



Central Statistics Office
An Phríomh-Oifig Staidrimh

Family Business in Ireland - Services Sectors 2005

Published by the Stationery Office, Dublin, Ireland.

To be purchased from the:

Central Statistics Office, Information Section, Skehard Road, Cork,

Government Publications Sales Office, Sun Alliance House,
Molesworth Street, Dublin 2,

or through any bookseller.

Prn A8/0197

Price €10.00

February 2008

© Government of Ireland 2008

Material compiled and presented by the
Central Statistics Office.

Reproduction is authorised, except for commercial
purposes, provided the source is acknowledged.

ISBN 0-7557-7217-2

Contents

		Page
Chapter 1	Introduction	5
Chapter 2	Number of Enterprises	11
Chapter 3	Turnover	17
Chapter 4	Gross Value Added	23
Chapter 5	Employment	29
Chapter 6	Information and Communication Technology (ICT) Usage	35
Chapter 7	Exports and Imports	43
Chapter 8	Capital Assets	51
Chapter 9	Business Costs	57
Appendix 1	Definitions	65
Appendix 2	NUTS Regional Classification	69
Appendix 3	CSO Thematic Publications	71

Chapter 1

Introduction

This report presents a comprehensive picture of the contribution of family businesses to the traded services sectors in Ireland. The information is sourced from the 2005 Annual Services Inquiry (ASI). The ASI is an enterprise survey covering the retail, wholesale, real estate, renting and business services and other selected services sectors.

In recent years, respondents to the ASI were asked to indicate whether or not they considered the enterprise to be a family business. For the purposes of the ASI, a family business is defined as:

An enterprise where one family holds more than 50% of the voting shares

and/or

a family supplies a significant proportion of the enterprises senior management and is effectively controlling the business

and/or

an enterprise where there is evidence of more than one generation working in the business

and/or

an enterprise that is influenced by a family or a family relationship and that perceives itself to be a family business.

Some family business statistics are available in the 2004 and 2005 ASI publications.

The overall contribution of family business in the services sectors is described for 2005, which is the latest year for which results are available. The performance of family and non-family businesses are compared for the key economic variables across a number of classifications – sectors, regions, size classes, legal forms of ownership and nationality of ownership.

This chapter contains summary results presented for the key categorical variables (eg economic sector, region etc). Subsequent chapters present more detailed information for each economic variable (eg number of enterprises, turnover etc).

Overall

In 2005, family businesses accounted for 46% of all enterprises covered by the ASI and 39% of all employees but only 29% of total turnover. The vast majority of family businesses were small, 98% had less than 50 persons engaged. More than half were trading in the more traditional industries, such as the distributive trades or hospitality industries, with only 8% operating in the more hi-tech sectors like logistics and communications.

It should be noted that 44% of individual proprietorships assessed themselves as family businesses while 56% assessed themselves as non-family businesses.

Labour productivity for family businesses was much lower than for non-family businesses. Gross Value Added per person engaged for family business was just under €35,000 compared to €80,000 for non-family businesses.

- There were 38,927 family businesses trading in the services sectors in 2005.
- The total turnover generated by family businesses in the services sectors was €49 billion.
- In 2005, family businesses generated 22% of all gross value added for the services sectors.
- Almost 88,000 part-time and 166,000 full-time workers were employed in the services sectors by family businesses.
- Just over 39% of family businesses in the services sectors had an e-mail address while only one in six had a website.
- Some 4,200 family businesses were receiving orders via e-mail, Electronic Data Interchange (EDI) or internet in 2005 and 9% of total family business turnover was generated through such orders.
- Family businesses were responsible for less than 3% of all goods and services exported by the services sectors.
- Family businesses imported goods and services to the value of €3,837 million or 17% of total imports for the relevant sectors.
- Total capital acquisitions by family businesses amounted to €2,697 million in 2005 and this equates to 33% of the total figure for the services sectors.
- Total labour costs for family businesses amounted to €6 billion, less than a third of the total for the relevant sectors in 2005.

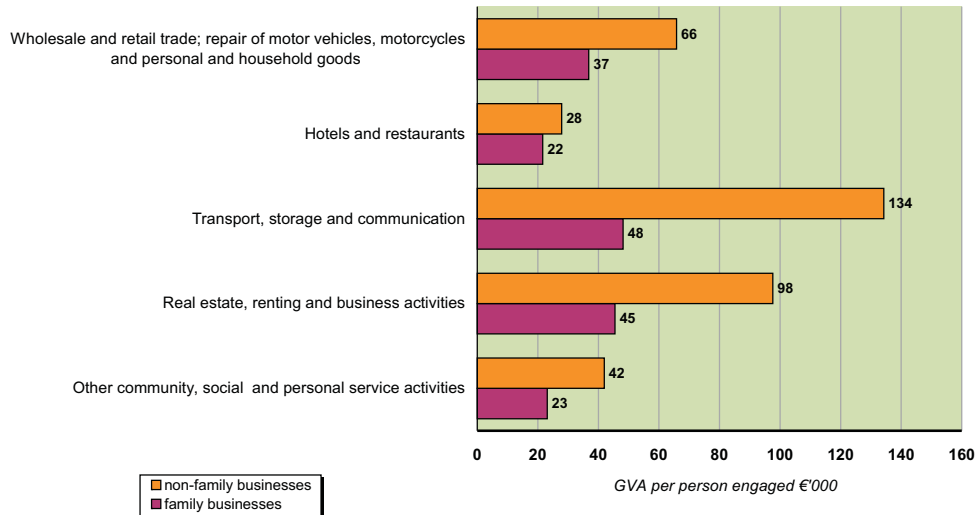
Sectoral comparison

Family businesses were most prevalent in the distributive trades and in the *hotel and restaurants* sector where they outnumbered non-family businesses. Family businesses accounted for 61% of all enterprises in the *hotel and restaurants* sector and 54% of all enterprises in the *retail, wholesale and motor trades* sectors. Half of all family business employees worked in the *retail, wholesale and motor trades* sectors with almost a quarter working in the *hotel and restaurants* sector. See *Tables 2.1 and 5.1*.

Productivity for non-family businesses was higher than for family businesses across all sectors, although the differences were much more pronounced in some sectors than in others. The sector with the highest productivity for both family and non-family businesses was *transport, storage and*

communication with a GVA per person engaged of €48,000 for family businesses and €134,000 for non-family businesses. Real estate, renting and business activities was the second most productive sector for both family and non-family businesses with a GVA per person engaged of €45,000 for family businesses and €98,000 for non-family businesses. See Figure 1.1.

Figure 1.1 Average GVA per person engaged for family and non-family businesses by sector

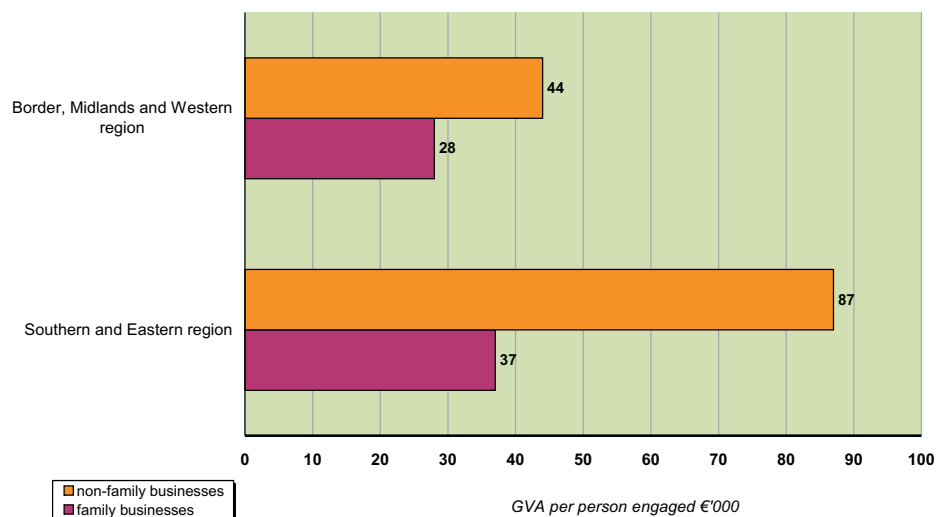


The Regions

Family run businesses accounted for 52% of all services sector enterprises in the Border, Midlands and Western (BMW) Region and 45% of those in the Southern and Eastern (SE) Region. Half of all services sector employees worked in family businesses in the BMW region compared to just over a third in the SE region. See Tables 2.3 and 5.3.

In both the BMW and SE regions non-family businesses had a higher average GVA per person engaged than family businesses. In the BMW region GVA per person engaged for family businesses was €28,000 compared with €44,000 for non-family businesses. The difference was much more pronounced in the SE region where GVA per person engaged was €37,000 for family businesses compared to €87,000 for non-family businesses. See Figure 1.2.

Figure 1.2 Average GVA per person engaged for family and non-family businesses by region

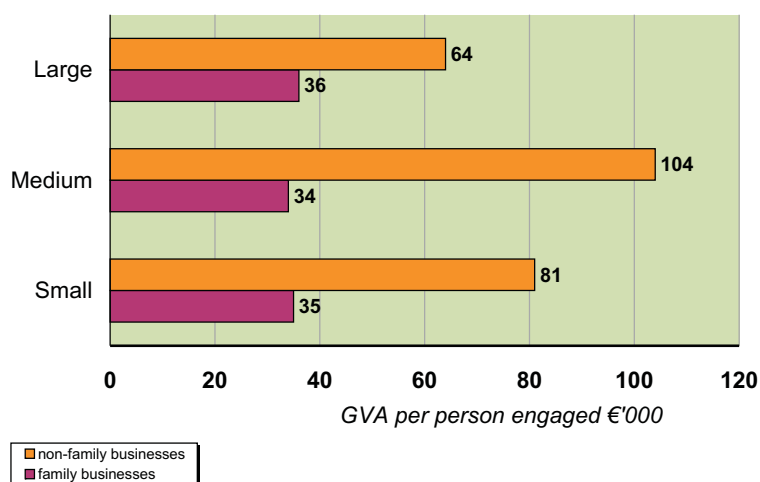


Enterprise size class

Almost all family businesses in the services sector are small businesses. Of a total of 38,927 family businesses covered by the ASI, 98% of them had less than 50 persons engaged. Just 640 of them were medium sized enterprises with between 50 and 249 persons engaged and 60 were large enterprises with over 250 persons engaged. Small enterprises employed 59% of all family business employees while less than 20% worked in large enterprises. This contrasts with non-family businesses where 40% of employees were working in large enterprises. See *Tables 2.2 and 5.2*.

The ASI results showed little variation in labour productivity between small, medium and large sized family businesses. GVA per person engaged was close to €35,000 across the three size classes. In contrast there were large variations in productivity between size classes for non-family businesses. Small non-family businesses had a GVA per person engaged of €81,000, the value for medium sized enterprises was €104,000 and €64,000 for large non-family businesses. See *Figure 1.3*.

Figure 1.3 Average GVA per person engaged for family and non-family business by enterprise size class



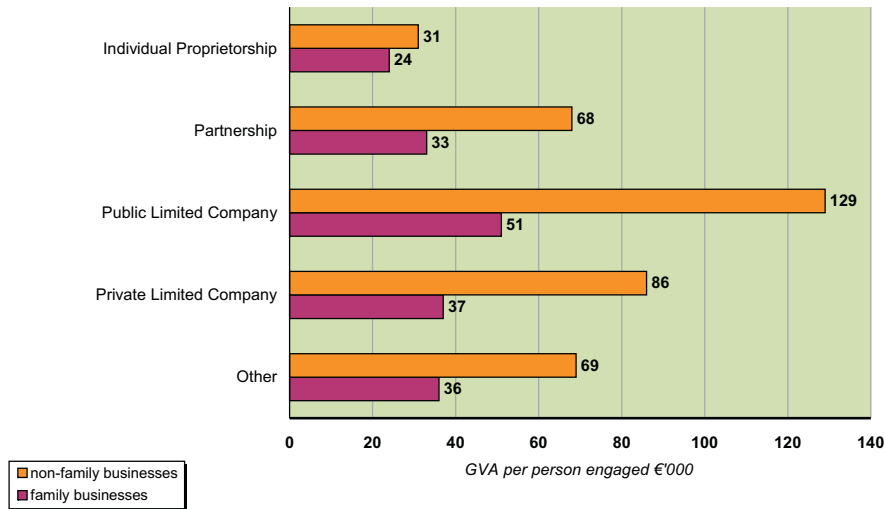
Legal forms of ownership

In the case of family businesses, private limited companies were the most common form of ownership, accounting for 45% of all family businesses. Individual proprietorships accounted for the next highest share with 43% of the total. In contrast, for non-family businesses individual proprietorships were most common. Private limited companies employed 68% of all family business employees compared with 58% of non-family business employees. Just over 3% of family business employees worked in public limited companies (PLCs) compared with 11% of non-family business employees. See *Tables 2.4 and 5.4*.

For both family and non-family businesses, PLCs had the highest productivity although there were large differences between the two. Family run PLCs had a GVA per person engaged of €51,000. For non-family run PLCs, the figure was two and a half times higher at €129,000. Private limited

companies displayed the next highest levels of productivity in both cases although the figure for non-family businesses was once again more than double that for family businesses. GVA per person engaged was €37,000 for family run private limited companies and €86,000 for non-family run private limited companies. See *Figure 1.4*.

Figure 1.4 Average GVA per person engaged for family and non-family businesses by legal form of ownership

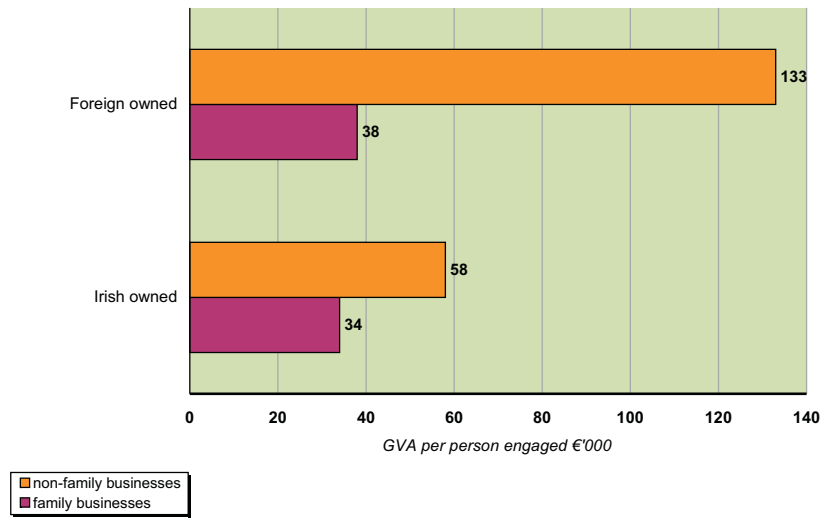


Nationality of ownership

Nationality of ownership data was only analysed for enterprises with 20 or more employees. Unsurprisingly, the overwhelming majority of family businesses were Irish owned. Just over 1% of family businesses covered were foreign owned compared with 20% of non-family businesses. Foreign owned family businesses employed 2,730 or 2% of all family business employees. The situation was very different for non-family businesses where almost 35% of employees worked for foreign owned enterprises. See *Tables 2.5 and 5.5*.

Productivity was slightly higher for foreign owned than for Irish owned family businesses. GVA per person engaged was €34,000 for Irish owned family businesses compared to €38,000 for foreign owned family businesses. The difference was much greater in the case of non-family businesses. Irish owned non-family businesses had a GVA per person engaged of €58,000 compared with €133,000 for foreign owned non-family businesses. It should be noted that these figures are influenced by the presence in Ireland of some very large multinational enterprises. See *Figure 1.5*.

Figure 1.5 Average GVA per person engaged for family and non-family businesses by nationality of ownership



Chapter 2

Number of Enterprises

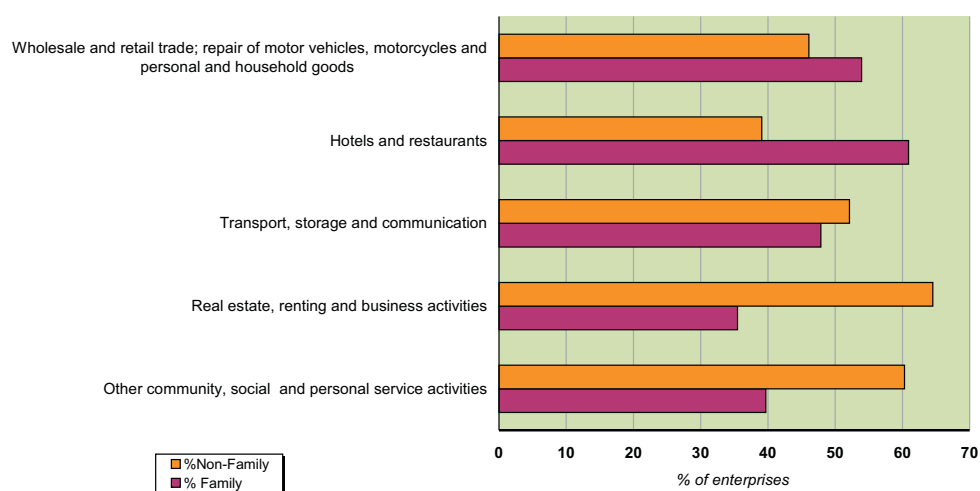
Number of enterprises by sector

In 2005, family businesses accounted for 46% or 38,927 of the 83,988 services sector enterprises covered by the Annual Services Inquiry. Family businesses were most prevalent in the *retail, wholesale and motor trades* sector where they accounted for 54% of all enterprises and in the *hotel and restaurants* sector where they accounted for 61% of all enterprises. See *Table 2.1* and *Figure 2.1*.

