory provisions of Council Directive 2001/23/EC on the Protection of Employees on Transfer of Undertakings, as well as revoking and replacing a range of other associated regulations, were signed into law on 11 April 2003. During 2003, the Department initiated consultations with other relevant Government Departments and the Social Partners on the optional provisions of the Directive. These consultations are ongoing. In addition, fourteen Health and Safety Directives were transposed during the year.



Pillar Five - The European Union

MAKING MARKETS AND REGULATION WORK BETTER

EU Developments in relation to Company Law:

Insider Dealing and Market Manipulation (Market Abuse)

- 5.8.1 Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) was formally adopted on 28 January, 2003. The Directive is based on the principles of transparency and equal treatment of market participants. It covers both insider dealing and market manipulation. The same framework applies to both categories of market abuse. It aims to reinforce protection against insider dealing and market manipulation by building one set of rules for all the EU's financial markets, thus reducing potential inconsistencies, confusion and loopholes.
- 5.8.2 The Directive is due to be implemented in Member States not later than October, 2004. The EU Commission has also brought forward two Commission Directives and a Regulation (level 2 implementation measures), which must also be provided for in national legislation.

Commission Action Plan on Modernising Company Law and Enhancing Corporate Governance in the European Union

- 5.8.3 On 21 May 2003, the European Commission presented a Communication on an Action Plan on Modernising Company Law and Enhancing Corporate Governance in the European Union. The Communication is the Commission's response to the Final Report of the High Level Group of Company Law Experts chaired by Mr Jaap Winter. The main objectives of the Action Plan are:
- to strengthen shareholders' rights and protection for employees, creditors and the other parties with which companies deal, while adapting company law and corporate governance rules appropriately for different categories of company;
 - to foster the efficiency and competitiveness of business, with special attention to some specific cross-border issues.

- 5.8.4 The Commission intends to send a strong signal on its commitment to the action plan by executing it as soon as possible.
- 5.8.5 A proposed 10th Directive on cross-border mergers was published on 18 November 2003.
- 5.8.6 It is expected that the Commission in May or June 2004 will adopt a proposal for amendment of 2nd Directive.
- 5.8.7 The EU Competitiveness Council, at its meeting on 22 October, welcomed the Action Plan and acknowledged the importance of the plan to the creation of a regulatory framework consistent with the completion of the Internal Market.

Modernisation of the Accounting Directives

- 5.8.8 EU Directive 2003/51/EC of 18 June 2003 amends the European Union 4th and 7th Company Law Directives. The Directive complements the Regulation 1606/2002 that requires all EU Companies listed on a regulated market to adopt International Accounting Standards (IAS) in respect of their consolidated accounts from 2005. The measure is designed to remove inconsistencies between the Accounting Directives and IAS. The Accounting Directives will, in future, be of most relevance to companies not applying IAS although they will still provide a framework for financial reporting of all EU companies. This Directive will also extend the scope of EU law in the area of financial reporting to the content of the audit report and the non-financial aspects of annual reports (i.e. dealing with environmental and social reporting). The Department consulted with interested parties to enable it to formulate a national position on this proposal.

Amendment of First Company Law Directive

- 5.8.9 EU Directive (2003/58/EC), which was formally adopted on 15 July, 2003, amends the First Company Law Directive. The modifications are designed to make company information more easily and rapidly available to the public while at the same time simplifying the disclosure formalities required from companies. It will allow full advantage to be taken of modern technology.

Companies will be able to file their documents and particulars either by paper means or by electronic means. Interested parties will be able to obtain copies by either means. Companies will continue to file their documents and particulars in the language(s) of their Member State, but will have the option of voluntarily filing the same information in other EU languages in order to improve cross-border access.

- 5.8.10 The Directive must be transposed into domestic legislation by 31 December 2006.

Proposal for Directive on Takeover bids

- 5.8.11 The proposed Directive is a follow up to an earlier proposal which was rejected by the European Parliament in July 2001. The new proposal seeks to respond comprehensively to the European Parliament's concerns regarding the earlier proposal without compromising the basic principles approved unanimously in the Council's common position concerning the previous proposal.
- 5.8.12 Given the differences existing between legal systems in the Member States, the Council decided to limit this Directive to a framework of certain common principles and a limited number of general requirements which Member States will be required to respect through detailed implementing rules. The main changes made to the Commission's proposal concern the defensive measures that may not be taken by the "offeree" company and obligations of its board as well as the so-called breakthrough provisions. On 27 November 2003, the Competitiveness Council reached unanimous agreement on a general approach, pending the European Parliament's first reading opinion, on a revised draft Directive.
- 5.8.13 On 16 December 2003, the European Parliament voted by 321 votes in favour, 219 against, with 9 abstentions, to approve the Commission's new takeover directive but with a number of strategic amendments that make key provisions of the legislation optional. The Directive is viewed as being an essential step towards the objective of fully integrating European capital markets by 2005.

Prospectus Proposal

- 5.8.14 Directive 2003/71/EC of the European Parliament and of the Council (amending Directive 2001/34/EC) on the prospectus to be published when securities are offered to the public or admitted to trading, was formally adopted on 4 November 2003.
- 5.8.15 The Directive will introduce a new "single passport for issuers". This means that once approved by the authority in one Member State, a prospectus would then have to be accepted everywhere else in the EU. In order to ensure investor protection, that approval would only be granted if prospectuses meet common EU standards with regard to disclosure of information.
- 5.8.16 The Directive is due to be implemented in Member States not later than June 2005. As this Directive is also part of the Lamfalussy process, it will also involve level 2 implementation measures, which must also be provided for in national legislation.

Draft Transparency Directive

- 5.8.17 On 26 March 2003, the European Commission presented a proposal for a Directive introducing minimum transparency requirements for information which must be provided on a regular ongoing basis by listed companies. The proposal is designed to essentially modernise and update existing Directives dealing with disclosure of information for listed securities.
- 5.8.18 The Council of Economic Ministers (Ecofin), at its meeting on 25 November 2003, agreed on a general approach on the proposed Directive and recommended adoption by April 2004.

Undertakings for Collective Investment in Transferable Securities (UCITS)

- 5.8.19 Work in meeting the Department's obligations in regard to the development of the international financial services sector was an area of particular focus during the year. Five new Regulations (UCITS - Undertakings for Collective Investment in Transferable Securities) have been drafted and commenced. These new regulations ensure an



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improved, fairer and a more balanced regulatory system, which encourages competition while at the same time facilitates the development of a vibrant international financial services sector.

European Co-operative Statute

- 5.8.20 The Council Working Group adopted the Regulations and Directive on the European Cooperative Society on 22 July 2003. The Regulations will apply in the Member States from 18 August 2006, and the Directive is required to be transposed into the laws of the Member States by that date.

Community Strategy for Consumer Policy 2002-2006

- 5.8.21 First readings of the proposal for a Directive on Unfair Commercial Practices and the proposal for a Regulation on Consumer Protection Cooperation took place in the latter half of the year.
- 5.8.22 The Department hosted a consultation event on these two EU consumer proposals in Government Buildings on 15th December 2003. The Tánaiste opened the event and European Commission Health and Consumer Protection Directorate-General official, David Mair, presented an overview of the two proposals. Participants welcomed the event which gave them an opportunity to consider the implications of the two proposals.
- 5.8.23 During the year observations were provided from a consumer perspective to the European Commission on its Green Paper on a European Order for Payment Procedure, on measures to simplify and speed up small claims litigation, and on its document 'A More Coherent European Contract Law - An Action Plan'. However, the Department of Justice, Equality and Law Reform is the lead Department on these issues.

Merger Control

- 5.8.24 1st January 2003 marked the commencement of a new regulatory system for controlling merger and takeover activity in Ireland. Prior to 2003 the Minister for Enterprise, Trade & Employment was responsible for regulating mergers (i.e. examining

and making clearance or prohibition decisions), but this function was transferred to the Competition Authority with effect from January 2003. Under the Competition Act, decisions on mergers are now taken by the Competition Authority and are made on the basis of a competition assessment. However, an exception applies in relation to media mergers where the Minister has retained a 'public interest' role in the decision making process. (A media merger is defined as a merger or acquisition in which at least one of the undertakings is engaged in a media business in the State).

- 5.8.25 Additional regulatory requirements for notifying media mergers were also put in place under an Order made by the Minister which entered into force on 1st January 2003 (S.I. No. 622 of 2002). 10 media merger proposals were notified in 2003.
- 5.8.26 Other important features of the new merger control system include (a) an increase in the turnover threshold which triggers mandatory notification of a merger from €25 million to €40 million, (b) an option for companies to make voluntary notifications (below the mandatory notification threshold), and (c) various procedural changes which align our merger arrangements more closely with the EU model.
- 5.8.27 Notwithstanding the transfer of the merger control function to the Competition Authority, the Tánaiste continues to be responsible for all policy matters relating to mergers and acquisitions in addition to her specific statutory functions under the Competition Act 2002.

New EU Merger Regulation

- 5.8.28 On 27 November 2003, the European Council of Ministers agreed the text of a new Merger Regulation to replace the current Regulation 4069/89 on the Control of Concentrations between Undertakings. The current Merger Regulation sets down rules for assessing large-scale mergers which impact across the EU. (As explained above merger and takeover proposals in Ireland are generally subject to review by the Competition Authority under the Competition Act 2002).

5.8.29 The new Regulation will introduce a number of improvements into the EU merger control regime. In particular, the Regulation includes a new dual test for assessing the competitive impact of a merger (the 'significant impediment to effective competition' or 'SIEC' test). The new Regulation is due to enter into force on 1 May 2004 to coincide with EU enlargement.

SOLVIT

5.8.30 The Department's Single Market Unit endeavours to solve problems for citizens and businesses, caused by a misapplication of EU law, through its participation in the SOLVIT informal problem-solving network. SOLVIT targets cases of misapplication of EU law by public authorities in the Member States. Citizens and Businesses can contact their local SOLVIT Centre if their cross-border problem involves a denial of their Internal Market rights in a Member State other than their own, because the authorities there are not applying the law correctly. When a SOLVIT Centre is satisfied that a case referred to it is one in which EU law is being misapplied, it will raise the problem with its counterpart in the Member State concerned on behalf of the citizen or business affected. SOLVIT Centres in the Member States involved agree to make every possible effort to find a solution within 10 weeks (14 weeks in exceptional cases). More information on SOLVIT, including the contact details of all the SOLVIT Centres, can be found at: http://europa.eu.int/comm/internal_market/solvit/index_en.htm.

INTERNATIONAL TRADE AND INVESTMENT

Promoting Ireland's Interests in Multilateral Trade Negotiations

5.9.1 Irish trade policy negotiators contributed actively to the delivery of outputs under the current trade round negotiations under the Doha Development Agenda, following the launch of the trade round in Doha, Qatar, in November 2001. The Department fully engaged in negotiations and monitored developments at EU, WTO and other international fora helping to identify opportunities and threats

during these multilateral trade negotiations and adapted Irish trade policy accordingly.

