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Chapter 1

Introduction

This report presents a comprehensive analysis of the contribution of small business to the Irish economy. The information is sourced from statistics compiled by the Central Statistics Office (CSO) and from other producers of statistical data.

A small business is defined as an enterprise that employs less than 50 people. Corresponding data relating to medium and large enterprises (50 or more employees) are also presented for comparison purposes. The significance of small business in industry, services and construction is analysed and compared. Data on other impacting factors such as technology, labour costs and labour market are also presented. International comparisons, where appropriate, are also included. The CSO continues to develop a more comprehensive register of all businesses in Ireland that will facilitate the inclusion of statistics on business demography (e.g. the establishment of new businesses etc.) in future editions of this report.

The following are some key points presented in this report:

Industry

- In 2005 four out of five industrial enterprises (81%) were small firms employing less than 50 people. Small industrial firms employed almost 50,000 people, over a fifth of total industrial employment. *See Tables 2.1 and 2.2.*
- Larger enterprises (50+ employees) employed over three-quarters of those engaged in industry and generated over 93% of the total turnover in industry. *See Tables 2.2 and 2.3.*
- The vast majority of small industrial firms were Irish-owned (95%) while 42% of larger firms had foreign ownership. *See Tables 2.6 and 2.7.*

Services

- In the services sector almost all enterprises (98%) were small. Small businesses employed more than 380,000 in 2005 accounting for more than half of total employment in the services sector. *See Table 3.1 and 3.2.*
- Small firms accounted for almost half (49%) of the total turnover in the services sector, generating a total turnover of almost €81.6 billion in 2005. *See Table 3.3.*
- There were 82,100 small enterprises in the services sector, of which almost half (47%) were family owned. The vast majority of these family businesses employed less than 10 people. *See Table 3.11.*

Construction

- According to the Quarterly National Household Survey there was a total of 253,200 people employed in the construction industry in the fourth quarter of 2005. Of these, 211,000 indicated that they worked in small workplaces (less than 50 employed), while 24,500 indicated that they worked in larger workplaces (50 or more persons employed). Another 17,600 did not state the size of their workplace. *See Tables 4.1 and 4.2.*
- Of the 253,200 employed in the construction sector, over 65% worked for very small concerns employing less than 10 people. *See Table 4.2.*

Sectoral Comparison

- While turnover and employment in industry is concentrated in medium and large enterprises, in the services sector small businesses contributed a greater share to total employment, total turnover and gross value added. *See Table 5.1 and Figures 5.1 and 5.2.*
- The average small industrial enterprise was more than twice the size of a small enterprise in the services sector as measured by persons engaged, turnover and gross value added. *See Table 5.2.*

Earnings and Labour Costs

- While average hourly earnings in the private sector were €17.48 in 2006, employees in small enterprises had hourly earnings of €15.22 compared to €19.38 for those in larger enterprises. Half of employees in small businesses earned less than €12.50 per hour. *See Table 6.1.*
- Average weekly earnings were €522.33 in small businesses compared to €718.02 in medium and large businesses. *See Table 6.1.*
- Almost 54% of those employed in small businesses had average hourly earnings of between €10 and €20 compared to 53% of employees in medium and large businesses. *See Table 6.2.*

The Knowledge Economy

- Small enterprises generally make less use of more advanced Information and Communication Technologies than larger enterprises. *See Tables 7.1 to 7.5 and Figure 7.1.*
- Almost all businesses with 10 or more persons employed were connected to the internet whereas two-thirds of enterprises with less than 10 employed used the internet. *See Table 7.1.*

Labour Market Profile

- Small workplaces accounted for almost 56% of the workforce (1,175,800). Of these, 839,300 were employees, 216,600 were self-employed and another 107,900 were self-employed with paid employees. The figures included farming and the public sector, as well as business sectors. *See Tables 8.1 and 8.4.*
- Almost 58% of females employed in small workplaces were in low skilled non-manual or elementary occupations compared with just over 22% of males. *See Table 8.6.*
- Of the 316,300 non-Irish Nationals that were in employment in the second quarter of 2007, almost half (47.4%) worked in small enterprises. *See Table 8.7.*

Small, Medium and Large Enterprises

- Gross value added per employee was higher in foreign-owned than in Irish-owned enterprises in all size categories except large enterprises (250+ engaged) in the services sector. The difference in productivity measured in this way, between foreign and Irish-owned enterprises, was most pronounced for small service enterprises and for large businesses in industry. *See Figure 9.1.*
- The average wage paid by small businesses in 2006 was €32,453. Medium sized enterprises paid on average €37,464 per employee while large enterprises paid an average of €42,589 per employee. *See Table 9.5.*
- The larger the size of the firm the more likely they were to engage in a more sophisticated use of Information, Communications and Technologies. Large enterprises were more than four times as likely as small enterprises to use a dedicated ICT system to manage orders. *See Table 9.6.*

International Comparisons

- Almost three-quarters of manufacturing turnover in Ireland was generated by large enterprises while the EU average was 60%. *See Figure 10.2.*
- Excluding large enterprises, small businesses accounted for two-thirds of total turnover in the services sectors in Ireland, slightly lower than the corresponding EU average of 71%. *See Figure 10.3.*
- Gross value added per person employed in the construction sector in Ireland was significantly higher than our EU counterparts for all employment size classes in 2005. *See Table 10.4.*

Chapter 2

Industry

Number of Enterprises

There was a total of 4,418 industrial enterprises employing 3 or more people in Ireland in 2005. Of these, 81% were accounted for by small industrial enterprises (employing between 3 and 49 people). Almost half of all small industrial enterprises in 2005 had less than 10 people engaged. See Table 2.1.

Table 2.1 Number of industrial enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
2000	No.	1,780	1,039	1,060	3,879	995	4,874
2001	No.	1,843	971	1,063	3,877	993	4,870
2002	No.	1,962	1,023	1,059	4,044	952	4,996
2003	No.	1,987	1,084	1,010	4,081	913	4,994
2004	No.	1,867	1,026	942	3,835	849	4,684
2005	No.	1,737	937	901	3,575	843	4,418
Share of total enterprises by size class 2005	%	39.3	21.2	20.4	80.9	19.1	100.0

Source: Census of Industrial Production

Number of Persons Engaged

Of the 231,000 people employed in industrial enterprises in 2005, over three-quarters were in firms employing 50 or more people. Small industrial enterprises employed almost 50,000 in 2005, a decrease of almost 13% on the 2000 figure. Similarly, employment in medium and large industrial enterprises has fallen by over 14% on the 2000 figure. Employment in small industrial businesses fell by over 3,300 from 2004 to 2005. Employment in medium and large industrial businesses fell by almost 1,200 in the same period. See *Table 2.2*.

Table 2.2 Total persons engaged in industrial enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
2000	No.	9,889	14,294	33,076	57,259	211,375	268,634
2001	No.	9,563	13,522	33,176	56,261	207,938	264,198
2002	No.	10,636	14,224	32,800	57,660	196,183	253,842
2003	No.	10,458	14,889	31,348	56,695	187,536	244,231
2004	No.	9,845	14,095	29,256	53,196	182,293	235,489
2005	No.	9,064	12,799	28,030	49,893	181,109	231,002
Share of total persons engaged 2005	%	3.9	5.5	12.1	21.6	78.4	100.0

Source: Census of Industrial Production

Turnover

Medium and large enterprises accounted for over 93% of the €119 billion total industrial turnover in 2005. Small enterprises in industry generated a total turnover of almost €8.2 billion. Of this, over half (58%) was generated by industrial enterprises with between 20 and 49 persons employed. In 2005, total turnover of all industrial enterprises employing 3 or more people increased by over 19% on 2000 and by over 5% on 2004. Turnover of small industrial businesses (between 3 and 49 people employed) increased by 8% on 2000 and by almost 6% on the 2004 figure. See Table 2.3.

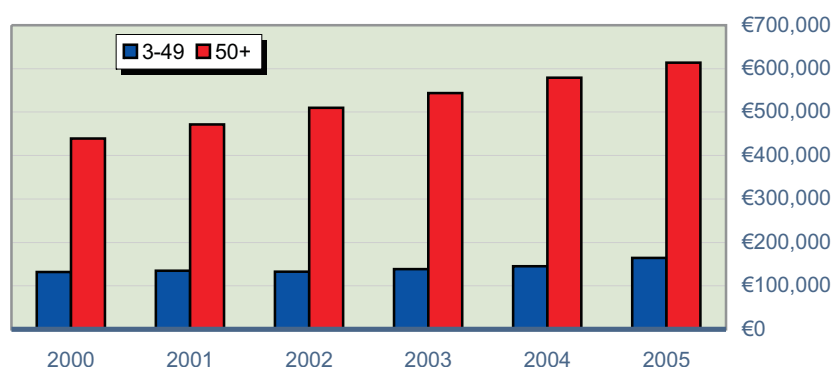
Table 2.3 Total turnover of industrial enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
2000	€m	1,030	1,556	4,960	7,546	92,750	100,296
2001	€m	1,100	1,464	5,025	7,588	98,133	105,720
2002	€m	1,188	1,600	4,848	7,637	100,047	107,683
2003	€m	1,223	1,879	4,764	7,867	101,940	109,806
2004	€m	1,225	1,723	4,789	7,737	105,574	113,311
2005	€m	1,390	2,019	4,778	8,187	111,178	119,365
Share of total turnover 2005	%	1.2	1.7	4.0	6.9	93.1	100.0

Source: Census of Industrial Production

The average turnover per person engaged was €164,091 in small enterprises, compared with €613,873 in medium and large enterprises in 2005. See Figure 2.1.

Figure 2.1 Average turnover per person engaged in industrial enterprises by employment size class 2005



Source: Census of Industrial Production

Gross Value Added

Medium and large enterprises accounted for over 93% of total gross value added (GVA) of industrial enterprises in 2005. Small industrial businesses accounted for €2.6 billion (6.8%) out of the total of almost €39 billion in GVA generated by this sector in 2005. Total GVA decreased by over 3% on the 2004 figure, while GVA for small businesses decreased by less than 2%. See *Table 2.4*.

Table 2.4 Total gross value added of industrial enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
2000	€m	389	530	1,756	2,676	31,207	33,883
2001	€m	426	507	1,617	2,551	33,162	35,713
2002	€m	435	540	1,495	2,470	37,056	39,526
2003	€m	404	586	1,564	2,554	38,147	40,700
2004	€m	485	635	1,553	2,672	37,368	40,041
2005	€m	548	599	1,473	2,621	36,137	38,758
Share of total gross value added 2005	%	1.4	1.5	3.8	6.8	93.2	100.0

Source: Census of Industrial Production

Profile of Industrial Enterprises

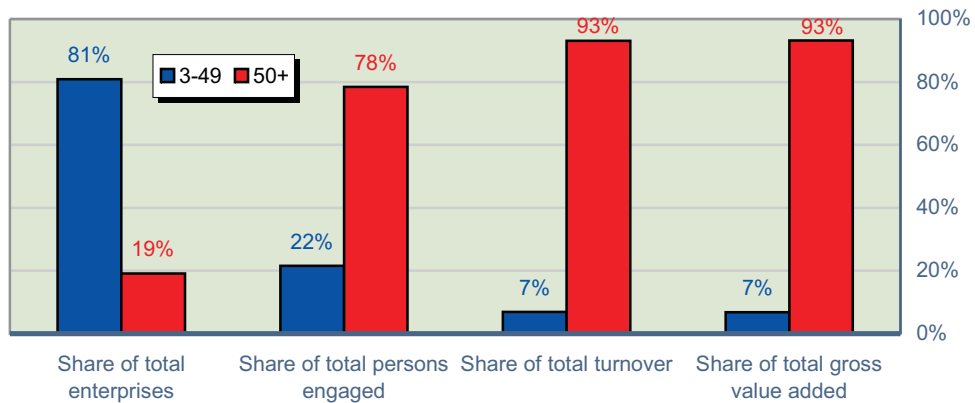
The average level of employment was 14 persons in small enterprises compared to 215 in medium and large businesses in industry. The average turnover for a small industrial enterprise was €2.3 million in 2005 compared with €131.9 million for medium and large industrial enterprises. See *Table 2.5*.

Table 2.5 Profile of industrial enterprises by employment size class 2005

	Unit	Small Business	Medium/Large	All enterprises
		3 - 49	50+	
Number of enterprises	No.	3,575	843	4,418
Average persons engaged	No.	14	215	52
Average turnover	€m	2.3	131.9	27.0
Average gross value added	€m	0.7	42.9	8.8

Source: Census of Industrial Production

Figure 2.2 Comparison of Industrial enterprises by employment size class 2005



Source: Census of Industrial Production

Nationality of Ownership

The vast majority (95%) of small industrial enterprises were Irish-owned in 2005, accounting for 91% of persons engaged and 84% of the turnover generated by all small industrial enterprises. Small Irish-owned industrial enterprises accounted for almost 86% of GVA generated by all small industrial enterprises.

Over 58% of medium and large industrial enterprises were Irish-owned, accounting for over 42% of persons engaged, almost 18% of the turnover and almost 20% of GVA generated by medium and large enterprises in 2005. See Tables 2.6 and 2.7.

Table 2.6 Nationality of ownership of industrial enterprises by employment size class 2005

	Unit	Small Business				Medium/ Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
Irish Owned							
Number of enterprises	No.	1,697	898	792	3,387	490	3,877
Persons engaged	No.	8,817	12,243	24,283	45,343	76,931	122,274
Turnover	€m	1,269	1,898	3,694	6,861	19,842	26,702
Gross value added	€m	504	556	1,183	2,244	7,050	9,294
Foreign Owned							
Number of enterprises	No.	40	39	109	188	353	541
Persons engaged	No.	247	556	3,747	4,550	104,178	108,728
Turnover	€m	120	121	1,084	1,326	91,337	92,663
Gross value added	€m	44	44	289	377	29,087	29,464

Source: Census of Industrial Production

Table 2.7 Share of ownership of industrial enterprises by nationality and employment size class 2005

	Unit	Small Business		Medium / Large	
		3 - 49		50+	
		Irish Owned	Foreign Owned	Irish Owned	Foreign Owned
Number of enterprises	%	94.7	5.3	58.1	41.9
Persons engaged	%	90.9	9.1	42.5	57.5
Turnover	%	83.8	16.2	17.8	82.2
Gross value added	%	85.6	14.4	19.5	80.5

Source: Census of Industrial Production

Enterprises by Industrial Sector

Table 2.8 Industrial enterprises by economic sector and employment size class 2005

	Unit	Small Business				Medium/ Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
C (Mining and Quarrying) & E (Electricity, gas and water supply)¹							
Number of enterprises	No.	87	23	24	134	28	162
Total persons engaged	No.	242	313	800	1,355	13,560	14,915
Total turnover	€m	290	525	232	1,047	5,318	6,365
Gross value added	€m	106	32	78	216	3,047	3,264
D (Manufacturing)							
Number of enterprises	No.	1,650	914	877	3,441	815	4,256
Total persons engaged	No.	8,822	12,486	27,230	48,538	167,549	216,087
Total turnover	€m	1,099	1,494	4,546	7,139	105,861	113,000
Gross value added	€m	442	567	1,395	2,404	33,089	35,494

Source: Census of Industrial Production

¹ Data for Sectors C and E has been combined for reasons of confidentiality

Exports

Small industrial enterprises exported over €1.9 billion of their gross output in 2005. Of these exports, over 39% (€757 million) were exported to the United Kingdom while 42% were exported to the rest of the European Union. Over 8% went to the United States of America.

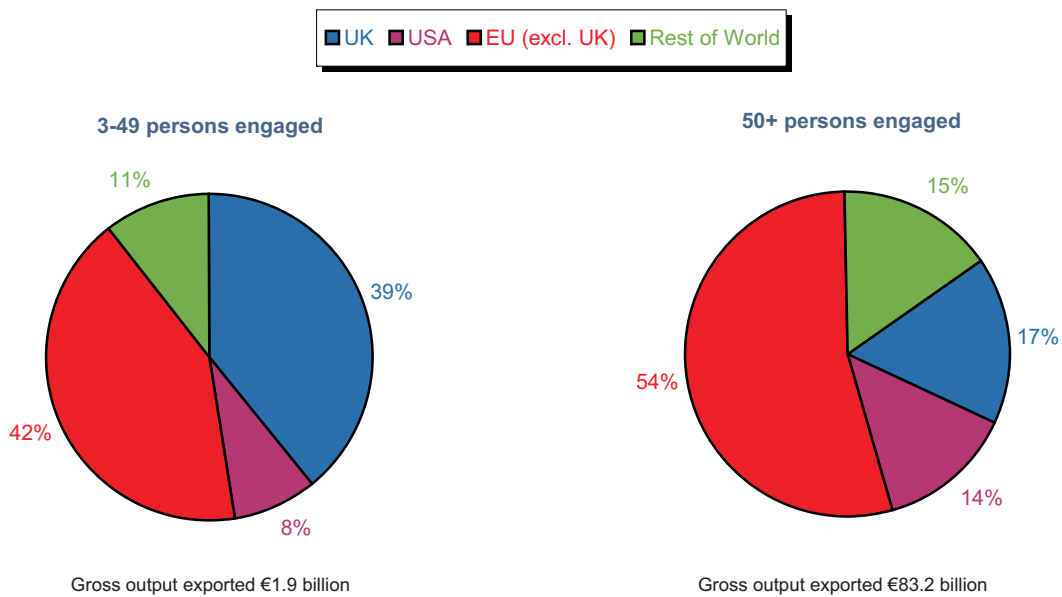
Medium and large industrial enterprises had gross exports of almost €83.2 billion in 2005. Over half of these exports went to the European Union (excluding the United Kingdom) while almost 17% (€13.9 billion) were exported to the United Kingdom. See *Table 2.9 and Figure 2.3*.