Table 2.1 Number of Family and Non-Family enterprises classified by sector 2005

		Unit	Family	Non-Family	Total
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	15,763	13,472	29,235
H	Hotels and restaurants	No.	6,364	4,083	10,447
I	Transport, storage and communication	No.	3,124	3,402	6,526
K	Real estate, renting and business activities	No.	11,097	20,186	31,283
O	Other community, social and personal service activities	No.	2,578	3,918	6,496
	Total	No.	38,927	45,061	83,988

Figure 2.1 Comparison of number of family and non-family businesses by sector



Number of enterprises by employment size class

Just over 98% of family businesses were small businesses with less than 50 persons engaged. Family businesses accounted for 47% of all small businesses in the services sectors while just a quarter of large enterprises with 250 or more persons engaged were family controlled. See Table 2.2.

Table 2.2 Number of Family and Non-Family enterprises classified by employment size class 2005

	Unit	Family	Non-Family	Total
1 - 49	No.	38,226	43,873	82,100
50 - 249	No.	640	1,006	1,646
Over 250	No.	60	181	242
Total	No.	38,927	45,061	83,988

Number of enterprises by region

In the Border, Midlands and Western (BMW) region, 52% of all services enterprises were family businesses. In the Southern and Eastern (SE) region the figure was 45%. All sectors in the BMW region showed higher shares of family ownership than those in the SE region. Family businesses outnumbered non-family businesses in *the retail, wholesale and motor trades* and the *hotels and restaurants* sectors in both regions. See Table 2.3 and Figures 2.2 and 2.3.

Table 2.3 Number of Family and Non-Family enterprises classified by region and sector 2005

Border, Midlands and Western Region					
		Unit	Family	Non-Family	Total
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	4,849	3,439	8,287
H	Hotels and restaurants	No.	2,036	1,334	3,371
I	Transport, storage and communication	No.	829	778	1,607
K	Real estate, renting and business activities	No.	2,171	3,282	5,453
O	Other community, social and personal service activities	No.	735	952	1,686
	Total	No.	10,620	9,784	20,404
Southern and Eastern Region					
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	10,914	10,034	20,948
H	Hotels and restaurants	No.	4,328	2,749	7,077
I	Transport, storage and communication	No.	2,295	2,624	4,919
K	Real estate, renting and business activities	No.	8,926	16,904	25,830
O	Other community, social and personal service activities	No.	1,843	2,966	4,810
	Total	No.	28,307	35,277	63,584

Figure 2.2 Comparison of number of family and non-family businesses by sector in the Border, Midlands and Western region

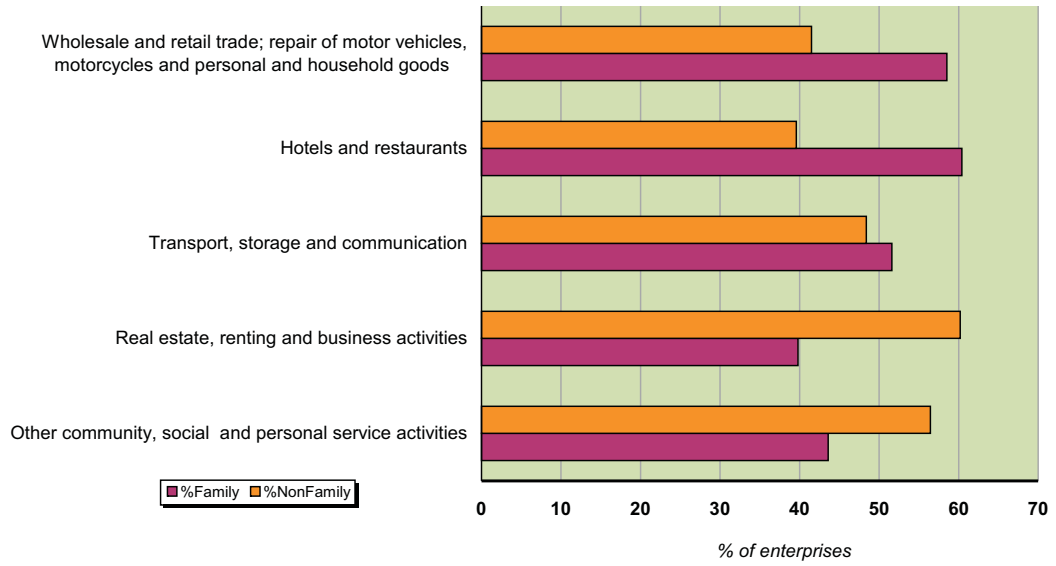
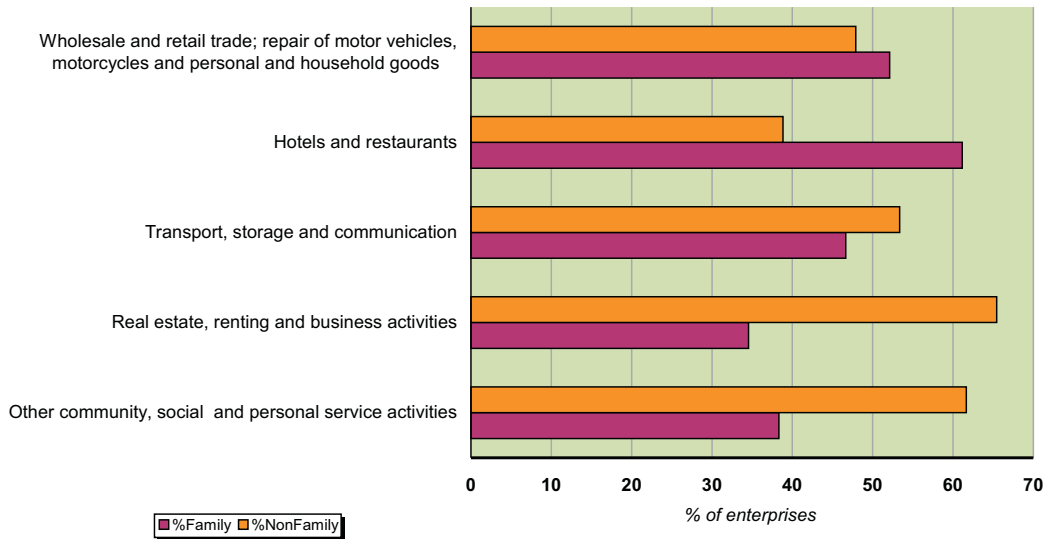


Figure 2.3 Comparison of number of family and non-family businesses by sector in the Southern and Eastern region



Number of enterprises by legal form of ownership

The vast majority of family businesses were either individual proprietorships or private limited companies. Private limited companies accounted for 45% of family businesses while 43% were individual proprietorships. Almost 8% of family owned businesses were partnerships. Just under half of non-family businesses were individual proprietorships with a further 35% classified as private limited companies. See Table 2.4 and Figures 2.4 and 2.5.

Table 2.4 Number of Family and Non-Family enterprises classified by legal form of ownership 2005

	Unit	Family	Non-Family	Total
Individual Proprietorship	No.	16,862	21,851	38,713
Partnership	No.	2,940	3,360	6,300
Public Limited Company	No.	544	873	1,417
Private Limited Company	No.	17,521	15,962	33,483
Other	No.	1,060	3,014	4,074
Total	No.	38,927	45,061	83,988

Figure 2.4 Family businesses by legal form of ownership

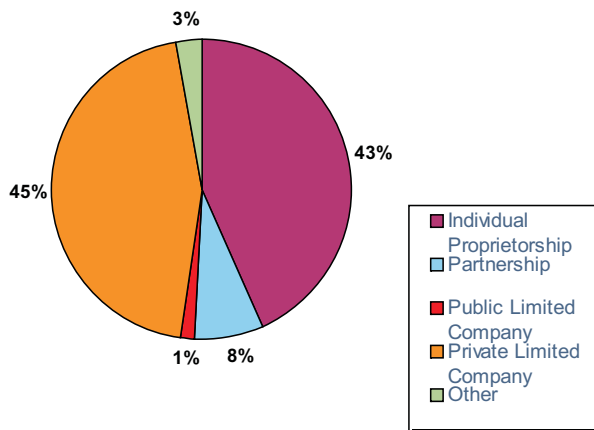
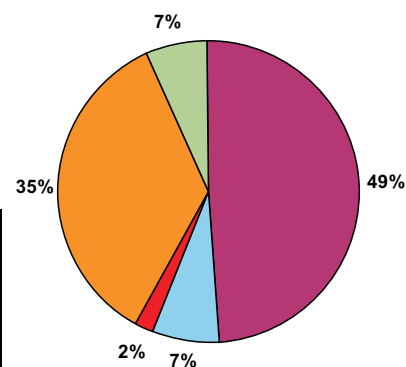


Figure 2.5 Non-family businesses by legal form of ownership



Number of enterprises by nationality of ownership

Almost 99% of family businesses with 20 or more employees were Irish owned compared to 80% of non-family businesses. Of Irish owned businesses with 20 or more employees, 48% of these were family businesses. See *Table 2.5*.

Table 2.5 Number of Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

	Unit	Family	Non-Family	Total
Irish owned	No.	2,005	2,196	4,200
Foreign owned	No.	25	563	588
Total	No.	2,030	2,759	4,789

Chapter 3

Turnover

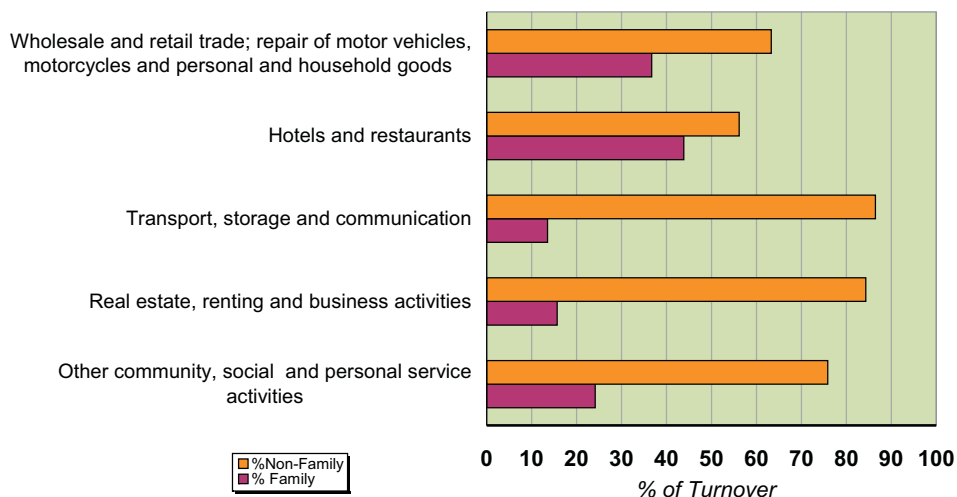
Turnover by sector

The total turnover for the services sectors in 2005 was almost €168 billion. Family owned businesses accounted for €49 billion or 29% of this total turnover. The highest sectoral shares of total turnover generated by family owned businesses were in *hotels and restaurants* (44%) and *wholesale and motor trades* (37%). Just under 14% of turnover in *the transport, storage and communication* sector was accounted for by family businesses. See Table 3.1 and Figure 3.1.

Table 3.1 Turnover for Family and Non-Family enterprises classified by sector 2005

	Unit	Family	Non-Family	Total
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	36,123	62,313	98,436
H Hotels and restaurants	€m	3,995	5,116	9,111
I Transport, storage and communication	€m	3,002	19,197	22,199
K Real estate, renting and business activities	€m	5,470	29,466	34,936
O Other community, social and personal service activities	€m	695	2,185	2,880
Total	€m	49,285	118,278	167,562

Figure 3.1 Comparison of turnover for family and non-family businesses by sector



Turnover by employment size class

Almost two thirds of turnover for family businesses was generated by small businesses with less than 50 persons engaged. Medium sized family businesses, those with 50 to 249 employees, accounted for 21% of family business turnover and large family businesses with 250 or more employees accounted for the remaining 15%. See *Table 3.2*.

Table 3.2 Turnover for Family and Non-Family enterprises classified by employment size class 2005

	Unit	Family	Non-Family	Total
1 - 49	€m	31,523	50,064	81,587
50 - 249	€m	10,245	38,484	48,730
Over 250	€m	7,517	29,729	37,246
Total	€m	49,285	118,278	167,562

Turnover by region

In the Border, Midlands and Western (BMW) region family businesses generated 43% of all turnover. The comparable figure in the Southern and Eastern (SE) region was 27%. Almost 78% of family business turnover in the BMW region came from *the retail, wholesale and motor trades* sector. For the SE region the figure was 72%. See *Table 3.3 and Figures 3.2 and 3.3*.

Table 3.3 Turnover for Family and Non-Family enterprises classified by region and sector 2005

Border, Midlands and Western Region					
		Unit	Family	Non-Family	Total
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	7,866	8,682	16,547
H	Hotels and restaurants	€m	1,014	780	1,794
I	Transport, storage and communication	€m	564	959	1,522
K	Real estate, renting and business activities	€m	529	2,728	3,256
O	Other community, social and personal service activities	€m	157	244	401
	Total	€m	10,129	13,392	23,521
Southern and Eastern Region					
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	28,258	53,631	81,889
H	Hotels and restaurants	€m	2,981	4,337	7,317
I	Transport, storage and communication	€m	2,438	18,239	20,677
K	Real estate, renting and business activities	€m	4,941	26,738	31,679
O	Other community, social and personal service activities	€m	538	1,941	2,479
	Total	€m	39,156	104,885	144,041

Figure 3.2 Comparison of turnover for family and non-family businesses by sector in the Border, Midlands and Western region

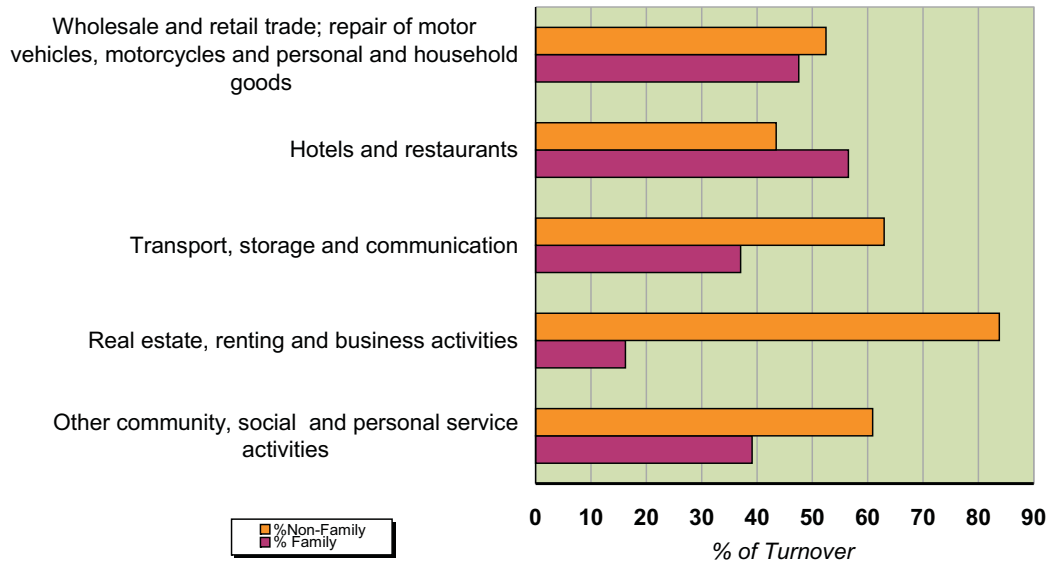
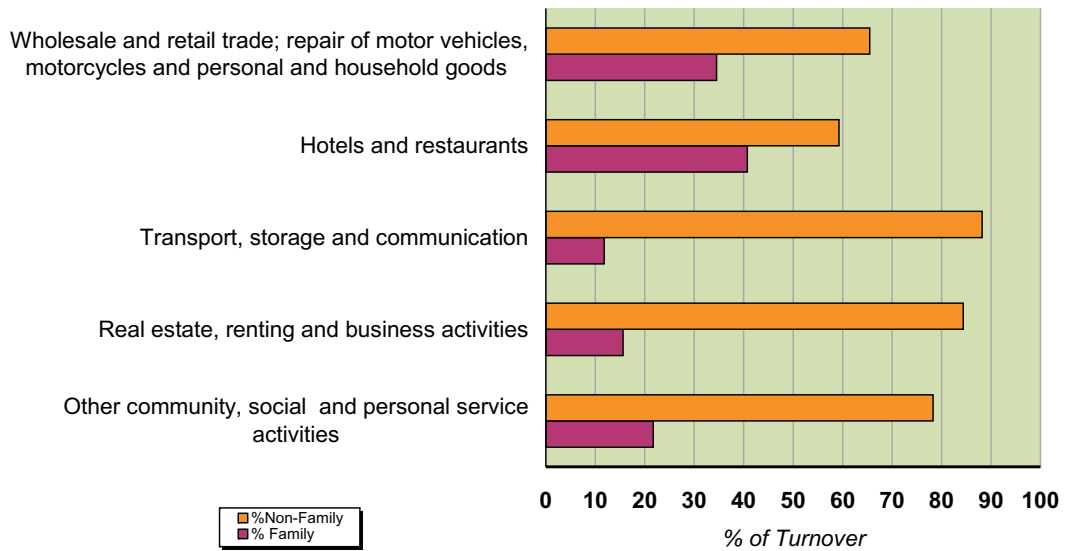


Figure 3.3 Comparison of turnover for family and non-family businesses by sector in the Southern and Eastern region



Turnover by legal form of ownership

Turnover generated by private limited companies accounted for 73% of all turnover for family businesses and 64% of all turnover for non-family businesses. Turnover generated by individual proprietorships accounted for 10% of turnover for family businesses but only 4% of turnover for non-family businesses. See Table 3.4 and Figures 3.4 and 3.5.