5.9.2 In particular, the Department identified, negotiated and promoted Ireland's trade interests and participated at Article 133 Committee¹⁴ meetings throughout the year to ensure that Ireland's strategic trade interests were reflected in the European Union's Common Commercial Policy. In this regard, Market Access Unit consulted widely with key stakeholders, including other sections in the Department with responsibility for industrial and enterprise policy, agencies within the Department's remit (including Forfás), other Departments, the business community and wider civil society in the evolution and development of our multilateral trade policy. A main element of this approach incorporated regular on-going inter-Departmental meetings to co-ordinate trade policy matters.

5.9.3 A Forfás report on the WTO, comprising recommendations in respect of key negotiating objectives under the New Trade Round in support of Irish enterprise policy, was launched in February 2003. The Department engaged Forfás in 2002 to undertake such a report to assist in the overall development of Ireland's strategic negotiating objectives under the current Trade Round. Extensive dialogue and consultations with, inter alia, business interests (e.g. the Irish Business and Employers Confederation (IBEC) who co-hosted with Forfás a series of dedicated sector-specific WTO workshops) underpinned the preparation and development of the Report.

5.9.4 Ireland participated, as an EU member state, in the World Trade Organisation Ministerial at Cancun, Mexico in September 2003. The meeting failed to record progress in the Doha Development Agenda negotiations and efforts are ongoing to bring these negotiations to a successful conclusion.

¹⁴ EU trade policy is a Community competence. Under its Common Commercial Policy (Article 133), the European Union negotiates as a single entity at the World Trade Organisation (WTO). Negotiations are carried out in accordance with policy guidelines decided by the Council of Ministers on the basis of proposals from the EU Commission which are developed by a number of European Union committees, including the Trade Committee (known as the Article 133 Committee).



Appendices

Appendix 1

Revised Estimate 2004 for the Department

i. Estimate of the amount required in the year ending 31 December 2004.

For the salaries and expenses of the office of the Minister for Enterprise, Trade and Employment, including certain services administered by that office, for the payment of certain subsidies, grants and grants-in-aid, and for the payment of certain grants under cash-limited schemes. one thousand, one hundred and twenty-four million, four hundred and seventy-one thousand euro (€1,124,471,000)

ii. Subheads under which this Vote will be accounted for by the office of the Minister for Enterprise, Trade and Employment.

	2003 PROVISIONAL OUTTURN			2004 ESTIMATE			Change 2004 Over 2003 %
	Current €000	Capital €000	Total €000	Current €000	Capital €000	Total €000	
ADMINISTRATION							
A.1	Salaries, Wages and Allowances		30,565	30,414	-	30,414	-
A.2	Travel and Subsistence		1,631	1,453	-	1,453	-11%
A.3	Incidental Expenses		1,484	1,370	-	1,370	-8%
A.4	Postal and Telecommunications Services		769	932	-	932	21%
A.5	Office Machinery and Other Office Supplies		5,100	4,603	-	4,603	-10%
A.6	Office Premises Expenses		2,165	1,807	-	1,807	-17%
A.7	Consultancy Services		398	520	-	520	31%
A.8	Advertising and Information Resources		366	390	-	390	7%
A.9	Office of the Director of Corporate Enforcement		2,844	4,250	-	4,250	49%
A.10	Labour Court		2,260	2,489	-	2,489	10%
A.11	EU Presidency	500	-	500	3,170	-	3,170
A.12	Information Society - eGovernment Basis Project		445	778	-	778	75%
	Subtotal:- *		48,527	52,176	-	52,176	8%
ENTERPRISE, AGENCIES, SCIENCE AND TECHNOLOGY							
B.1	Forfás - Grant for Administration and General Expenses		20,265	22,825	-	22,825	13%
B.2	InterTradeIreland	3,911	6,189	2,558	6,147	8,705	41%
C.1	IDA Ireland - Grant for Administration and General Expenses		32,891	34,164	-	34,164	4%
C.2	IDA Ireland - Grants to Industry	83,266	83,266	81,835	81,835	-	-2%
C.3	IDA Ireland - Grant for Building Operations	3,000	3,000	-	3,102	3,102	3%
D.1	Enterprise Ireland - Grant for Administration and General Expenses		84,745	91,386	-	91,386	8%
D.2	Enterprise Ireland - Grant to Industry	44,709	49,443	4,500	49,288	53,788	9%
D.3	Enterprise Ireland - Grant for Capital Expenditure	3,110	3,110	-	3,216	3,216	3%
E.1	Shannon Free Airport Development Company Limited - Grant for Administration and General Expenses		-	100	-	100	-
E.2	Shannon Free Airport Development Company Limited - Grants to Industry	2,780	2,780	-	2,500	2,500	-10%

* Includes Carryforward of Savings Of €1,892,000 from 2003 under the terms of the administrative budget agreement.



APPENDIX 1

Revised Estimate 2004 for the Department

	2003 PROVISIONAL OUTTURN			2004 ESTIMATE			Change 2004 Over 2003 %	
	Current €000	Capital €000	Total €000	Current €000	Capital €000	Total €000		
ENTERPRISE, AGENCIES, SCIENCE AND TECHNOLOGY CONTINUED								
F.	Science and Technology Development							
	Programme / Science Foundation Ireland	43,038	102,330	145,368	45,123	156,211	201,334	38%
G.	County Enterprise Development	10,721	19,765	30,486	11,873	16,714	28,587	-6%
H.	Monitoring and Evaluation of EU Programmes	262	-	262	173	173	-34%	
I.1	National Standards Authority of Ireland - Grant for Administration and General Expenses	5,803	-	5,803	4,889	517	5,406	-7%
I.2	Nitrigín Eireann Teoranta	-	-	-	150	-	150	-
J.1	Loan Subsidy for Small Business Expansion Scheme - Payments to ICC Bank Plc.	320	-	320	526	-	526	64%
J.2	Information Society - Ecommerce Initiative	1,781	-	1,781	1,500	-	1,500	-16%
	Subtotal:-	206,838	262,871	469,709	219,767	319,530	539,297	15%
LABOUR FORCE DEVELOPMENT								
K.1	FÁS Administration and General Expenses (A)	136,880	-	136,880	128,007	-	128,007	-6%
K.2	FÁS Training and Integration Supports (B)	74,558	-	74,558	53,987	-	53,987	-28%
K.3	FÁS Employment Programmes (C)	367,336	-	367,336	352,020	-	352,020	-4%
K.4	FÁS Capital	-	13,773	13,773	-	22,741	22,741	65%
L.	Grant to Irish National Organisation for the Unemployed (D)	46	-	46	48	-	48	4%
M.1	Technical Support for Community Initiatives	512	-	512	851	-	851	66%
M.2	Matching Funding for Community Initiatives	26	-	26	202	-	202	-
M.3	Operational Programme for Human Resources Development - Technical Development	560	-	560	616	-	616	10%
M.4	Leonardo Programme	115	-	115	119	-	119	3%
M.5	Equal Community Initiative Development Partnerships	4,860	-	4,860	6,575	-	6,575	35%
	Subtotal:-	584,893	13,773	598,666	542,425	22,741	565,166	-6%

(A) In 2004 some FÁS instructors costs (€12,680,000) will be funded by the National Training Fund (Training In Employment). Likewise the costs of FÁS Skills Analysis Unit (€320,000) are funded from the National Training Fund.

(B) FÁS training costs are also funded by the National Training Fund (Training In Employment & Training For Employment) - €252,500,000.

(C) Some training costs of participants on employment schemes are funded through the National Training Fund (Training for Employment) - €14,300,000.

(D) Cash Limited Subhead.

APPENDIX 1

Revised Estimate 2004 for the Department

	2003 PROVISIONAL OUTTURN			2004 ESTIMATE			Change 2004 Over 2003 %	
	Current €000	Capital €000	Total €000	Current €000	Capital €000	Total €000		
EMPLOYMENT RIGHTS AND INDUSTRIAL RELATIONS								
N.	Labour Relations Commission - Grant for Administration And General Expenses							
	3,534	-	3,534	4,342	-	4,342	23%	
O.	Grants For Trade Union Education and Advisory Services (D)							
	1,043	-	1,043	1,080	-	1,080	4%	
P.	Trade Union Amalgamations							
	-	-	-	137	-	137	-	
	<hr/>							
	Subtotal:-	4,577	-	4,577	5,559	-	5,559	21%
<hr/>								
COMMERCE, CONSUMERS AND COMPETITION								
Q	Grant to the Competition Authority							
	3,326	-	3,326	3,969	-	3,969	19%	
R.1	Office of the Director of Consumer Affairs - Grant for Administration and General Affairs							
	4,520	-	4,520	3,933	-	3,933	-13%	
R.2	Consumers Association of Ireland							
	63	-	63	63	-	63	-	
R.3	Grant to the National Clearing House for EEJ-NET							
	32	-	32	34	-	34	6%	
S.1	Companies Registration Office - Grant For Administration and General Affairs							
	8,287	-	8,287	8,355	-	8,355	1%	
S.2	Irish Auditing and Accounting Supervisory Authority (Grant-in-aid)							
	199	-	199	641	-	641	222%	
S.3	Personal Injuries Assessment Board							
	937	-	937	5,000	-	5,000	434%	
	<hr/>							
	Subtotal:-	17,364	-	17,364	21,995	-	21,995	27%



APPENDIX 1

Revised Estimate 2004 for the Department

	2003 PROVISIONAL OUTTURN			2004 ESTIMATE			Change 2004 Over 2003 %		
	Current €000	Capital €000	Total €000	Current €000	Capital €000	Total €000			
HEALTH AND SAFETY									
T.	National Authority for Occupational Safety and Health - Grant for Administration and Affairs								
	13,607	-	13,607	14,334	-	14,334	5%		
	Subtotal:-								
	13,607	-	13,607	14,334	-	14,334	5%		
OTHER SERVICES									
U.	Research Including Manpower Surveys								
	233	-	233	342	-	342	47%		
V.	National Framework Committee for Work / Life Balance Policies								
	146	-	146	259	-	259	77%		
W.	Subscriptions To International Organisations, Etc.								
	11,575	-	11,575	12,489	-	12,489	8%		
X.1	Commissions, Committees And Special Inquiries								
	639	-	639	613	-	613	-4%		
X.2	Miscellaneous Payments								
	210	-	210	587	100	687	227%		
X.3	Superannuation and Pensions for Members of the Labour Court, the Restrictive Practices Commission								
	507	-	507	770	-	770	52%		
X.4	Export Credit Insurance - Refund to the Exchequer Newfoundland and Labrador Business Partnerships ^(A)								
	-	-	-	1	-	1	-		
	300	-	300	-	-	-	-		
	Subtotal:-								
	13,610	-	13,610	15,061	100	15,161	11%		
	Gross Total:-								
	889,416	276,644	1,166,060	871,317	342,371	1,213,688	4%		
Deduct :-									
Y.	Appropriations-in-aid								
	135,251	1	135,252	89,217	-	89,217	-34%		
	Net Total:-								
	754,165	276,643	1,030,808	782,100	342,371	1,124,471	9%		
Net Increase (€000)							93,663		
Exchequer Pay and Pensions Included in Above Net Total							248,784	268,686	8%
Associated Public Service Employees and Pensioners							8,770	8,659	-1%

(A) With effect from 01/01/04 Responsibility for Newfoundland and Labrador Business Partnerships has Transferred to the Department of the Taoiseach.