Table 2.9 Gross output exported of manufacturing local units by employment size class 2000-2005

Year		Unit	Small Business				Medium/ Large	Total
			3 - 9	10 - 19	20 - 49	Total 3-49	50+	
2000	Gross output exported	€m	184.5	300.1	2,191.1	2,675.6	69,049.8	71,725.4
	<i>of which:</i> UK	%	40.3	49.3	32.5	35.0	18.8	19.4
	USA	%	8.8	6.6	4.6	5.1	14.3	13.9
	Rest of EU	%	31.6	39.1	55.9	52.3	51.1	51.1
	Rest of world	%	19.3	5.0	7.0	7.6	15.9	15.6
2001	Gross output exported	€m	204.4	395.3	2,403.4	3,003.1	73,585.9	76,589.0
	<i>of which:</i> UK	%	37.7	45.6	37.3	38.5	16.2	17.1
	USA	%	14.0	6.6	4.8	5.7	16.9	16.5
	Rest of EU	%	32.3	33.8	48.3	45.3	48.5	48.4
	Rest of world	%	16.0	14.0	9.6	10.6	18.3	18.0
2002	Gross output exported	€m	274.4	447.7	2,049.9	2,772.0	76,016.3	78,788.4
	<i>of which:</i> UK	%	46.0	4.6	38.4	40.4	16.4	17.3
	USA	%	10.2	0.9	6.3	7.0	15.2	14.9
	Rest of EU	%	29.9	3.2	43.1	40.0	50.2	49.8
	Rest of world	%	14.3	1.4	12.3	12.7	18.2	18.0
2003	Gross output exported	€m	303.5	588.7	1,654.2	2,546.3	74,520.3	77,066.6
	<i>of which:</i> UK	%	46.9	39.1	40.3	40.8	16.0	16.8
	USA	%	13.7	10.1	8.0	9.2	14.6	14.4
	Rest of EU	%	28.3	40.7	41.1	39.5	51.3	50.9
	Rest of world	%	11.1	10.0	10.6	10.5	18.1	17.9
2004	Gross output exported	€m	292.4	417.3	1,411.6	2,121.2	77,508.4	79,629.6
	<i>of which:</i> UK	%	41.8	39.7	39.7	40.0	16.4	17.0
	USA	%	11.7	11.4	6.3	8.1	14.0	13.8
	Rest of EU	%	33.2	37.8	45.1	42.0	53.8	53.5
	Rest of world	%	13.3	11.1	8.9	9.9	15.8	15.7
2005	Gross output exported	€m	264.7	328.9	1,334.8	1,928.4	83,169.1	85,097.5
	<i>of which:</i> UK	%	44.1	42.8	37.4	39.3	16.7	17.2
	USA	%	11.7	13.9	6.0	8.2	13.7	13.5
	Rest of EU	%	34.2	33.7	45.7	42.1	54.1	53.9
	Rest of world	%	10.1	9.6	10.9	10.5	15.5	15.4

Source: Census of Industrial Production

Figure 2.3 Gross output exported by manufacturing local units by destination and employment size class 2005



Source: Census of Industrial Production

Regional Analysis

Over 80% of industrial enterprises were small businesses in both the Border, Midland and Western (BMW) and the Southern and Eastern (SE) regions in 2005. These small industrial firms generated almost 6% of the total gross output in industry in the SE region and over 13% of gross output in industry in the BMW region. See *Table 2.10*.

Table 2.10 Manufacturing local units by region and employment size class 2005

	Unit	Small Business				Medium/ Large	Total
		3 - 9	10 - 19	20 - 49	Total 3-49	50+	
Border, Midland and Western							
Number of local units	No.	469	308	275	1,052	258	1,310
Persons engaged	No.	2,393	4,245	8,529	15,167	43,438	58,605
Gross output	€m	267	454	1,246	1,967	12,995	14,962
Net Output	€m	135	226	512	873	7,598	8,471
Southern and Eastern							
Number of local units	No.	1,249	656	657	2,562	622	3,184
Persons engaged	No.	6,751	8,989	20,421	36,161	123,037	159,198
Gross output	€m	853	1,125	3,210	5,188	82,566	87,753
Net Output	€m	445	535	1,377	2,357	53,718	56,075
Total							
Number of local units	No.	1,718	964	932	3,614	880	4,494
Persons engaged	No.	9,144	13,234	28,950	51,328	166,475	217,803
Gross output	€m	1,120	1,579	4,456	7,154	95,561	102,715
Net Output	€m	580	761	1,889	3,229	61,317	64,546

Source: Census of Industrial Production

The average number of persons engaged in small industrial enterprises was 14 in both the BMW region and the SE region in 2005. This compares to an average of 168 persons engaged in medium and large enterprises in the BMW region and 198 in the SE region in the same period. See Table 2.11.

Table 2.11 Profile of manufacturing local units by region and employment size class 2005

	Unit	Small Business		Medium/Large		Total	
		3 - 49		50+			
		BMW	SE	BMW	SE	BMW	SE
Average persons engaged	No.	14	14	168	198	45	50
Average gross output	€m	1.9	2.0	50.4	132.7	11.4	27.6

Source: Census of Industrial Production

Chapter 3

Services

Number of Enterprises

In 2005, the vast majority (98%) of businesses in the services sector were small enterprises. Small enterprise is characterised by employment size of less than 50 persons engaged. There were 82,100 small enterprises engaged in the services sector in Ireland in 2005, an increase of 21,600 since the year 2000.

Most of the services enterprises (88%) employed between 1 and 9 persons. This category has continued to grow year on year from over 55,600 in 2000 to almost 73,600 in 2005. In the same period, the number of medium and large businesses (more than 50 persons engaged) grew from 1,200 in the year 2000 to almost 1,900 in 2005. See *Table 3.1*.

Table 3.1 Number of services enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
2000	No.	55,639	2,653	2,204	60,496	1,205	61,701
2001	No.	61,885	3,082	2,555	67,522	1,437	68,958
2002	No.	67,026	4,662	3,053	74,741	1,572	76,313
2003	No.	72,077	6,531	2,898	81,506	1,771	83,277
2004	No.	73,215	7,175	3,108	83,498	1,786	85,284
2005	No.	73,565	5,634	2,901	82,100	1,888	83,988
Share of total enterprises by size class 2005	%	87.6	6.7	3.5	97.8	2.2	100.0

Source: Annual Services Inquiry

Number of Persons Engaged

Of the 740,400 people employed in the services sector in 2005, over half (380,200) worked in small enterprises. Employment in medium and large enterprises continued to grow year on year with employment increasing by 97,000 in the period 2000 to 2005. Employment in the small business services sector increased by 89,600 (31%) in the same period. See Table 3.2.

Table 3.2 Total persons engaged in services enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
2000	No.	174,925	45,718	69,939	290,582	263,168	553,751
2001	No.	188,493	51,663	76,168	316,324	292,296	608,621
2002	No.	199,949	66,316	89,336	355,601	313,275	668,876
2003	No.	210,012	91,937	82,619	384,568	328,549	713,117
2004	No.	210,868	98,645	93,096	402,609	334,359	736,969
2005	No.	210,077	81,955	88,172	380,204	360,216	740,419
Share of total persons engaged 2005	%	28.4	11.1	11.9	51.3	48.7	100.0

Source: Annual Services Inquiry

Turnover

In 2005, small enterprises (employing between 1 and 49) generated almost half of the total turnover in the services sector, with an increase of nearly 11% on the 2004 turnover figure. Enterprises with between 1-9 employed showed the largest percentage increase in turnover in small enterprises with an increase of over 20% (€6.5 billion) from 2004. The turnover of medium and large enterprises was almost €86 billion in 2005, an increase of over €16.5 billion (almost 24%) from 2004. Since 2000, turnover in small services enterprises (1-49) has increased by almost 83% while turnover in medium and large businesses has increased by over 87%. See Table 3.3.

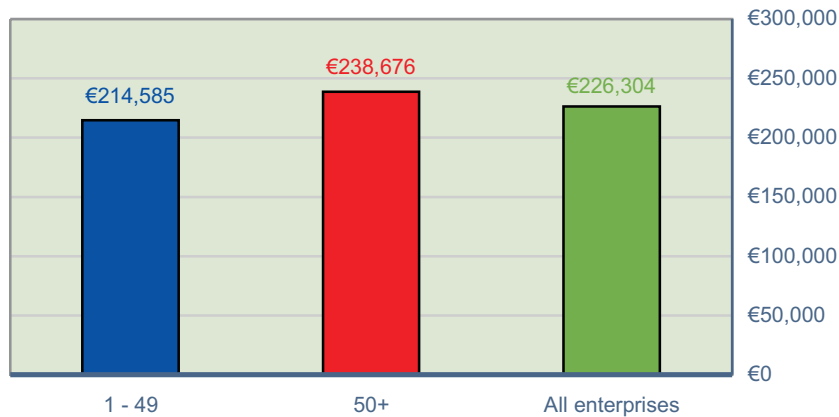
Table 3.3 Total turnover of services enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
2000	€m	20,321	7,468	16,869	44,658	45,860	90,517
2001	€m	25,190	9,524	15,473	50,187	52,055	102,242
2002	€m	23,467	11,355	17,742	52,564	61,980	114,544
2003	€m	27,497	14,593	16,156	58,246	67,376	125,622
2004	€m	32,218	19,845	21,724	73,787	69,447	143,234
2005	€m	38,757	17,095	25,734	81,586	85,975	167,560
Share of total turnover 2005	%	23.1	10.2	15.4	48.7	51.3	100.0

Source: Annual Services Inquiry

Average turnover per person was €214,600 in small enterprises and €238,700 in medium/large enterprises in the services sector in 2005. See Figure 3.1.

Figure 3.1 Average turnover per person engaged in service enterprises by employment size class 2005



Source: Annual Services Inquiry

Gross Value Added

The total gross value added (GVA) in the services sector in 2005 was €45.9 billion. Almost half (€22 billion) of this GVA was generated by small enterprises. Small enterprises employing between 1-9 people accounted for over half of GVA generated by small enterprises and 25% of overall GVA in the services sector. Larger enterprises generated €24 billion GVA in 2005, an increase of 22% when compared with 2004 and an increase of almost 68% when compared with 2000. See Table 3.4.

Table 3.4 Total gross value added by services enterprises by employment size class 2000-2005

Year	Unit	Small Business				Medium/Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
2000	€m	5,411	1,419	3,078	9,908	14,194	24,101
2001	€m	6,822	1,947	2,607	11,376	13,605	24,981
2002	€m	6,711	2,589	3,127	12,427	17,736	30,163
2003	€m	8,125	3,249	3,413	14,787	19,140	33,927
2004	€m	11,623	5,539	5,138	22,300	19,558	41,858
2005	€m	11,284	4,175	6,598	22,057	23,815	45,872
Share of total gross value added 2005	%	24.6	9.1	14.4	48.1	51.9	100.0

Source: Annual Services Inquiry

Profile of Service Enterprises

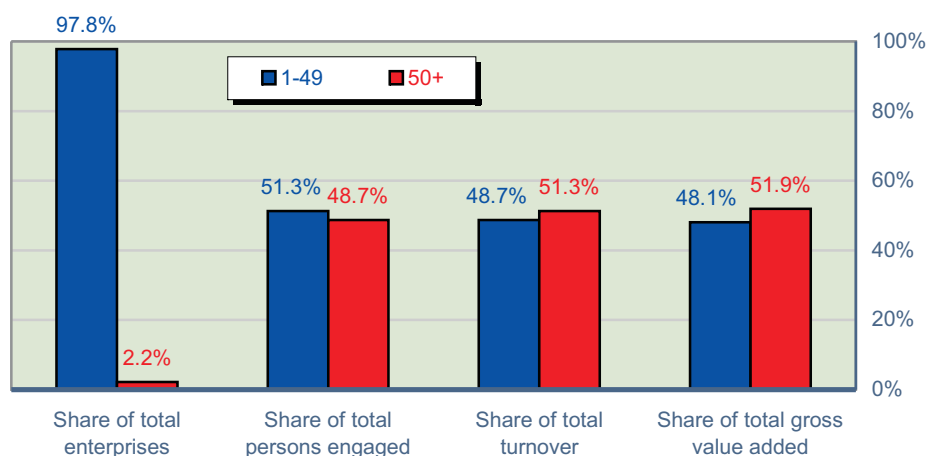
Small enterprises in the services sector employed an average of 5 people while medium/large enterprises employed an average of 191 people in 2005. Average turnover for small enterprises, in the same period, was just under €1 million while the average turnover for medium and large businesses, in the services sector, was €45.5 million. See Table 3.5 and Figure 3.2.

Table 3.5 Profile of services sector by employment size class 2005

	Unit	Small Business	Medium/ Large	Total
		1 - 49	50+	
Number of enterprises	No.	82,100	1,888	83,988
Average persons engaged	No.	5	191	9
Average turnover	€m	0.99	45.5	2.0
Average gross value added	€m	0.27	12.6	0.5

Source: Annual Services Inquiry

Figure 3.2 Comparison of services sector enterprises by employment size class 2005



Source: Annual Services Inquiry

Nationality of Ownership

Over 92% of small service enterprises and almost 81% of medium and large services enterprises were Irish-owned in 2005. Small Irish-owned enterprises accounted for 92% of persons engaged, almost 58% of the turnover and 46% of GVA generated in 2005. In the same period 57% of the turnover and 56% of GVA of medium and large businesses in the services sector was generated by Irish-owned firms. See Tables 3.6 and 3.7.

Table 3.6 Nationality of ownership by employment size class 2005

		Small Business		Medium/Large	
		20 - 49		50+	Total
		Unit			
Irish Owned					
Number of enterprises	No.	2,676		1,525	4,200
Total persons engaged	No.	81,096		259,544	340,640
Total turnover	€m	14,816		49,043	63,859
Gross value added	€m	3,008		13,288	16,296
Foreign Owned					
Number of enterprises	No.	225		363	588
Total persons engaged	No.	7,076		100,672	107,748
Total turnover	€m	10,919		36,933	47,851
Gross value added	€m	3,590		10,526	14,117

Source: Annual Services Inquiry

Table 3.7 Share of ownership by nationality and employment size class 2005

		Small Business		Medium/Large	
		20 - 49		50+	
		Irish Owned	Foreign Owned	Irish Owned	Foreign Owned
		Unit			
Number of enterprises	%	92.2	7.8	80.7	19.3
Total persons engaged	%	92.0	8.0	72.1	27.9
Total turnover	%	57.6	42.4	57.0	43.0
Gross value added	%	45.6	54.4	55.8	44.2

Source: Annual Services Inquiry

Services Enterprises by Sector

Nearly 40% of the people employed by small businesses worked in the *wholesale and retail distribution* sector. This sector accounted for 58% of the total turnover of small businesses and 33% of the GVA.

Nearly 98% of businesses in the *wholesale and retail distribution* sector were small businesses. These small businesses employed over half (53%) of the people working in this sector and accounted for nearly half of the turnover (48%) and GVA (49%) of the sector. See Table 3.8.

Table 3.8 Services enterprises by economic sector and employment size class 2005

Unit	Small Business				Medium/ Large	Total	
	1 - 9	10 - 19	20 - 49	Total 1-49	50+		
G Wholesale and Retail Distribution							
Number of enterprises	No.	24,840	2,417	1,290	28,547	689	29,235
Total persons engaged	No.	77,890	34,561	39,531	151,982	133,841	285,822
Total turnover	€m	19,088	10,832	17,372	47,292	51,143	98,436
Gross value added	€m	2,616	2,195	2,459	7,270	7,476	14,745
H Hotels and Restaurants							
Number of enterprises	No.	7,987	1,353	626	9,966	481	10,447
Total persons engaged	No.	33,153	20,358	19,428	72,939	56,966	129,906
Total turnover	€m	4,030	1,087	1,029	6,146	2,965	9,111
Gross value added	€m	1,066	383	396	1,845	1,345	3,190
I Transport, Storage and Communications							
Number of enterprises	No.	5,815	369	196	6,380	146	6,526
Total persons engaged	No.	13,144	5,143	5,511	23,798	64,504	88,301
Total turnover	€m	3,446	1,050	3,626	8,122	14,077	22,199
Gross value added	€m	1,376	254	1,941	3,571	6,807	10,378
K Real Estate Renting and Business Services							
Number of enterprises	No.	29,143	1,093	575	30,811	470	31,283
Total persons engaged	No.	69,300	16,213	17,233	102,746	87,759	190,504
Total turnover	€m	11,378	3,737	3,376	18,491	16,445	34,936
Gross value added	€m	5,824	1,114	1,642	8,580	7,359	15,939
O Other Community, Social and Personal Service Activities							
Number of enterprises	No.	5,779	402	214	6,395	101	6,496
Total persons engaged	No.	16,590	5,680	6,468	28,738	17,147	45,885
Total turnover	€m	814	390	331	1,535	1,345	2,880
Gross value added	€m	401	229	160	790	829	1,619

Source: Annual Services Inquiry

Regional Analysis

There were just over 20,000 service enterprises in the Border, Midland and Western (BMW) region employing less than 50 people in 2005. The Southern and Eastern (SE) region had just over 62,000 of such enterprises. Small enterprises accounted for 65% of total employment in the services sector in the BMW region and 48% in the SE region.

The average number engaged in a small enterprise, in both the BMW and SE regions, was 5. Average turnover in small business located in SE region was €1.1 million compared to €700,000 in the BMW region.

Larger service enterprises in the BMW region employed 150 on average and had an average turnover of €30.7 million in 2005. In the SE region, larger service enterprises employed 199 on average and accounted for average turnover of €48.7 million. See Tables 3.9 and 3.10.

Table 3.9 Services enterprises by region and employment size class 2005

	Unit	Small Business				Medium/ Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
Border, Midland and Western							
Number of enterprises	No.	18,019	1,403	649	20,071	333	20,404
Persons engaged	No.	52,910	20,311	20,159	93,380	50,113	143,493
Total turnover	€m	6,503	3,731	3,060	13,294	10,226	23,521
Gross value added	€m	1,531	631	627	2,789	2,302	5,091
Southern and Eastern							
Number of enterprises	No.	55,546	4,231	2,252	62,029	1,555	63,584
Persons engaged	No.	157,167	61,644	68,013	286,824	310,102	596,926
Total turnover	€m	32,253	13,364	22,674	68,291	75,750	144,041
Gross value added	€m	9,753	3,544	5,971	19,268	21,512	40,780

Source: Annual Services Inquiry

Table 3.10 Profile of services enterprises by region and employment size class 2005

	Unit	Small Business		Medium/Large		Total	
		1 - 49		50+		BMW	SE
		BMW	SE	BMW	SE		
Average persons engaged	No.	5	5	150	199	7	9
Average turnover	€m	0.7	1.1	30.7	48.7	1.2	2.3

Source: Annual Services Inquiry

Family Ownership

In 2005, over 46% of all small service enterprises were small family owned businesses that generated €31.5 billion in turnover and employed almost 190,000 people. These family owned businesses accounted for 39% of turnover and 50% of persons engaged in the small services sector. More than one in three (37%) of medium and large enterprises were also family owned and accounted for turnover of €17.8 billion while engaging 105,000 persons. See Table 3.11.

Table 3.11 Family ownership in services enterprises by employment size class 2005

	Unit	Small Business				Medium/Large	Total
		1 - 9	10 - 19	20 - 49	Total 1-49	50+	
Number of enterprises	No.	34,068	2,828	1,330	38,226	700	38,927
Persons engaged	No.	106,655	41,217	40,638	188,510	104,846	293,356
Turnover	€m	18,074	6,021	7,428	31,523	17,762	49,285
Share of variables in Family Ownership							
Number of enterprises	%	46.3	50.2	45.8	46.6	37.1	46.3
Persons engaged	%	50.8	50.3	46.1	49.6	29.1	39.6
Turnover	%	46.6	35.2	28.9	38.6	20.7	29.4

Source: Annual Services Inquiry

Chapter 4

Construction

The Census of Building and Construction covers building and construction firms with 20 or more people engaged. The Survey showed that in mid-September 2005 there were over 66,700 people working in such firms. See *Table 4.4*.

The Quarterly National Household Survey (QNHS) estimated that in the fourth quarter of 2005, 253,200 people were working in the construction industry, representing almost 13% of total employment. Of those, 194,300 indicated that they were working in small workplaces with less than 20 people employed (i.e. outside the scope of the Census of Building and Construction). However, some care is needed when comparing these two data sources, based on household and enterprise data respectively. See *Table 4.1 and 4.2*.