Table 3.4 Turnover for Family and Non-Family enterprises classified by legal form of ownership 2005

Legal form of ownership	Unit	Family	Non-Family	Total
Individual Proprietorship	€m	5,117	4,456	9,573
Partnership	€m	1,262	3,036	4,298
Public Limited Company	€m	3,000	17,082	20,082
Private Limited Company	€m	35,787	75,175	110,962
Other	€m	4,118	18,529	22,647
Total	€m	49,285	118,278	167,562

Figure 3.4 Turnover for family businesses by legal form of ownership

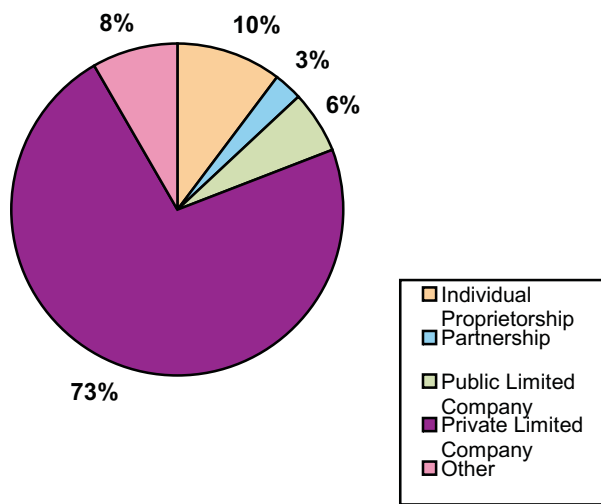
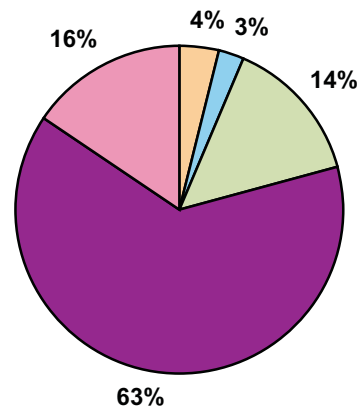


Figure 3.5 Turnover for non-family businesses by legal form of ownership



Turnover by nationality of ownership

Irish owned businesses with 20 or more employees were responsible for 98% of family business turnover in 2005. This is in sharp contrast with non family-businesses where less than half of the turnover, just 45%, was generated by Irish owned businesses. See Table 3.5.

Table 3.5 Turnover for Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

Location of Ownership	Unit	Family	Non-Family	Total
Irish owned	€m	24,697	39,162	63,859
Foreign owned	€m	493	47,358	47,851
Total	€m	25,190	86,521	111,710

Chapter 4

Gross Value Added

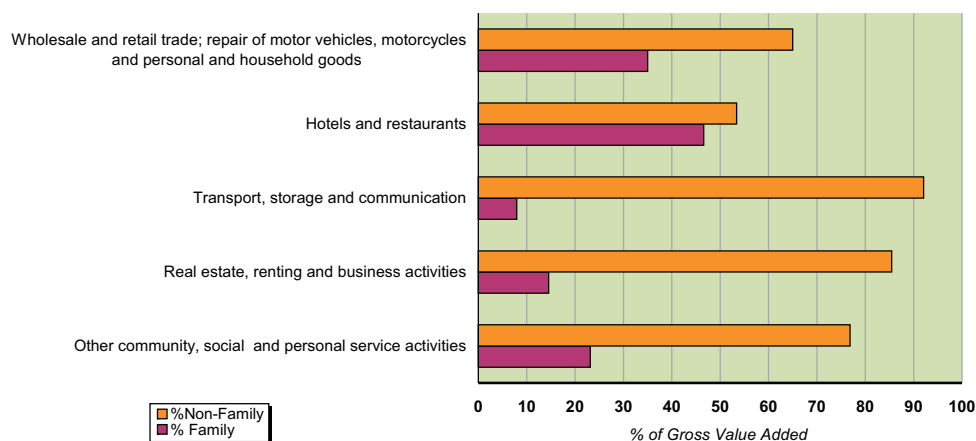
Gross value added by sector

Total gross value added for family businesses was about one third the value of that for non-family businesses. Just over half of all gross value added for family businesses was generated by the *retail, wholesale and motor trades* sector. Family businesses accounted for 35% of all gross value added in that sector. For non-family businesses the largest sector in terms of gross value added was *real estate, renting and business activities* which accounted for 38% of total gross value added for non-family businesses. See *Table 4.1 and Figure 4.1*.

Table 4.1 Gross Value Added for Family and Non-Family enterprises classified by sector 2005

		Unit	Family	Non-Family	Total
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	5,161	9,584	14,745
H	Hotels and restaurants	€m	1,486	1,704	3,190
I	Transport, storage and communication	€m	825	9,552	10,378
K	Real estate, renting and business activities	€m	2,317	13,622	15,939
O	Other community, social and personal service activities	€m	375	1,244	1,619
	Total	€m	10,164	35,707	45,871

Figure 4.1 Comparison of gross value added for family and non-family businesses by sector



Gross value added by employment size class

Small businesses, with fewer than 50 employees were responsible for 64% of all gross value added for family businesses. These same businesses were responsible for 30% of gross value added for all small businesses. Medium sized family businesses generated 19% and large family businesses generated 17% of total gross value added for family businesses. See Table 4.2.

Table 4.2 Gross Value Added for Family and Non-Family enterprises classified by employment size class 2005

Number of Persons Engaged	Unit	Family	Non-Family	Total
1 - 49	€m	6,532	15,525	22,056
50 - 249	€m	1,907	9,836	11,743
Over 250	€m	1,725	10,347	12,072
Total	€m	10,164	35,707	45,871

Gross value added by region

Family businesses generated 40% of total gross value added in the Border, Midlands and Western region and 20% in the Southern and Eastern region. Family businesses in the Border, Midlands and Western region accounted for 57% of gross value added in *the hotel and restaurants* sector and for 50% of gross value added in *the retail, wholesale and motor trades* sector. In the Southern and Eastern region family businesses in *the hotel and restaurants sector* accounted for 44% of the total gross value added in the sector. They generated 32% of gross value added in the *retail, wholesale and motor trades* sectors. See Table 4.3 and Figures 4.2 and 4.3.

Table 4.3 Gross Value Added for Family and Non-Family enterprises classified by region and sector 2005

Border, Midlands and Western Region		Unit	Family	Non-Family	Total
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	1,216	1,203	2,419
H	Hotels and restaurants	€m	370	283	653
I	Transport, storage and communication	€m	132	302	434
K	Real estate, renting and business activities	€m	219	1,149	1,368
O	Other community, social and personal service activities	€m	85	132	217
	Total	€m	2,022	3,069	5,091
Southern and Eastern Region					
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	3,945	8,381	12,326
H	Hotels and restaurants	€m	1,116	1,421	2,537
I	Transport, storage and communication	€m	693	9,250	9,944
K	Real estate, renting and business activities	€m	2,098	12,473	14,571
O	Other community, social and personal service activities	€m	290	1,112	1,402
	Total	€m	8,142	32,638	40,780

Figure 4.2 Comparison of gross value added for family and non-family businesses by sector in the Border, Midlands and Western region

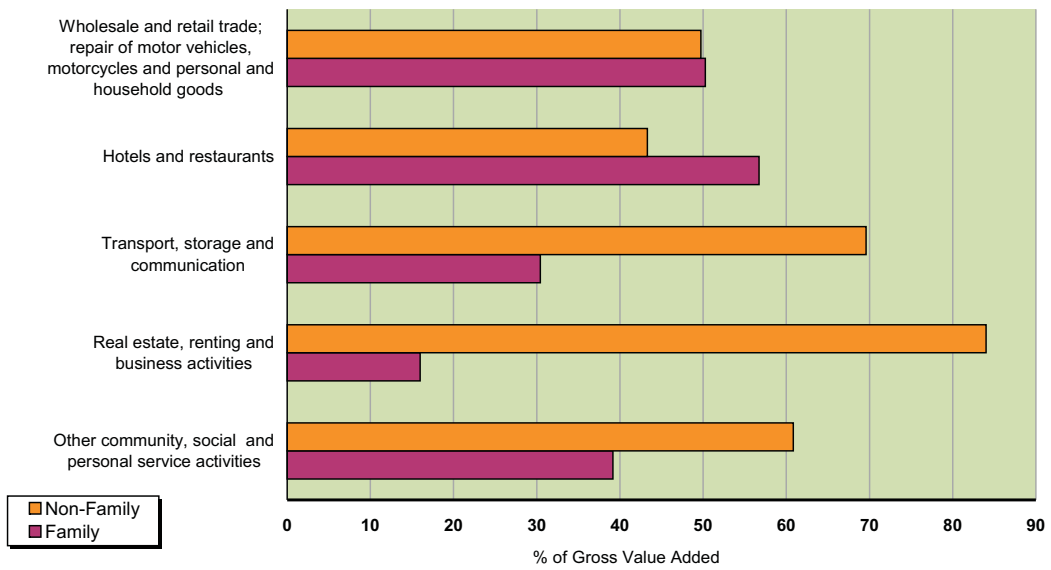
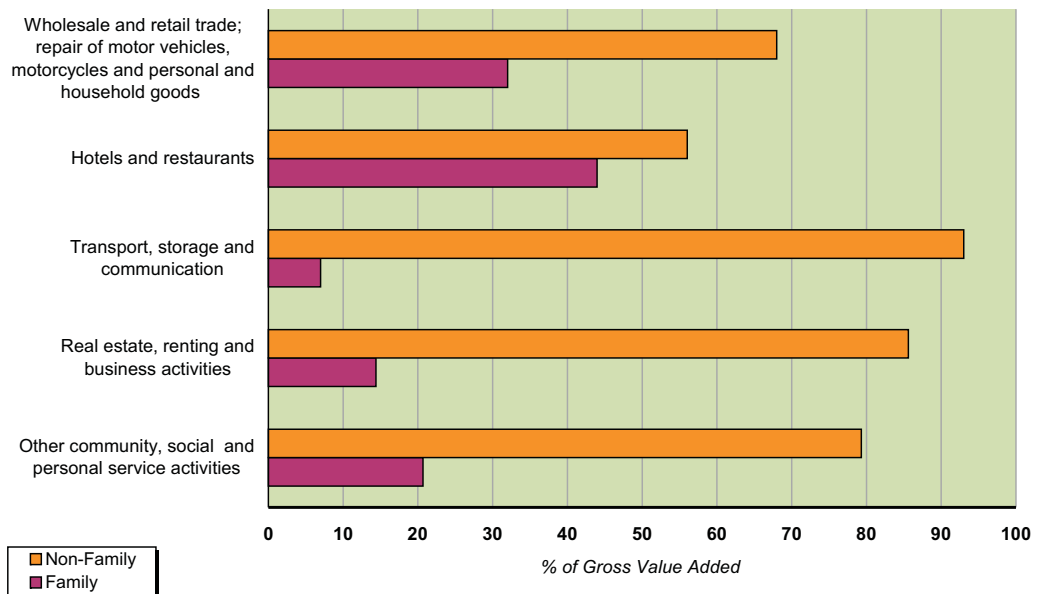


Figure 4.3 Comparison of gross value added for family and non-family businesses by sector in the Southern and Eastern region



Gross value added by legal form of ownership

For family businesses, 68% of their gross value added was generated by private limited companies. For non-family businesses, the corresponding figure was 59%. Family-run private limited companies created 24% of all gross value added for private limited companies. See *Table 4.4 and Figures 4.4 and 4.5*.

Table 4.4 Gross Value Added for Family and Non-Family enterprises classified by legal form of ownership 2005

Legal form of ownership	Unit	Family	Non-Family	Total
Individual Proprietorship	€m	1,382	1,623	3,005
Partnership	€m	434	1,994	2,428
Public Limited Company	€m	426	5,713	6,139
Private Limited Company	€m	6,878	21,249	28,127
Other	€m	1,044	5,127	6,171
Total	€m	10,164	35,707	45,871

Figure 4.4 Gross value added for family businesses by legal form of ownership

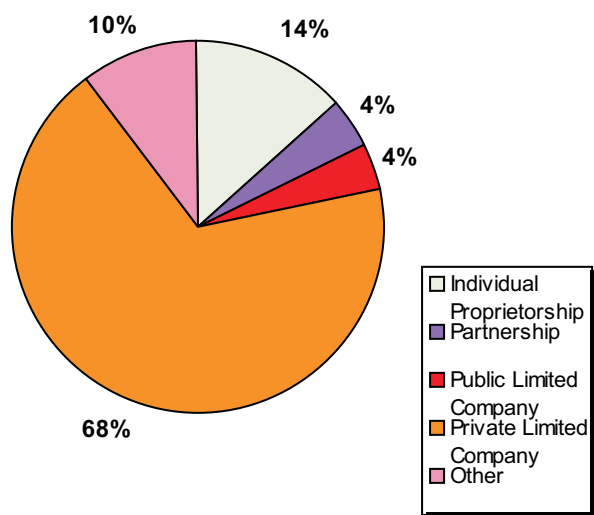
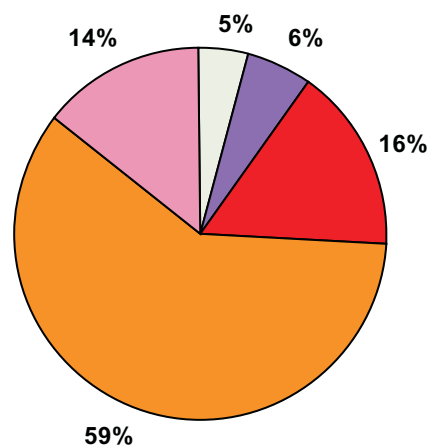


Figure 4.5 Gross value added for non-family businesses by legal form of ownership



Gross value added by nationality of ownership

This section applies only to enterprises with 20 or more employees. Irish owned businesses generated 98% of all gross value added for family businesses. For non-family businesses, it was foreign owned businesses that generated most gross value added. Foreign owned businesses were responsible for 55% of all gross value added for non-family businesses. See *Table 4.5*.

Table 4.5 Gross Value Added for Family and Non-Family businesses with more than 20 employees classified by nationality of ownership 2005

Location of Ownership	Unit	Family	Non-Family	Total
Irish owned	€m	4,872	11,424	16,296
Foreign owned	€m	105	14,012	14,117
Total	€m	4,977	25,435	30,413

Chapter 5

Employment

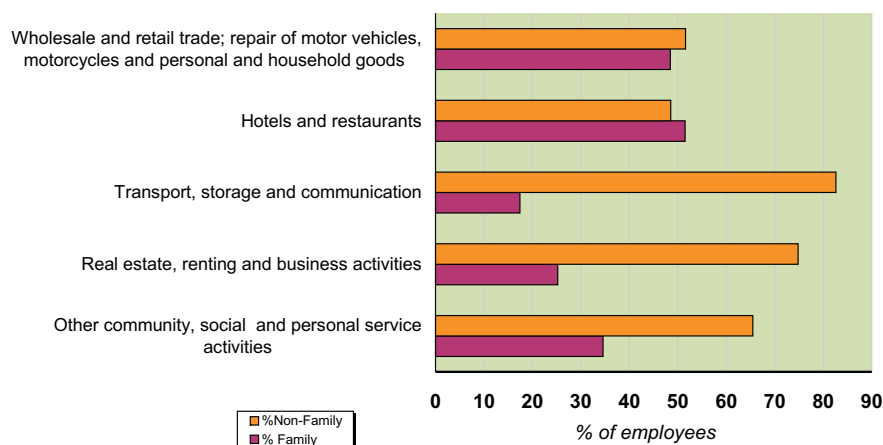
Employment by sector

Overall, family businesses employed 47% of all part-time employees and 35% of all full time employees. Family businesses in the *hotels and restaurants* sector employed a higher share of staff than non-family businesses in that sector. Overall, half of all employees in family businesses worked in the *retail, wholesale and motor* sector. *The transport, storage and communication* sector had the lowest share of employment in family businesses with just 17% of all staff employed in family businesses. See *Table 5.1* and *Figure 5.1*.