Appendix 2

Prompt Payment of Accounts

REPORT ON COMPLIANCE WITH THE PROVISIONS OF THE PROMPT PAYMENT OF ACCOUNTS ACT

During 2003, out of total invoiced payments of €41.7m, 34 invoices totalling €237,085.67 incurred penalty interest of €1,664.32. Of the late payments, 32 were for amounts over €317.43 (£250) to a total value of €236,510.93 and involved interest payments of €1,649.19. The delays were up to 30 days in 20 cases, from 31 to 60 days in 3 cases and in excess of 60 days in 11 cases.

Comparing performance with 2002, the overall value of invoiced payments decreased by approximately €500k. The value of all late payments as a proportion of all invoiced payments is lower at 0.57% (down from 0.94% in 2002). The number of late payments has decreased significantly due to the effect of paragraph 3 (2) of S.I. No. 388, which excludes claims for late payment interest of less than €5. The corresponding figures for 2002 were 165 late payments attracting late payment interest of €6,742.69.



Appendix 3

Legislation administered by the Department

Health and Safety at Work

Boiler Explosions Acts 1882 and 1890
Chemical Weapons Act 1997
Carriage of Dangerous Goods by Road Act 1998
Dangerous Substances Act 1972 and 1979
Mines and Quarries Act 1965
Safety, Health and Welfare (Offshore Installations) Act 1987
Safety, Health and Welfare at Work Act 1989
Safety in Industry Acts 1955 and 1980

Employment Rights¹⁵

Carer's Leave Act 2001
European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003
European Communities (Protection of Employment) Regulations 2000
Hospitals' Trust (1940) Limited (Payment to Former Employees) Act 2000
Minimum Notice and Terms of Employment Acts 1973 - 2001
National Minimum Wage Act 2000
Organisation of Working Time Act 1997
Protection of Employment Act 1977
Protection of Employees (Fixed-Term Work) Act 2003
Protection of Employees (Part-Time Work) Act 2001
Protection of Employees (Employers' Insolvency) Act 1984
Payment of Wages Act 1991
Protection of Young Persons (Employment) Act 1996
Redundancy Payments Acts 1967 - 2003
Terms of Employment (Information) Acts 1994 and 2001
Unfair Dismissals Acts 1977 to 2001
Redundancy Payments Act 2003

Protection of Employees (Fixed-Term Work) Act 2003

The Employment Agency Act 1971 (while this Act is administered by the ERIR Division of the Department, it does not form part of the employment rights suite of legislation).

Industry

Cement (Repeal of Enactments) Act 2000
Custom Free Airport Acts 1947 and 1958 (parts of)
Export Promotion (Amendment) Act 1987
Industrial Development Acts 1986 to 2003
Industrial Research and Standards Act 1961
Irish Steel Limited Act 1996
National Standards Authority of Ireland Act 1996
NET Acts 1963 - 2001
Prompt Payment of Accounts Act 1997
Shannon Free Airport Development Company Limited Acts 1959 - 1991
Trade and Marketing Promotion Acts 1959 to 1994

Company Law

Companies Acts 1963 - 2003 including the Companies (Auditing and Accounting) Act 2003
Friendly Societies Acts 1896 - 1977
Industrial and Provident Societies Act 1893 - 1978
Investment Limited Partnership Act 1994
Irish Takeover Panel Act 1997
Limited Partnership Act 1907
Partnership Act 1890
Registration of Business Names Act 1963
Unit Trusts Act 1990
Designated Investment Funds Act 1985(section 6)
Safety, Health and Welfare at Work Act 1989 (section 12(6))
Investment Intermediaries Act 1995 (section 80)
Competition Act 2002 (section 48(a) and 51)
Stock Exchange Act 1995

Personal Injury

Personal Injuries Assessment Board Act 2003

¹⁵ The Maternity Protection Act 1994, Adoptive Leave Act 1995, Parental Leave Act 1998, and Employment Equality Act 1998, are administered by the Department of Justice, Equality and Law Reform via the Equality Authority. The Protections for Persons Reporting Child Abuse Act 1998 is administered by the Department of Health and Children.

APPENDIX 3

Legislation administered by the Department

Science, Technology & Intellectual Property

Industrial Development (Science Foundation Ireland) Act 2003
Patents Act 1992
Trade Marks Act 1996
Sections 4 and 5 of the Intellectual Property (Miscellaneous Provisions) Act 1998
Copyright and Related Rights Act 2000 (excluding sections 98, 198, 199 and 247 which were not commenced with the remainder of the Act on 1 January 2001)
Industrial Designs Act 2001
Science and Technology Act 1987

Trade

Control of Exports Act 1983
Control of Imports Acts 1934-1964
Insurance (Export Guarantee) Act 1988
Restriction of Imports Act 1962

Competition Policy

Casual Trading Acts 1995
Charter of the Company of Goldsmiths of Dublin 1637
Competition Act 2002
Consumer Credit Act 1995
Consumer Information Act 1978
Hallmarking Act 1981
Hallmarking of Foreign Plate Act 1904
Liability for Defective Products Act 1991
Market and Fairs (Weighing of Cattle) Act 1887
Markets and Fairs (Weighing of Cattle (Amendment)) Act 1891
Merchandise Marks Acts 1887-1970
Metrology Act 1996
Occasional Trading Act 1979
Packaged Goods (Quantity Control) Act 1980
Plate Assay Act 1783
Plate Assay (Ireland) Act 1807
Plate Assay (Amendment) Act 1931
Prices Acts 1958-1972
Pyramid Selling Act 1980
Restrictive Practices (Amendment Act) Act 1987

Restrictive Practices (Confirmation of Order) Act 1987
Sale of Goods Act 1893
Sale of Goods and Supply of Services Act 1980
Scientific Societies Act 1843
Shop/Hours of Trading Act 1938
Trading Stamps Act 1980

Trade Union and Industrial Relations

Industrial Relations Acts 1946 - 2001
Section 202 of the Finance Act 1998
Trade Union Acts 1871 - 1990
Transnational Information and Consultation of Employees Act 1996
Worker Participation (State Enterprises) Acts 1977 and 1988

Employment and Training

Apprenticeship Act 1959
Industrial Training Act 1967
Labour Services Act 1987
National Training Fund Act 2000
Employment Permits Act 2003



Appendix 4

Legislation Enacted in 2003

Personal Injuries Assessment Board Act 2003 (No. 46 of 2003)

An Act to enable, in certain situations, the making of assessments, without the need for legal proceedings to be brought in that behalf, of compensation for personal injuries (or both such injuries and property damage), in those situations to prohibit, in the interests of the common good, the bringing of legal proceedings unless any of the parties concerned decides not to accept the particular assessment or certain other circumstances apply, to provide for the enforcement of such an assessment, for those purposes to establish a body to be known as the Personal Injuries Assessment Board and to define its functions and to provide for related matters.

Companies (Auditing and Accounting) Act 2003 (No. 44 of 2003)

The Act broadly implements the recommendations in the Report of the Review Group on Auditing. The Act contains provisions to:

- establish the Irish Auditing and Accounting Supervisory Authority (IAASA) to supervise the regulation by the accountancy bodies of their members;
- transfer powers of the Minister in relation to the recognition of accountancy bodies under the Companies Acts to IAASA;
- enforce accounting standards;
- require companies to disclose non-audit fees paid to auditors;
- require certain categories of companies to establish audit committees; and
- require directors of companies to draw up compliance statements covering companies' compliance with their statutory obligations.

Industrial Development (Science Foundation Ireland) Act 2003 (No. 30 of 2003)

The Industrial Development (Science Foundation Ireland) Act 2003 which came into operation on 25th July, 2003, provides for the establishment of a body to be known as Science Foundation Ireland (SFI). The new body is an agency of Forfás. The Act also provides for the amendment of the Industrial Development Acts 1986 to 1998, and the Shannon Free Airport Development Company (Amendment) Act 1986. These amendments are mainly concerned with the updating of certain grant instruments and related financial limits.

Under the National Development Plan 2000-2006, €646 million has been allocated for investment by Science Foundation Ireland in recruiting and retaining both researchers and research groups capable of developing high-impact, internationally significant discoveries in the fields underpinning biotechnology and information and communications technology.

Redundancy Payments Act 2003 (No. 14 of 2003)

This Act, which came into operation on the 25th May 2003, significantly increases statutory redundancy benefits. The Act amended the existing Redundancy Payments Act 1967-2001, increasing statutory redundancy to 2 weeks per year of service plus a bonus week. This replaced the old provision of 1/2 week's pay per year of service under 41 years and one week over 41 years plus a bonus week. Other amendments include changes in the treatment of absences from work, treatment of service abroad, simplification of application forms and a new IT system, including an e-government aspect. An amendment of the redundancy IT system will be required to implement the full range of changes set out in the Act. These changes, which were agreed in Sustaining Progress, follow from the work of the Redundancy Review Group which carried out a major review of the Redundancy Scheme in 2002.

APPENDIX 4

Legislation Enacted in 2003

Protection of Employees (Fixed-Term Work) Act 2003 (No. 29 of 2003)

The purpose of this Act, which implements Directive 1999/70/EC of 28 June 1999 concerning the Framework Agreement on Fixed-Term Work concluded by UNICE, CEEP and the ETUC is:

- (i) to provide for the improvement of the quality of fixed-term work by ensuring the application of the principle of non-discrimination (i.e. fixed-term workers may not be treated less favourably than comparable permanent workers) and
- (ii) to provide for the removal of discrimination against fixed-term workers where such exists and the establishment of a framework to prevent abuse arising from the use of successive fixed-term employment contracts.

Employment Permits Act 2003 (No. 7 of 2003)

This Act provides for the need for an employer to have a valid employment permit in order to employ a non-EEA national in the State. It also provides for the exemption of nationals of new EU Member states from the requirement that an employer obtain a work permit to employ them in the State. In effect it provides for freedom of movement for purposes of work, by nationals of new Member States.

The Act also makes it a criminal offence for an employer to employ a non-EEA national in the State, in the absence of a valid employment permit.



Appendix 5

Statutory Instruments made during 2003

S.I. NO. 11 OF 2003

European Communities (Certain Aspects of the Sale of Consumer Goods and Associated Guarantees) Regulations 2003

This S.I. transposed Directive 1999/44/EC into national law to ensure consumer protection and strengthen consumer confidence in cross-border shopping by laying down a common set of minimum rules which will be valid no matter where the goods are purchased within the European Union.

S.I. NO. 27 OF 2003

European Communities (Community Designs) Regulations 2003

These Regulations prescribe a handling fee of €25 to be charged by Patents Office to cover the administrative costs of receiving and forwarding Community Design applications to OHIM.