Table 4.1 Employment in construction 2000-2005 (Qtr 4)

		2000	2001	2002	2003	2004	2005
	Unit						
Total employment	No.	1,712,600	1,759,900	1,782,300	1,828,900	1,894,100	1,980,600
Construction employment	No.	178,100	185,400	191,300	200,600	227,400	253,200
Construction share of total employment %		10.4	10.5	10.7	11.0	12.0	12.8

Source: Quarterly National Household Survey

Table 4.2 Total persons engaged in construction by employment size class 2005 (Qtr 4)

	Unit	Small Business				Medium/Large		Total
		1-10	11-19	20 - 49	Total 1-49	50+	Not stated	
Construction employment	No.	165,100	29,200	16,700	211,000	24,500	17,600	253,200
Share of persons in employment	%	65.2	11.5	6.6	83.3	9.7	7.0	100.0

Source: Quarterly National Household Survey

Number of Enterprises

There were 728 firms employing 20 or more people according to the Census of Building and Construction 2005. Of these firms, 68% employed less than 50 persons. See Table 4.3.

Table 4.3 Number of construction enterprises by employment size class 2000-2005

Year	Unit	Small Business		Medium/Large	Total
		20 - 49		50+	
2000	No.	355		169	524
2001	No.	367		179	546
2002	No.	439		207	646
2003	No.	488		194	682
2004	No.	512		224	736
2005	No.	497		231	728
Share of total enterprises 2005	%	68.3		31.7	100.0

Source: Census of Building and Construction

Number of Persons Engaged

There were almost 67,000 persons engaged in construction enterprises (20 or more employed) in 2005. This represents an increase of over 48% in employment in such construction enterprises from 2000 to 2005. Small construction firms accounted for over one quarter of all persons engaged in construction enterprises in 2005. See Table 4.4.

Table 4.4 Total persons engaged in construction enterprises by employment size class 2000-2005

Year	Unit	Small Business		Medium/Large	Total
		20 - 49		50+	
2000	No.	9,950		35,015	44,965
2001	No.	9,840		36,531	46,371
2002	No.	10,780		40,958	51,738
2003	No.	11,124		45,432	56,556
2004	No.	16,254		48,770	65,024
2005	No.	16,942		49,747	66,689
Share of total persons engaged 2005	%	25.4		74.6	100.0

Source: Census of Building and Construction

Turnover

In 2005, medium and large construction enterprises had a total turnover of €11.7 billion. Turnover generated by medium and large construction enterprises has grown year on year increasing by over 130% in the period from 2000 to 2005 and by 23% from 2004. Small construction enterprises (employing between 20-49) generated almost €2.9 billion in the same period accounting for a 20% share of total turnover in 2005. Turnover in the small business category grew by just over 5% on the 2004 figure and 63% since 2000. See *Table 4.5*.

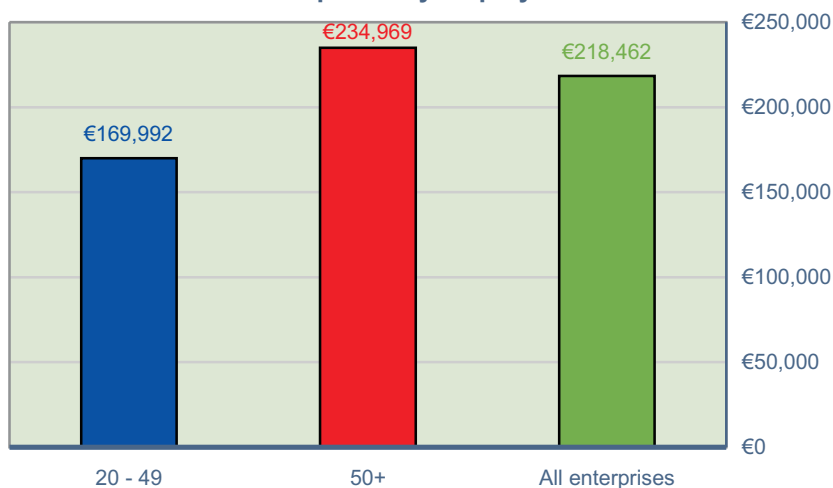
Table 4.5 Total turnover of construction enterprises by employment size class 2000-2005

Year	Unit	Small Business	Medium/Large	Total
		20 - 49	50+	
2000	€m	1,769	5,047	6,816
2001	€m	1,719	5,893	7,612
2002	€m	2,140	6,709	8,849
2003	€m	2,445	7,863	10,308
2004	€m	2,739	9,503	12,242
2005	€m	2,880	11,689	14,569
Share of total turnover 2005	%	19.8	80.2	100.0

Source: Census of Building and Construction

Average turnover per person engaged in medium and large construction enterprises was €235,000 in 2005 compared to €170,000 for small construction enterprises (between 20-49 people engaged). See *Figure 4.1*

Figure 4.1 Average turnover per person engaged in construction enterprises by employment size class 2005



Source: Census of Building and Construction

Gross Value Added

The total gross value added (GVA) generated by construction enterprises in 2005 was over €5.8 billion. Medium and large enterprises accounted for almost three-quarters of this GVA (€4.3 billion) while small enterprises (20-49 persons) had over €1.5 billion GVA. See Table 4.6.

Table 4.6 Total gross value added of construction enterprises by employment size class 2000-2005

Year	Unit	Small Business	Medium/Large	Total
		20 - 49	50+	
2000	€m	722	1,802	2,524
2001	€m	766	2,296	3,062
2002	€m	858	2,287	3,145
2003	€m	1,166	2,928	4,094
2004	€m	1,256	4,095	5,351
2005	€m	1,512	4,311	5,823
Share of total gross value added 2005	%	26.0	74.0	100.0

Source: Census of Building and Construction

Profile of Construction Enterprises

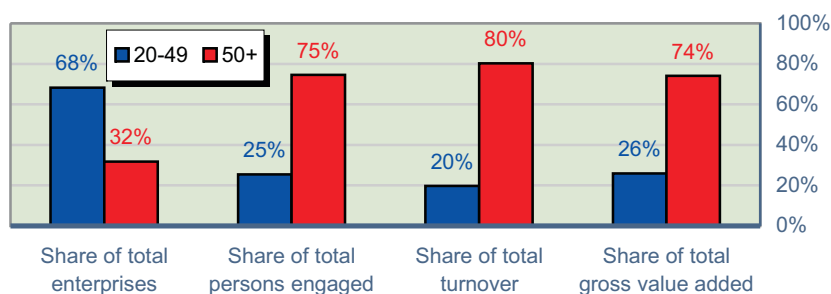
Medium and large construction firms employed 215 people on average in 2005 compared with an average of 34 people employed in small construction firms in the same period. On average, gross value added was over six times greater in construction firms employing 50 or more people than in firms employing between 20-49 people. Similarly, average turnover for medium and large firms was nearly nine times as high as small firms operating in the construction industry in 2005. See Table 4.7 and Figure 4.2

Table 4.7 Profile of construction enterprises by employment size class 2005

	Unit	Small Business	Medium/Large	All enterprises
		20 - 49	50+	
Average persons engaged	No.	34	215	92
Average turnover	€m	5.8	50.6	20.0
Average gross value added	€m	3.0	18.7	8.0

Source: Census of Building and Construction

Figure 4.2 Comparison of construction enterprises by employment size class



Source: Census of Building and Construction

Nationality of Ownership

Almost all companies (99%) employing 20-49 people in the construction industry in Ireland were Irish-owned in 2005. These firms accounted for over 98% of employment, turnover and gross value added. A similar pattern presented for medium and large construction enterprises with over 94% of enterprises being Irish-owned. See *Tables 4.8 and 4.9*.

Table 4.8 Nationality of ownership by employment size class 2005

		Small Business		Medium/Large		
		20 - 49		50+		Total
Unit						
Irish owned						
Number of enterprises	No.	490		218		708
Total persons engaged	No.	16,656		46,565		63,221
Total turnover	€m	2,848		11,271		14,119
Gross value added	€m	1,498		4,163		5,661
Foreign owned						
Number of enterprises	No.	7		13		20
Total persons engaged	No.	286		3,182		3,468
Total turnover	€m	31		418		449
Gross value added	€m	13		148		161

Source: Census of Building and Construction

Table 4.9 Share of ownership by nationality and employment size class 2005

		Small Business		Medium/Large	
		20 - 49		50+	
		Irish owned	Foreign owned	Irish owned	Foreign owned
Number of enterprises	%	98.6	1.4	94.4	5.6
Total persons engaged	%	98.3	1.7	93.6	6.4
Total turnover	%	98.9	1.1	96.4	3.6
Gross value added	%	99.1	0.9	96.6	3.4

Source: Census of Building and Construction

Chapter 5

Sectoral Comparison

Profile of Enterprises, Employment, Turnover and Gross Value Added

The highest concentration of small enterprises was in the services sector in 2005 with the vast majority of these employing less than 20 people. Over half (51%) of the people working in the services sector were employed by small firms. Small enterprises accounted for almost half of total turnover and gross value added in the services sector in 2005. Industrial firms employing 50 or more accounted for over 93% of total turnover and gross value added in that sector. See Table 5.1, Figures 5.1 and 5.2.

Table 5.1 Share of enterprises in industrial, service and construction sectors by employment size class 2005

	Unit	Small Business			Medium/Large	Total
		< 20	20 - 49	Total < 50	50+	
Share of Enterprises						
Industry ¹	%	60.5	20.4	80.9	19.1	100.0
Services	%	94.3	3.5	97.8	2.2	100.0
Construction ²	%	:	68.3	68.3	31.7	100.0
Share of Employment						
Industry ¹	%	9.5	12.1	21.6	78.4	100.0
Services	%	39.4	11.9	51.3	48.7	100.0
Construction ²	%	:	25.4	25.4	74.6	100.0
Share of Turnover						
Industry ¹	%	2.9	4.0	6.9	93.1	100.0
Services	%	33.3	15.4	48.7	51.3	100.0
Construction ²	%	:	19.8	19.8	80.2	100.0
Share of Gross Value Added						
Industry ¹	%	3.0	3.8	6.8	93.2	100.0
Services	%	33.7	14.4	48.1	51.9	100.0
Construction ²	%	:	26.0	26.0	74.0	100.0

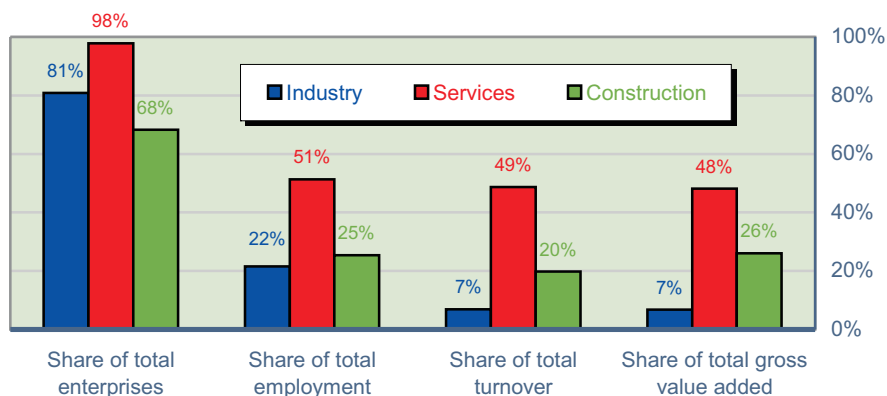
Source: Census of Industrial Production, Annual Services Inquiry and Census of Building and Construction

¹ Only includes enterprises with 3 or more persons engaged

² Only includes enterprises with 20 or more persons engaged

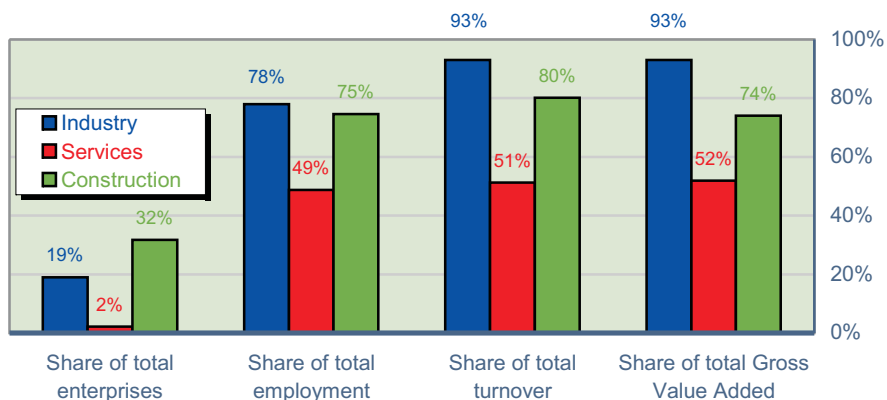
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Figure 5.1 Percentage share represented by small business 2005



Sources: Census of Industrial Production
Annual Services Inquiry ;
Census of Building and Construction

Figure 5.2 Percentage share represented by medium / large business 2005



Sources: Census of Industrial Production
Annual Services Inquiry
Census of Building and Construction

Figure 5.1 shows that 98% of service sector enterprises were small businesses. This was reflected in the average levels of activity. Service enterprises employed an average of 9 people and had an average turnover of €2 million compared with 52 persons and €27 million in industry.

In the services sector, the average small business employed 5 people and had turnover of €1 million. The average small business in the industry sector employed 14 people and had turnover of €2.3 million. The average medium and large enterprise in the industry sector employed 215 people compared to an average of 191 employed in the services sector. See Table 5.2.

Table 5.2 Profile of industrial, service and construction enterprises by employment size class 2005

	Unit	Small Business			Medium/Large	Total
		< 20	20 - 49	Total < 50	50+	
Average Persons Engaged per Enterprise						
Industry ¹	No.	8	31	14	215	52
Services	No.	4	30	5	191	9
Construction ²	No.	:	34	34	215	92
Average Turnover per Enterprise						
Industry ¹	€m	1.3	5.3	2.3	131.9	27.0
Services	€m	0.7	8.9	1.0	45.5	2.0
Construction ²	€m	:	5.8	5.8	50.6	20.0
Average Gross Value Added per Enterprise						
Industry ¹	€m	0.4	1.6	0.7	42.9	8.8
Services	€m	0.2	2.3	0.3	12.6	0.5
Construction ²	€m	:	3.0	3.0	18.7	8.0
Source: Census of Industrial Production, Annual Services Inquiry and Census of Building and Construction						
¹ Only includes enterprises with 3 or more persons engaged						
² Only includes enterprises with 20 or more persons engaged						
:Data not available						

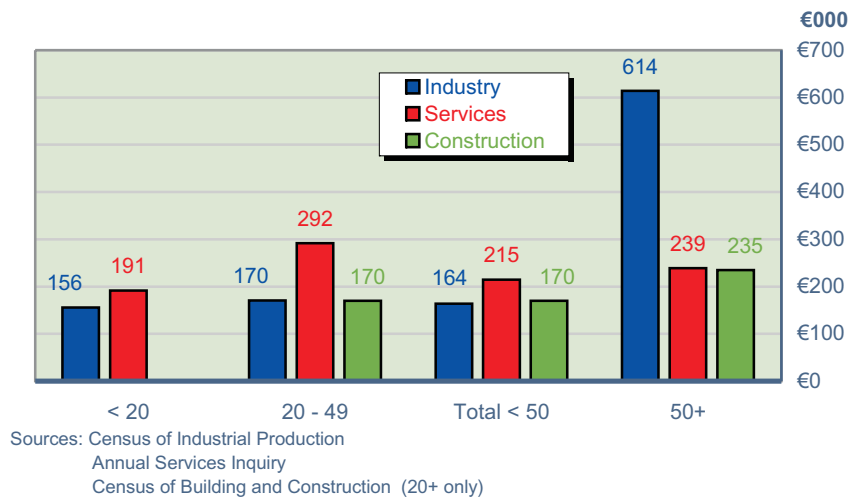
Average turnover per employee was higher in small service enterprises (€214,585) than in small industrial concerns (€164,091). Average gross value added per employee was also higher in small service enterprises (€58,014) than in small industrial enterprises (€52,532). See Table 5.3 and Figure 5.3.

Table 5.3 Output per employee in industrial, service and construction enterprises by employment size class 2005

	Unit	Small Business			Medium/Large	All enterprises
		< 20	20 - 49	Total < 50	50+	
Turnover per Employee						
Industry ¹	€	155,926	170,460	164,091	613,873	516,727
Services	€	191,253	291,861	214,585	238,676	226,304
Construction ²	€	:	169,992	169,992	234,969	218,462
Gross Value Added per Employee						
Industry ¹	€	52,509	52,551	52,532	199,532	167,782
Services	€	52,936	74,831	58,014	66,113	61,954
Construction ²	€	:	89,246	89,246	86,658	87,316

Source: Census of Industrial Production, Annual Services Inquiry and Census of Building and Construction
¹ Only includes enterprises with 3 or more persons engaged
² Only includes enterprises with 20 or more persons engaged
: Data not available

Figure 5.3 Average turnover per person engaged by sector and employment size class 2005



Nationality of Ownership

In 2005, the vast majority (92%) of small businesses (between 20-49 persons engaged) in the services sector were Irish-owned. This pattern was also reflected in the industrial sector where 88% of small enterprises were Irish-owned. Almost 42% of medium and large industrial enterprises (50 or more persons engaged) were foreign-owned. See Table 5.4.

Table 5.4 Share of ownership in industrial, service and construction enterprises by nationality and employment size class 2005

	Unit	Small Business		Medium/Large		All enterprises	
		20 - 49		50+		Irish Owned	Foreign Owned
		Irish Owned	Foreign Owned	Irish Owned	Foreign Owned		
Number of Enterprises							
Industry ¹	%	87.9	12.1	58.1	41.9	73.5	26.5
Services	%	92.2	7.8	80.7	19.3	87.7	12.3
Construction ²	%	98.6	1.4	94.4	5.6	97.3	2.7
Total Persons Engaged							
Industry ¹	%	86.6	13.4	42.5	57.5	48.4	51.6
Services	%	92.0	8.0	72.1	27.9	76.0	24.0
Construction ²	%	98.3	1.7	93.6	6.4	94.8	5.2
Total Turnover							
Industry ¹	%	77.3	22.7	17.8	82.2	20.3	79.7
Services	%	57.6	42.4	57.0	43.0	57.2	42.8
Construction ²	%	98.9	1.1	96.4	3.6	96.9	3.1
Gross Value Added							
Industry ¹	%	80.4	19.6	19.5	80.5	21.9	78.1
Services	%	45.6	54.4	55.8	44.2	53.6	46.4
Construction ²	%	99.1	0.9	96.6	3.4	97.2	2.8

Source: Census of Industrial Production, Annual Services Inquiry and Census of Building and Construction

¹ Only includes enterprises with 3 or more persons engaged

² Only includes enterprises with 20 or more persons engaged

Chapter 6

Earnings and Labour Costs

Introduction

This chapter presents information on average hourly and weekly earnings in the private sector for small businesses. The figures are compiled from the National Employment Survey based on the month of March 2006. Comparable data for medium and large enterprises are also presented. Data on average annual labour costs per person engaged in small and medium and large enterprises are also provided for the following sectors: Mining and quarrying, Manufacturing, Electricity, gas and water supply and Financial intermediation.

Hourly and weekly earnings

While average hourly earnings in the private sector were €17.48 in 2006, employees in large enterprises received higher hourly earnings compared to those in smaller enterprises.