Table 5.1 Number of Employees in Family and Non-Family enterprises classified by sector 2005

	Unit	Family		Non-Family		Total		
		Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	42,064	84,075	45,286	88,998	87,350	173,072
H	Hotels and restaurants	No.	26,353	34,020	23,021	33,884	49,374	67,904
I	Transport, storage and communication	No.	1,496	12,837	3,574	64,442	5,070	77,278
K	Real estate, renting and business activities	No.	12,174	26,928	17,361	98,638	29,535	125,566
O	Other community, social and personal service activities	No.	5,731	8,089	9,554	16,618	15,285	24,707
	Total	No.	87,818	165,947	98,796	302,580	186,614	468,527

Figure 5.1 Comparison of total employment in family and non-family businesses by sector



Number of employees by employment size class

Nearly two thirds of full-time and half of all part-time family business employees worked in small businesses with less than 50 persons engaged. The situation was very different for non-family businesses where the largest enterprises, with more than 250 persons engaged, employed higher shares of full-time and part-time employees than either small or medium sized enterprises. See *Table 5.2*.

Table 5.2 Number of Employees in Family and Non-Family enterprises classified by employment size class 2005

	Unit	Family		Non-Family		Total	
		Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
1 - 49	No.	44,127	105,227	37,721	109,641	81,847	214,868
50 - 249	No.	17,105	39,155	21,006	72,585	38,110	111,740
Over 250	No.	26,586	21,565	40,071	120,354	66,657	141,919
Total	No.	87,818	165,947	98,796	302,580	186,614	468,527

Employment by region

In the Border, Midlands and Western region slightly over half of all employees worked in family businesses and of these 55% worked in the *retail, wholesale and motor trades* sector. In the Southern and Eastern region just 36% of all employees worked for family businesses. Similarly, the largest numbers were employed in the *retail, wholesale and motor trades* sector where 46% of part-time and 49% of full-time family business employees worked. See Table 5.3 and Figures 5.2 and 5.3.

Table 5.3 Number of Employees in Family and Non-Family enterprises classified by region and sector 2005

		Family		Non-Family		Total		
		Unit	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Border, Midlands and Western Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	12,101	21,959	8,812	15,154	20,914	37,113
H	Hotels and restaurants	No.	7,614	8,457	6,005	6,920	13,618	15,377
I	Transport, storage and communication	No.	429	2,773	635	5,392	1,064	8,164
K	Real estate, renting and business activities	No.	994	5,124	2,385	11,090	3,379	16,214
O	Other community, social and personal service activities	No.	1,087	1,676	1,608	2,486	2,695	4,163
	Total	No.	22,225	39,989	19,444	41,042	41,670	81,031
Southern and Eastern Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	No.	29,963	62,116	36,473	73,843	66,436	135,959
H	Hotels and restaurants	No.	18,739	25,562	17,017	26,964	35,756	52,527
I	Transport, storage and communication	No.	1,067	10,064	2,939	59,050	4,006	69,114
K	Real estate, renting and business activities	No.	11,180	21,804	14,977	87,549	26,156	109,353
O	Other community, social and personal service activities	No.	4,643	6,412	7,946	14,132	12,590	20,544
	Total	No.	65,592	125,958	79,352	261,538	144,944	387,497

Figure 5.2 Comparison of total employees in family and non-family businesses by sector in the Border, Midlands and Western region

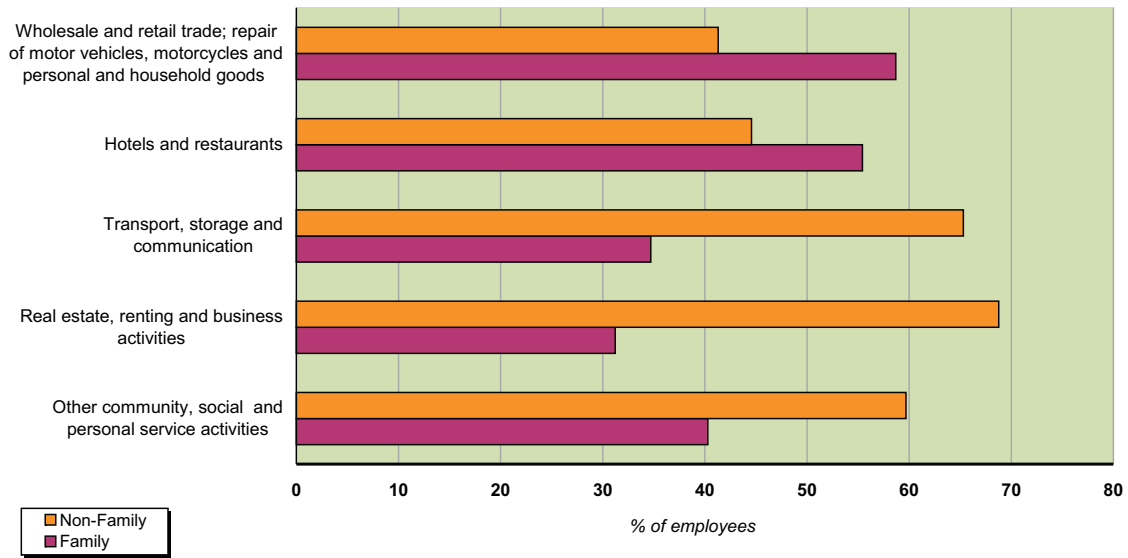
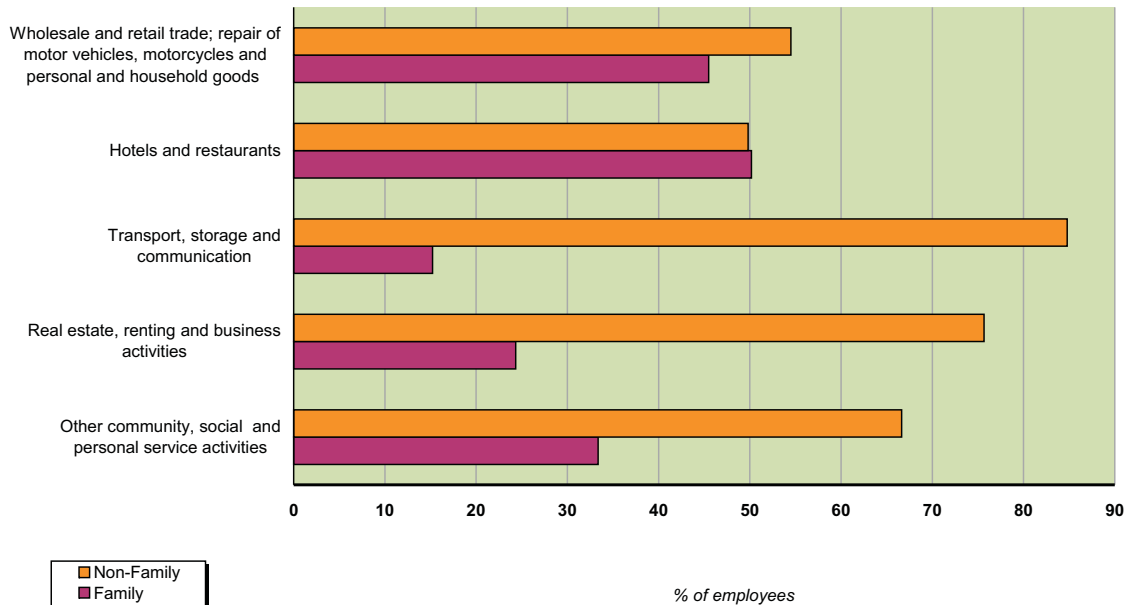


Figure 5.3 Comparison of total employees in family and non-family businesses by sector in the Southern and Eastern region



Employment by legal form of ownership

For both family and non-family businesses those constituted as private limited companies were the largest employers. A total of 172,713 people worked in family run private limited companies and this represents 42% of all employees of private limited companies. Almost 15% of all family business employees worked in individual proprietorships. See Table 5.4 and Figures 5.4 and 5.5.

Table 5.4 Number employees in Family and Non-Family enterprises classified by legal form of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Individual Proprietorship	No.	16,764	20,487	12,684	17,351	29,448	37,838
Partnership	No.	3,153	5,132	3,963	18,155	7,116	23,287
Public Limited Company	No.	1,833	6,026	7,538	35,988	9,371	42,014
Private Limited Company	No.	50,872	121,841	60,969	173,232	111,841	295,073
Other	No.	15,196	12,462	13,643	57,853	28,839	70,315
Total	No.	87,818	165,947	98,796	302,580	186,641	468,527

Figure 5.4 Total employment in family businesses by legal form of ownership

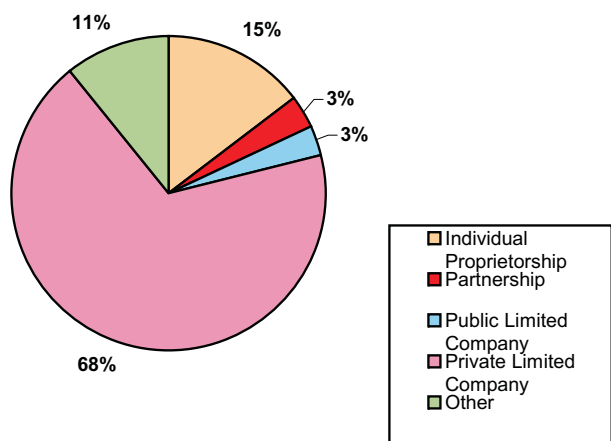
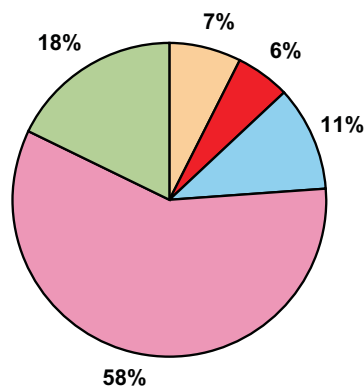


Figure 5.5 Total employment in non-family businesses by legal form of ownership



Employment by Nationality of Ownership

This section applies only to enterprises with 20 or more employees. Irish owned family businesses employed 98% of all family business employees. In the case of non-family businesses 65% of all employees were employed by Irish owned enterprises. See *Table 5.5*.

Table 5.5 Employment in Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Irish owned	No.	53,877	87,607	43,683	151,679	97,560	239,286
Foreign owned	No.	1,165	1,564	28,427	76,397	29,592	77,962
Total	No.	55,043	89,171	72,110	228,077	127,153	317,248

Chapter 6

Information and Communication Technology (ICT) Usage

ICT usage by sector

In 2005, 39% of family businesses in the services sector had an e-mail address while just one in six had a website. Non-family businesses had a higher rate of ICT adoption with 45% reporting that they had an e-mail address and over 21% having a website. The business services sector *Real estate, renting and business activities* had the highest share of ICT adoption for both family and non-family businesses. Family controlled *hotels and restaurants* showed relatively low levels of ICT adoption with just one in five enterprises having an e-mail address and almost 12% having a website.

In 2005, 4,200 family businesses were receiving orders via e-mail, Electronic Data Interchange (EDI) or internet and turnover resulting from such orders reached almost €4.2bn. This equates to 11% of family businesses selling electronically and generating almost 9% of total turnover by family owned businesses. This compares with 14% of non-family businesses selling electronically and these sales accounting for just under 15% of all turnover. Over 80% of electronic sales by family businesses were in the *retail, wholesale and motor trades* sector. See *Tables 6.1 and 6.2 and Figures 6.1 and 6.2*.

Table 6.1 Percentage of Family and Non-Family enterprises with e-mail and website classified by sector 2005

	Unit	Family		Non-Family		Total	
		Enterprises with e-mail	Enterprises with website	Enterprises with e-mail	Enterprises with website	Enterprises with e-mail	Enterprises with website
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	%	37.6	15.1	36.3	18.7	37.0	16.8
H Hotels and restaurants	%	19.5	11.5	22.4	14.7	20.7	12.7
I Transport, storage and communication	%	26.9	10.0	31.0	15.1	29.0	12.6
K Real estate, renting and business activities	%	60.0	24.1	61.2	25.8	60.8	25.2
O Other community, social and personal service activities	%	21.8	10.8	27.9	17.6	25.5	14.9
Total	%	39.1	16.4	45.1	21.2	42.3	18.9

Figure 6.1 Percentage of family and non-family businesses with a website by sector

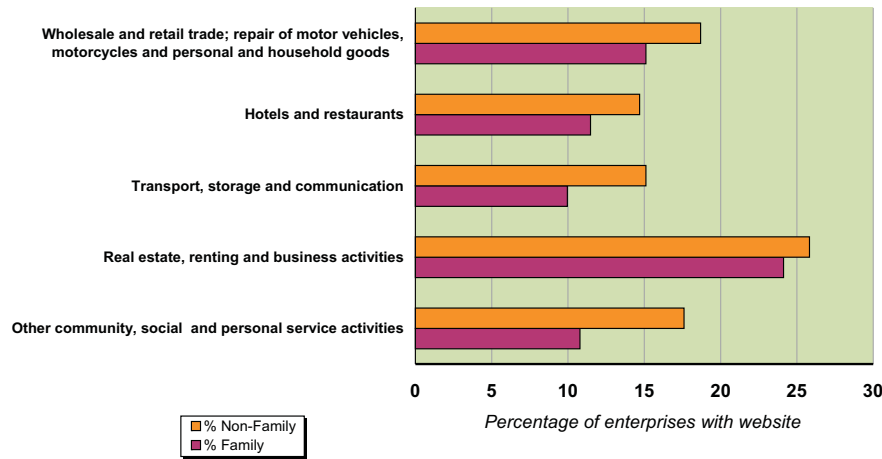
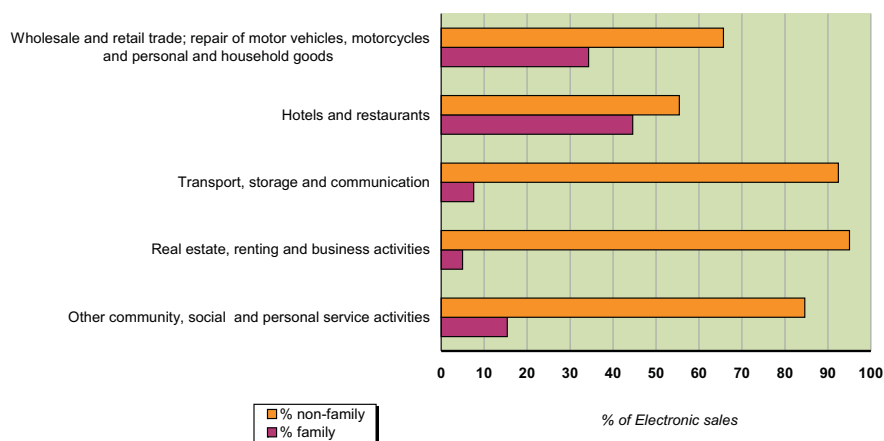


Table 6.2 Number of enterprises with orders submitted via e-mail, EDI or internet and turnover resulting from such orders classified by sector 2005

	Family		Non-Family		Total	
	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	1,692	3,360	1,935	6,436	3,628	9,796
H Hotels and restaurants	409	137	264	170	673	306
I Transport, storage and communication	311	362	368	4,417	679	4,779
K Real estate, renting and business activities	1,652	319	3,547	6,061	5,198	6,379
O Other community, social and personal service activities	136	15	218	83	354	98
Total	4,200	4,192	6,332	17,166	10,532	21,357

Figure 6.2 Comparison of turnover resulting from electronically submitted orders by sector for family and non-family businesses



ICT Usage by employment size class

Family businesses were less likely to have a website than non-family businesses for all enterprise size classes. This was particularly evident for medium sized enterprises where almost 64% of family businesses had a website. The comparable figure for non-family businesses in that size class was just under 78%.

Small family businesses accounted for 93% of all family businesses selling electronically. The share of total electronically generated turnover (e-sales) by such firms, was however just 22%. Small non-family businesses accounted for almost 29% of all e-sales by non-family businesses. See Tables 6.3 and 6.4.