S.I. NO. 53 OF 2003

Safety, Health and Welfare at Work (General Application) (Amendment No. 2) Regulations, 2003

These Regulations strengthen the existing provisions covering the general duties of the employer, amend the provisions dealing with protective and preventive services concerning competency and introduce requirements for the provision of measures relating to fire-fighting.

S.I. NO. 65 OF 2003

European Communities (Prohibition on the Importation into the Community of Rough Diamonds from Sierra Leone) Regulations, 2003

These Regulations extend the prohibition on the import into the Community of rough diamonds from Sierra Leone and gives effect to Council Regulation (EC) No. 2290/2002 of 19 December 2002.

S.I. NO. 66 OF 2003

European Communities (Trade with Iraq) (Amendment), Regulations 2003

These Regulations reflect the most recent changes made to the rules governing trade sanctions with Iraq.

S.I. NO. 67 OF 2003

European Communities (Restrictive Measures) (Somalia) Regulations, 2003

These Regulations provide for penalties where the provisions of Council Regulation (EC) No. 147/2003 are breached.

S.I. NO. 68 OF 2003

The European Communities (Directive 2000/31/EC) Regulations 2003

These give effect to the essential provisions of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2002 on certain legal aspects of information society services, in particular electronic commerce, were signed by the Tánaiste and Minister for Enterprise, Trade and Employment on 24 February 2003 and came into force on that date. Guidelines to the Regulations are available on the website of the Department.

S.I. NO. 76 OF 2003

European Communities (Materials and Articles Intended to come into Contact with Foodstuffs) Regulations 2003

These give legal effect to Commission Directive 2002/16/EC, O.J. no L51, 22.02.2002, p. 27, on the use of certain epoxy derivatives in materials and articles intended to come into contact with foodstuffs.

S.I. NO. 113 OF 2003

European Communities (Interruption of Certain Economic Relations with Angola) (Revocation) Regulations, 2003

These Regulations revoke the Statutory Instrument that provided for penalties for breaches of the EU prohibition on certain economic relations with Angola.

S.I. NO. 116 OF 2003

European Communities (Classification, Packaging, Labelling and Notification of Dangerous Substances) Regulations 2003

The aim of these Regulations is to protect man and the environment from the harmful effects of both new substances and existing dangerous substances. The Regulations apply to all substances which are intended to be placed on the market either on their own or in a preparation with exceptions for certain categories of substances such as medicinal, cosmetic, pesticide, waste, etc., products which are covered by other Directives.

S.I. NO. 130 OF 2003

Competition Act 2002 (Section 34(11) (Director of Consumer Affairs)) Order, 2003

The Order amends Schedule 1 of the Competition Act 2002 to add the Director of Consumer Affairs to the list of statutory bodies who may enter into cooperation agreements with the Competition Authority. The Order came into effect on 9th April, 2003.

S.I. NO. 131 OF 2003

European Communities (Protection of Employees on Transfer of Undertakings)

Regulations 2003. These Regulations revoke and replace the Regulations of 1980 (S.I. No. 306 of 1980), and the amending Regulations of 2000 (S.I. No. 487 of 2000) which had been in operation since 3rd November 1980 and 21st December 2000, respectively. The Regulations implement an EU Directive (Council Directive No. 2001/23/EC of 12 March 2001) aimed at safeguarding the rights of employees in the event of a transfer of an undertaking, business or part of a business to another employer as a result of a legal transfer (including the assignment or forfeiture of a lease) or merger.

S.I. NO. 156 OF 2003

Enterprise, Trade and Employment (Delegation of Ministerial Functions) Order 2003

This Order provides for the delegation of certain powers of the Minister for Enterprise, Trade and Employment to Minister Frank Fahey TD, Minister of State for Labour Affairs.

S.I. NO. 157 OF 2003

Enterprise, Trade and Employment (Delegation of Ministerial Functions)(No. 2) Order 2003

This Order provides for the delegation of certain powers of the Minister for Enterprise, Trade and Employment to Michael Ahern TD, Minister of State for Trade and Commerce.

S.I. NO. 187 OF 2003.

Companies (Fees) Order 2003

This Order amends the Companies (Fees) Order 2001 (S.I. 477 of 2001), as amended. The Order provides for disapplication of filing fees where certain specified documents are filed electronically with the Registrar of Companies.



APPENDIX 5

Statutory Instruments made during 2003

S.I. NO. 188 OF 2003

Business Names Regulations 2003

The purpose of these Regulations is to disapply filing fees where a change of address of the principal place of business of a registered business name is notified electronically to the Registrar of Business Names.

S.I. NO. 189 OF 2003

Companies (Forms) Order 2003

The purpose of this Order to amend the form prescribed for the purposes of section 125 of the Companies Act 1963, by introducing a new Form B1. This Form updates the form to be completed when furnishing an annual return to the Registrar of Companies. The Order further provides that the Form B1 previously in use (set out in the First Schedule) may continue to be used to deliver an annual return to the Registrar of Companies until 31st December 2003, and that with effect from 1st January 2004, only the version of the Form B1 set out in the Second Schedule of this Order may be completed when furnishing an annual return to the Registrar of Companies.

S.I. NO. 194 OF 2003

Redundancy Payments Act 2003 (Commencement) Order 2003

This Order provided for sections 1 to 6, 8 10, and 13 to 17 of the Redundancy Payments Act to come into operation on the 25th May 2003.

S.I. NO. 197 OF 2003

Protection of Employees (Employers' Insolvency) (Forms and Procedure) (Amendment) Regulations 2003

These Regulations prescribe revised forms and certificates to be used in connection with the submission of claims under Section 6 of the Protection of Employees (Employers' Insolvency) Acts, 1984 to 2001.

S.I. NO. 211 OF 2003

European Communities (Undertakings For Collective Investment in Transferable Securities) Regulations 2003

These Regulations give legal effect to Council Directive No. 85/611/EEC of 20 December 1985 as amended by Council Directive No. 88/220/EEC of 22 March 1988 and Directive No. 95/26/EC of the Council and of the European Parliament of 29 June 1995, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). They apply to UCITS whose sole object is the collective investment in transferable securities of capital raised from the public, which operate on the principle of risk spreading and whose units are redeemable at the request of the unit holder (open-ended UCITS).

Under the Regulations, UCITS may be constituted either as unit trusts, investment companies with fixed capital or investment companies with variable capital or common contractual funds. UCITS subject to the Regulations are prohibited from carrying on activities within the State unless they have been authorised by a competent authority in a Member State. The Central Bank and Financial Services Authority of Ireland (Bank), is appointed as a competent authority in respect of UCITS situated in the State.

S.I. NO. 212 OF 2003

European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003

This S.I. gives legal effect to the European Parliament and Council Directive No. 2001/108/EC of 21 January 2002. This is known as the 'Product Directive'.

The Product Directive amended earlier Directives No. 85/611/EEC of 20 December 1985, as itself amended by Council Directive No. 88/220/EEC of 22 March 1988 and European Parliament and Council Directive No. 95/26/EC of 29 June 1995 regarding the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). The earlier Directives are given effect by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (S. I. No. 211 of 29 May 2003) which amended and consolidated all previous S.I.s governing UCITS.

S.I. No. 212 of 29 May 2003, amends S. I. No. 211 to give effect to the Product Directive which expands the product range for UCITS. A separate amending S.I. was necessary to set out the transitional and grandfathering provisions required for the implementation of the Product Directive.

S.I. NO. 217 OF 2003

Company Law Enforcement Act 2001 (Winding-up and Insolvency Provisions) (Commencement) Order 2003

This Commencement Order appointed 1st June 2003 as the day when section 56 of the Company Law Enforcement Act 2001 became effective in so far as it relates to liquidators who were appointed to insolvent companies on or after 1 January 2000 and before 1 July 2001, where in respect of the company to which the liquidator was appointed an order has not been made under section 249(1) of the Companies Act 1963 or where the meetings required under section 273(1) of the Companies Act 1963 have not been held.

S.I. NO. 220 OF 2003

European Communities (Dangerous Substances and Preparations) (Marketing and Use) Regulations 2003

These Regulations lay down the restrictions and conditions, which must be observed in the marketing and use of the substances and preparations listed in the Schedules and they specify the powers available to inspectors in the enforcement of these restrictions and conditions.

S.I. NO. 250 OF 2003

National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2003

This Order sets the national minimum hourly rate of pay at €7.00 from 1 February 2004.

S.I. NO. 257 OF 2003

European Communities (Labelling, Presentation and Advertising of Food Stuffs) (Amendment) Regulations 2003

This applies exclusively to the labelling of products which contain meat as an ingredient. This S.I. was prepared for signature by the Minister of Health and Children

S.I. NO. 258 OF 2003

Safety, Health and Welfare at Work (Explosive Atmospheres) Regulations 2003

These Regulations transpose Directive 1999/92/EC of the European Parliament and of the Council of 16 December 1999 on minimum requirements for improving the safety and health protection of workers potentially at risk from explosive atmospheres.



APPENDIX 5

Statutory Instruments made during 2003

S.I. NO. 277 OF 2003

Safety, Health and Welfare at Work (Construction) (Amendment) Regulations 2003

The purpose of these Regulations is to amend the Safety, Health and Welfare at Work (Construction) Regulations, 2001, by substituting a revised Ninth Schedule relating to the "FAS Construction Skills Certification Scheme".

S.I. NO. 325 OF 2003

Industrial Development (Science Foundation Ireland) Act 2003 (Commencement) Order 2003

This Order appoints the 25th July 2003 as the day on which the Industrial Development (Science Foundation Ireland) Act 2003, other than sections 19,20 and 21, comes into operation.

S.I. NO. 326 OF 2003

Industrial Development (Science Foundation Ireland) Act 2003 (Establishment Day) Order 2003

This order appoints the 25th July 2003 as the establishment day for the purposes of the Industrial Development (Science Foundation Ireland) Act 2003. On the establishment day, Science Foundation Ireland is established on a statutory basis as an agency of Forfás.

S.I. NO. 402 OF 2003

European Communities (Control of Major Accident Hazards Involving Dangerous Substances) (Amendment) Regulations 2003

The Regulations are intended to ensure that the public is consulted on external emergency plans.

S.I. NO. 407 OF 2003

European Communities (Restrictive Measures) (Liberia) Regulations 2003

These Regulations provide for penalties for breaches of Council Regulation (EC) No. 1030/2003, which extended certain restrictive measures in respect of Liberia and introduced a ban on the importation of round logs and timber products originating in Liberia.

S.I. NO. 408 OF 2003

European Communities (Prohibition of the Export of Certain Goods and Services to Burma/Myanmar) (Amendment) Regulations 2003

These Regulations provide for penalties for breaches of Council Regulation (EC) No. 1211/2003, which introduced a ban on the provision of technical advice, training or assistance related to arms and related material to Burma/Myanmar.