The 580,000 employed in small private enterprises (<50) had average hourly earnings of €15.22 in March 2006. This compares to average hourly earnings of €19.38 in medium and large enterprises in the same period. In small enterprises, the median hourly rate was €12.50, i.e. half of all employees earned less than €12.50, compared to €15.26 in larger enterprises.

The average weekly earnings of those employed in small enterprises were €522.33 while working on average just less than 34 hours per week. The comparable average earnings for employees in larger businesses were €718.02 while working, on average, 36.5 hours per week. See *Table 6.1*.

Table 6.1 Earnings and hours worked in the private sector by employment size class 2006

	Unit	Small				Medium / Large	Total
		1-9	10-19	20-49	Total 1-49	50+	
Mean Hourly Earnings	€	15.23	15.01	15.41	15.22	19.38	17.48
Median Hourly Earnings	€	12.31	12.50	12.72	12.50	15.26	13.82
Weekly Earnings	€	506.91	517.96	552.69	522.33	718.02	628.35
Weekly Hours Worked	No.	32.85	33.61	35.13	33.86	36.5	35.21
No. Of Employees	No.	272,609	147,209	159,685	579,503	685,071	1,264,574

Source: National Employment Survey

Over half of all employees in the private sector earned between €10 and €20 per hour in March 2006. Of the 272,600 employees in enterprises with less than 10 workers, 31% (83,100) earned less than €10 per hour. In comparison, 16% of employees in medium and large enterprises earned less than €10 per hour. While 8,400 employees (1.5%) in small enterprises earned more than €50 per hour, 20,700 employees (3%) in larger enterprises earned more than €50 per hour. See Table 6.2.

Table 6.2 Distribution of employees by hourly earnings and employment size class in the private sector, March 2006

Employment Size Class	Unit	Earnings Per Hour						Total
		< €10	€10 - <€20	€20 - <€30	€30 - <€40	€40 - <€50	> €50	
Small								
1 - 9	No.	83,071	143,500	26,350	11,563	4,144	3,982	272,609
	%	30.5	52.6	9.7	4.2	1.5	1.5	100.0
10 - 19	No.	45,350	80,118	13,960	4,092	1,736	1,954	147,209
	%	30.8	54.4	9.5	2.8	1.2	1.3	100.0
20 - 49	No.	43,963	88,505	17,423	4,864	2,462	2,468	159,685
	%	27.5	55.4	10.9	3.1	1.5	1.6	100.0
Total 1-49	No.	172,384	312,123	57,733	20,519	8,342	8,404	579,503
	%	29.7	53.9	10.0	3.5	1.4	1.5	100.0
Medium/Large								
50+	No.	111,417	360,289	129,569	47,122	16,012	20,662	685,071
	%	16.3	52.6	18.9	6.9	2.3	3.0	100.0
Total	No.	283,801	672,412	187,302	67,641	24,354	29,066	1,264,576
	%	22.4	53.2	14.8	5.3	1.9	2.3	100.0

Source: National Employment Survey

Earnings by Sex

Men in full-time employment in small enterprises earned almost 18% more per hour than their female counterparts with average hourly earnings of €17.02 compared to €14.44 for women in March 2006. However, females working part-time earned almost 4% more on average per hour than their male counterparts. The same pattern presented in medium and large enterprises where average hourly earnings for males, in full-time employment, were almost 18% higher than for their female counterparts. Women in part-time employment in medium and large enterprises earned, on average, 29% more per hour than males in the same period. Earnings per hour were lower for males in full-time and part-time employment in enterprises with between 10-19 employees than in enterprises employing less than 10. Earnings of females in part-time employment were higher in enterprises with less than 10 employed at €12.55 per hour than in enterprises with between 10-19 and 20-49 employed at €11.28 and €11.07 respectively.

Full-time workers earned more per hour than part-time workers in all employment size classes in March 2006. See *Table 6.3*.

Table 6.3 Mean hourly earnings in private sector by sex and employment status 2006

	Unit	Small			Total 1-49	Medium/ Large	Total
		1-9	10-19	20-49		50+	
Male							
Full-time	€	16.96	16.77	17.35	17.02	21.88	19.57
Part-time	€	11.80	11.31	10.82	11.42	10.76	11.15
Total	€	16.49	16.23	16.80	16.51	21.24	18.95
Female							
Full-time	€	14.04	14.79	14.77	14.44	18.60	17.06
Part-time	€	12.55	11.28	11.07	11.85	13.89	12.83
Total	€	13.37	13.16	13.36	13.31	17.21	15.56
Total	€	15.23	15.01	15.41	15.22	19.38	17.48
Full-Time	€	16.12	16.21	16.54	16.26	20.61	18.70
Part-time	€	12.38	11.29	11.01	11.74	13.31	12.47

Source: National Employment Survey

Earnings by Occupation

Average hourly earnings were higher for all occupations in enterprises with 50 or more employed than in small enterprises in 2006.

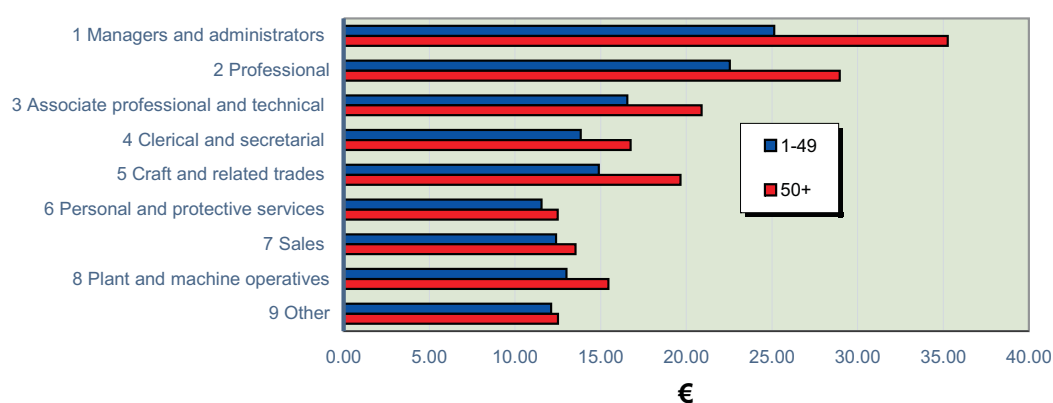
Those employed as *managers and administrators* earned more than those engaged in any other occupation and across all employment size classes in 2006. The average hourly earnings of *managers and administrators* were €25.14 in small enterprises compared to €35.26 in medium and large enterprises. Employees in *personal and protective services* occupations had the lowest average hourly rate in both small and medium/large enterprises at €11.55 and €12.50 respectively. For 6 out of 9 occupations (including *professional* and *clerical and secretarial*), those in businesses employing less than 10 earned more per hour than those in businesses employing between 10-19. See Table 6.4 and Figure 6.1.

Table 6.4 Mean hourly earnings by occupation and size in the private sector, in 2006

	€	Small				Medium / Large	
		1-9	10-19	20-49	Total	50+	Total
					1-49		
1 Managers and administrators	€	24.38	26.02	25.78	25.14	35.26	30.61
2 Professional	€	21.74	21.24	25.09	22.54	28.96	27.16
3 Associate professional and technical	€	16.65	17.52	15.80	16.56	20.90	19.54
4 Clerical and secretarial	€	13.89	13.63	13.94	13.84	16.75	15.47
5 Craft and related trades	€	14.54	14.46	16.47	14.89	19.67	16.59
6 Personal and protective services	€	12.18	10.88	11.28	11.55	12.50	12.00
7 Sales	€	11.97	12.09	13.66	12.40	13.53	13.02
8 Plant and machine operatives	€	13.46	12.71	12.88	13.01	15.46	14.66
9 Other	€	12.40	11.40	12.31	12.11	12.51	12.32
Total	€	15.23	15.01	15.41	15.22	19.38	17.48

Source: National Employment Survey

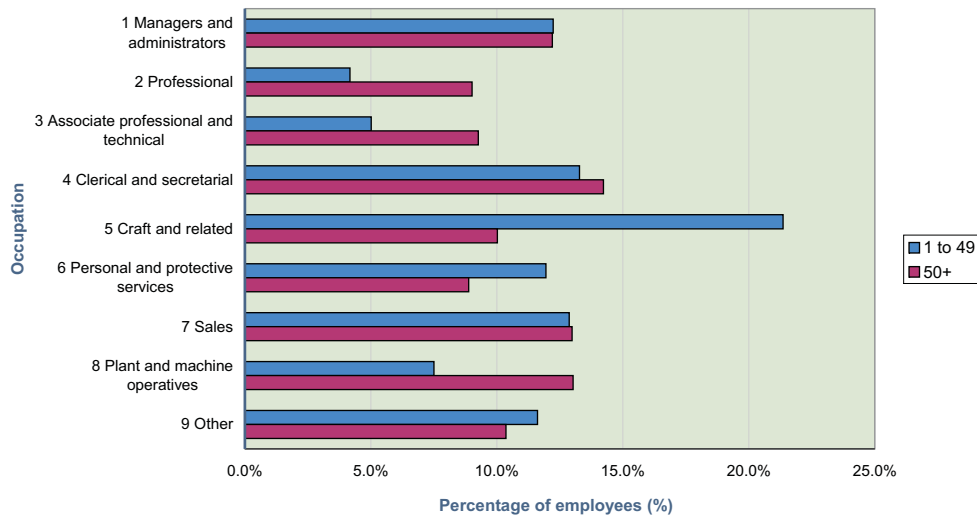
Figure 6.1 Mean hourly earnings by occupation and size in the private sector in 2006



Source: National Employment Survey

Figure 6.2 shows the same proportion of employees in *manager and administrator* occupations in both small and medium/large enterprises. There was more than twice the proportion of employees in *craft and related* occupations in small enterprises than in larger enterprises. *Insert Figure 6.2.*

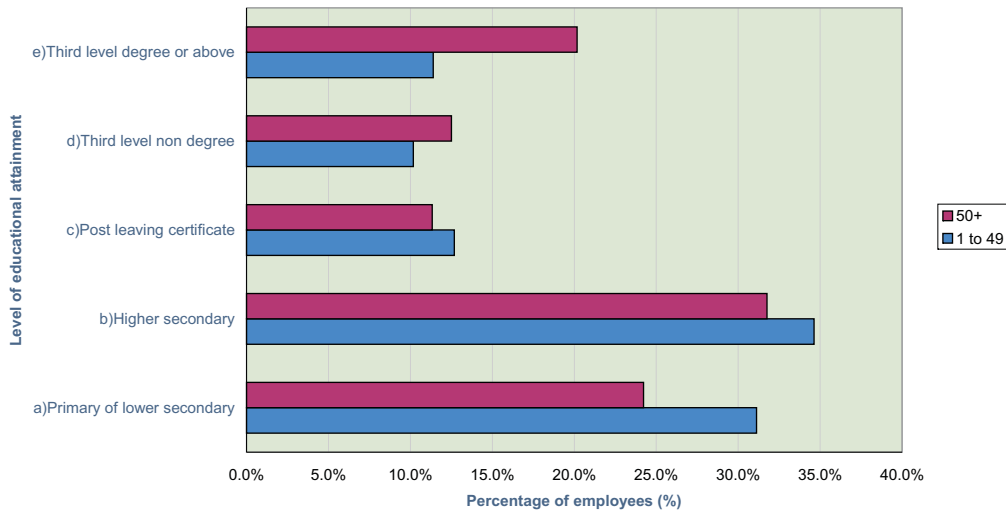
Figure 6.2 Distribution of employees by occupation (%) in the private sector by employment size class, March 2006



Source: National Employment Survey

Over 31% of those in small businesses had a primary or lower secondary education compared to over 24% in medium and large businesses. Over 11% of those in small enterprises had a third level degree compared to over 20% in larger enterprises. *See Figure 6.3.*

Figure 6.3 Distribution of employees in the private sector by level of education (%) by employment size class, March 2006



Source: National Employment Survey

Earnings by economic sector

Across all employment size classes, the *financial services* sector had the highest average hourly earnings in 2006. The *Hotels and restaurants* sector had the lowest average hourly earnings across all employment size classes in the same period. The average hourly earnings in the *financial services* sector were higher in enterprises with between 10-19 employed at €33.26 compared to €23.80 in firms employing between 20-49. The average hourly rate in enterprises with 50 or more employed was €36.45. Average earnings per hour in the *hotels and restaurants* sector were highest for small businesses employing less than 10 at €12.37. In comparison, those employed in *hotel and restaurant* businesses with 50 or more earned an average hourly rate of €12.84. See Table 6.5 and Figure 6.4.

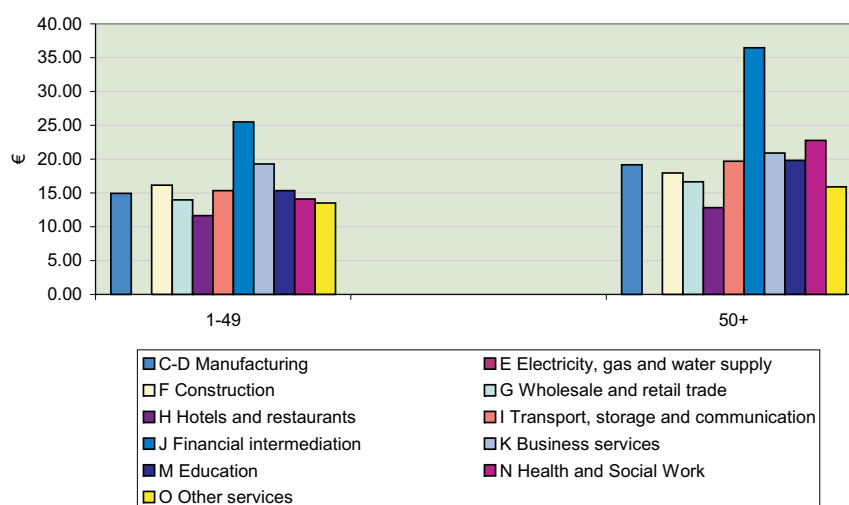
Table 6.5 Mean hourly earnings by Nace and employment size class in the private sector 2006

		Small				Medium/ Large	
		1-9	10-19	20-49	Total 1-49	50+	Total
C-D Manufacturing	€	14.44	14.75	15.27	14.93	19.16	17.93
E Electricity, gas and water supply	€	*	*	*	*	*	*
F Construction	€	15.70	15.95	18.31	16.15	17.94	17.78
G Wholesale and retail trade	€	13.93	13.21	14.71	13.96	16.64	15.07
H Hotels and restaurants	€	12.37	11.10	11.03	11.65	12.84	11.96
I Transport, storage and communication	€	15.07	14.52	16.64	15.35	19.69	18.68
J Financial intermediation	€	22.13	33.26	23.80	25.49	36.45	30.30
K Business services	€	19.35	19.57	18.91	19.28	20.89	18.47
M Education	€	16.48	12.58	16.12	15.34	19.81	15.87
N Health and Social Work	€	14.87	14.39	13.00	14.10	22.75	18.14
O Other services	€	13.02	14.21	13.55	13.50	15.91	13.32
Total	€	15.23	15.01	15.41	15.22	19.38	17.48

* Confidential or too small to estimate

Source: National Employment Survey

Figure 6.4 Mean hourly earnings by economic sector and employment size class in the private sector, 2006



Source: National Employment Survey

Earnings by nationality

In small enterprises (<50) Irish employees earned, on average, €15.44 per hour in 2006 whereas employees from the United Kingdom and other EU-15 earned €16.16 and €16.25 per hour respectively. Those from the EU Accession States earned €11.34 per hour.

In comparison, average hourly earnings were highest for Irish employees in medium and large enterprises (50+) at €19.96. Employees from the United Kingdom earned on average €19.41 per hour, which were the highest paid non-Irish employees. The lowest paid were those from the EU Accession States, who earned, on average, €11.43 per hour which was 57% of the average hourly rate earned by Irish employees. See *Table 6.6*.

Table 6.6 Mean hourly earnings by Nationality and by employment size class, in the private sector, March 2006

Nationality	Unit	Small			Medium/ Large		
		1 - 9	10-19	20 - 49	Total 1 - 49	50 +	Total
Irish	€	15.38	15.15	15.74	15.44	19.96	17.86
UK	€	15.12	17.35	17.32	16.16	19.41	17.75
EU15 (excl Irl & UK)	€	18.01	15.62	13.77	16.25	15.95	16.05
Accession States EU15 to EU27	€	11.08	11.16	11.63	11.34	11.43	11.39
Other	€	13.06	13.30	12.41	12.94	15.57	14.51
Total	€	15.23	15.01	15.41	15.25	19.38	17.48

Source: National Employment Survey

Labour Costs

The Earnings, Hours and Employment Costs Survey (EHECS) is a new quarterly inquiry that has replaced the four yearly Labour Cost Survey. This new survey collects data on wages, salaries, hours and other labour costs. Results for the industrial and financial sectors are available from Quarter 4, 2005 onwards. Currently, the survey is being expanded to include all sectors and results will be available for Quarter 1, 2008 onwards in 2009.

Overall, the average wages and salaries cost per person engaged was €41,467 in 2006. The average wages and salary costs per person engaged in enterprises with between 10-19 and 20-49 was €35,384 and €37,970 respectively. The comparable figure for enterprises with 50+ engaged was €44,794. Total average labour costs were €41,342 per person in enterprises with between 10-19 engaged compared to €45,087 in enterprises with between 20-49 engaged. Total average labour costs for enterprises with 50+ engaged were €55,034 in the same period.

Medium and large enterprises, on average, spent more on superannuation: €3,924 per person engaged compared to €1,320 in enterprises with between 10-19 engaged and €2,028 in enterprises with between 20-49 engaged. See Table 6.7 and Figure 6.5.