Table 6.3 Percentage of Family and Non-Family enterprises with e-mail and website classified by employment size class 2005

	Unit	Family		Non-Family		Total	
		Enterprises with		Enterprises with		Enterprises with	
		e-mail	website	e-mail	website	e-mail	website
1 - 49	%	38.1	15.5	43.9	19.6	41.2	17.7
50 - 249	%	91.0	63.8	89.2	77.7	89.9	72.3
Over 250	%	100.0	87.3	92.6	89.3	94.5	88.8
Total	%	39.1	16.4	45.1	21.2	42.3	18.9

Table 6.4 Number of enterprises with orders submitted via e-mail, EDI or internet and turnover resulting from such orders by employment size class 2005

	Family		Non-Family		Total	
	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)
1 - 49	3,910	916	5,911	4,891	9,822	5,807
50 - 249	270	1,410	360	6,831	630	8,242
Over 250	20	1,865	61	5,444	80	7,309
Total	4,200	4,192	6,332	17,166	10,532	21,357

ICT Usage by region

Family businesses in the Border, Midland, Western (BMW) region showed significantly lower levels of ICT adoption than those in the Southern and Eastern (SE) region. In the *retail, wholesale and motor trades* sectors almost double the percentage of family businesses in the SE region had a website compared to those in the BMW region.

In the SE region, family businesses generated €4 billion in electronic sales, more than 20 times the value of that for the BMW region where turnover from such orders was just €187 million. See *Tables 6.5 and 6.6 and Figures 6.3, 6.4, 6.5 and 6.6.*

Table 6.5 Percentage of Family and Non-Family enterprises with e-mail and website classified by region and sector 2005

		Family		Non-Family		Total		
		Enterprises with		Enterprises with		Enterprises with		
		e-mail	website	e-mail	website	e-mail	website	
	Unit							
Border, Midlands and Western Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	%	28.1	9.2	27.2	11.1	27.7	10.0
H	Hotels and restaurants	%	13.5	8.5	15.8	8.3	14.4	8.4
I	Transport, storage and communication	%	21.6	7.5	25.0	6.4	23.3	7.0
K	Real estate, renting and business activities	%	54.2	18.9	51.2	21.4	52.4	20.4
O	Other community, social and personal service activities	%	19.2	8.6	17.5	8.4	18.2	8.5
	Total	%	29.5	10.9	32.6	13.5	31.0	12.1
Southern and Eastern Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	%	41.8	17.7	39.5	21.3	40.7	19.4
H	Hotels and restaurants	%	22.4	12.9	25.7	17.8	23.6	14.8
I	Transport, storage and communication	%	28.8	10.9	32.7	17.7	30.9	14.5
K	Real estate, renting and business activities	%	61.4	25.4	63.2	26.7	62.5	26.2
O	Other community, social and personal service activities	%	22.9	11.7	31.3	20.5	28.1	17.1
	Total	%	42.7	18.5	48.6	23.3	46.0	21.1

Figure 6.3 Percentage of family and non-family businesses by sector in the Border, Midlands and Western region with a website

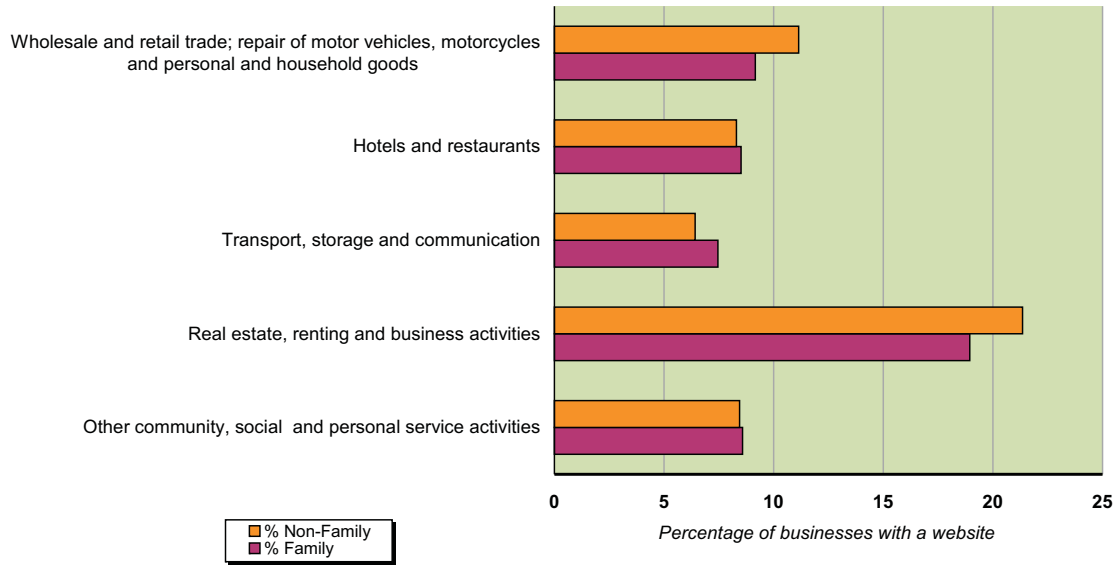


Figure 6.4 Percentage of family and non-family businesses by sector in the Southern and Eastern region with a website

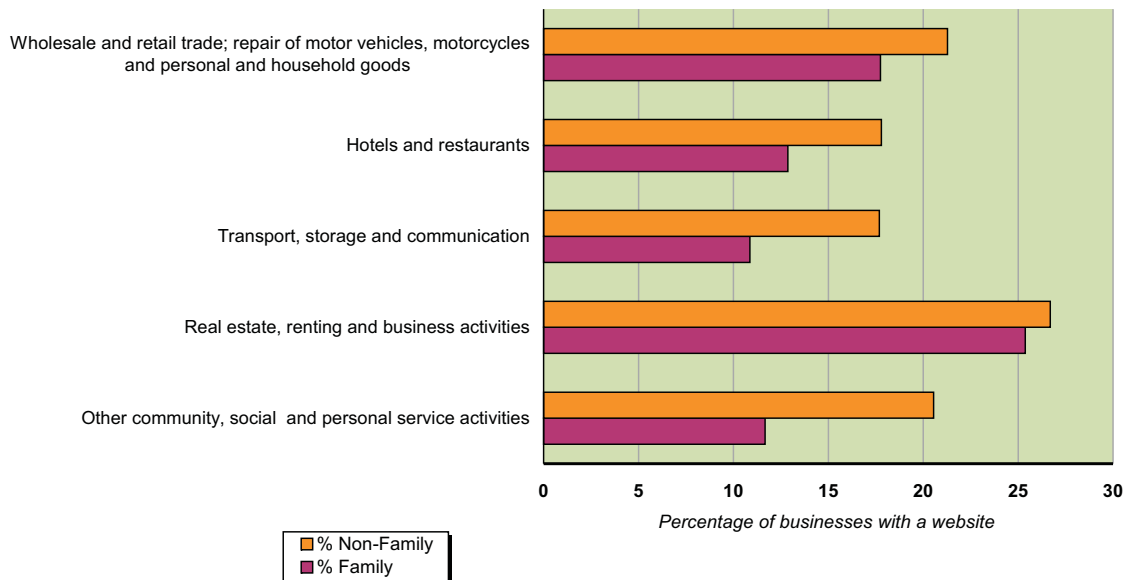


Table 6.6 Number of enterprises with orders submitted via e-mail, EDI or internet and turnover resulting from such orders by region and sector 2005

	Family		Non-Family		Total	
	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)	Number of Enterprises with orders via e-mail, EDI or internet	Turnover resulting from orders submitted using e-mail, EDI or internet (€m)
Border, Midlands and Western Region						
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	218	133	415	467	634	600
H Hotels and restaurants	120	22	79	34	199	56
I Transport, storage and communication	58	21	34	131	92	151
K Real estate, renting and business activities	406	10	468	29	874	39
O Other community, social and personal service activities	14	2	31	8	45	9
Total	816	187	1,028	668	1,844	855
Southern and Eastern Region						
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	1,474	3,227	1,520	5,969	2,994	9,196
H Hotels and restaurants	289	115	185	136	474	251
I Transport, storage and communication	252	341	334	4,286	586	4,627
K Real estate, renting and business activities	1,246	309	3,078	6,031	4,324	6,340
O Other community, social and personal service activities	123	13	186	75	309	89
Total	3,384	4,004	5,304	16,498	8,688	20,502

Figure 6.5 Comparison of turnover resulting from electronically submitted orders for family and non-family businesses by sector in the Border, Midlands and Western region

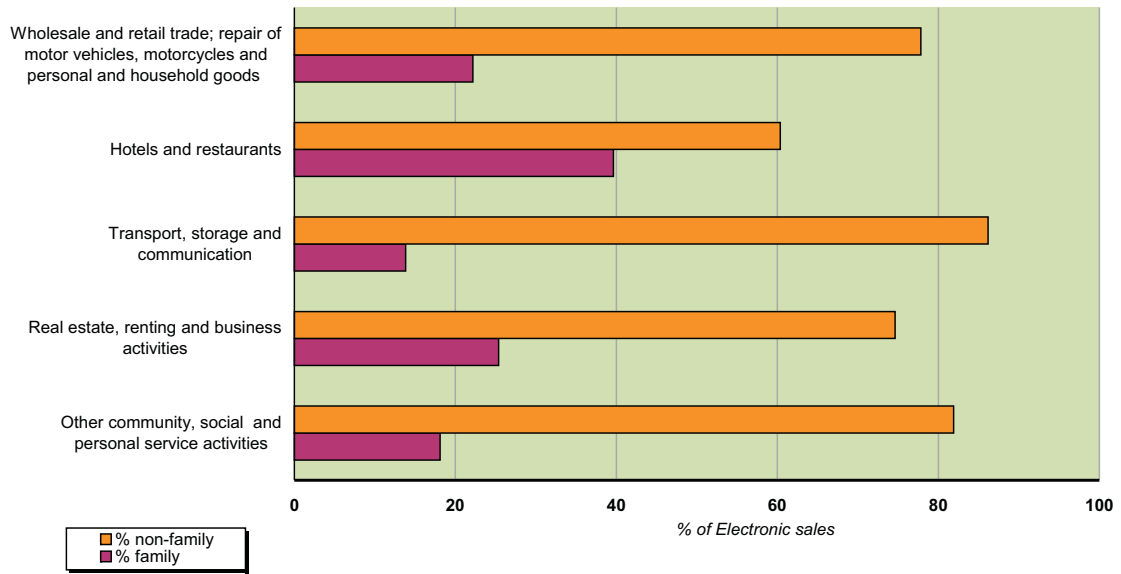
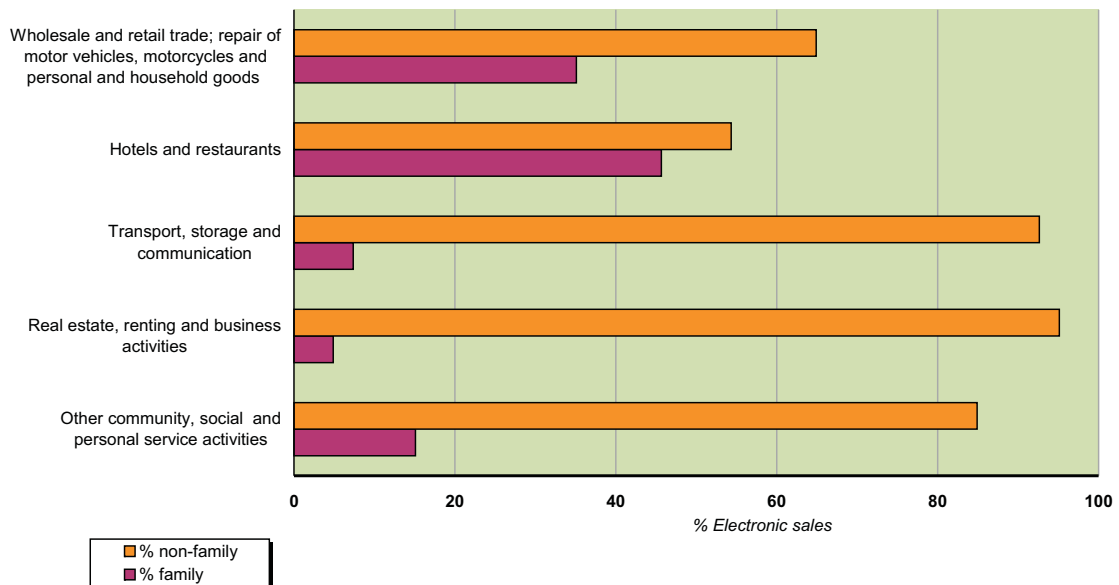


Figure 6.6 Comparison of turnover resulting from electronically submitted orders for family and non-family businesses by sector in the Southern and Eastern region



Chapter 7

Exports and Imports

Exports and imports by sector

Data on exports and imports is only analysed for enterprises with 20 or more employees. Family businesses were responsible for less than 3% of all services sector exports in 2005. Enterprises in the *retail, wholesale and motor trades* sector accounted for almost two thirds of all exports by family businesses. The exports figure for the *hotels and restaurants* sector does not include any expenditure by inbound tourists.

Goods and services to the value of €3,837 million were imported by family businesses in 2005 and this equates to 17% of total imports for the relevant sectors. Family businesses in the *retail, wholesale and motor trades* sector were the largest importers and were responsible for 95% of all family business imports. See *Table 7.1 and Figures 7.1 and 7.2*.

Table 7.1 Exports and imports for Family and Non-Family enterprises with 20 or more employees classified by sector 2005

	Unit	Family		Non-Family		Total	
		Exports	Imports	Exports	Imports	Exports	Imports
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	349,453	3,642,644	8,197,352	14,027,046	8,546,805	17,669,690
H Hotels and restaurants	€000	206	7,765	2,243	13,337	2,449	21,102
I Transport, storage and communication	€000	142,596	93,641	4,758,509	2,574,816	4,901,105	2,668,457
K Real estate, renting and business activities	€000	74,397	79,522	7,854,489	1,650,678	7,928,886	1,730,200
O Other community, social and personal service activities	€000	787	13,062	156,528	77,039	157,316	90,100
Total	€000	567,440	3,836,633	20,969,121	18,342,915	21,536,561	22,179,549

Figure 7.1 Comparison of value of exports for family and non-family businesses with 20 or more employees by sector

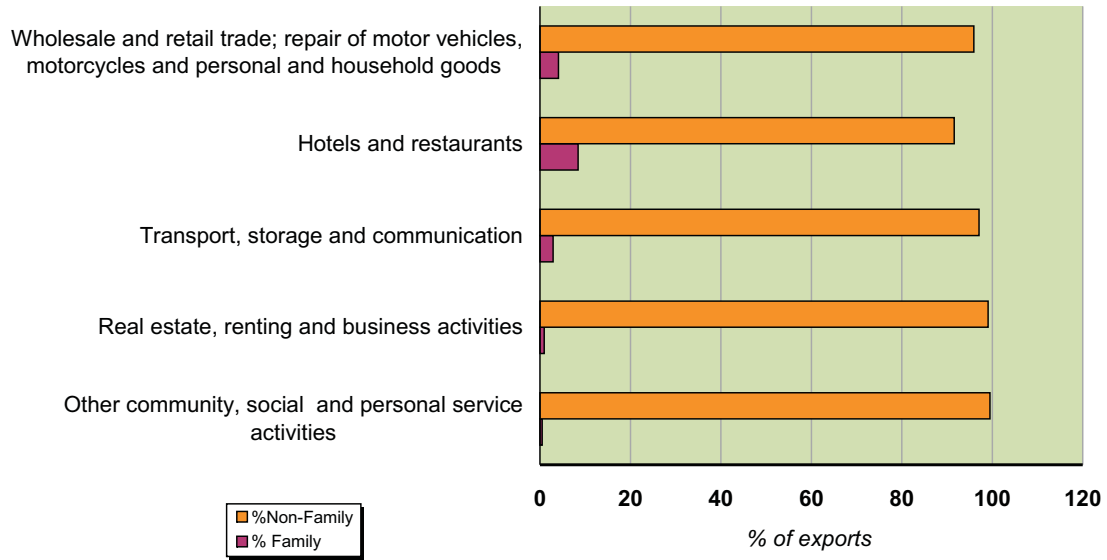
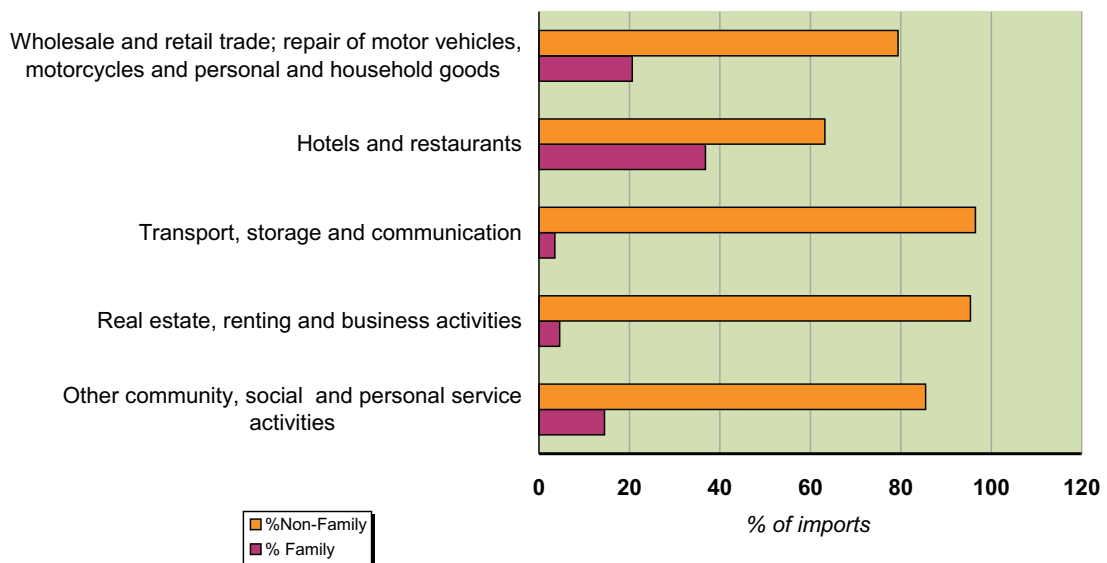


Figure 7.2 Comparison of value of imports for family and non-family businesses with 20 or more employees by sector



Exports and imports by employment size class

For both family and non-family businesses, medium sized enterprises with between 50 and 249 persons engaged were the largest exporters. They accounted for 39% of family business exports and 46% of all non-family business exports.