S.I. NO. 421 OF 2003

European Communities (Motor Vehicles Type Approval) Regulations 2003

These implement a number of European Community Directives on masses and dimensions of certain categories of motor vehicles and their trailers, measures to be taken against air pollution by emissions from motor vehicles and type-approval of two or three wheel motor vehicles.

S.I. NO. 451 OF 2003

European Communities (Labelling, Presentation and Advertising of Foodstuffs) (Amendment) (No.2) Regulations 2003

This S.I. extended the exemption from giving a weight indication presently applied to sugar confectionery to pre-packaged chocolate products which have a net weight of less than 50 grams.

S.I. NO. 497 OF 2003.

European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment No. 2) Regulations 2003

This S.I. gives legal effect to Directive No. 2001/107/EC of 21 January 2002 of the European Parliament and of the Council. This is known as the 'Management Directive'.

The Management Directive amended Council Directive No. 85/611/EEC of 20 December 1985, as amended by Council Directive No. 88/220/EEC of 22 March 1988, Directive No. 95/26/EC of 29 June 1995 of the European Parliament and of the Council and Directive No. 2001/108/EC of 21 January 2002 of the European Parliament and of the Council (the Product Directive), regarding the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

The Directives up to and including that of 1995 are given effect by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (S. I. No. 211 of 29 May 2003) which amended and consolidated all previous S.I.s governing UCITS. S.I. No. 211 was then amended by S.I. 212, also of 29 May 2003, in order to give effect to the Product Directive. These S.I.s constitute the Principal Regulations as referred to in this S.I.

S.I. 497 of 2003, amends the Principal Regulations to give effect to the Management Directive which broadens the range of activities which management companies can be authorised to undertake. This S.I. also allows management companies to avail of the passport mechanism introduced by the Management Directive. This Directive also brought in a simplified prospectus for UCITS. The Irish Financial Services Regulatory Authority are responsible for settling out the detailed authorisation and other criteria.

S.I. NO. 503 OF 2003

European Communities (Dangerous Substances and Preparations) (Marketing and Use) (Amendment) Regulations 2003

These Regulations place restrictions on the marketing and use of certain dangerous substances and preparations.

S.I. NO. 677 OF 2003

European Communities (Restrictive Measures) (Liberia) (Amendment) Regulations 2003

These Regulations provide for the amendment of Statutory Instrument that provided for penalties for breaches of Council Regulation (EC) No. 1030/2003, which extended certain restrictive measures in respect of Liberia and introduced a ban on the importation of round logs and timber products originating in Liberia. The amendment gives effect to Council Regulation (EC) No. 1891/2003.

S.I. NO. 678 OF 2003

European Communities (Restrictive Measures) (Democratic Republic of the Congo) Regulations 2003

These Regulations provide for penalties for breaches of Council Regulation (EC) No. 1727/2003, which introduced a ban on technical assistance or training relating to military equipment and the provision of finance for the sale, supply, transfer or export of arms and related material, in respect of the Democratic Republic of the Congo.

S.I. NO. 737 OF 2003

European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment No. 4) Regulations 2003

This S.I. gives further legal effect to Directive No. 2001/107/EC of 21 January 2002 of the European Parliament and of the Council. This is known as the 'Management Directive'.

S.I. No. 737 of 2003, defines the transitional arrangements applicable to self-managed investment companies and sets out the circumstances in which such companies have to comply with certain provisions of S.I. 497. The transitional provisions in respect of simplified prospectuses are also specified.



Appendix 6

Directives adopted at EU level during 2003

2003/2/EC

Commission Directive 2003/2/EC of 6 January 2003, relating to restrictions on the marketing and use of arsenic (tenth adaptation to technical progress to Council Directive 76/769/EEC).

2003/3/EC

Commission Directive 2003/3/EC of 6 January 2003, relating to restrictions on the marketing and use of 'blue colourant' (twelfth adaptation to technical progress to Council Directive 76/769/EEC).

2003/6/EC

Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse).

2003/10/EC

Directive of the European Parliament and of the Council on the minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (noise) (seventeenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC).

2003/11/EC

Commission Directive 2003/11/EC of the European Parliament and of the Council of 6 February 2003, amending for the 24th time Council Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances.

2003/18/EC

Directive 2003/18/EC of the European Parliament and of the Council of 27 March, 2003 amending Council Directive 83/477/EEC on the protection of workers from the risks related to exposure to asbestos at work.

2003/19/EC

Commission Directive adapting to technical progress Directive 97/24/EC of the European Parliament and of the Council relating to the masses and dimensions of certain categories of motor vehicles and their trailers.

2003/28/EC

Commission Directive 2003/28/EC of 7 April 2003 Adapting to Technical Progress for 4th time to technical progress Council Directive 94/55/EC on the approximation of the laws of Member States with regard to the transport of dangerous goods by road.

2003/34/EC

Direct 2003/34/EC of the European Parliament and of the Council of 26 May 2003 amending for the 23rd time Council Directive 76/796/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations (substances classified as carcinogens, mutagens or substances toxic to reproduction).

2003/36/EC

Directive 2003/36/EC of the European Parliament and of the Council of 26 May 2003 amending for the 25th time Council Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations (substances classified as carcinogens, mutagens or substances toxic to reproduction -c/m/r).

2003/53/EC

Directive 2003/53/EC of the European Parliament and of the Council of 18 June 2003 amending for the 26th time Council Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations (nonylphenol, nonylphenol ethoxylate and cement).

APPENDIX 6

Directives adopted at EU level during 2003

2003/58/EC

Directive 2003/58/EC of the European Parliament and of the Council of 15 July 2003 amending Council Directive 68/151/EEC, as regards disclosure requirements in respect of certain types of companies.

2003/71/EC

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

2003/76/EC

Commission Directive amending Council Directive 70/220 EEC relating to measures to be taken against air pollution by emissions from motor vehicles.

2003/77/EC

Commission Directive amending Directives 97/24/EC and 2002/24/EC of the European Parliament and of the Council relating to the type-approval of two or three-wheel motor vehicles.

ANTI-DUMPING, ANTI-SUBSIDY AND SAFEGUARD REGULATIONS

The European Union's Anti-Dumping (AD), Anti-Subsidy (AS) and Safeguard regime is based on agreed World Trade Organisation (WTO) rules. This WTO compatible regime provides the Community with instruments enabling it to respond and to take measures to protect EU trade interests including measures taken in the event of dumping or subsidies (i.e. where imports from non-EU countries are found to be dumped and causing injury to Community industry).

Individual trade defence cases, brought by the EU against third country imports are the subject of a Council Regulation in those cases where a definitive AD duty or AS countervailing duty is imposed, or in respect of Safeguard cases. In the twelve-month period to end 2003, there were just under fifty such Regulations adopted by the EU Council.



Appendix 7

Employment Regulation Orders

The following Employment Regulation Orders were made in 2002, setting minimum rates of pay and regulating conditions of employment in the industries concerned.

1. ERO (Hotels Joint Labour Committee), S.I. No.96 of 2003
2. ERO (Law Clerks Joint Labour Committee), S.I. No 154 of 2003
3. ERO (Agricultural Workers Joint Labour Committee), S.I. No 185 of 2003
4. ERO (Handkerchief & Household Piece Goods Joint Labour Committee), S.I. No 222 of 2003
5. ERO (Shirtmaking Joint Labour Committee) S.I. No 223 of 2003
6. ERO (Tailoring Joint Labour Committee), S.I. No 224 of 2003
7. ERO (Women's Clothing & Millinery Joint Labour Committee), S.I. No 225 of 2003
8. ERO (Aerated Waters and Wholesale Bottling Joint Labour Committee), S.I. No 282 of 2003
9. ERO (Contract Cleaning (City and County of Dublin) Joint Labour Committee), S.I. No 353 of 2003
10. ERO (Contract Cleaning (excluding the City and County of Dublin) Joint Labour Committee), S.I. No 354 of 2003
11. ERO (Provender Milling Joint Labour Committee), S.I. No 355 of 2003
12. ERO (Catering (County Borough of Dublin and Borough of Dun Laoghaire) Joint Labour Committee), S.I. No 457 of 2003
13. ERO (Catering (excluding County Borough of Dublin and Borough of Dun Laoghaire) Joint Labour Committee), S.I. No 460 of 2003
14. ERO (Law Clerks Joint Labour Committee) (No. 2), S.I. No 543 of 2003
15. ERO (Hairdressing Joint Labour Committee), S.I. No 612 of 2003
16. ERO (Security Industry Joint Labour Committee), S.I. No 631 of 2003

Registered Employment Agreements introduced in 2003

1st April 2003 - Electrical Contractors

29th April 2003 - Footwear, Drapery

Appendix 8

Bodies & Offices associated with the Department

PART 1 - STATE-SPONSORED BODIES AND THEIR BOARDS

Enterprise Ireland

Wilton Park House, Wilton Place, Dublin 2. Telephone 01 8082000

Merrion Hall, Strand Road, Sandymount, Dublin 4.
Telephone 01 808 2000:

Glasnevin, Dublin 9. Telephone 01 808 2000.

Website: www.enterprise-ireland.com, Email: info@enterprise-ireland.com

Enterprise Ireland, which was established in July 1998, seeks to accelerate Ireland's national and regional development by working with Irish companies to develop and compete so that they can grow on world markets. Enterprise Ireland brings together the key marketing, technology, enterprise development, business training and science and innovation initiatives through which the Government supports the growth of Irish industry.

Chairperson: Pat Molloy

Other Board Members: Kieran Mc Gowan, Barry O'Halloran, Elaine Farrell, Brian Kearney, Veronica Perdisatt, Heather Ann McSharry, Gus Fitzpatrick, Lorraine Benson, John Connolly

Chief Executive: Dan Flinter / Frank Ryan with effect from 3rd November 2003.

Forfás

Wilton Park House, Wilton Place, Dublin 2.
Telephone 01-607 3000, Fax 607 3030

Website: www.forfas.ie, Email: info@forfas.ie

Forfás is the national policy and advisory body for enterprise, trade, science, technology and innovation.

Chairperson: Peter Cassells

Other Board members: Sean Dorgan, Frank Ryan (appointed 12/11/03), William Murphy, Toni Wall, Jane Williams, Rody Molloy, Paul Haran, Fergal O'Rourke, Professor Michael Hillery, Dr Don Thornhill (appointed 18/06/03), Dr William Harris (appointed 11/09/03).

Chief Executive: Martin Cronin

Science Foundation Ireland

Wilton Park House, Wilton Place, Dublin 2. Telephone 01-6073024, Fax 6073201

Website: www.sfi.ie, Email: webmaster@sfi.ie

Science Foundation Ireland (SFI) - the National Foundation for Excellence in Scientific Research - was established to support research excellence in strategic technologies deemed capable of driving economic competitiveness in the longer term.

Chairperson: Dr. Pat Fottrell

Other Board Members: Mr. Frank Mc Cabe (Deputy Chairperson), Dr. Don Thornhill, Mr. Erich Bloch, Dr Jacqueline Hunter, Dr. Kristina Johnson, Mr. John Travers, Dr. Jane Grimson, Dr. Jim Mountjoy, Dr. Martina Newell McGloughlin, Mr Ned Costello.