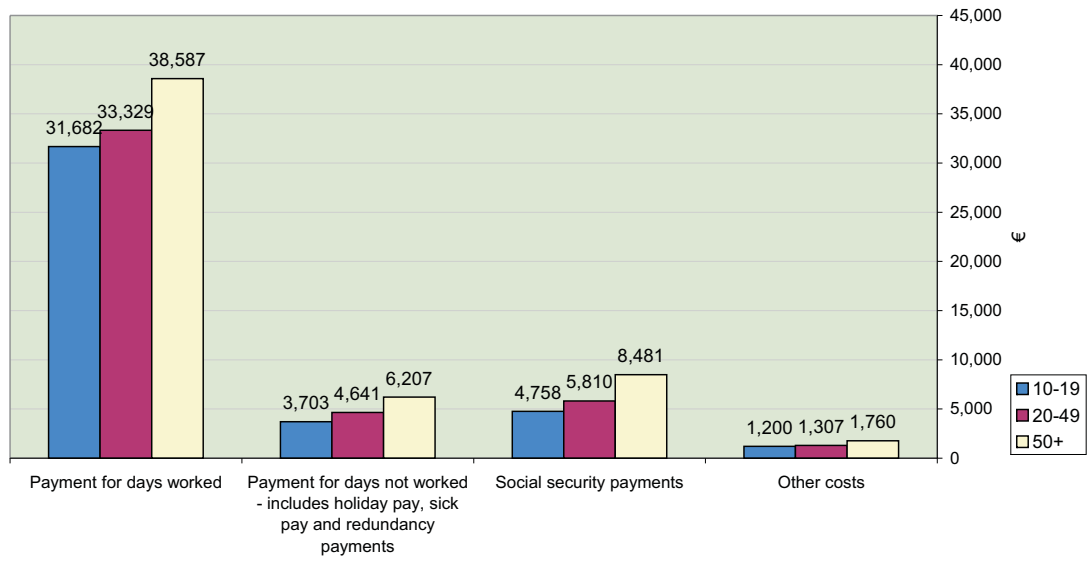
Table 6.7 Average annual labour costs¹ per person engaged in enterprises by employment size class 2006

	Unit	<u>Small Business</u>		<u>Medium/Large</u>	Total
		10 - 19	20-49	50+	
Wages and salaries					
Regular days worked	€	30,676	31,450	34,999	33,437
Irregular days worked	€	1,005	1,879	3,587	2,718
Total for days worked	€	31,682	33,329	38,587	36,155
Holiday pay	€	3,176	3,668	4,743	4,163
Sick pay	€	251	517	1,036	738
Redundancy	€	275	457	428	411
Total for days not worked	€	3,703	4,641	6,207	5,312
Total	€	35,384	37,970	44,794	41,467
Social security payments					
Statutory contributions	€	3,412	3,711	4,423	4,071
Superannuation	€	1,320	2,028	3,924	3,001
Other payments	€	27	71	134	100
Total	€	4,758	5,810	8,481	7,172
Other costs					
Training costs	€	285	361	593	482
Other labour costs	€	979	1,027	1,287	1,168
Employment subsidies	€	-64	-81	-120	-101
Total		1,200	1,307	1,760	1,549
Total labour costs	€	41,342	45,087	55,034	50,188

Source: Earnings and Labour costs

¹Annual average labour costs based on Sectors C,D,E and J (Mining and Quarrying, Manufacturing, Electricity, gas and water supply and Financial intermediation)

Figure 6.5 Average labour costs per person engaged in enterprises by employment size class 2006



Source: Earnings and labour costs

Chapter 7

The Knowledge Economy

Introduction

This chapter presents information on the usage of Information and Communication Technology (ICT). The data on the usage of ICT is obtained from the enterprise survey of e-commerce and ICT usage, conducted annually by the CSO. This survey was first conducted by the CSO in October 2002 and since then has been conducted in March of each year. The results presented in this report are for the March 2007 survey. The survey generally covers manufacturing enterprises and enterprises in a range of services sectors with ten or more persons engaged and enterprises in the construction sector with 20 or more persons engaged. Additional work was undertaken in 2007 to survey a small sample of micro-enterprises (i.e. those enterprises with less than ten persons engaged) in all relevant sectors. The results for these micro-enterprises are included in this chapter. Due to the small sample size, these results are statistically less robust and are, therefore, not included in the overall totals reported.

e-commerce and ICT usage

General information about ICT usage

The 2007 survey on e-commerce and ICT usage showed that small businesses in Ireland tended to have a lower and less sophisticated usage of ICT than larger enterprises. In March 2007, 93% of enterprises employing between 10 and 49 persons and 99% of businesses with 50 or more employees used the internet. Only 29% of businesses employing less than 10 had a website or homepage and 58% of businesses with between 10-49 persons had a website or homepage whereas 84% of businesses with 50 or more employees had one. Small businesses were less likely to adopt e-business with 14% of businesses with less than 10 employees indicating that they had a dedicated ICT system for managing purchases or orders compared to 37% for businesses with 10-49 employees and 59% of larger businesses (50+). See *Table 7.1*.

Table 7.1 General information about ICT systems by employment size class March 2007

	Unit	Small Business		Medium/Large	Total 10+ ¹
		< 10	10 - 49	50+	
Number of enterprises	No.	65,730	9,016	2,749	11,765
Using the internet	%	66	93	99	95
Having website or homepage	%	29	58	84	64
Having a written ICT strategy	%	4	12	37	18
Using dedicated ICT systems for managing orders	%	14	37	59	42

Source: e-commerce and ICT survey

¹ Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

Connecting to the internet

Almost all enterprises with 10 or more persons employed were connected to the internet. Over one in three enterprises employing less than 10 people used a broadband connection while almost two in three enterprises employing between 10-49 used a broadband connection. In comparison, 82% of medium and large enterprises used a broadband connection. See Tables 7.1 and 7.2.

Table 7.2 Type of connection to the internet by employment size class March 2007

	Unit	Small Business		Medium/Large	Total 10+ ¹
		< 10	10 - 49	50+	
Number of enterprises	No.	65,730	9,016	2,749	11,765
Modem	%	22	21	18	20
ISDN	%	19	31	32	31
Broadband	%	36	63	82	68
Broadband connection type as % of all enterprises²					
DSL	%	25	39	55	43
DSL < 2Mb/sec	%	14	16	22	18
DSL > 2Mb/sec	%	11	25	39	28
Other fixed wire based connection	%	3	11	27	15
Other fixed wireless connection	%	11	22	27	23

Source: e-commerce and ICT survey

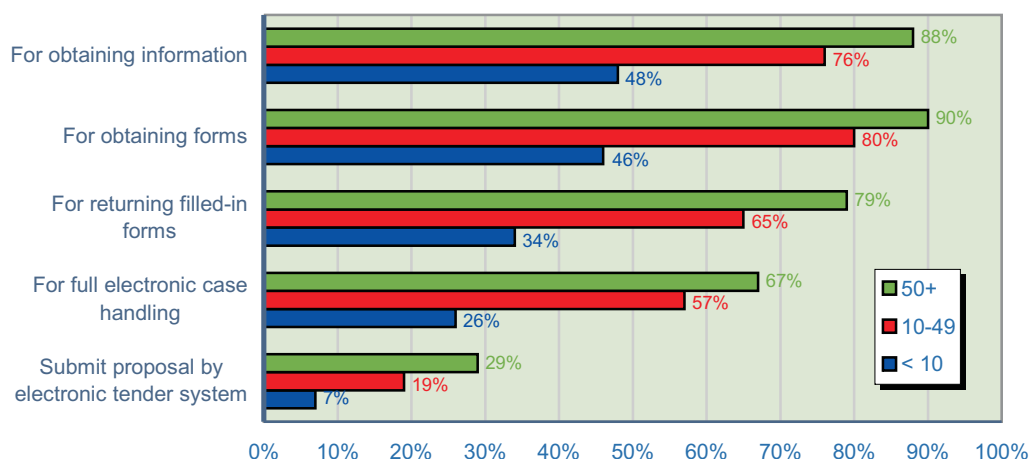
¹ Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

² Enterprises may have more than one internet connection. Similarly, those with broadband may use more than one type of connection.

Interaction with public authorities via the internet

Small businesses employing between 10-49 showed high levels of interaction with public authorities over the internet with over three-quarters of them obtaining information online from public authorities. While 65% of enterprises employing between 10-49 reported completing and returning forms online to public authorities, 79% of businesses employing more than 50 completed and returned forms online to public authorities in March 2007. Medium and large sized enterprises showed greater levels of e-government activity. See Figure 7.1.

Figure 7.1 Interaction with public authorities via the internet by employment size class March 2007



Source: e-commerce and ICT survey

e-commerce

In 2007, 30% of enterprises employing less than 10 persons and 50% of enterprises employing between 10-49 reported that they purchased via the internet or EDI (Electronic Data Interchange) in the previous year. Almost three-quarters of businesses employing 50+ reported e-commerce purchases in the same period.

Just 11% of businesses employing less than 10 persons had sales via e-commerce in 2007 and electronic sales represented 3% of the value of total sales. This compares with 23% of businesses with between 10 and 49 persons who sold via the internet or EDI and who had 19% of their total turnover conducted electronically. Larger businesses (50+) had 39% of sales via e-commerce in 2007 and electronic sales represented 19% of the value of total sales. See Tables 7.3 and 7.4.

Table 7.3 Purchases via e-commerce by employment size class March 2007

	Unit	Small Business		Medium/Large	Total 10+ ¹
		< 10	10 - 49	50+	
Number of enterprises	No.	65,730	9,016	2,749	11,765
Use of e-commerce for purchases					
Internet (as a % of total enterprises)	%	30	47	68	52
EDI	%	2	7	12	8
Internet or EDI	%	30	50	71	55
Total value of purchases	€m	34,316	36,885	144,088	180,973
Percentage of purchases by e-commerce					
Internet (as a % of total purchases)	%	3	6	10	9
EDI	%	0	8	12	11
Internet or EDI	%	4	14	23	21

Source: e-commerce and ICT survey

¹ Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

Table 7.4 Sales via e-commerce by employment size class March 2007

	Unit	Small Business		Medium/Large	Total 10+ ¹
		< 10	10 - 49	50+	
Number of enterprises	No.	65,730	9,016	2,749	11,765
Use of e-commerce for sales					
Internet (as a % of total enterprises)	%	11	20	31	23
EDI	%	1	6	15	8
Internet or EDI	%	11	23	39	27
Total value of turnover	€m	60,487	53,790	219,982	273,772
Percentage of sales by e-commerce					
Internet (as a % of total turnover)	%	2	11	9	9
EDI	%	0	8	10	10
Internet or EDI	%	3	19	19	19

Source: e-commerce and ICT survey

¹ Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

Security measures used

Enterprises with less than 10 employees reported much lower levels of usage of IT security measures than larger enterprises. Less than a half of these enterprises (46%) had firewalls installed while almost one in four reported the use of secure servers. Three quarters of enterprises with 10-49 employed had firewalls installed and over a half reported the use of secure services. In comparison, 93% of enterprises employing 50 or more persons reported to have firewalls installed while four in five enterprises reported the use of secure servers. Just 41% of enterprises employing between 10-49 indicated that they stored backup data in an offsite location while 61% of medium and large enterprises indicated they stored backup data in an offsite location. See Table 7.5.

Table 7.5 Information Technology security measures used in enterprises by employment size class March 2007

	Unit	Small Business		Medium/ Large	Total 10+ ¹
		< 10	10 - 49	50+	
Number of enterprises	No.	65,730	9,016	2,749	11,765
Virus checking or protection software	%	61	90	97	91
Firewalls	%	46	77	93	81
Secure servers	%	24	53	80	60
Offsite data backup	%	21	41	61	46

Source: e-commerce and ICT survey

¹ Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

Chapter 8

Labour Market Profile

Introduction

The Quarterly National Household Survey (QNHS) is a large-scale, nationwide survey of households in Ireland. It provides data on employment, unemployment and the labour force. The QNHS collects a broad range of information including details in relation to the number of people working at the respondent's place of work.

This chapter presents data on those in employment in workplaces of less than 50 persons. Some comparisons with medium and large sized workplaces are also provided. These household survey tables are not directly comparable with the data from business surveys.

There are a number of factors that should be considered in interpreting the results presented in this chapter:

- 1 The QNHS includes all sectors of the economy whereas the business survey results presented elsewhere in this report do not include certain sectors e.g. farming and the public sector.
- 2 In the QNHS, "size of the workplace" is the answer given by persons in employment, as distinct from the more objective information on the size of the enterprise recorded in direct surveys of business.
- 3 The QNHS is a sample survey, which is subject to sampling and other errors, which are greater in respect of smaller values or estimates of change.

Number of Persons Employed

In the second quarter of 2007, there were almost 1.18 million persons in employment at workplaces with less than 50 persons, accounting for 56% of the total number of persons in employment in the State. There has been an increase of over 9% in employment in workplaces with less than 50 persons since 2003. See *Table 8.1*.

Table 8.1 Persons in employment classified by size of workplace 2003 - 2007 (Qtr 2)

Year	Unit	Small Business	Medium		Large	Not Stated	Total
		1 - 49 ¹	50 - 99	100 - 500	501+		
2003	000	1,076.4	157.6	286.9	172.5	96.8	1,790.1
2004	000	1,133.7	159.3	297.3	176.9	67.4	1,834.6
2005	000	1,179.2	168.8	306.1	209.1	68.4	1,931.6
2006	000	1,149.5	244.9	185.9	352.0	88.9	2,021.1
2007	000	1,175.8	291.7	186.0	353.1	94.9	2,101.6
Share of total persons employed in 2007	%	55.9	13.9	8.9	16.8	4.5	100.0

Source: Quarterly National Household Survey

¹ Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Regional Analysis

Over one-quarter of all persons working in enterprises employing 1– 49 in the second quarter of 2007 were working in enterprises located in Dublin. One in six persons (almost 16%) working in small workplaces in Ireland, in the same period, were located in the South-West region.

The Dublin region had the lowest share of employment in small workplaces, with 48% of all persons working in small concerns while almost 11% of employment was in the 100-500 size class. In contrast, the West region had the highest share of persons in employment in small workplaces with 64% of all persons working in small concerns.

The South-West, Border and South-East regions also recorded high shares of employment in small workplaces with 61%, 59% and 59% respectively in employment in small enterprises. See *Table 8.2*.

Table 8.2 Persons in employment classified by region and size of workplace 2007 (Qtr 2)

Region	Unit	Small Business	Medium		Large	Not Stated	Total
		1 - 49 ¹	50 - 99	100 - 500	501+		
Border	000	130.8	30.5	17.2	30.5	11.0	220.1
Midlands	000	68.9	17.4	8.8	19.6	6.5	121.3
West	000	126.2	26.3	15.2	21.9	8.7	198.2
Dublin	000	296.7	89.0	66.5	130.9	33.6	616.7
Mid-East	000	140.9	35.9	22.5	42.5	7.3	249.1
Mid West	000	97.7	21.5	12.3	29.2	12.5	173.3
South-East	000	129.1	30.1	19.8	34.1	7.0	220.1
South-West	000	185.5	41.0	23.8	44.3	8.2	302.8
Total	000	1,175.8	291.7	186.0	353.1	94.9	2,101.6

Source: Quarterly National Household Survey

¹ Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Occupations

Two thirds of those in "Managers and administrators" and "Craft and Related" occupations worked in small businesses. Half of those in "Professional" and "Associate Professional and Technical" occupations worked in small businesses. *Managers and Administrators* occupations accounted for over 18% of the total number of persons employed in small concerns while *Craft and Related* occupations accounted for 17% of the total employed in this size class. See Table 8.3 and Figure 8.1.

Table 8.3 Persons in employment classified by occupation and size of workplace 2007 (Qtr 2)

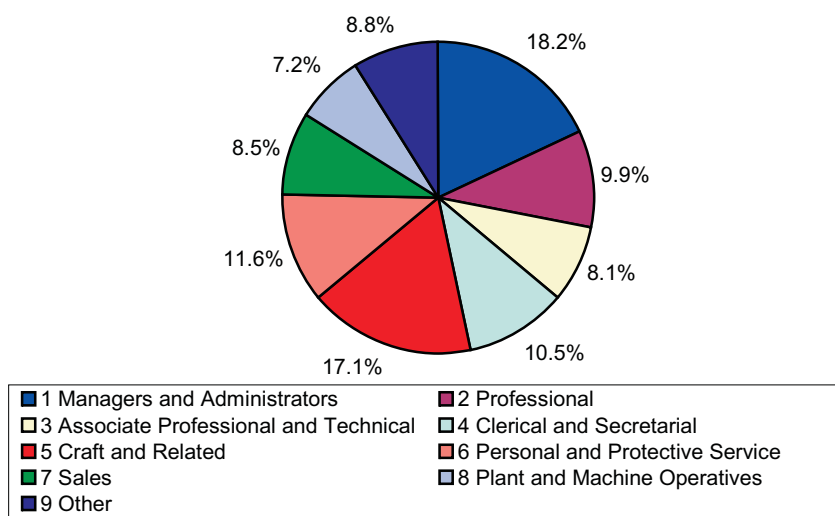
Occupation	Unit	Small Business	Medium		Large	Not Stated	Total
		1 - 49 ¹	50 - 99	100 - 500	501+		
1 Managers and Administrators	000	213.5	34.2	24.4	43.8	6.8	322.7
2 Professional	000	116.5	46.1	27.5	43.3	7.2	240.6
3 Associate Professional and Technical	000	95.6	21.2	13.6	46.5	7.6	184.6
4 Clerical and Secretarial	000	123.7	39.3	25.3	57.1	9.0	254.4
5 Craft and Related	000	200.9	29.2	19.3	29.5	21.2	300.2
6 Personal and Protective Service	000	136.5	40.7	20.0	31.2	9.9	238.3
7 Sales	000	100.2	29.4	17.8	27.8	6.9	182.1
8 Plant and Machine Operatives	000	85.2	22.0	16.8	40.9	10.2	175.2
9 Other	000	103.7	29.6	21.3	33.0	16.1	203.6
Total	000	1,175.8	291.7	186.0	353.1	94.9	2,101.6

Source: Quarterly National Household Survey

¹ Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Figure 8.1 Persons in employment classified by occupation in 1-49 category in 2007 (Qtr 2)



Source: Quarterly National Household Survey

Employment Status

Over 71% of all persons in employment in small workplaces, in the second quarter of 2007, were classified as employees. Over 9% were classified as self-employed with paid employees while 18% were self-employed without any paid employees. See Table 8.4.

Table 8.4 Persons in employment classified by employment status for workplaces 1-49¹ persons 2003 - 2007 (Qtr 2)

Year	Unit	Self employed (with paid employees)	Self employed (without paid employees)	Employee (incl schemes)	Assisting relatives	Total
2003	000	96.4	195.4	767.9	16.7	1,076.4
2004	000	100.6	209.3	810.9	12.8	1,133.7
2005	000	104.9	210.4	851.1	12.8	1,179.2
2006	000	97.8	207.2	834.0	10.5	1,149.5
2007	000	107.9	216.6	839.3	12.0	1,175.8
2007	%	9.2	18.4	71.4	1.0	100.0

Source: Quarterly National Household Survey

¹ Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Economic Sector

The *Construction* sector accounted for almost 16% of the total number of persons employed in small workplaces in the second quarter of 2007. Of the 281,800 working in the construction sector almost 65% worked in small businesses. See Table 8.5 and Figure 8.2.