Medium sized enterprises were also the largest importers for both family and non-family businesses. They were responsible for 57% of imports by family businesses and 43% of imports by non-family businesses. See *Table 7.2*.

Table 7.2 Exports and imports for Family and Non-Family enterprises with 20 or more employees classified by employment size class 2005

	Unit	Family		Non-Family		Total	
		Exports	Imports	Exports	Imports	Exports	Imports
20 - 49	€000	136,026	818,523	5,962,329	5,342,486	6,098,355	6,161,009
50 - 249	€000	219,402	2,188,114	9,645,864	7,908,231	9,865,266	10,096,345
Over 250	€000	212,012	829,996	5,360,928	5,092,199	5,572,940	5,922,195
Total	€000	567,440	3,836,633	20,969,121	18,342,915	21,536,561	22,179,549

Exports and imports by region

In the Border, Midlands and Western (BMW) and Southern and Eastern (SE) regions combined the *retail, wholesale and motor trades* and the *hotel and restaurants* sectors dominated in terms of international trade for family and non-family businesses alike. Family businesses in the BMW region displayed significantly higher shares of total imports in their region relative to their counterparts in the SE region. See Table 7.3 and Figures 7.3, 7.4, 7.5 and 7.6.

Table 7.3 Exports and imports for Family and Non-Family enterprises with 20 or more employees classified by region and sector 2005

		Family		Non-Family		Total		
		Unit	Exports	Imports	Exports	Imports	Exports	Imports
Border, Midlands and Western Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods,	€000	53,588	451,788	701,010	684,846	754,598	1,136,635
H	Hotels and restaurants							
I	Transport, storage and communication	€000	17,189	14,024	16,593	18,278	33,783	32,301
K	Real estate, renting and business activities,	€000	124	8,496	483,336	198,710	483,461	207,207
O	Other community, social and personal service activities							
	Total	€000	70,902	474,308	1,200,939	901,835	1,271,841	1,376,143
Southern and Eastern Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods,	€000	296,072	3,198,621	7,498,585	13,355,536	7,794,657	16,554,157
H	Hotels and restaurants							
I	Transport, storage and communication	€000	125,406	79,617	4,741,916	2,556,538	4,867,322	2,636,155
K	Real estate, renting and business activities,	€000	75,060	84,087	7,527,681	1,529,006	7,602,741	1,613,094
O	Other community, social and personal service activities							
	Total	€000	496,538	3,362,325	19,768,182	17,441,081	20,264,720	20,803,406

Figure 7.3 Comparison of value of exports for family and non-family businesses with 20 or more employees in the Border, Midlands and Western Region

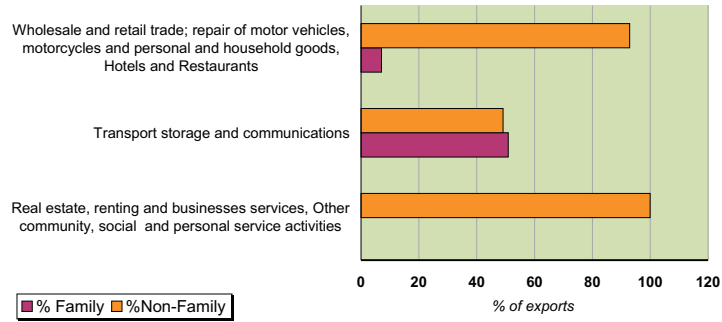


Figure 7.4 Comparison of value of imports for family and non-family businesses with 20 or more employees in the Border, Midlands and Western Region

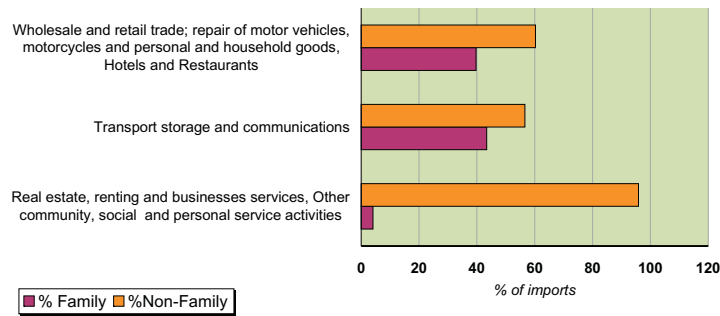


Figure 7.5 Comparison of value of exports for family and non-family businesses with 20 or more employees in the Southern and Eastern Region

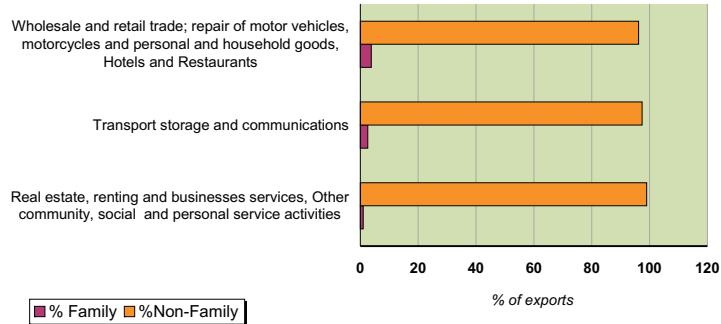
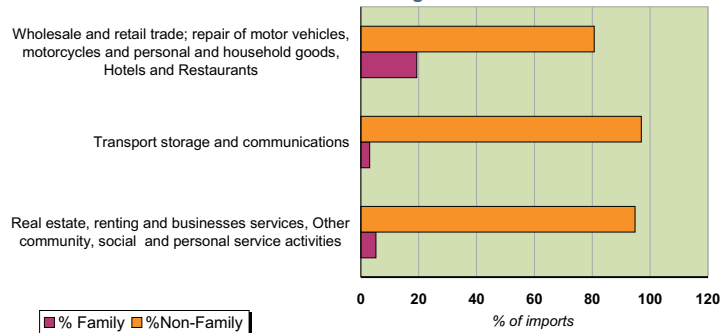


Figure 7.6 Comparison of value of imports for family and non-family businesses with 20 or more employees in the Southern and Eastern region



Exports and imports by legal form of ownership

Enterprises constituted as private limited companies had the highest levels of international trade for both family and non-family businesses. Private limited companies were responsible for over 80% of international trade by family businesses and 45% by non-family businesses. Family businesses incorporated as PLCs (Public Limited Companies) showed very low levels of international trade relative to non-family PLCs. See Table 7.4 and Figures 7.7 and 7.8.

Table 7.4 Exports and imports for Family and Non-Family enterprises with 20 or more employees classified by legal form of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Exports	Imports	Exports	Imports	Exports	Imports
Individual Proprietorship and Partnerships	€000	14,706	39,776	181,964	27,392	196,671	67,168
Public Limited Company	€000	17,896	68,655	6,813,508	4,079,058	6,831,404	4,147,713
Private Limited Company	€000	421,984	3,132,793	9,600,866	8,225,727	10,022,849	11,358,519
Other	€000	112,854	595,411	4,372,783	6,010,738	4,485,637	6,606,149
Total	€000	567,440	3,836,633	20,969,121	18,342,915	21,536,561	22,179,549

Figure 7.7 Comparison of value of exports for family and non-family businesses with 20 or more employees by legal form of ownership

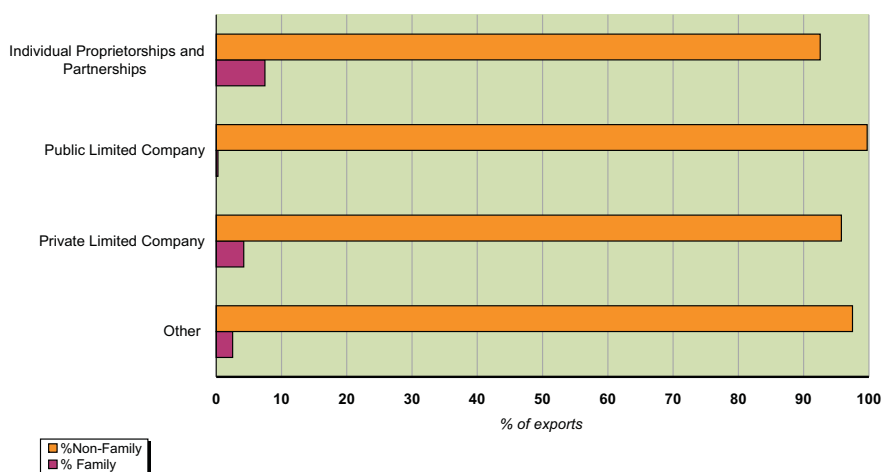
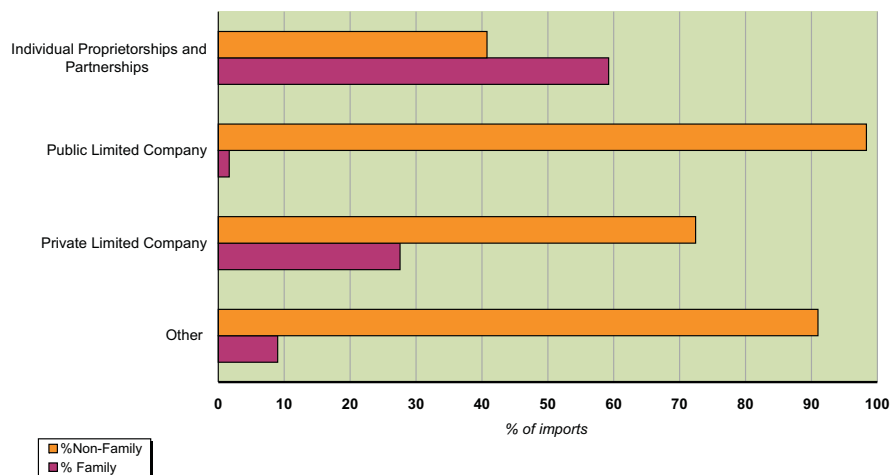


Figure 7.8 Comparison of value of imports for family and non-family businesses with 20 or more employees by legal form of ownership



Exports and imports by nationality of ownership

Irish owned enterprises were responsible for over 99% of exports and 96% of imports by family businesses. The situation was very different for non-family businesses where foreign owned enterprises accounted for 74% of exports and 52% of imports. See Table 7.5.

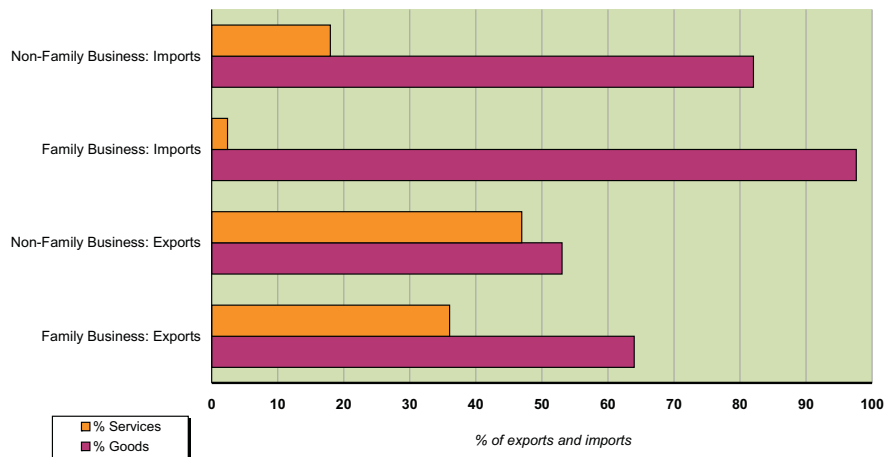
Table 7.5 Exports and imports for Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Exports	Imports	Exports	Imports	Exports	Imports
Irish owned	€000	562,525	3,688,630	5,451,253	8,855,237	6,013,778	12,543,867
Foreign owned	€000	4,915	148,004	15,517,868	9,487,678	15,522,783	9,635,682
Total	€000	567,440	3,836,633	20,969,121	18,342,915	21,536,561	22,179,549

Exports and Imports of goods and services

For family businesses, 36% of all their exports were exports of services compared to 47% for non-family businesses. Almost 98% of all family business imports were imports of goods compared with 82% for non-family businesses. See Figure 7.9.

Figure 7.9 Comparison of exports and imports of goods and services for family and non-family businesses



Chapter 8

Capital Assets

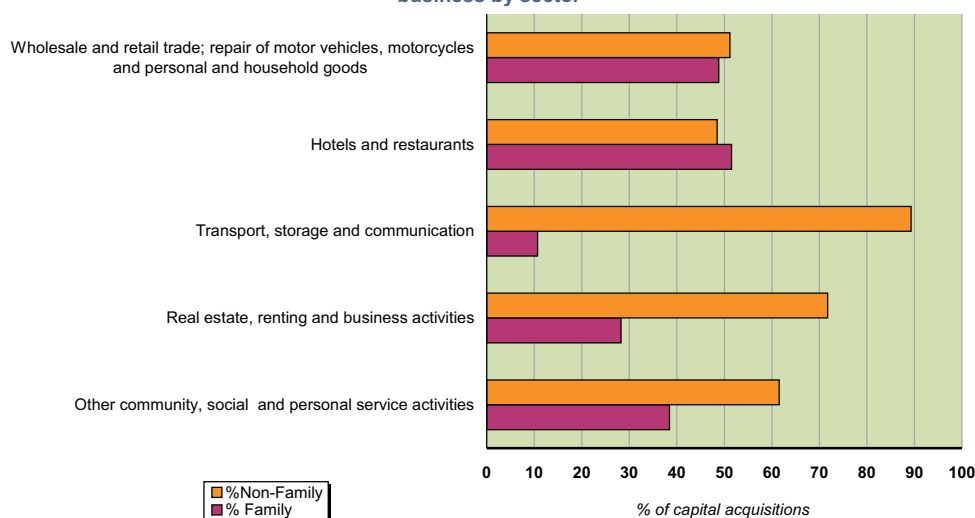
Capital assets by sector

The Annual Services Inquiry collects data on investment in land, buildings, machinery, etc. along with capital assets disposed of during the year. Total capital acquisitions in the services sectors amounted to €8,297 million in 2005 and family businesses were responsible for €2,697 million or 33% of this. Family businesses in the *retail, wholesale and motor trades* sector accounted for half of all investment by family businesses and 46% of all capital disposals. In the case of non-family businesses it was in the *transport, storage and communications* sector that the greatest spending on capital acquisitions occurred with 36% of all capital acquisitions by non-family businesses attributable to the sector. See *Table 8.1 and Figure 8.1*.

Table 8.1 Capital Acquisitions and Disposals for Family and Non-Family enterprises classified by sector 2005

	Unit	Family		Non-Family		Total	
		Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	1,339,688	347,352	1,403,507	695,406	2,743,195	1,042,757
H Hotels and restaurants	€000	331,706	51,570	312,295	149,109	644,002	200,679
I Transport, storage and communication	€000	241,006	122,883	2,011,943	402,762	2,252,949	525,644
K Real estate, renting and business activities	€000	658,241	228,405	1,669,899	724,234	2,328,140	952,638
O Other community, social and personal service activities	€000	126,391	8,729	202,258	21,261	328,649	29,991
Total	€000	2,697,032	758,939	5,599,902	1,992,772	8,296,935	2,751,710

Figure 8.1 Comparison of capital acquisitions for family and non-family business by sector



Capital assets by employment size class

For family businesses, it was small enterprises that had the highest total spend on capital acquisitions. They accounted for 59% of all spending on capital acquisitions by family businesses. These small businesses were also responsible for 62% of all capital disposals by family businesses. In the case of non-family businesses it was large enterprises that had the greatest expenditure on capital assets at 46% of the total. It was small enterprises, however, that disposed of the greatest value of capital assets. See Table 8.2.