Director General: Dr William C. Harris

IDA Ireland

Wilton Park House, Wilton Place, Dublin 2.

Telephone: 01-603 4000 Website: www.idaireland.com, email: idaireland@ida.ie

IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment to Ireland. The Agency also encourages companies to seek and acquire additional functions from their parent companies to broaden their range of expertise and activities and thereby increase their strategic importance to the overall corporation.

Chairperson: John Dunne

Other Board Members: Gary Kennedy, Nial Ring, Anne Marie Gill, Frank McCabe, Kieran Corrigan, Ronald Long up to 16th September 2003 / Brian Whitney with effect from 19th September 2003, Thomas G Lynch, Brid Horan, Bernard Collins, Loretta Brennan Glucksman with effect from 5th March 2003.

Chief Executive: Sean Dorgan



APPENDIX 8

Part 1 - State-Sponsored Bodies and their Boards

National Standards Authority of Ireland

Glasnevin, Dublin 9.

Telephone: 01-8073800 Fax: 01-8073838
E-mail: nsai@nsai.ie Website: www.nsai.ie

The National Standards Authority of Ireland operates under the National Standards Authority of Ireland Act 1996, on behalf of the Minister for Enterprise, Trade and Employment. The Authority's primary functions are the development and publication of standards, the provision of a comprehensive product and management system certification service, Agrément certification of building and civil engineering products and Legal Metrology for the establishment of confidence in trade measurements. The Legal Metrology Service operates under the Metrology Acts, 1980-1998. The governing board of NSAI is appointed by the Minister for Enterprise, Trade and Employment and represents a cross-section of industrial and government interests.

Chairperson: Dan Tierney

Secretary: Patrick Bracken

Other Board Members: Ursula MacEvilly, Patrick J. Coffey, Dorothea Dowling, Sean J. McCarthy, Catherine Caulfield, Anne Riordan, Niall Fitzsimons, Edmond Stack, Páraig Hennessy, Des O'Loughlin, Rose Hynes.

Chief Executive: Simon Kelly

(Retired - Jean Cahill, Patrick Geraghty, Vincent Delaney on 14th April 2003)

(Resigned - Conor O'Mahony on 22nd July 2003 and Patrick Rigney on 19th September 2003)

Nitriigin Éireann Teo

Department of Enterprise, Trade and Employment, Earlsfort Centre, 1-3 Lower Hatch Street, Dublin 2.

Telephone 01-631 2486 Email: niamh_griffin@entemp.ie

Established by Government in 1961 as a private limited company to set up a nitrogenous fertiliser industry in Ireland - NET is now a 51% shareholder in Irish Fertiliser Industries Ltd., which went into liquidation in November 2002.

Chairperson: Niall Welch

Other Board Members: Jim O'Brien, Ronald Long, Helen McKenna, Thomas Morrissey, David Morris, Stephen O'Riordan, Conor O'Mahony (from 29 September 2003).

Company Secretary: Cailin McGovern

Thomas Morrissey, David Morris, Stephen O'Riordan term of office expired on 27 February 2003. Helen McKenna retired on rotation on 15 July 2003

Shannon Free Airport Development Company Ltd

Town Centre, Shannon, Co. Clare.

Telephone 061-361 555. Website: www.shannon-dev.ie,
Email: info@shannon-dev.ie

Shannon Development's Mission Statement is Pioneering Regional Development for the Knowledge Age.

Chairperson: Liam McElligott

Other Board Members: Brian O'Connell, Ronald Carroll, William Loughnane, Paul O'Brien, Patricia Collins, Dr. Roger Downer, Noreen Foran, Peter R. Schutz, Kieran Grace.

Chief Executive: Kevin Thompstone

APPENDIX 8

Part 1 - State-Sponsored Bodies and their Boards

FÁS

27-33 Upper Baggot Street, Dublin 4.

Telephone 01-607 0500. Website: www.fas.ie

The functions of FÁS include the operation of training and employment programmes, the provision of a placement service for industry and support for co-operative and community-based enterprises.

Chairperson: Brian Geoghegan

Other Board Members: William Attley, Peter Cullen, Michael Dolan, Des Geraghty, Alice Prendergast, Owen Wills, Joe Morgan, Sexton Cahill, Caroline Casey, Cathy Crowley, Dermot Lacey, Bernadette Lacey, Kathleen McLoughlin, Sean Gorman, Dermot O'Callaghan, Jim O'Brien

Director General: Roddy Molloy

Health and Safety Authority (National Authority for Occupational Safety and Health)

10 Hogan Place, Dublin, 2.

Telephone No. 01-6147000 Website: <http://www.hsa.ie/osh>

The Authority has responsibility for the administration and enforcement of the occupational safety and health legislation. It provides information, advice and guidance for employers, workers, the self-employed and others to whom occupational safety and health legislation applies or is of relevance.

Chairperson: Mr. Frank Cunneen

Vice-Chairperson: Mr. Sylvester Cronin

Other Board Members: Mr. Joe Hegarty, Ms. Sue Corbett, Mr. Desmond Gilroy, Mr. Martin Lynch, Mr. Fergus Whelan, Ms. Louise O'Donnell, Mr. Tony Briscoe, Mr. Peter McCabe, Ms. Marie Rock

Director-General: Mr. Tom Beegan

North/South Implementation Body

InterTradeIreland

The Old Gasworks Business Park, Kilmorey Street, Newry, Co. Down. BT34 2DE

Telephone: 048 3083 4100. Fax: 048 3083 4155

Website: www.intertradeireland.com,

Email: info@intertradeireland.com

InterTradeIreland - The Trade and Business Development Body was established under the British-Irish Agreement Act 1999. It is one of six North/South Implementation Bodies arising from the Good Friday Agreement of 1998.

InterTradeIreland's strategic mission is to lead the development of the island economy through distinctive knowledge-based interventions, which will produce significant returns in the areas of cross-border trade, and business development.

InterTradeIreland is co-funded by the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in the North.

Chairperson: Dr. Martin Naughton

Board Members: Mary Ainscough, Mary Breslin, Barry Fitzsimons, Jackie Harrison, John Fitzgerald, Jack Gilmour, Carl McCann, Feargal McCormack, Inez McCormack, Robbie Smith, Dr. Trefor Campell.

Chief Executive: Liam Nellis



APPENDIX 8

PART 2 - OFFICES ASSOCIATED WITH THE DEPARTMENT

Labour Relations Commission

Tom Johnson House, Haddington Road, Dublin 4.

Telephone 01- 6136700
Lo-Call number: 1890 220 227.
Website address: www.lrc.ie
E-mail address: labrc@iol.ie

The Labour Relations Commission, established under the Industrial Relations Act 1990, has overall responsibility for promoting the improvement of industrial relations, and does so by providing a range of services including a Conciliation Service, a Rights Commissioner Service and an Advisory Development and Research Service. If every effort has been made to resolve the issue in dispute within the undertaking concerned and local procedures have been exhausted, industrial disputes should first be referred to the Labour Relations Commission unless there is provision, under the Industrial Relations Acts 1946 to 1990, for direct reference of the dispute to the Labour Court.

Chairperson: Caitriona Murphy (to 31.03.03), Maurice Cashell (from 01.04.03)

Trade Union Nominees: Tom Wall, Peter McLoone

Employer Nominees: Liam Downey, Brendan McGinty

Other Members: Josephine Feehily, Rory O'Donnell (to 31.03.03), Breege O'Donoghue (from 01.04.03)

Chief Executive: Kieran Mulvey

Director of Conciliation: Ray McGee

Director of Advisory Development And Research Service:
Declan Morrin

Director of Corporate Services: Jim Palmer (to 20.02.03),
Freda Nolan (from 03.06.03)

Rights Commissioners

Tom Johnson House, Haddington Road, Dublin 4.

Telephone 01- 6136700

The Rights Commissioner Service is a service of the Labour Relations Commission. Rights Commissioners investigate disputes under the Industrial Relations Acts 1946 -1990, except disputes relating to pay, hours or times of work or annual holidays involving a body of workers. Rights Commissioners therefore mainly deal with disputes involving individuals. They also investigate cases under the Unfair Dismissals Acts 1977 to 1993; the Payment of Wages Act 1991; the Maternity Protection Act 1994; the Terms of Employment (Information) Act 1994; the Adoptive Leave Act 1995; the Protection of Young Persons (Employment) Act 1998; the Organisation of Working Time Act 1997; the Parental Leave Act 1998; the Protection of Persons Reporting Child Abuse Act 1998; the National Minimum Wage Act 2000; the Carer's Leave Act 2001; the Protection of Employees (Part-Time Work) Act 2001; the Competition Act 2002; the European Communities (Protection of Employment) Regulations, 2000; the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003.

Rights Commissioners: Janet Hughes, Gerry Fleming, Michael Rooney, Tony Bregazzi, Lenore Mrkwicka, Finn Lawless (to 29.03.03), David Iredale (from 01.09.03).

APPENDIX 8

Part 2 - Offices Associated with the Department

Employment Appeals Tribunal

Davitt House, 65A Adelaide Road, Dublin 2.

Telephone 01 - 631 2121

Website: www.entemp.ie/erir/empl_appeal.htm

The purpose of the Tribunal is to determine matters in dispute arising from the following legislation: the Redundancy Payments Acts 1967, 1971, 1979 and 2003, the Minimum Notice and Terms of Employment Act 1973, the Unfair Dismissals Acts 1977 and 1993, the Protection of Employees (Employers' Insolvency) Act 1984, the Payment of Wages Act 1991, the Terms of Employment (Information) Act 1994, the Maternity Protection Act 1994, the Adoptive Leave Act 1995, the Protection of Young Persons (Employment) Act 1996, the Organisation of Working Time Act 1997, the Parental Leave Act 1998, the Protections for Persons Reporting Child Abuse Act 1998, the European Communities (Protection of Employment) Regulations 2000, the Carer's Leave Act 2001, and the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003

The terms of office of the Vice Chairmen and Members expired on 29 January, 2004. Details of the current membership of the Tribunal are given below.

Chairperson: Kate O'Mahony

Vice-Chairmen: Kieran Buckley, Patrick Goold, Penelope McGrath, Dymphna Cusack, Con Guiney, Leachlain S Ó Catháin, Emile Daly, Tony Halpin, Mark O'Connell, Catherine Egan, Dara Hayes, Thomas O'Donoghue, John Fahy, Elva Kearney, Peter J. O'Leary, Fergal T. Fitzgerald Doyle, Kevin P. Kilrane, Marian Petty, James Flanagan, Margaret Levey, Moya Quinlan, Myles Gilvarry, Sean Mahon, Joe Revington, Clodagh Gleeson, Eoin Martin, Tom Ryan, Bernie Glynn, Dermot McCarthy, Jeremiah Sheedy, Geraldine Small

Trade Union Nominees: Frank Barry, Ben Kearney, Alice Moore, Rita Bergin, Hillary Kelleher, Jim Moore, Eveta Brezina, Tony Kenneally, Sam Nolan, Nick Broughal, George Lamon, Owen Nulty, Brendan Byrne, Sean Mackell, Clare O'Connor, Paul Clarke, Mary Maher, Kevin O'Connor, Anne Clune, Des Mahon, Seamus O'Donnell, Jim Dorney, Margaret McArdle, Emer O'Shea, Breda Fell, John McDonnell, Ciaran Ryan, Kay Garvey, Dominic McEvoy, Tom Wall, Noirin Greene, Michael McGarry, Kitty Warnock, George Hunter, Bernard McKenna, Paddy Woods.