Table 8.5 Persons in employment classified by economic sector and size of workplace 2007 (Qtr 2)

Economic Sector	Unit	Small Business	Medium		Large	Not Stated	Total
		1 - 49 ¹	50 - 99	100 - 500	501+		
A-B Agriculture, forestry and fishing	000	106.1	2.8	1.1	*	2.9	113.8
C-E Other production industries	000	120.5	37.8	36.2	89.7	11.0	295.2
F Construction	000	182.5	32.2	19.3	22.9	24.9	281.8
G Wholesale and retail trade	000	167.7	47.6	31.2	37.8	10.3	294.5
H Hotels and restaurants	000	73.9	26.1	13.2	13.8	5.3	132.3
I Transport, storage and communication	000	69.8	15.2	8.9	22.7	5.5	122.2
J-K Financial and other business services	000	150.7	38.6	24.5	58.5	13.6	285.9
L Public administration and defence	000	38.7	11.0	10.9	37.9	3.0	101.6
M Education	000	62.9	39.1	18.7	14.8	4.3	139.7
N Health	000	117.0	28.1	15.0	45.5	7.6	213.2
O-Q Other services	000	86.1	13.3	7.0	8.5	6.6	121.6
Total	000	1,175.8	291.7	186.0	353.1	94.9	2,101.6

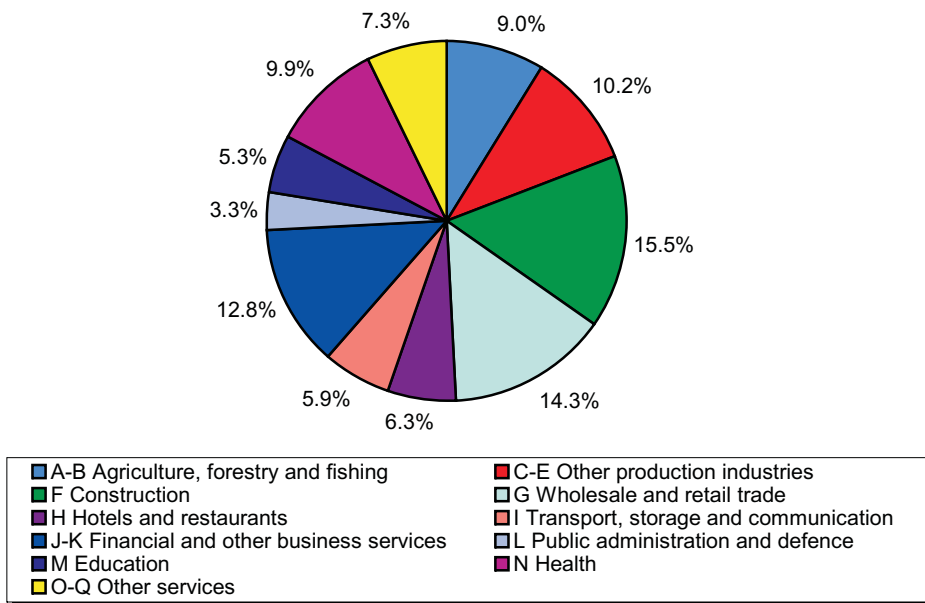
Source: Quarterly National Household Survey

¹ Includes self-employed persons

* Sample occurrence too small for estimation

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

**Figure 8.2 Persons in employment classified by economic sector in 1-49 category
2007 (Qtr 2)**



Source: Quarterly National Household Survey

Sex

In the second quarter of 2007, approximately the same proportion of males and females (38%) were employed in small workplaces and classified as highly skilled non-manual. Over half (58%) of females in employment in small workplaces were classified as working in low skilled non-manual or elementary occupations compared to over 22% of males. See Table 8.6.

Table 8.6 Persons in employment classified by sex, broad occupation¹ and size of workplace 2007 (Qtr 2)

	Unit	Small Business	Medium		Large	Not Stated	Total
		1 - 49 ²	50 - 99	100 - 500	501+		
Total Male	000	686.5	150.4	104.2	190.8	63.7	1195.9
	%	100.0	100.0	100.0	100.0	100.0	100.0
Highly skilled non-manual	%	38.3	35.1	35.7	38.3	22.0	36.8
Low skilled non-manual	%	13.1	22.1	19.6	20.4	14.9	16.0
Skilled manual	%	39.4	31.6	31.2	30.0	47.3	36.6
Elementary occupations	%	9.2	11.2	13.5	11.2	15.9	10.5
Total Female	000	486.2	140.9	81.6	160.0	31.1	899.8
	%	100.0	100.0	100.0	100.0	100.0	100.0
Highly skilled non-manual	%	38.7	39.1	39.3	42.6	32.8	39.3
Low skilled non-manual	%	50.7	51.3	48.1	43.6	42.8	49.0
Skilled manual	%	3.5	2.7	3.8	6.4	4.5	4.0
Elementary occupations	%	7.1	6.9	8.8	7.4	19.9	7.7
Total Persons	000	1172.7	291.3	185.8	350.8	94.8	2095.7
	%	100.0	100.0	100.0	100.0	100.0	100.0
Highly skilled non-manual	%	38.5	37.0	37.2	40.3	25.5	37.9
Low skilled non-manual	%	28.7	36.2	32.1	31.0	24.1	30.2
Skilled manual	%	24.5	17.6	19.2	19.2	33.2	22.6
Elementary occupations	%	8.3	9.1	11.5	9.5	17.2	9.3

Source: Quarterly National Household Survey

¹ Broad groups of occupation based on ISCO-88(COM) classification, excludes those employed in the armed forces.

² Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Nationality

There has been an increase of 129% of non-Irish nationals, at work in the State, from the second quarter of 2003 to the second quarter of 2007. Of the 316,300 non-Irish nationals at work in the second quarter of 2007, 149,900 (47%) were working in places of employment with less than 50 persons engaged. See *Table 8.7*.

Table 8.7 Persons in employment classified by nationality and size of workplace 2003 - 2007(Qtr 2)

	Unit	Small Business	Medium/Large	Not Stated	Total
		1 - 49 ¹	50+		
Irish					
2003	000	1,001.2	562.1	88.9	1,652.2
2004	000	1,053.1	578.0	61.0	1,692.1
2005	000	1,073.7	605.3	58.3	1,737.2
2006	000	1,023.2	663.3	71.0	1,757.6
2007	000	1,025.9	686.0	73.4	1,785.3
Other Nationality					
2003	000	75.2	54.9	7.9	138.0
2004	000	80.6	55.5	6.4	142.4
2005	000	105.5	78.8	10.1	194.4
2006	000	126.2	119.5	17.8	263.5
2007	000	149.9	144.9	21.5	316.3
Irish 2007	%	57.5	38.4	4.1	100.0
Other Nationality 2007	%	47.4	45.8	6.8	100.0
Source: Quarterly National Household Survey					
¹ Includes self-employed persons					
Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values					

Table 8.8 shows that, in 2007, 29% of non-Irish nationals in employment in small workplaces were in highly skilled non-manual occupations compared with almost 27% in employment in highly skilled non-manual occupations in medium and large sized workplaces. In the period from 2003 to 2007, the number of non-Irish nationals employed in small workplaces has grown by 74,700. Of the 149,900 non-Irish nationals employed in small concerns in the second quarter of 2007, 70,200 (47%) were employed in low skilled non-manual and elementary occupations. See Table 8.8.

**Table 8.8 Non-Irish nationals classified by broad occupation¹ and size of workplace
2003 - 2007 (Qtr 2)**

	Unit	Small Business	Medium/Large	Not Stated	Total
		1 - 49 ²	50+		
Highly skilled non-manual					
2003	000	28.0	24.5	2.1	54.6
2004	000	31.2	25.6	1.7	58.5
2005	000	29.0	28.8	1.9	59.7
2006	000	41.8	31.6	2.3	75.8
2007	000	43.8	38.7	2.9	85.3
Low skilled non-manual					
2003	000	27.2	15.4	2.4	45.0
2004	000	26.7	13.0	1.6	41.4
2005	000	33.1	20.7	2.2	56.0
2006	000	39.2	36.9	3.2	79.4
2007	000	48.3	44.8	5.1	98.2
Skilled manual					
2003	000	13.9	10.2	2.4	26.5
2004	000	13.5	11.6	1.4	26.6
2005	000	27.3	17.3	2.8	47.4
2006	000	27.8	30.8	6.2	64.8
2007	000	35.9	34.3	7.4	77.6
Elementary occupations					
2003	000	6.1	4.8	1.1	11.9
2004	000	9.1	5.0	1.6	15.7
2005	000	16.1	11.9	3.2	31.1
2006	000	17.4	20.1	6.1	43.5
2007	000	21.9	26.9	6.1	55.0
Total					
2003	000	75.2	54.9	8.0	137.9
2004	000	80.6	55.5	6.4	142.4
2005	000	105.5	78.9	10.2	194.4
2006	000	126.2	119.5	17.8	263.5
2007	000	149.9	144.9	21.5	316.3
Share of total non-Irish nationals in 2007	%	47.4	45.8	6.8	100.0

Source: Quarterly National Household Survey

¹ Broad groups of occupation based on ISCO-88(COM) classification, excludes those employed in the armed forces

² Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Regional Analysis

Of the 67,800 non-Irish nationals working in the Border, Midlands and West in the second quarter of 2007, over half (52%) were employed by small enterprises. Similarly, 115,000 (46%) of non-Irish nationals in employment in the Southern and Eastern regions were in small workplaces.

Almost four times as many non-Irish nationals were employed in medium and large enterprises in the Southern and Eastern regions than in the Border, Midlands and West regions in the second quarter of 2007. See Table 8.9 and Figure 8.3.

Table 8.9 Non-Irish nationals classified by region and size of workplace 2003 - 2007 (Qtr 2)

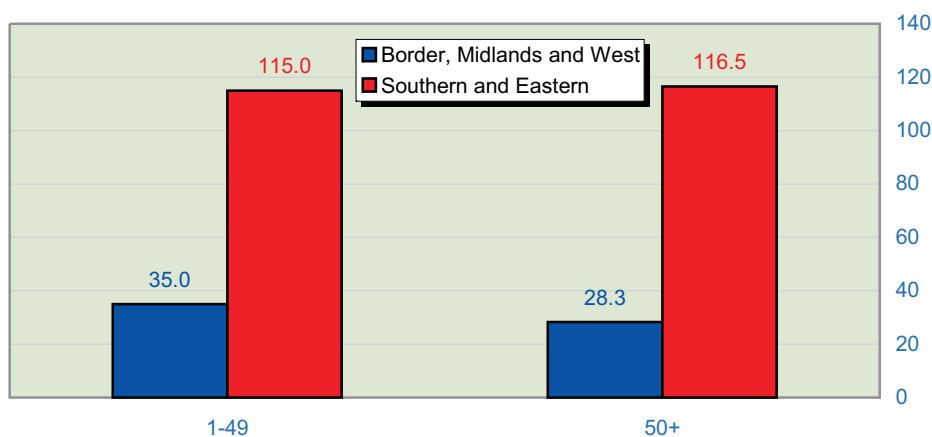
	Unit	Small Business	Medium/Large	Not stated	Total
		1 - 49 ¹	50+		
Border, Midlands and West					
2003	000	15.7	8.0	1.8	25.4
2004	000	18.1	10.1	1.8	30.0
2005	000	24.4	12.3	2.4	39.0
2006	000	28.9	18.3	4.0	51.3
2007	000	35.0	28.3	4.5	67.8
Southern and Eastern					
2003	000	59.4	46.9	6.2	112.5
2004	000	62.4	45.4	4.5	112.4
2005	000	81.1	66.5	7.8	155.4
2006	000	97.3	101.2	13.8	212.3
2007	000	115.0	116.5	17.0	248.5

Source: Quarterly National Household Survey

¹ Includes self-employed persons

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Figure 8.3 Non-Irish Nationals classified by region and size of workplace in 2007 (Qtr 2)



Source: Quarterly National Household Survey

There were 206,400 non-Irish nationals in employment in the services sector in the second quarter of 2007. Of these, 101,800 persons (49%) were in employment in small services enterprises. The industrial sector saw a doubling of the numbers of non-Irish nationals in small enterprises (<50) between the second quarter of 2003 and the second quarter of 2007. Likewise, the number of non-Irish Nationals working in small construction firms trebled in the same period. See *Table 8.10* and *Figure 8.4*.

Table 8.10 Non-Irish nationals classified by sector and size of workplace 2003-2007 (Qtr 2)

	Unit	Agriculture	Industry	Construction	Services	Total
1 - 49¹						
2003	000	3.2	9.1	6.5	56.2	75.2
2004	000	2.6	8.7	7.6	61.5	80.6
2005	000	4.6	12.1	18.6	70.0	105.5
2006	000	4.4	13.7	19.6	88.6	126.2
2007	000	6.2	18.9	22.9	101.8	149.9
50+						
2003	000	*	15.2	*	37.8	54.8
2004	000	*	16.2	*	36.1	55.5
2005	000	1.1	19.4	6.5	51.8	78.9
2006	000	*	27.4	16.4	74.8	119.4
2007	000	1.0	31.2	19.8	92.9	144.9
Not Stated						
2003	000	*	1.3	*	5.4	7.9
2004	000	*	*	1.9	3.7	6.4
2005	000	*	*	2.9	5.4	10.1
2006	000	*	*	7.1	8.0	17.8
2007	000	*	3.6	5.6	11.7	21.5

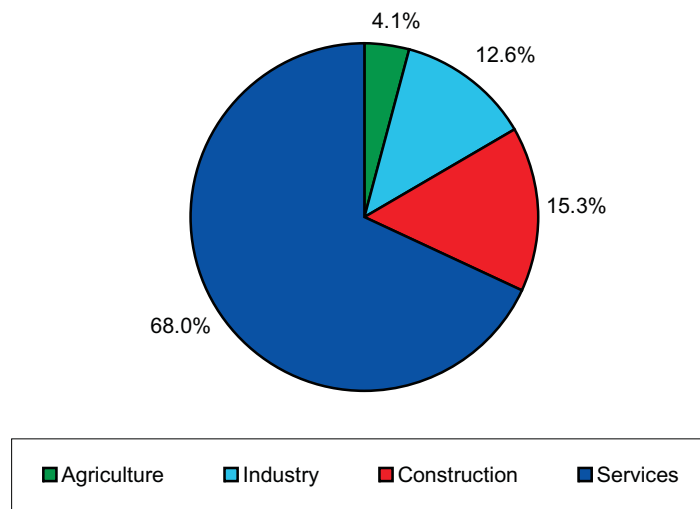
Source: Quarterly National Household Survey

¹ Includes self-employed persons

* Sample occurrence too small for estimation

Note: Data are subject to sampling and other survey errors, which are relatively greater in respect of smaller values

Figure 8.4 Non-Irish nationals classified by sector in 1-49 category in 2007



Source: Quarterly National Household Survey

Chapter 9

Small, Medium and Large Enterprises

Introduction

This chapter presents comparisons of key characteristics for small, medium and large enterprises. A small business is defined as an enterprise that employs less than 50 people. Enterprises that employ between 50 and 249 are classified as medium while those employing 250 or more are considered large enterprises.

Sectoral Analysis

Industry

Small businesses accounted for almost 81% of all industrial enterprises and almost 22% of persons engaged in the sector in 2005. While medium sized businesses accounted for just over 15% of all industrial enterprises, they accounted for almost 30% of persons engaged. One in 25 industrial enterprises were in the large size category and accounted for almost half of industrial employment, 73% of turnover and 72% of gross value added. See *Table 9.1*.

Table 9.1 Share of activities in industrial enterprises by employment size class 2005

		Small Business	Medium	Large	
		3 - 49	50 - 249	250+	Total
Enterprises	%	80.9	15.1	4.0	100.0
Persons engaged	%	21.6	29.6	48.8	100.0
Turnover	%	6.9	20.1	73.1	100.0
Gross Value Added	%	6.8	21.4	71.9	100.0

Source: Census of Industrial Production

Services

In 2005, small businesses accounted for almost 98% of all service enterprises and more than half of the employment in the sector. These small service enterprises accounted for over 48% of total turnover and gross value added in the services sector. Medium sized businesses accounted for a fifth of employment and a quarter of gross value added. Large enterprises accounted for over a quarter of employment and gross value added and 22% of the total services sector turnover. See *Table 9.2*.

Table 9.2 Share of activities in service enterprises by employment size class 2005

	Unit	Small Business	Medium	Large	Total
		1 - 49	50-249	250+	
Enterprises	%	97.8	2.0	0.3	100.0
Persons engaged	%	51.3	20.4	28.2	100.0
Turnover	%	48.7	29.1	22.2	100.0
Gross Value Added	%	48.1	25.6	26.3	100.0

Source: Annual Services Inquiry

Construction

Over 68% of all enterprises operating in the construction sector were small firms (with 20 - 49 employees) in 2005. These small construction firms generated almost 20% of the turnover and over 25% of the sector's employment. Medium sized enterprises accounted for a 28% share of the total number of construction enterprises operating in 2005 and these firms accounted for almost 45% share of the total turnover. Over 3% of enterprises could be classified as large and these firms accounted for a 30% share of total employment in construction and generated over 35% of the turnover in the sector in 2005. See *Table 9.3*.

Table 9.3 Share of activities in construction enterprises by employment size class 2005

	Unit	Small Business	Medium	Large	Total
		20 - 49	50-249	250+	
Enterprises	%	68.3	28.3	3.4	100.0
Employment	%	25.4	45.3	29.7	100.0
Turnover	%	19.8	44.9	35.3	100.0
Gross Value Added	%	25.9	46.7	27.4	100.0

Source: Census of Building and Construction

Nationality of ownership

In 2005, almost all small enterprises in the industrial, services and construction sectors were Irish-owned. Medium sized enterprises also showed high levels of Irish ownership. In industry, 64% of medium sized enterprises and almost 84% of medium sized services enterprises were Irish-owned. Almost two-thirds of large industrial enterprises were foreign-owned. These accounted for over two-thirds of employment and for over 87% of the turnover generated by large industrial firms. See *Table 9.4*.

Table 9.4 Nationality of ownership in each sector by employment size class 2005

	Unit	Enterprises		Employment		Turnover	
		Irish Owned	Foreign Owned	Irish Owned	Foreign Owned	Irish Owned	Foreign Owned
< 50							
Industry ¹	%	94.7	5.3	90.9	9.1	83.8	16.2
Services	%	92.2	7.8	92.0	8.0	57.6	42.4
Construction ²	%	98.6	1.4	98.3	1.7	98.9	1.1
50 - 249							
Industry ¹	%	64.0	36.0	59.3	40.7	37.2	62.8
Services	%	83.6	16.4	81.7	18.3	54.6	45.4
Construction ²	%	c	c	c	c	c	c
250+							
Industry ¹	%	36.2	63.8	32.3	67.7	12.5	87.5
Services	%	61.2	38.8	65.1	34.9	60.2	39.8
Construction ²	%	c	c	c	c	c	c

Source: Census of Industrial Production, Annual Services Inquiry and the Census of Building and Construction

¹ Only includes enterprises with 3 or more persons engaged

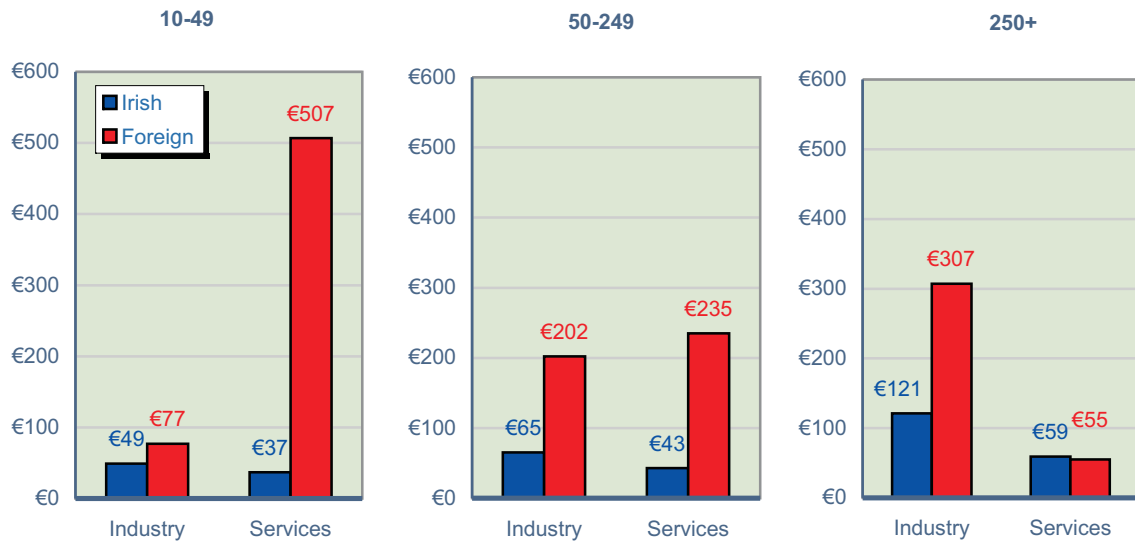
² Only includes enterprises with 20 or more persons engaged

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Productivity

Figure 9.1 shows gross value added per employee (a measure of productivity) for industry and services in 2005. Excluding large service enterprises (where productivity was slightly higher for Irish-owned firms), foreign-owned firms had, on average, higher value added per employee than Irish-owned firms in both sectors and across employment size classes. These differences probably reflect a range of factors, including the differences in sectoral composition between indigenous and foreign-owned businesses. See Figure 9.1.