Table 8.2 Capital Acquisitions and Disposals for Family and Non-Family enterprises classified by employment size class 2005

	Unit	Family		Non-Family		Total	
		Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT
1 - 49	€000	1,601,693	471,572	2,196,542	903,576	3,798,235	1,375,148
50 - 249	€000	468,943	90,580	818,108	250,666	1,287,052	341,246
Over 250	€000	626,396	196,786	2,585,252	838,530	3,211,648	1,035,316
Total	€000	2,697,032	758,938	5,599,902	1,992,772	8,296,935	2,751,710

Capital assets by region

In the Border, Midlands and Western (BMW) Region family businesses made 58% of capital acquisitions and 55% of capital disposals. In the Southern and Eastern (SE) Region they were responsible for 28% of capital acquisitions and 25% of capital disposals. The level of investment by family run hotels and restaurants in the BMW region is particularly high relative to that of non-family businesses in the sector. See Table 8.3 and Figures 8.2 and 8.3.

Table 8.3 Capital Acquisitions and Disposals for Family and Non-Family enterprises classified by region and sector 2005

		Family		Non-Family		Total		
		Unit	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT
Border, Midlands and Western Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	390,554	95,392	241,054	75,580	631,608	170,973
H	Hotels and restaurants	€000	102,307	5,077	30,488	4,172	132,795	9,249
I	Transport, storage and communication	€000	55,928	21,903	135,373	18,904	191,300	40,808
K	Real estate, renting and business activities	€000	159,290	10,363	114,344	10,181	273,633	20,545
O	Other community, social and personal service activities	€000	61,960	975	39,280	2,022	101,239	2,997
	Total	€000	770,039	133,710	560,539	110,859	1,330,576	244,570
Southern and Eastern Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	949,134	251,960	1,162,453	619,826	2,111,588	871,787
H	Hotels and restaurants	€000	229,399	46,493	281,808	144,936	511,207	191,430
I	Transport, storage and communication	€000	185,078	100,979	1,876,571	383,857	2,061,648	484,836
K	Real estate, renting and business activities	€000	498,951	218,042	1,555,555	714,053	2,054,507	932,094
O	Other community, social and personal service activities	€000	64,432	7,754	162,979	19,240	277,410	26,994
	Total	€000	1,926,994	625,228	5,039,366	1,881,912	6,966,359	2,507,140

Figure 8.2 Comparison of capital acquisitions for family and non-family business in the Border, Midlands and Western region

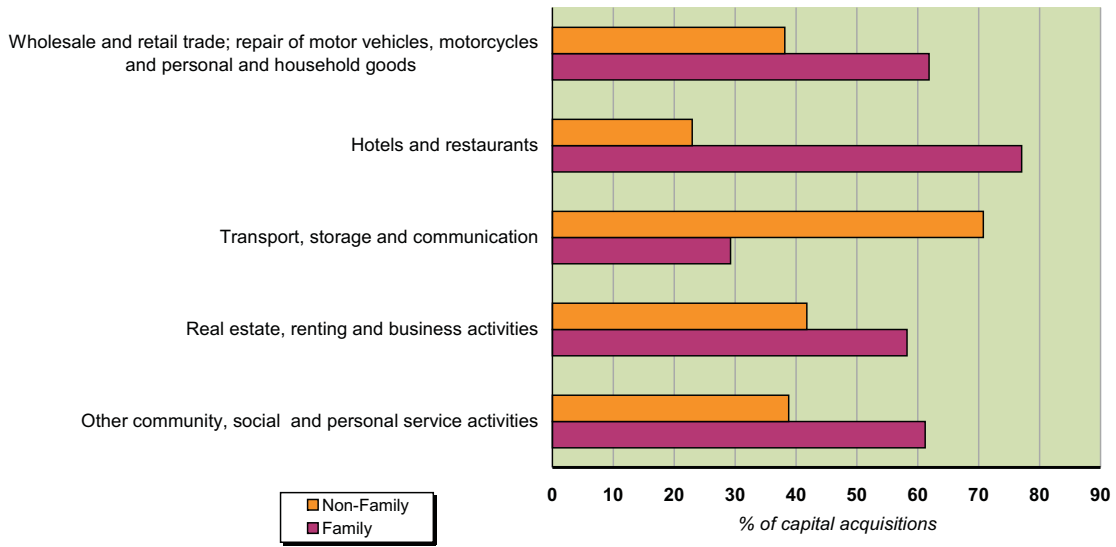
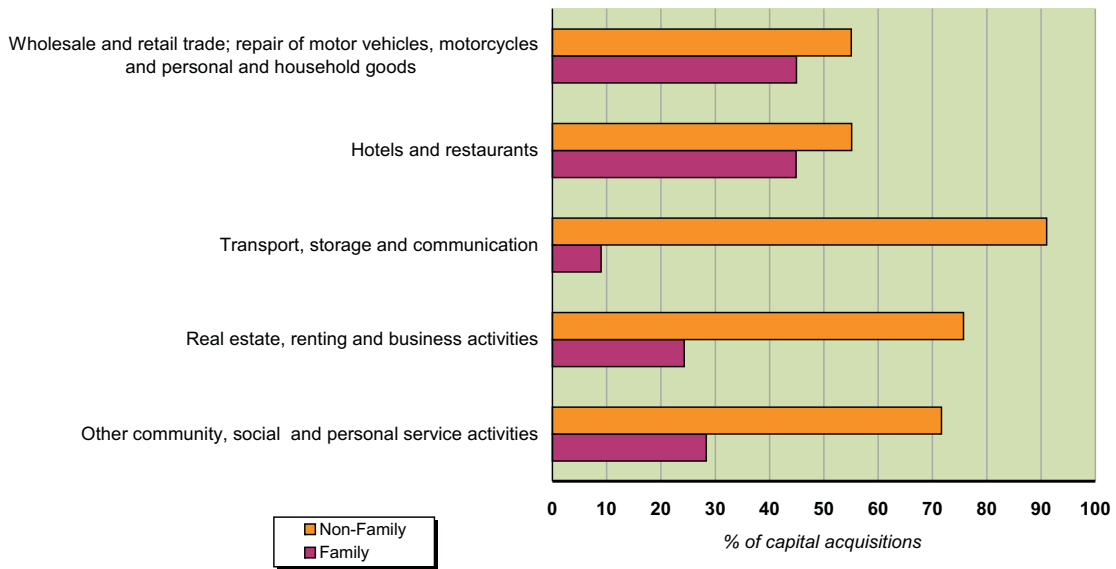


Figure 8.3 Comparison of capital acquisitions for family and non-family businesses in the Southern and Eastern region



Capital assets by legal form of ownership

Private limited companies had the highest figures for capital acquisitions and disposals for both family and non-family businesses. They were responsible for 55% of all capital acquisitions and also 55% of all capital disposals made by family businesses. They accounted €2,667 million or 47% of all capital acquisitions and €1,327 million or 67% of all capital disposals made by non-family businesses. See Table 8.4 and Figures 8.4 and 8.5.

Table 8.4 Capital Acquisitions and Disposals for Family and Non-Family enterprises classified by legal form of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT
Individual Proprietorship	€000	326,209	179,845	387,863	156,097	714,072	335,942
Partnership	€000	409,712	97,834	448,535	16,327	858,247	114,161
Public Limited Company	€000	71,440	7,547	1,150,639	364,329	1,222,079	371,876
Private Limited Company	€000	1,472,805	416,191	2,666,543	1,327,165	4,139,348	1,743,356
Other	€000	416,866	57,522	946,323	128,853	1,363,189	186,376
Total	€000	2,697,032	758,939	5,599,902	1,992,771	8,296,935	2,751,710

Figure 8.4 Capital acquisitions for family businesses by legal form of ownership

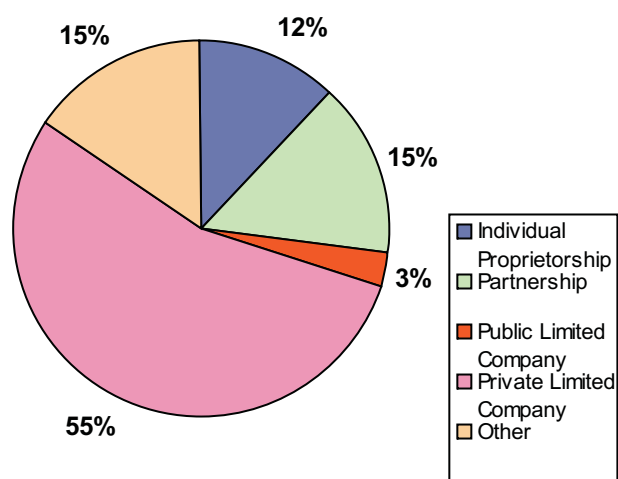
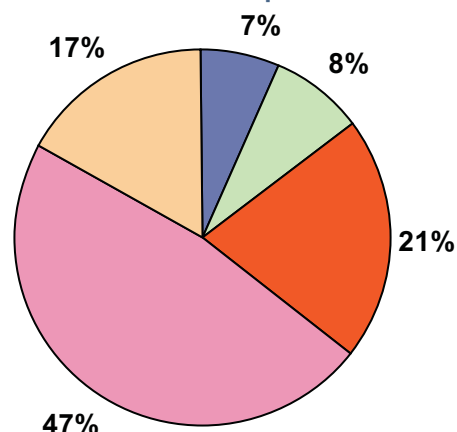


Figure 8.5 Capital acquisitions for non-family businesses by legal form of ownership



Capital assets by nationality of ownership

For both family and non-family businesses, Irish owned enterprises were responsible for most of the capital acquisitions and disposals. Irish owned businesses accounted for 98% of all capital acquisitions and over 99% of all capital disposals made by family businesses. In the case of non-family businesses Irish owned enterprises accounted for a smaller share of capital acquisitions and disposals. Irish owned businesses were responsible for 63% of all capital acquisitions and 70% of all capital disposals made by non-family businesses. See Table 8.5.

Table 8.5 Capital Acquisitions and Disposals for Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

Location of ownership	Unit	Family		Non-Family		Total	
		Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT	Capital Acquisitions excl VAT	Capital Disposals excl VAT
Irish owned	€000	1,373,645	357,738	2,480,143	826,108	3,853,787	1,183,846
Foreign owned	€000	29,216	1,039	1,426,986	357,520	1,456,201	358,559
Total	€000	1,402,861	358,777	3,907,129	1,183,628	5,309,989	1,542,406

Chapter 9

Business Costs

Business costs by sector

In 2005, family businesses spent €6,118 million on labour costs and €5,365 million on purchases of goods and services. These costs were less than half the value of those for non-family businesses in the same sectors where €14,129 million was spent on labour costs and €18,574 million was spent on purchases of goods and services. Enterprises in the *retail, wholesale and motor trades* sector accounted for 46% of all purchases of goods and services and 54% of all labour costs for family businesses. For non-family businesses the sector with the highest labour costs was *real estate, renting and businesses services*, where costs amounted to €5,118 million. See Table 9.1 and Figure 9.1 and 9.2.

Table 9.1 Business costs for Family and Non-Family enterprises classified by sector 2005

	Unit	Family		Non-Family		Total	
		Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services
G Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€m	3,331	2,442	4,087	5,734	7,418	8,175
H Hotels and restaurants	€m	1,018	959	1,048	1,780	2,066	2,739
I Transport, storage and communication	€m	409	883	3,295	4,963	3,703	5,846
K Real estate, renting and business activities	€m	1,119	878	5,118	5,406	6,238	6,284
O Other community, social and personal service activities	€m	241	203	581	692	822	894
Total	€m	6,118	5,365	14,129	18,574	20,247	23,939

Figure 9.1 Comparison of labour costs for family and non-family businesses by sector

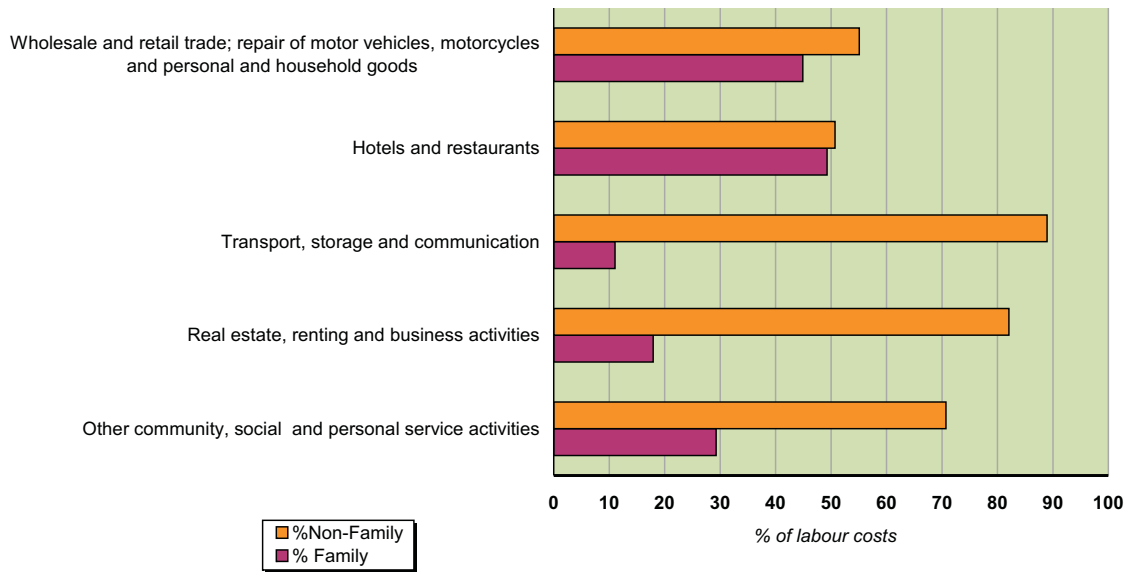
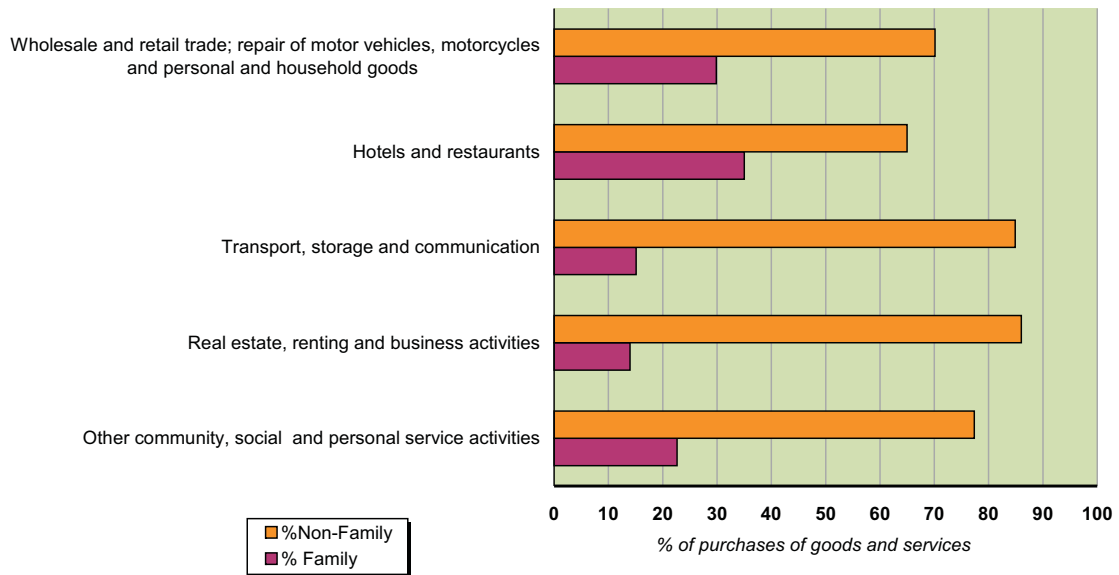


Figure 9.2 Comparison of purchases of goods and services for family and non-family businesses



Business costs by employment size class

Of the €6,118 million spent by family businesses on labour costs 58% was spent by small enterprises, 23% by medium sized enterprises and 19% by large enterprises. Small family businesses were responsible for 69% of purchases of goods and services by family businesses with medium and large sized family businesses accounting for 19% and 12% respectively. In the case of non-family businesses it was large enterprises that had the highest spend on labour costs with 43% of the total. Small non-family enterprises however had the highest spend on purchases of goods and services with 42% of the total. See Table 9.2.

Table 9.2 Business costs for Family and Non-Family enterprises classified by employment size class 2005

	Unit	Family		Non-Family		Total	
		Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services
1 - 49	€m	3,578	3,684	4,603	7,725	8,181	11,409
50 - 249	€m	1,382	1,046	3,384	4,114	4,767	5,160
Over 250	€m	1,158	634	6,141	6,735	7,299	7,370
Total	€m	6,118	5,365	14,129	18,574	20,247	23,939

Business costs by region

Total spending on purchases of goods and services and labour costs were higher for non-family than for family businesses in both regions. In the Border, Midlands and Western (BMW) Region, family businesses were responsible for 39% of spending on purchases of goods and services and 44% of total labour costs. Family businesses in the Southern and Eastern (SE) region accounted for just 28% of total labour costs and 20% of total purchases of goods and services. Enterprises in the *retail, wholesale and motor trades* sector accounted for the greatest spending on labour costs and purchases of goods and services for family businesses in both regions. These enterprises accounted for 58% of total labour costs and 48% of total purchases of goods and services for family businesses in the BMW region and 53% of total labour costs and 45% of total purchases of goods and services in the SE region. See Table 9.3 and Figures 9.3, 9.4, 9.5 and 9.6.