Employer Nominees: Patrick Bracken, Richard Keating, Neil Ormond, Joe Brown, Mel Kennedy, Gerry Phelan, William Browne, Don Moore, Pat Pierce, Pat Casey, Desmond Morrison, Peter Pierson, Frank Cunneen, Michael J. Murphy, William Power, Ann Delahunt, Roger Murphy, Robert D E Prole, Moss Flood, Gerry McAuliffe, Jim Redmond, Michael Forde, Cyril McHugh, John Reid, Tom Gill, Billy O'Carroll, Eamon Ryan, James Goulding, Terence O'Donnell, Marie Sweeney, John Guinan, Paul O'Leary, John Walsh, Ben Kealy, James O'Neill, Declan Winston



APPENDIX 8

Part 2 - Offices Associated with the Department

Labour Court

Tom Johnson House, Haddington Rd, Dublin 4.

Tel No: (01) 613 6666. Fax No: (01) 613 6667.

Lo-Call number: 1890 220 228.

Website: www.labourcourt.ie

E-mail: info@labourcourt.ie

The Labour Court was established under the Industrial Relations Act 1946. It provides a free, comprehensive service for the investigation and resolution of disputes in the areas of industrial relations, employment equality (including equal pay and pensions), organisation of working time, national minimum wage, part-time work and fixed-term work. The Court makes Employment Regulation Orders prescribing legally enforceable minimum rates of pay and conditions of employment in those sectors covered by Joint Labour Committees. The Court also registers employment agreements, the effect of which makes the provisions of the agreement legally enforceable.

Chairperson: Finbarr Flood (to 21.12.03), Kevin Duffy (from 22.12.03)

Deputy Chairperson: Kevin Duffy (to 21.12.03), Caroline Jenkinson

Employers' Members: Eamon Carberry, Vincent Keogh (to 27.07.03), Patrick Pierce (to 30.06.03), John Doherty (from 27.07.03), Robert Grier (from 01.03.03)

Workers' Members: Noel O'Neill, Padraig'n N' Mhurchú, Jimmy Somers

Registrar: Hugh O'Neill

Competition Authority

Parnell House, 14 Parnell Square, Dublin 1

Telephone 01 804 5400. Fax No: 8045401

Website: www.tca.ie

The function of the Competition Authority is to promote greater competition in all sectors of the economy by tackling anti-competitive practices and by increasing awareness of such practices. As of 1st January 2003, the Authority assumed responsibility for examining and deciding upon mergers and acquisitions notified under the Competition Act 2002.

Chairman: Dr John Fingleton

Secretary: Ciaran Quigley

Members: Terry Calvani, Declan Purcell, Edward Henneberry, Paul Gorecki

APPENDIX 8

Part 2 - Offices Associated with the Department

Office of the Director of Consumer Affairs

4 Harcourt Road, Dublin 2.

Telephone 01 402 5500 Lo-call Tel: 1890 220229
Website: www.odca.ie E-mail: odca@entemp.ie

The Director is an independent statutory officer, responsible for providing advice and information to consumers and for the enforcement of a wide range of consumer protection laws, including laws on deceptive trading practices, restrictive practices (groceries), consumer credit, package travel, unfair contract terms, timeshare, consumer safety (mandatory standards), food labelling, textile labelling, unit pricing and price displays.

Director of Consumer Affairs: Carmel Foley

Principal Officer: Jack Thompson

Patents Office

Government Buildings, Hebron Road, Kilkenny

Telephone: 056-7720111 Lo-Call Tel:1890-220223
Fax: 056-7720100 Lo-Call Fax:1890-220120
E-mail: patlib@entemp.ie
Website: www.patentsoffice.ie

The Patents Office is responsible for the grant of patents for inventions and for the registration of trademarks and designs. The Controller also has functions in relation to the adjudication of certain copyright disputes.

Controller: Sean Fitzpatrick

Companies Registration Office

Parnell House, 14 Parnell Square, Dublin 1.

Telephone 01 804 5200 Website: www.cro.ie

The Companies Registration Office is the central depository of public statutory information on Irish companies. Its main functions include the incorporation of companies; the registration of business names, of charges on companies, of other post-incorporation documents and of changes in business name particulars. The office has an extensive enforcement programme in respect of the filing of returns.

Registrar: Paul Farrell

Office of the Registrar of Friendly Societies

Parnell House, 14 Parnell Square, Dublin 1.

Telephone 01 804 5499

The Office of the Registrar of Friendly Societies is a statutory independent office responsible for the registration and general regulation of friendly societies, trade unions and industrial and provident societies (co-operatives).

Registrar: Paul Farrell



APPENDIX 8

Part 2 - Offices Associated with the Department

Office of the Director of Corporate Enforcement

Address: 16 Parnell Square, Dublin 1.

Telephone: 01-8585800 LoCall service: 1890 315015

Fax: 01 8585801 Website: www.odce.ie

Email: info@odce.ie

The Office of the Director of Corporate Enforcement was established on 28 November 2001 under the Company Law Enforcement Act 2001. The Director of Corporate Enforcement is required to be independent in discharging his compliance and enforcement role with respect to the Companies Acts 1963-2001. His functions include encouraging compliance with the Companies Acts, investigating suspected offences under the Acts and initiating civil and summary criminal proceedings in the Courts. The Director has a general supervisory role in respect of liquidators and receivers.

Director: Paul Appleby

Principal Officers: Barry Harte, Eamonn McHale

Corporate Compliance Manager: Ian Drennan

Principal Solicitor: Ann Keating

PART 3 - CITY AND COUNTY ENTERPRISE BOARDS

CARLOW

Michael P. Kelly, CEO, Carlow County Enterprise Board,
98, Tullow Street, Carlow.
Phone: 059 - 913-0880 Fax: 059 - 913-0717
E-Mail: enterprise@carlow-ceb.com
Website: www.carlow-ceb.com

CAVAN

Vincent Reynolds, Cavan County Enterprise Board,
Cavan Innovation & Technology Centre, Dublin Road,
Cavan.
Phone: 049 - 437-7200 Fax: 049- 437-7250
E-Mail: info@cceb.ie
Website: www.cavanenterprise.ie

CLARE

Eamon Kelly, Clare County Enterprise Board,
Enterprise House, Mill Road, Ennis, Co. Clare.
Phone: 065 - 684-1922 Fax: 065 - 684-1887
E-Mail: clareceb@clareceb.ie Website: www.clareceb.ie

CORK CITY

Dave Cody, Cork City Enterprise Board,
1/2, Bruach na Laoi, Union Quay, Cork.
Phone: 021 - 496- 1828 Fax: 021 - 496 -1869
E-Mail: info@corkceb.ie
Website: www.corkceb.ie

NORTH CORK

Rochie Holohan, North Cork County Enterprise Board,
26, Davis Street, Mallow, Co. Cork.
Phone: 022 - 43235 Fax: 022 - 43247
E-Mail: corknent@iol.ie
Website: www.theenterpriseoffice.com

SOUTH CORK

Jim Brennan, South Cork County Enterprise Board,
Unit 6a, South Ring Business Park, Kinsale Road, Cork
Phone: 021- 497 5281 Fax: 021-497-5287
E-Mail: info@sceb.ie
Website: www.sceb.ie

WEST CORK

Michael Hanley, West Cork County Enterprise Board
8, Kent Street, Clonakilty, Co. Cork.
Phone: 023 - 34700 Fax: 023 - 34702
E-Mail: enterprise@wceb.ie
Website: www.wceb.ie

DONEGAL

Michael Tunney, Donegal County Enterprise Board,
The Enterprise Fund Business Centre, Ballyraine,
Letterkenny, Co. Donegal.
Phone: 074 - 916-0735 Fax: 074 - 916-0783
E-Mail :donegalceb@eircom.net
Website: www.donegalenterprise.com

DUBLIN CITY

Gerard Macken, Dublin City Enterprise Board,
17, Eustace Street, Dublin 2.
Phone: 01 677-6068, 677-6078 Fax: 01 - 677-6093
E-Mail: info@dceb.ie
Website: www.dceb.ie

FINGAL

Oisin Geoghegan, Fingal County Enterprise Board,
Upper Floor Office Suite, Mainscourt,
23, Upper Main Street, Swords, Co. Dublin.
Phone: 01 890-0800 Fax: 01 - 813-9991
E-Mail: oisin@fingalceb.ie
Website: www.fingalceb.ie

SOUTH DUBLIN

Loman O'Byrne, South Dublin County Enterprise Board,
No. 3, Village Square, Old Bawn Road, Tallaght, Dublin 24.
Phone: 01 - 405-7073 / 405-7074
Fax: 01 - 451-7477
E-Mail loman.obyrne@senterprise.com
Website: www.senterprise.com

DUN LAOGHAIRE/RATHDOWN

Michael Johnson, Dun Laoghaire/Rathdown County
Enterprise Board, Nutgrove Enterprise Centre, Nutgrove
Way, Rathfarnham, Dublin 14.
Phone: 01 - 494-8400 Fax: 01 - 494-8410
E-Mail: ventur1@venturepoint.ie
michael@venturepoint.ie
Website: www.venturepoint.ie



APPENDIX 8

Part 3 - City and County Enterprise Boards

GALWAY

Charles P. Lynch, Galway County/City Enterprise Board,
County/City Wood Quay Court, Wood Quay, Galway.
Phone: 091 - 565-269 Fax: 091 - 565-384
E-Mail: charles@galwayenterprise.ie
Website: www.galwayenterprise.ie

KERRY

Martin Collins, Kerry County Enterprise Board,
County Buildings, Ratass, Tralee, Co. Kerry.
Phone: 066 - 718-3522 Fax: 066 - 712-6712
E-Mail: kerryceb@kerrycoco.ie
Website: www.kerryceb.ie

KILDARE

Donal Dalton, Kildare County Enterprise Board,
The Woods, Clane, Co. Kildare.
Phone: 045 - 861-707 Fax: 045 - 861-712
E-Mail: info@kildareceb.ie
Website: www.kildareceb.ie

KILKENNY

Sean McKeown, Kilkenny County Enterprise Board,
42, Parliament Street, Kilkenny.
Phone: 056 - 775-2662 Fax: 056 - 775-1649
E-Mail: admin@kceb.ie
Website: www.kceb.ie