Figure 9.1 Gross value added per employee, in industry and services, by number of persons engaged per enterprise 2005



Source: Census of Industrial Production
Annual Services Inquiry

Note: Comparable data for the construction sector not available

Labour costs

In 2006, wages and salary costs per person engaged were, on average, €32,453 in small businesses. The annual wage and salary cost in medium sized businesses was €37,464 per person engaged and in large businesses was €42,589 per person engaged. Total labour costs were €37,783 per person engaged in small businesses, €43,850 in medium sized businesses and €51,832 in large businesses.

Large enterprises spent considerably more on pension contributions: €3,321 per person engaged compared with €1,424 in medium sized enterprises and €1,165 in small businesses. Large enterprises also spent more on training, €519 per person engaged, compared with €354 per person engaged in medium enterprises and €171 in small enterprises. See Table 9.5.

Table 9.5 Average annual labour costs per person engaged in enterprises by employment size class 2006

Unit	Small Business	Medium	Large	Total
	10 - 49	50 - 249	250+	
Wages and salaries				
Regular days worked	€ 28,207	32,433	33,877	33,437
Irregular days worked	€ 1,243	875	3,044	2,718
Total for days worked	€ 29,450	33,308	36,921	36,155
Holiday pay	€ 2,715	3,482	4,377	4,163
Sick pay	€ 150	314	854	738
Redundancy	€ 137	360	437	411
Total for days not worked	€ 3,003	4,156	5,668	5,312
Total	€ 32,453	37,464	42,589	41,467
Social security payments	€			
Statutory contributions	€ 3,061	3,652	4,194	4,071
Superannuation	€ 1,165	1,424	3,321	3,001
Other payments	€ 17	33	114	100
Total	€ 4,242	5,110	7,629	7,172
Other costs	€			
Training costs	€ 171	354	519	482
Other labour costs	€ 1,002	975	1,203	1,168
Employment subsidies	€ -85	-52	-108	-101
Total	€ 1,089	1,277	1,615	1,549
Total labour costs	€ 37,783	43,850	51,832	50,188

Source: Earnings and Labour costs

e-commerce and ICT usage

General information about ICT usage

The larger the enterprise the more likely it is to adopt ICT and e-business. Over half (58%) of small businesses (10-49 employed) had a website in 2007. This compares with 82% of medium sized enterprises and 96% of large enterprises. Broadband uptake was lowest among small businesses where 63% used broadband. Broadband uptake was highest among large enterprises at 90%, followed by medium sized enterprises where 81% used broadband.

Adoption of e-business followed a similar trend with 80% of large enterprises indicating that they had dedicated ICT systems for managing purchases or orders. Medium and small businesses reported lower levels of use of such ICT systems for managing purchases and orders, at 56% and 37% respectively. Similarly, a higher percentage of large enterprises were using e-commerce for purchases and sales than their counterparts in small and medium businesses. Just 45% of large enterprises reported selling via EDI and Internet compared to 38% of medium sized businesses and 23% of small businesses (10-49 employed). See *Table 9.6*.

Table 9.6 General information about ICT systems by employment size class March 2007

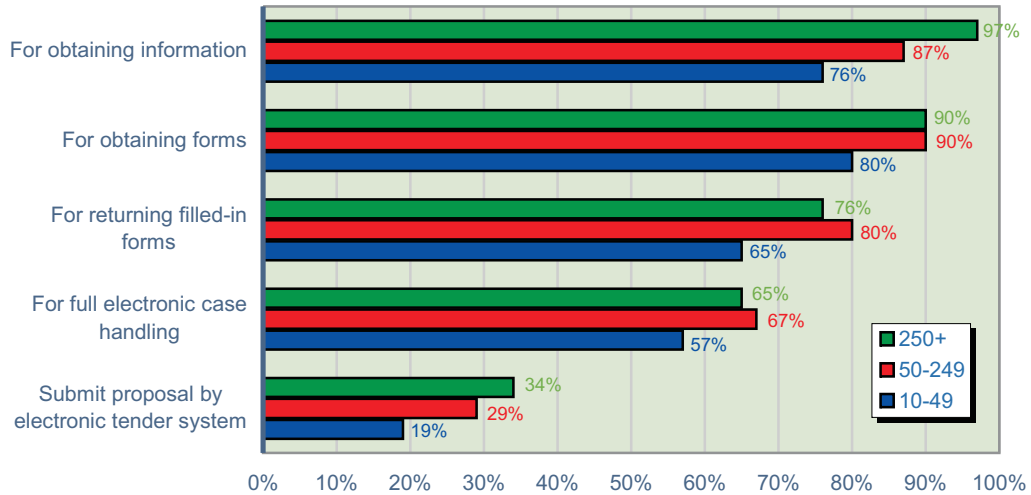
	Unit	Small		Medium	Large	Total 10+
		< 10	10 - 49	50 - 249	250+	
Number of enterprises in population	No.	65,730	9,016	2,336	413	11,765
Using the internet	%	66	93	99	100	95
Using broadband	%	36	63	81	90	68
Having website or homepage	%	29	58	82	96	64
Have a written ICT strategy	%	4	12	32	65	18
Using dedicated ICT systems for managing orders	%	14	37	56	80	42
Use of ecommerce for purchases (by internet or EDI)	%	30	50	68	83	55
Use of ecommerce for sales (by internet or EDI)	%	11	23	38	45	27

Source: e-commerce and ICT survey

1 Results for enterprises with less than 10 persons employed are not included in the total due to the small sample size.

Figure 9.2 shows that the level of interaction with public authorities by internet is higher for medium and large sized enterprises than for those in small businesses in 2007. Almost two-thirds of small enterprises indicated that they returned completed forms online to public authorities. The corresponding figure for medium and large enterprises was 80% and 76% respectively. See *Figure 9.2*.

Figure 9.2 Interaction of all enterprises with public authorities via Internet by employment size class March 2007



Source: e-Commerce and ICT Survey

Chapter 10

International Comparisons

Introduction

Some international comparisons of the key characteristics of small businesses are presented in this chapter. Comparable data for medium and large enterprises are also presented.

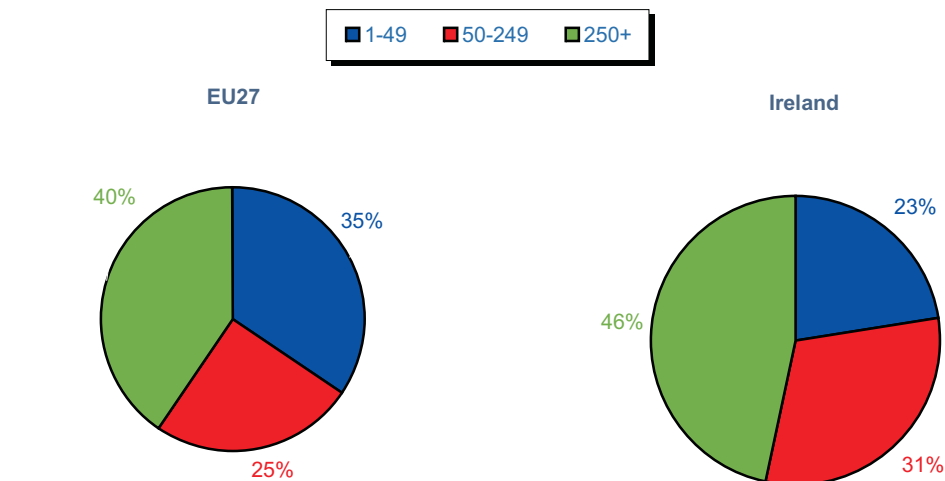
Sectoral Analysis

Manufacturing

Employment

In 2005, small businesses (1-49 employees) in the manufacturing sector accounted for 35% of total manufacturing employment in the EU27. In Ireland, the corresponding figure was 23%. The percentage employed in medium and large enterprises was higher in Ireland than in the EU27. Just 31% of Irish manufacturing employees worked in medium sized businesses while 46% were employed by large firms. In the EU27, one in four employed in manufacturing worked in medium sized firms, while 40% worked in large businesses. See Figure 10.1.

Figure 10.1 Share of persons employed in the manufacturing sector by employment size class 2005



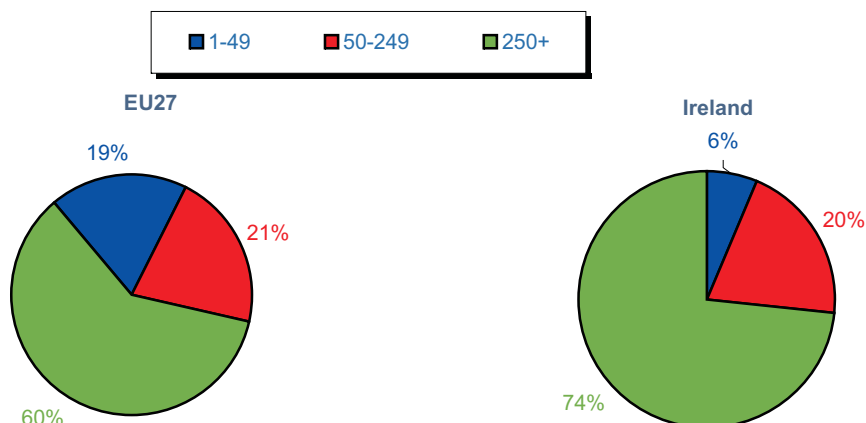
Source: Eurostat

Manufacturing

Turnover

In 2005, small businesses in the manufacturing sector contributed 19% of total manufacturing turnover in the EU27 compared with 6% in Ireland. In the EU as a whole, large businesses generated 60% of total manufacturing turnover, while in Ireland, large companies generated 74% of total manufacturing turnover. The presence of large multinational enterprises in the pharmaceutical and ICT sectors explains this proportionately high share of total turnover for large businesses in Ireland. See *Figure 10.2*.

Figure 10.2 Share of total turnover in the manufacturing sector by employment size class, 2005



Source: Eurostat

Manufacturing

Gross value added (GVA) per person employed

Ireland had among the highest levels of GVA per person employed in the EU27 in 2005. The average GVA per person employed in all Irish manufacturing enterprises was €157,100 which was more than double that of the next highest Member State (Belgium). Irish medium sized manufacturing businesses also recorded the highest GVA per person employed at €106,500. Ireland had the fifth highest GVA per person employed (€45,400) of the EU 27 in businesses with 19 or less employed with the highest being Finland (€52,400) in this employment size class. In comparison, the Irish GVA per person in businesses with between 20-49 employed was €49,700 in 2005. The Netherlands (€57,200), Belgium (€56,800), United Kingdom (€52,900), Denmark (€52,100) and Finland (€51,200) were the only EU27 countries to record a higher GVA per person employed, than Ireland in this employment size class. See *Table 10.1*.

Table 10.1 Gross value added per person employed in the manufacturing sector by employment size class 2005

	Unit	Small Business		Medium	Large	Total
		1 - 19	20 - 49	50 - 249	250+	
EU 27		47.0	:	37.2	42.5	47.0
Belgium	€000	40.7	56.8	71.2	103.4	78.3
Bulgaria	€000	2.3	3.4	4.5	7.4	5.0
Czech Republic	€000	:	:	:	:	:
Denmark	€000	47.4	52.1	58.6	73.2	62.7
Germany	€000	32.6	44.5	53.1	73.4	59.9
Estonia	€000	8.1	11.1	14.2	12.4	12.2
Ireland	€000	45.4	49.7	106.5	243.0	157.1
Greece	€000	25.1	31.0	38.3	63.2	36.6
Spain	€000	28.4	37.4	48.8	79.6	48.1
France	€000	36.8	46.4	49.2	72.2	57.3
Italy	€000	29.1	44.9	55.3	66.3	45.3
Cyprus	€000	23.5	34.2	37.3	33.2	29.6
Latvia	€000	5.0	8.0	9.8	10.7	8.9
Lithuania	€000	4.0	6.0	8.1	14.9	9.5
Luxembourg	€000	46.8	46.8	65.3	81.3	71.8
Hungary	€000	7.5	11.7	15.6	33.0	21.1
Malta	€000	:	:	:	:	:
Netherlands	€000	42.0	57.2	70.6	110.0	75.1
Austria	€000	41.0	49.4	61.8	84.9	67.1
Poland	€000	:	:	:	:	:
Portugal	€000	11.8	17.0	22.4	40.8	21.3
Romania	€000	4.4	3.8	4.8	6.8	5.6
Slovenia	€000	19.8	23.1	23.1	28.3	24.9
Slovakia	€000	11.6	10.4	11.1	17.0	14.5
Finland	€000	52.4	51.2	60.7	90.1	73.9
Sweden	€000	34.1	48.8	53.7	80.0	62.6
United Kingdom	€000	48.3	52.9	58.5	79.2	64.9

Source: Eurostat
: Data not available

Services

Numbers of persons employed

In 2005, there were almost 31 million people employed in the wholesale and retail trade sectors in the EU27. Slightly less than 40% of all employment in this sector was in very small firms with less than 10 employees. In Ireland, 27% of those employed in the wholesale and retail sectors were in firms with less than 10 employees. Both at EU27 level and in Ireland, 27% of persons working in wholesaling and retailing were in large enterprises.

Over 8.8 million people worked in the hotels and restaurants sector in the EU. Just under half (45%) of these worked in very small enterprises with less than 10 employees. The comparable figure for Ireland was 28%. See *Table 10.2*.

Table 10.2 Number of persons employed in selected service sectors by employment size class 2005

Unit		Small Business				Medium	Large	Total
		1 - 9	10 - 19	20 - 49	1 - 49	50 - 249	250+	
G - Wholesale and retail trade; repair of motor vehicles								
EU27	No.	12,358,900	3,186,400	3,276,500	18,821,800	3,803,700	8,338,300	30,963,900
Ireland	No.	77,889	34,561	39,531	151,981	55,363	78,478	285,822
H - Hotels and restaurants								
EU27	No.	3,962,600	1,301,000	1,055,800	6,319,400	c	1,570,000 ^e	8,845,900
Ireland	No.	38,037	21,042	19,843	78,922	43,736	13,743	136,401
I - Transport, storage and communication								
EU27	No.	2,205,200	c	1,000,000 ^e	c	1,535,400	6,300,000 ^e	11,823,700
Ireland	No.	13,799	5,250	5,824	24,873	9,494	55,010	89,377
K - Real estate, renting and business activities								
EU27	No.	8,348,200	1,890,000 ^e	2,236,500	12,474,700	4,000,000 ^e	8,000,000 ^e	24,499,500
Ireland	No.	69,547	16,213	17,512	103,272	35,945	51,874	191,091

Source: Eurostat

e - estimate

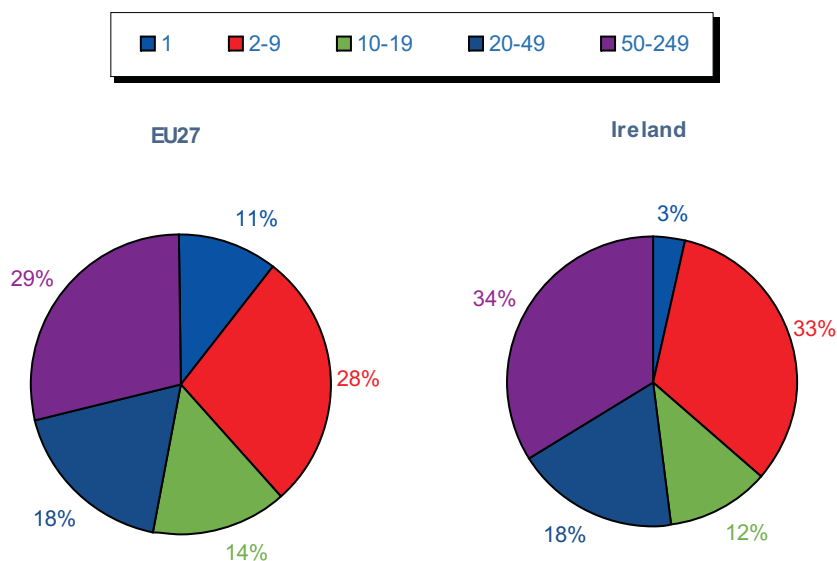
c - confidential

Services

Turnover

At present reliable data for turnover of large enterprises (250+) are not available from Eurostat for 2005. Therefore, the share of total turnover in selected service sectors by employment size classes for small and medium enterprises are presented here. Large enterprises are excluded. As a result of this exclusion, small Irish services enterprises (1-49) accounted for two-thirds of the turnover in the size classes for which data are available in 2005. The corresponding EU average was higher at 71%; medium sized businesses (50-249) accounted for a higher share of turnover in Ireland (34%) than in the EU27 (29%) overall. See *Figure 10.3*.

Figure 10.3 Share of total turnover in selected service sectors by selected employment size class, 2005



Source: Eurostat

Distributive services

Gross value added per person employed

The analysis of gross value added per person employed is confined to the distributive services sector covering *wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods*. This is a large sub-sector of services and comparable EU data on distributive services are available.

It should be noted that the employment data for Ireland relates to the numbers of persons in employment in a particular week in September 2005. The use of part-time staff and the effects of seasonality poses difficulties in using this as a measure of apparent labour productivity. The situation differs across EU member states, where average employment levels may be used in some cases.

In 2005, Ireland recorded a GVA per person employed of €51,600 in distributive services. This was above the EU27 average of €33,000 per person employed. Similarly, small Irish firms in this sector had high GVA per person employed compared with other EU countries. In particular, small businesses in Ireland with between 10-19 and between 20-49 persons employed had the highest GVA per person employed in these size classes in the EU27, €63,500 and €62,200 respectively. Irish GVA per person employed in large enterprises in this sector was €45,700 (EU27 average €47,100). Ireland had the fifth highest recording of GVA per person employed in this size class of the EU member states in 2005. See *Table 10.3*.