LAOIS

Maria Callinan, Laois County Enterprise Board,
IBS House, Dublin Road, Portlaoise, Co. Laois.
Phone: 0502 - 61800 Fax: 0502 - 61797
E-Mail: admin@laoisenterprise.com
Website: www.laoisenterprise.com

LEITRIM

Joe Lowe, Leitrim County Enterprise Board,
Carrick-on-Shannon Business Park, Dublin Road,
Carrick-on-Shannon, Co. Leitrim.
Phone: 071 - 962-0450 Fax: 071 - 962-1491
E-Mail: info@leitrimenterprise.ie
Website: www.leitrimenterprise.ie

LIMERICK CITY

Eamon Ryan, Limerick City Enterprise Board,
The Granary, Michael Street, Limerick.
Phone: 061 - 312-611 Fax: 061 - 311-889
E-Mail: info@limceb.ie
Website: www.limceb.ie

LIMERICK

Ned Toomey, Limerick County Enterprise Board,
County Buildings, 79/84, O'Connell Street, Limerick.
Phone: 061 - 319-319 Fax: 061 - 319-318
E-Mail: info@lcoeb.ie
Website: www.lcoeb.ie

LONGFORD

Michael Nevin, Longford County Enterprise Board,
38 Ballymahon Street, Longford.
Phone: 043 - 42757 Fax: 043 40968
E-Mail: info@longfordceb.ie
Website: www.longfordceb.ie

LOUTH

Ronan Denny, Louth County Enterprise Board,
Partnership Court, The Ramparts, Dundalk, Co. Louth.
Phone: 042 - 932-7099 Fax: 042 - 932-7101
E-Mail: rdenny@lceb.ie
Website: www.lceb.ie

MAYO

Frank Fullard, Mayo County Enterprise Board,
McHale Retail Park, McHale Rd. Castlebar, Co. Mayo.
Phone: 094 - 9022887 Fax: 094 - 9024416
E-Mail: ffullard@mayococo.ie
Website: www.mayoceb.com

MEATH

Hugh Reilly, Meath County Enterprise Board,
Navan Enterprise Centre,
Trim Road, Navan, Co. Meath.
Phone: 046 - 907-8400/902-7444 Fax: 046 - 902-7356
E-Mail: mhceb@meath.com
Website: www.meath.com

MONAGHAN

John McEntegart, Monaghan County Enterprise Board,
M:TEK Building, Knockaconny, Monaghan.
Phone: 047 - 71818 Fax: 047 - 84786
E-Mail: info@mceb.ie
Website: www.mceb.ie

OFFALY

Sean Ryan, Offaly County Enterprise Board,
Cormac Street, Tullamore, Co. Offaly.
Phone: 0506 - 52971 Fax: 0506 - 52973
E-Mail: info@offalyceb.ie
Website: www.offaly.ie

APPENDIX 8

Part 3 - City and County Enterprise Boards

ROSCOMMON

Ann Flynn, Roscommon County Enterprise Board,
Abbey Street, Roscommon.
Phone: 090 - 662-6263/662-6765 Fax: 090-662-5474
E-Mail: ceb@roscommon.ie
Website: www.roscommon.ie

SLIGO

John Reilly, Sligo County Enterprise Board,
Sligo Development Centre, Cleveragh Road, Sligo.
Phone: 071 - 914-4779 Fax: 071 - 914-6793
E-Mail: info@sligoenterprise.ie
Website: www.sligoenterprise.ie

TIPPERARY (NR)

Rita Guinan, Tipperary (NR) County Enterprise Board,
Connolly Street, Nenagh, Co. Tipperary.
Phone: 067 - 33086 Fax: 067 - 33605
E-Mail: tncebguinan@eircom.net
Website: www.tnceb.ie

TIPPERARY (SR)

Thomas Hayes, Tipperary (SR) County Enterprise Board,
1, Gladstone Street, Clonmel, Co. Tipperary.
Phone: 052 - 29466 Fax: 052 - 26512
E-Mail: toss.hayes@southtippcoco.ie
Website: www.southtippceb.ie

WATERFORD CITY

William Rafter, Waterford City Enterprise Board,
Enterprise House, New Street Court, Waterford.
Phone: 051 - 852883 Fax: 051 - 877494
E-Mail: info@waterfordceb.com
Website: www.waterfordceb.com

WATERFORD COUNTY

Gerard Enright, Waterford County Enterprise Board,
The Courthouse, Dungarvan, Co. Waterford.
Phone: 058 - 44811 Fax: 058 - 44817
E-Mail: waterfordceb@cablesurf.com
Website: www.enterpriseboard.ie

WESTMEATH

Christine Charlton, Westmeath County Enterprise Board,
Enterprise Centre, Church Avenue, Mullingar, Co.
Westmeath.
Phone: 044 - 49222 Fax: 044 - 49009
E-Mail: wceb@iol.ie
Website: www.westmeath-enterprise.ie

WEXFORD

Sean Mythen, Wexford County Enterprise Board,
16/17, Mallin Street, Cornmarket, Wexford.
Phone: 053 - 22965 / 22312 / 22395 / 1800 532 000
Fax: 053 - 24944
E-Mail: info@wexfordceb.ie
Website: www.wexfordceb.ie

WICKLOW

Tom Broderick, Wicklow County Enterprise Board,
1, Main Street, Wicklow.
Phone: 0404 - 67100 Fax: 0404 - 67601
E-Mail: enterprise@wicklowceb.ie
Website: www.wicklowceb.ie



Appendix 9

Addresses of Offices of the Department

Department of Enterprise, Trade and Employment
Kildare Street, Dublin 2.
Tel No: (01) 631 2121. Fax No: (01) 631 2827.
Lo-Call Telephone service for outside (01) area: 1890 220 222.
Website address: www.entemp.ie
E-mail address: webmaster@entemp.ie
Corporate Services & Economic Policy Division,
Competitiveness and International Affairs Division,
Enterprise & Agencies Division, Science, Technology &
Intellectual Property Division (Intellectual Property Unit
based in Earlsfort).

Department of Enterprise, Trade and Employment,
Earlsfort Centre, Lower Hatch Street, Dublin 2
Tel No: (01) 631 2121
Lo-Call Telephone service for outside (01) area: 1890 220 222
Website: www.entemp.ie
E-mail: webmaster@entemp.ie
Science, Technology & Intellectual Property Division (Office
of Science & Technology based in Kildare Street),
Commerce, Consumers and Competition Division,
Corporate Services & Economic Policy Division (IT Unit)

Department of Enterprise, Trade and Employment
Davitt House, Dublin 2.
Tel No: (01) 631 2121. Fax No: (01) 631 3267.
Lo-Call Telephone service for outside (01) area: 1890 220 222.
Website address: www.entemp.ie
E-mail address: webmaster@entemp.ie
Employment Rights Information: Tel: (01) 631 3131 Lo-
call: 1890 201 615
e-mail: erinfo@entemp.ie
Work Permits: Tel: (01) 631 3333/631 3308 Lo-call: 1890
201 616
e-mail: workpermits@entemp.ie
Employment Rights & Industrial Relations Division; Labour
Force Development Division; Corporate Services &
Economic Policy Division (Finance Unit)

Competition Authority,
Parnell House, 14 Parnell Square, Dublin 1.
Tel No: (01) 804 5400. Fax No: (01) 804 5401.
Lo-Call Telephone service for outside (01) area: 1890 220 224.
Website address: www.tca.ie
E-mail address: compauth@entemp.ie

Office of the Registrar Friendly Societies
Parnell House, 14 Parnell Square, Dublin 1
Tel No: (01) 804 5499. Fax (01) 8045498
Lo-Call Telephone service for outside (01) area: 1890 220 225

Companies Registration Office,
14 Parnell Square, Dublin 1
Tel No: (01)804 5200, Information Unit: (01) 804 5201,
Fax No 679 5254
Lo-call Telephone service for outside (01) area: 1890 220 226
Website Address: www.cro.ie

Office of the Director of Corporate Enforcement
16 Parnell Square, Dublin 1.
Telephone: 01 8585800 LoCall service : 1890 315015
Fax : 01 8585801
Email : info@odce.ie
Website : www.odce.ie

Patents Office
Government Buildings, Hebron Road, Kilkenny
Telephone: 056-7720111 Lo-Call Tel: 1890-220223
Fax: 056-7720100 Lo-Call Fax: 1890-220120
E-mail: patlib@entemp.ie
Website: www.patentsoffice.ie

Dublin Patents Information Centre
Ground Floor, Earlsfort Centre
Lower Hatch Street
Dublin 2
Tel No: (01) 631 2603
Lo-Call Tel: 1890 220 222 ext. 2603
Lo-Call Fax: 1890 220 210
Fax: (01) 631 2551
E-mail: patdub@entemp.ie
Website: www.patentsoffice.ie

Office of the Director of Consumer Affairs,

4 Harcourt Road, Dublin 2.

Tel No: (01) 402 5500. Fax No: (01) 402 5501.

Helpline Tel No: (01) 402 5555.

Lo-Call Telephone service for outside (01) area: 1890 220 229.

Website address: www.odca.ie

E-mail: odca@entemp.ie

Office of the Director of Consumer Affairs, (Cork Office)

89-90 South Mall, Cork.

Tel No: (021) 427 4099. Fax No: (021) 427 4109.

Labour Relations Commission,

Tom Johnson House, Haddington Rd, Dublin 4.

Tel No: (01) 613 6700. Fax No: (01) 613 6701.

Lo-call No. (calling from outside (01) area): 1890 220 227.

E-mail labrc@iol.ie Website: www.lrc.ie

Labour Court,

Tom Johnson House, Haddington Rd, Dublin 4.

Tel No: (01) 613 6666. Fax No: (01) 613 6667.

Lo-call No. (calling from outside (01) area): 1890 220 228

E-mail: info@labourcourt.ie Website: www.labourcourt.ie

Employment Appeals Tribunal,

Davitt House, Adelaide Road, Dublin 2.

Tel No: (01) 631 2121.

Lo-Call Telephone service for outside (01) area: 1890 220 222.



roinn fiontar trádála agus fostaíochta
department of enterprise, trade and employment

Kildare Street,
Dublin 2
Telephone: +353 1 631 2121
Fax: +353 1 631 2827

We will work for Government and the people to equitably grow Ireland's competitiveness and quality employment.

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Baile Átha Cliath: Arna Fhoilsiú ag Oifig an tSoláthair

Le ceannach díreach ón Oifig Dhiolta Foilseachán Rialtais,
Teach Sun Alliance, Sráid Theach Laighean, Baile Átha Cliath 2
nó teid bpost ó Foilseachán Rialtais, an Rannóg Post-Tráchtá,
4-5 Bóthar Fhearchair, Baile Átha Cliath 2. (Teil: 01-6613111 – fo-line
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Dublin: Published by the Stationery Office

To be purchased directly from the Government Publications Sale Office, Sun
Alliance House, Molesworth Street, Dublin 2
or by mail order from Government Publications, Postal Trade Section,
4-5 Harcourt Road, Dublin 2. (Tel: 01-6613111 – ext. 4040/4045;
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