Table 10.3 Gross value added per person employed in distributive services by employment size class 2005

	Unit	Small Business				Medium	Large	Total
		1	2 - 9	10 - 19	20 - 49	50 - 249	250+	
EU27		17.20	24.70	36.00	41.60	37.30	47.10	33.00
Belgium	€000	26.20	34.40	52.50	60.30	65.20	59.40	48.10
Bulgaria	€000	1.40	2.30	4.50	5.70	6.80	9.30	3.80
Czech Republic	€000	:	:	:	:	:	:	:
Denmark	€000	70.40	45.10	45.10	53.10	54.40	43.10	48.70
Germany	€000	33.80	28.90	40.00	50.60	59.50	42.50	42.40
Estonia	€000	11.10	12.00	13.90	17.40	17.70	11.20	14.00
Ireland	€000	29.80	34.00	63.50	62.20	70.20	45.70	51.60
Greece	€000	7.10	14.50	28.50	32.20	40.40	33.60	20.50
Spain	€000	16.40	23.90	31.80	37.70	45.90	39.30	30.30
France	€000	38.30	40.50	45.50	47.00	47.20	46.80	44.70
Italy	€000	21.70	27.50	44.80	49.70	52.70	35.40	32.10
Cyprus	€000	15.80	22.70	31.40	33.10	35.90	21.40	26.70
Latvia	€000	6.70	7.30	12.90	15.20	15.90	8.40	11.10
Lithuania	€000	2.10	4.90	7.40	9.90	9.90	7.20	7.00
Luxembourg	€000	67.40	49.10	55.60	58.80	51.70	51.90	53.90
Hungary	€000	3.40	7.20	13.10	17.70	20.20	14.30	11.20
Malta	€000	:	:	:	:	:	:	:
Netherlands	€000	10.50	43.40	48.30	53.90	65.80	36.40	41.50
Austria	€000	33.50	32.50	39.60	50.80	57.40	40.40	41.90
Poland	€000	5.40	6.50	16.70	17.70	21.00	17.90	11.00
Portugal	€000	6.00	14.80	21.60	25.90	35.00	31.30	18.60
Romania	€000	2.80	3.90	5.30	6.70	8.60	10.90	5.80
Slovenia	€000	12.70	24.80	35.50	33.20	30.40	26.60	26.90
Slovakia	€000	11.60	11.80	18.00	20.20	16.10	9.20	13.80
Finland	€000	42.70	49.80	53.70	57.50	65.90	43.60	50.10
Sweden	€000	28.30	36.30	46.00	51.00	53.70	51.80	45.80
United Kingdom	€000	45.40	35.50	45.60	53.90	62.90	34.80	40.10
Norway	€000	37.10	43.10	48.90	58.00	68.10	58.10	52.90

Source: Eurostat
: Data not available
c Confidential

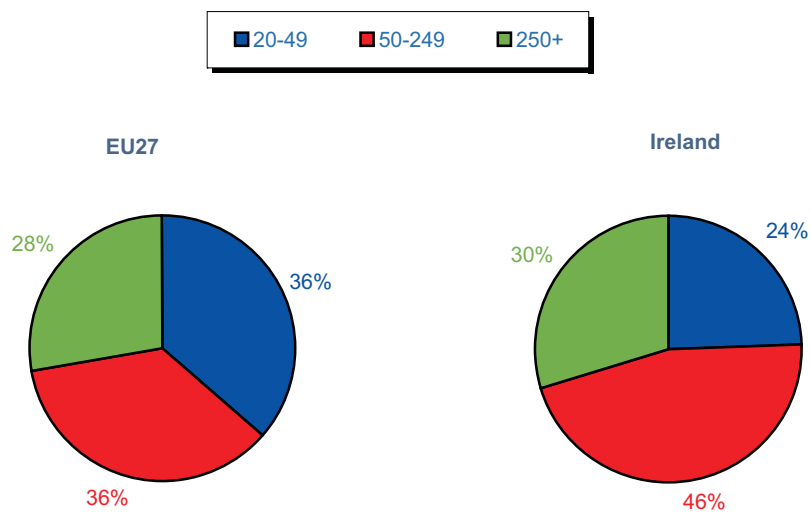
Construction

The principal characteristics of enterprises in the construction sector which employs 20 or more persons is examined in this section. It should be noted that this limited coverage excludes a large share of employment in the construction sector in Ireland.

Numbers of persons employed

Almost one in four persons were employed in the 20-49 employment size class in Ireland in 2005 compared to over one in three for our EU counterparts. In Ireland, 46% were employed in medium sized construction firms. This compares to 36% in the same category for our EU counterparts. See Figure 10.4.

Figure 10.4 Share of persons employed in the construction sector by employment size class 2005



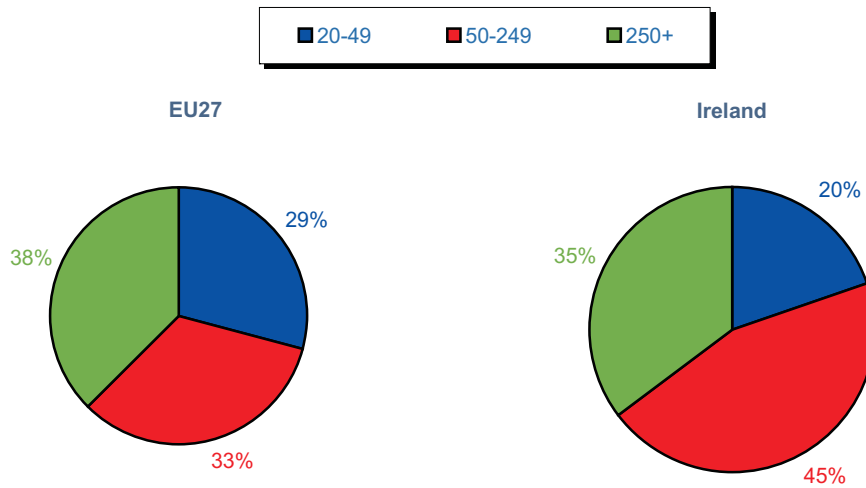
Source: Eurostat

Construction

Turnover

Small firms, employing between 20 and 49 persons, accounted for one fifth of total construction turnover in Ireland in 2005. Medium sized firms generated 45% of total turnover while large businesses accounted for 35%. The highest percentage of total construction turnover in the EU was generated by large sized enterprises (38%) followed by medium and small enterprises with 33% and 29% respectively of total turnover. See *Figure 10.5*.

Figure 10.5 Proportion of total turnover in construction by employment size class 2005



Source: Eurostat

Construction

Gross value added per person employed

Across all enterprise size groups, Irish construction firms had the highest value added per person employed in the EU27. In enterprises with 20-49 workers, Ireland's GVA per person employed was €125,200 followed by the United Kingdom recording GVA of €69,700 per person employed. In Ireland, GVA per person employed was the highest in the EU27 for medium (€119,500) and large (€107,500) sized construction firms. The United Kingdom had the second highest GVA of the EU27 in medium and large construction firms with recorded GVA of €78,700 and €75,400 respectively in the same period. See *Table 10.4*.

Table 10.4 GVA per person employed in the construction sector by employment size class 2005

	Unit	20 - 49	50 - 249	250+
EU 27		37.4	49.4	38.8
Belgium	€000	45.1	50.0	57.4
Bulgaria	€000	4.2	5.7	4.9
Czech Republic	€000	:	:	:
Denmark	€000	44.4	48.7	58.6
Germany	€000	40.4	43.8	50.8
Estonia	€000	11.8	17.4	21.4
Ireland	€000	125.2	119.5	107.5
Greece	€000	33.6	33.3	48.5
Spain ^p	€000	33.3	35.9	53.0
France	€000	42.5	43.8	49.0
Italy	€000	43.3	46.9	55.6
Cyprus	€000	26.5	31.8	36.9
Latvia	€000	8.0	9.8	13.3
Lithuania	€000	7.5	9.4	12.0
Luxembourg	€000	39.0	44.1	46.5
Hungary	€000	12.1	18.8	30.6
Malta	€000	:	:	:
Netherlands	€000	53.1	56.7	64.6
Austria	€000	44.6	50.4	55.0
Poland	€000	14.4	14.1	16.3
Portugal	€000	18.3	25.0	36.9
Romania	€000	4.1	6.0	4.7
Slovenia	€000	20.1	20.2	23.9
Slovakia	€000	10.4	11.3	16.2
Finland	€000	:	:	:
Sweden	€000	43.5	43.0	53.6
United Kingdom	€000	69.7	78.7	75.4

Source: Eurostat

: Data not available

^p provisional

ICT usage

The percentages of Irish enterprises in 2007 who reported having a website or homepage were very similar to the corresponding EU 27 levels across all the employment size classes. Almost six out of ten small Irish businesses (10-49 persons engaged) had a website. In the United Kingdom seven out of ten small businesses had a website. In Ireland almost all (96%) of large enterprises (250+ engaged) and 82% of medium sized businesses (50-249 engaged) reported having a website or homepage. Similarly, high percentages of medium and large enterprises across the EU reported having a website or homepage. See *Table 10.5*.

Table 10.5 Percentage of enterprises having a website or a homepage by employment size class 2007

	Unit	10 - 49	50 - 249	250+	Total
EU 27		59	80	91	63
Belgium	%	68	87	93	72
Bulgaria	%	25	51	73	31
Czech Republic	%	67	84	91	71
Denmark	%	82	92	95	84
Germany	%	74	92	96	78
Estonia	%	58	80	88	62
Ireland	%	58	82	96	64
Greece	%	:	:	:	:
Spain	%	45	67	86	49
France	%	52	81	93	57
Italy	%	54	80	88	57
Cyprus	%	41	76	93	47
Latvia	%	34	58	76	39
Lithuania	%	42	66	86	48
Luxembourg	%	60	70	92	63
Hungary	%	43	66	75	47
Malta	%	57	74	87	61
Netherlands	%	78	90	94	80
Austria	%	76	89	97	78
Poland	%	47	75	87	53
Portugal	%	38	65	86	42
Romania	%	25	38	61	28
Slovenia	%	61	84	95	67
Slovakia	%	68	78	80	70
Finland	%	77	94	93	81
Sweden	%	82	95	98	85
United Kingdom	%	71	91	96	75
Source: Eurostat					
: Data not available					

Appendix 1

Definitions

Enterprise

An enterprise is defined as the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision making, especially for the allocation of its current resources (e.g. company, partnership, individual proprietorship, etc.). An enterprise may be a sole legal unit.

Enterprise Size

For the purpose of this report the following definitions apply:

Small Enterprise: A small enterprise is defined as an enterprise which has fewer than 50 persons engaged.

Medium Enterprise: A medium enterprise is defined as an enterprise which has at least 50 but fewer than 250 persons engaged.

Large Enterprise: A large enterprise is defined as an enterprise which has at least 250 persons engaged.

Persons Engaged

All persons who worked (full or part-time) in an enterprise. This includes proprietors, partners, directors and family members working in the enterprise. Persons temporarily absent because of illness, holidays or strike (with or without pay) are also included as are temporary, casual and seasonal employees. In 2005, the Census of Industrial Production, the Annual Services Inquiry and the Census of Building and Construction measured persons engaged during the pay week ended September 9th.

Turnover

Turnover comprises the net selling value of goods manufactured by the enterprise, of services provided by the enterprise for others, of goods sold without further processing and the value of miscellaneous items of turnover (such as rents, licence fees, royalties etc.). Turnover includes all duties and taxes on the goods or services invoiced by the enterprise with the exception of VAT. Operation subsidies received from public authorities or the institutions of the European Union are excluded.

Gross Value Added (GVA)

Gross value added is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production

Nationality of Ownership

Nationality of Ownership is specified according to where the ultimate beneficial owner (i.e. the top company in the corporate structure) is located.

Gross Output

Gross output represents the net selling value of all goods manufactured in the year, whether sold or not, including work done and capital assets manufactured for own use. Operating subsidies related to the production or sales of the output are included in the value of gross output; excise duty and VAT are excluded.

NACE

NACE Rev. 1.1 is the statistical classification of economic activities in the European Community. *See Appendix 3 for further details.*

NUTS Regions

The regional classifications in this publication are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. *See Appendix 3 for further details.*

Family Owned Business

An enterprise is defined as a family owned business if it meets one or more of the following conditions :

- An enterprise where one family holds more than 50% of the voting shares
- A family supplies a significant proportion of the enterprises senior management and is effectively controlling the business
- An enterprise where there is evidence of more than one generation working in the business
- An enterprise that is influenced by a family or a family relationship and that perceives itself to be a family business.

Labour Costs

Total labour costs include wages and salaries, employers' contributions to social security, training costs and other labour costs. Employment subsidies were deducted in deriving aggregate labour costs.

Hours Worked

Part-time Employees: Part-time employees are defined as those who normally work less than 30 hours per week. This includes persons who work for some whole days per week as well as those who work for part days.

Full-time Equivalent Employees: Full-time equivalent employees are converted to wholetime equivalents, on the basis of hours worked at enterprise level.

DSL (Digital Subscriber Line)

DSL technologies are designed to increase bandwidth available over standard copper telephone wires. Includes IDSL, HDSL, SDSL, ADSL, RADSL, VDSL, DSL-Lite and xDSL.

EDI (Electronic Data Interchange)

Electronic exchange of forms, such as for orders, between geographically dispersed locations.

ISDN (Integrated Services Digital Network)

ISDN involves the digitisation of the telephone network, which permits voice, data, text, graphics, music, video, and other source material to be transmitted over existing telephone wires.

Appendix 2

Data Sources

Census of Industrial Production

This Census is conducted annually by the Central Statistics Office and covers all enterprises which are wholly or primarily engaged in industrial production and which have three or more persons engaged. The results cover NACE Rev. 1.1 sections C, D and E; i.e. mining, quarrying, manufacturing, electricity, gas and water supply. The information collected includes details of turnover, inputs, stocks, capital assets and employment.

Annual Services Inquiry

The Annual Services Inquiry is an enterprise survey. The survey covers all enterprises in the retail, wholesale, real estate, renting and business services and other selected sectors (NACE Rev. 1.1 sections G, H, I, K and O). The Annual Services Inquiry primarily covers balance sheet information: turnover, purchases, stocks, personnel costs etc.

Census of Building and Construction

This is an annual inquiry to firms in the private (i.e. non-State) sector with twenty or more persons engaged whose main activity is building, construction or civil engineering, i.e. firms classified to section F of the NACE Industrial Classification of Economic Activity in the European Communities (NACE Rev. 1.1).

National Employment Survey

The National Employment Survey is being conducted annually by the Central Statistics Office from 2006 onwards. It provides detailed comparisons of the factors that influence individual employee earnings. The results have been compiled on the basis of earnings data provided by employers and individual data collected directly from a sub-sample of employees.

Enterprise Survey of e-commerce and ICT

This survey was first conducted by the CSO in October 2002 and since then has been conducted in March of each year. The survey measures the extent to which Irish businesses use e-commerce and ICT. The results presented in this report are for the March 2007 survey. The survey covered manufacturing enterprises with 3 or more employees, construction enterprises with 20 or more employees and enterprises with 10 or more employees in a range of service sectors.

Quarterly National Household Survey (QNHS)

This is a continuous survey in which 3,000 households are interviewed each week to give a total sample of 39,000 households each quarter. The survey asks demographic and labour force questions, which are the basis for the CSO's quarterly labour force figures. The survey also includes modules on social and other topics from time to time. The grossing procedure aligns the distribution of persons covered in the sample with independently determined population estimates at the level of sex, age group and region. The results are subject to sampling and other survey errors. Sampling errors have a relatively larger effect on smaller estimates and on the interpretation of some year-on-year trends. The reference quarters for survey results are: Q1 – December to February, Q2 – March to May, Q3 June to August and Q4 – September to November.

International Comparisons

The international comparisons in Chapter 10 are based on information from Eurostat.

Appendix 3

Classifications

NACE Rev 1.1 Classifications

NACE Rev. 1.1 is the statistical classification of economic activities. NACE is an acronym for 'Nomenclature Générale des Activités Économiques dans les Communautés Européennes' (General Industrial Classification of Economic Activities within the European Communities). It should be noted that a new version is under development and this new version (NACE Rev. 2) will incorporate major changes to the current classification.

Section A	Agriculture, hunting and forestry
Section B	Fishing
Section C	Mining and quarrying
Section D	Manufacturing
Section E	Electricity, gas and water supply
Section F	Construction
Section G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
Section H	Hotels and restaurants
Section I	Transport, storage and communications
Section J	Financial intermediation
Section K	Real estate, renting and business activities
Section L	Public administration and defence; compulsory social security
Section M	Education
Section N	Health and social work
Section O	Other community, social and personal service activities
Section P	Activities of households
Section Q	Extra-territorial organisations and bodies

The information presented in this report covers the industry, services and construction sectors. The following highlights the composition of these sectors in this report:

Industry	Section C	Mining and quarrying
	Section D	Manufacturing
	Section E	Electricity, gas and water supply
Construction	Section F	Construction
Services	Section G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
	Section H	Hotels and restaurants
	Section I	Transport, storage and communications
	Section K	Real estate, renting and business activities
	Section O	Other community, social and personal service activities

Occupations

The classification system for occupational data in the QNHS is based on the UK Standard Occupational Classification (SOC) with some modifications to reflect the Irish labour market. This national classification is mapped to the International Standard Classification of Occupations - ISCO-88 (Com) to produce comparable estimates at international level. Chapter 8 presents some occupational data classified according to broad occupation groups. These broad occupation groups, displayed below, are based on the ISCO 88 (COM) classification.

Broad occupation¹ groups based on ISCO-88 (COM)

Highly skilled non-manual

- 1 Legislators, senior officials and managers
- 2 Professionals
- 3 Technicians and associate professionals

Low skilled non-manual

- 4 Clerks
- 5 Service workers and shop and market sales workers

Skilled manual

- 6 Skilled agricultural and fishery workers
- 7 Craft and related workers
- 8 Plant and machine operators and assemblers

Elementary occupations

- 9 Elementary occupations

¹Excludes armed forces

NUTS Regional Classification for Ireland

The regional classifications used in this report are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. The eight Regional Authorities (NUTS 3 regions) were established under the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 1993 which came into operation on 1 January 1994. The NUTS 2 regions, which were proposed by Government and agreed by Eurostat in 1999, are groupings of the Regional Authorities. The composition of the regions is set out below.

NUTS 2 Regions	Regional Authorities (NUTS 3 Regions)	Constituent counties (NUTS 4 Regions)	Type of area
Border, Midland and Western	Border	Cavan	Administrative county
		Donegal	Administrative county
		Leitrim	Administrative county
		Louth	Administrative county
		Monaghan	Administrative county
		Sligo	Administrative county
	Midland	Laoighis	Administrative county
		Longford	Administrative county
		Offaly	Administrative county
Westmeath		Administrative county	
West	Galway	County Borough	
	Galway	Administrative county	
	Mayo	Administrative county	
	Roscommon	Administrative county	
Southern and Eastern	Dublin	Dublin	County Borough
		Dun Laoghaire - Rathdown	Administrative county
		Fingal	Administrative county
		South Dublin	Administrative county
	Mid-East	Kildare	Administrative county
		Meath	Administrative county
		Wicklow	Administrative county
	Mid-West	Clare	Administrative county
		Limerick	County Borough
		Limerick Tipperary North Riding	Administrative county
	South-East	Carlow	Administrative county
		Kilkenny	Administrative county
		Tipperary South Riding	Administrative county
Waterford		County Borough	
Waterford Wexford		Administrative county	
South-West	Cork	County Borough	
	Cork	Administrative county	
	Kerry	Administrative county	