Table 9.3 Business costs for Family and Non-Family enterprises classified by region and sector 2005

		Family		Non-Family		Total		
		Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	
Border, Midlands and Western Region		Unit						
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	745	554	568	724	1,313	1,278
H	Hotels and restaurants	€000	246	235	208	207	454	442
I	Transport, storage and communication	€000	75	194	240	226	315	420
K	Real estate, renting and business activities	€000	165	129	506	588	671	718
O	Other community, social and personal service activities	€000	46	45	77	85	123	130
Total		€000	1,277	1,157	1,599	1,830	2,876	2,987
Southern and Eastern Region								
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	€000	2,586	1,888	3,519	5,010	6,105	6,898
H	Hotels and restaurants	€000	772	724	840	1,573	1,612	2,297
I	Transport, storage and communication	€000	333	689	3,055	4,737	3,388	5,426
K	Real estate, renting and business activities	€000	954	749	4,612	4,817	5,567	5,566
O	Other community, social and personal service activities	€000	195	157	504	607	699	765
Total		€000	4,841	4,207	12,530	16,745	17,371	20,952

Figure 9.3 Comparison of labour costs for family and non-family businesses by sector in the Border, Midlands and Western region

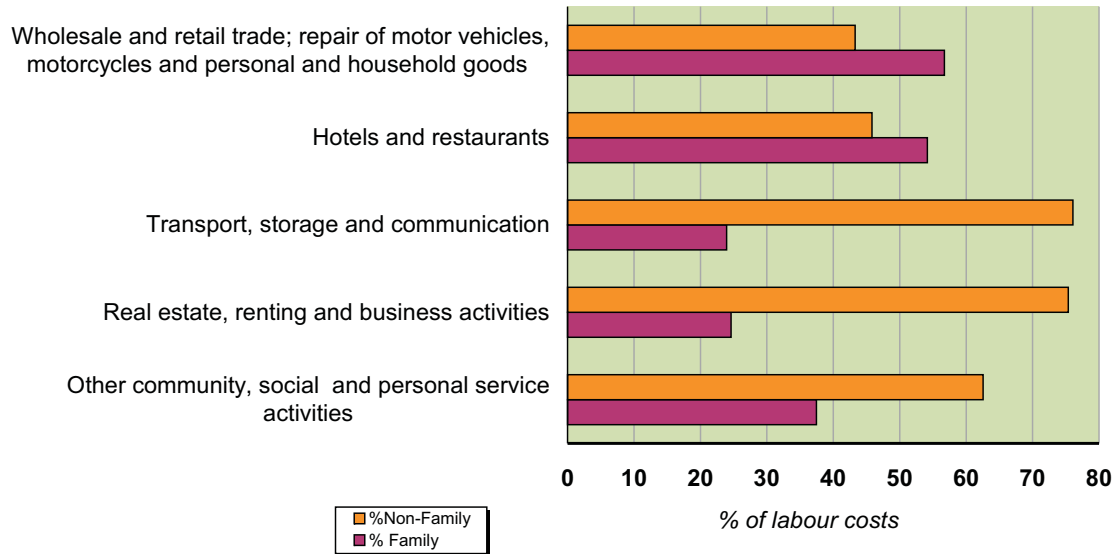


Figure 9.4 Comparison of purchases of goods and services for family and non-family businesses by sector in the Border, Midlands and Western region

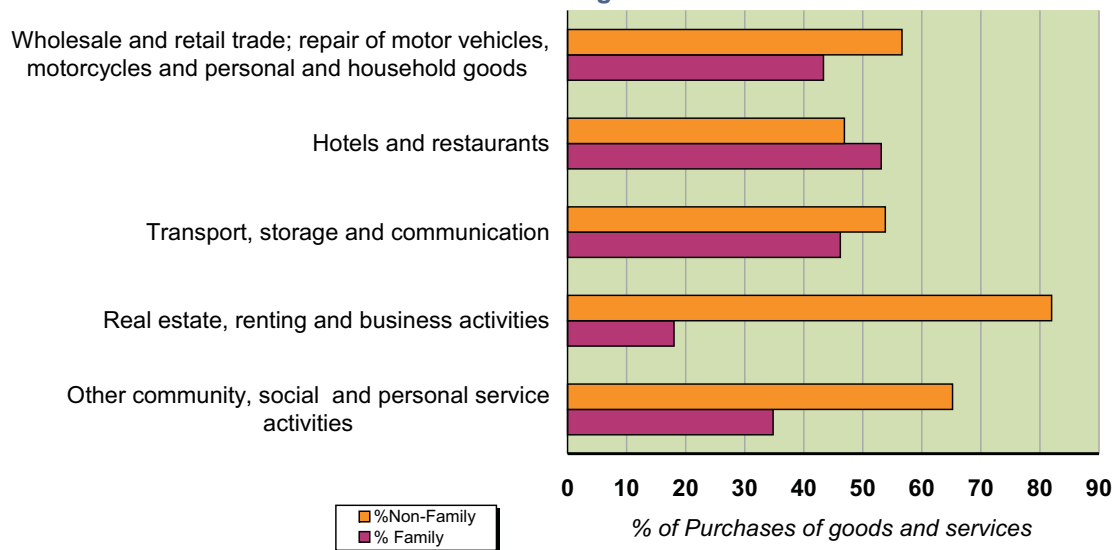


Figure 9.5 Comparison of labour costs for family and non-family businesses by sector in the Southern and Eastern region

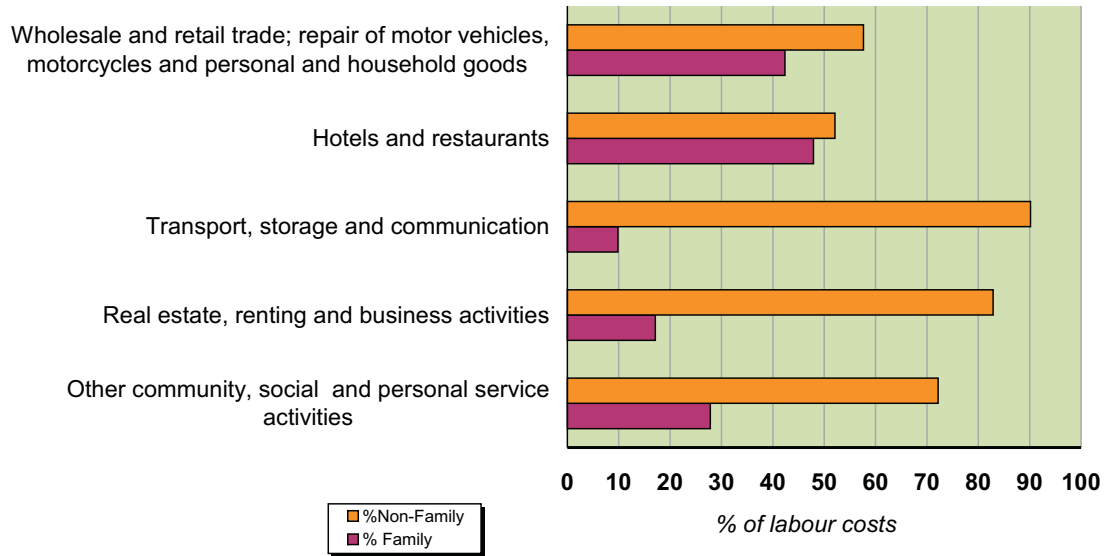
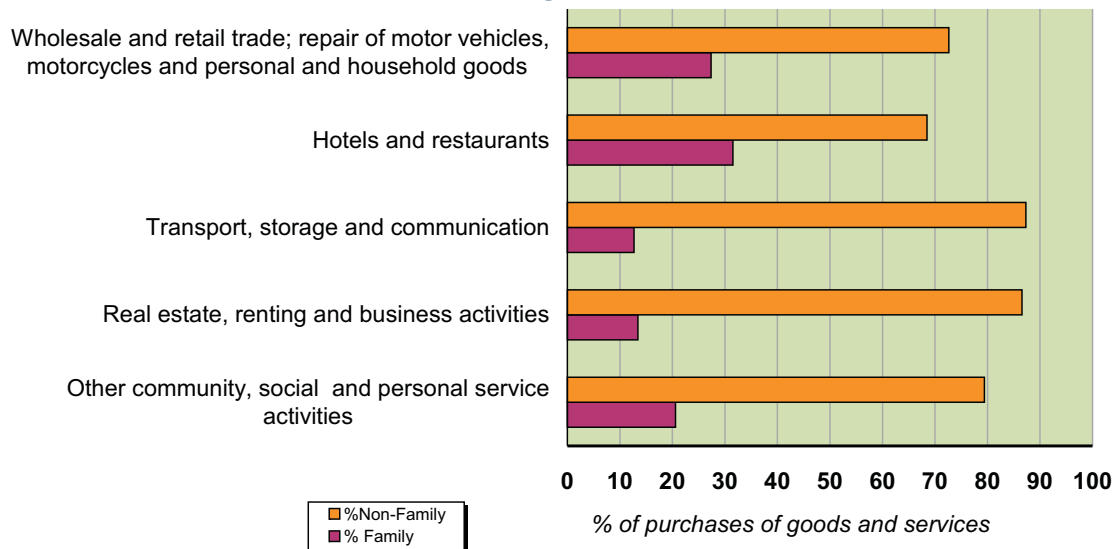


Figure 9.6 Comparison of purchases of goods and services for family and non-family businesses by sector in the Southern and Eastern region



Business costs by legal form of ownership

Private limited companies accounted for the greatest share of total labour costs and purchases of goods and services for both family and non-family businesses. Private limited companies accounted for 72% of labour costs and 70% of purchases of goods and services for all family businesses. Family run private limited companies accounted for 35% of total labour costs and 26% of total purchases of goods and services for all private limited companies. See Table 9.4 and Figures 9.7 and 9.8.

Table 9.4 Business costs for Family and Non-Family enterprises classified by legal form of ownership 2005

Legal form of ownership	Unit	Family		Non-Family		Total	
		Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services
Individual Proprietorship	€000	562	857	502	977	1,064	1,834
Partnership	€000	157	204	852	623	1,009	827
Public Limited Company	€000	258	187	1,770	3,459	2,028	3,646
Private Limited Company	€000	4,398	3,768	8,100	10,820	12,498	14,588
Other	€000	744	348	2,904	2,696	3,648	3,044
Total	€000	6,118	5,365	14,129	18,574	20,247	23,939

Figure 9.7 Comparison of labour costs for family and non-family businesses by legal form of ownership

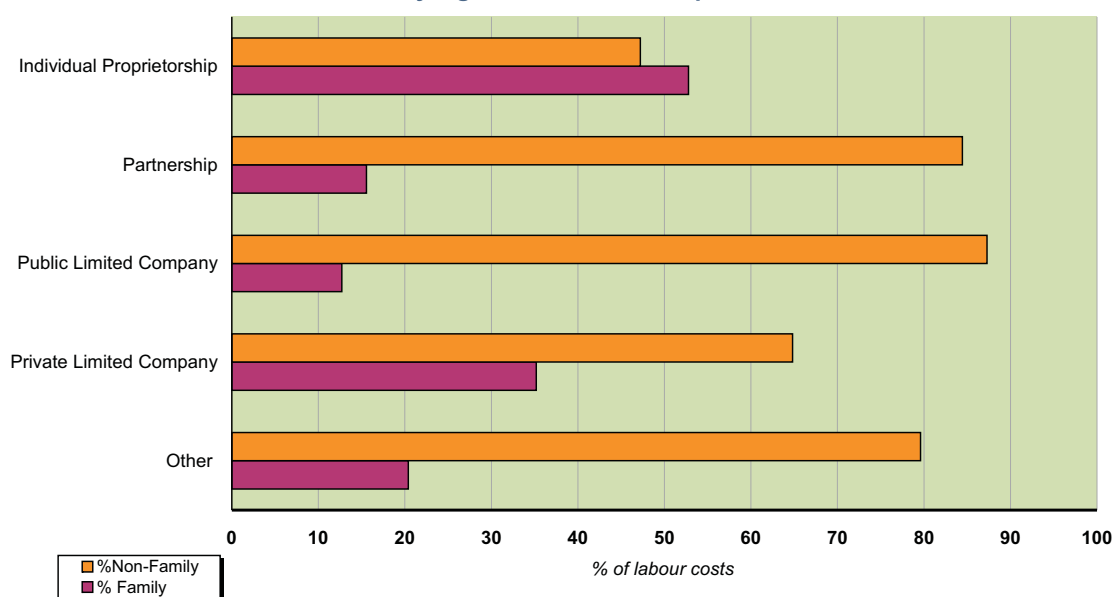
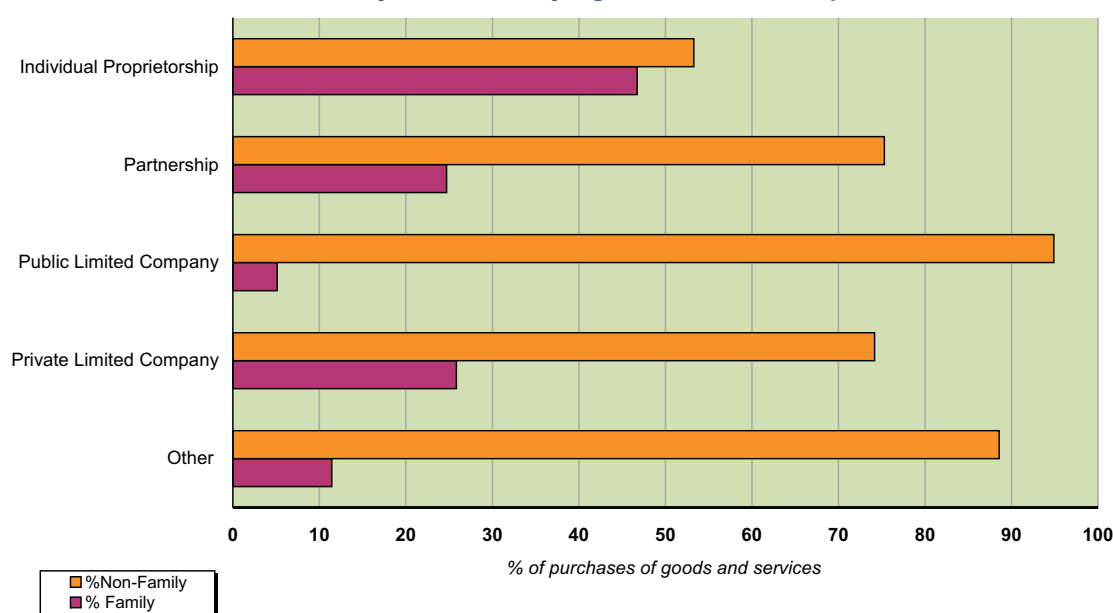


Figure 9.8 Comparison of purchases of goods and services for family and non-family businesses by legal form of ownership



Business costs by nationality of ownership

Irish owned enterprises accounted for 97% of total purchases of goods and services and 98% of total labour costs for family businesses. Family businesses accounted for 38% of total labour costs and 32% of purchases of goods and services for all Irish owned enterprises. See Table 9.5.

Table 9.5 Business costs for Family and Non-Family businesses with 20 or more employees classified by nationality of ownership 2005

Location of ownership	Unit	Family		Non-Family		Total	
		Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services	Total labour costs	Purchases of goods and services
Irish owned	€000	5,999	5,208	9,820	11,236	15,819	16,444
Foreign owned	€000	119	156	4,309	7,338	4,428	7,495
Total	€000	6,118	5,365	14,129	18,574	20,247	23,939

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 (eg 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

Persons engaged is defined as 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 Annual Services Inquiry 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. It 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.

Labour Productivity

GVA per person engaged has been used to provide a measure of labour productivity but this is an indicative measure only. There are two main reasons for this. Firstly, GVA is measured for the full accounting year of each enterprise whereas the number of persons engaged is measured for a specific point in time as described in the definition above. Secondly, it should be noted that the unit of labour is not clearly defined in the ASI. Employment figures are a count of both full-time and part-time employees, rather than a full-time equivalent (FTE) unit, which standardises labour units by the number of hours worked (or number of paid hours worked).

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.

NACE

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.

NUTS Regions

The regional classifications in this publication are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. *See Appendix 2 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 are 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 Employees: Full-time employees are those who normally work 30 or more hours per week.

EDI (Electronic Data Interchange)

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

Appendix 2

NUTS Regional Classification

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 overleaf.

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	Administrative county
		Tipperary North Riding	Administrative county
	South-East	Carlow	Administrative county
		Kilkenny	Administrative county
Tipperary South Riding		Administrative county	
Waterford		County Borough	
Waterford		Administrative county	
Wexford		Administrative county	
South-West	Cork	County Borough	
	Cork	Administrative county	
	Kerry	Administrative county	

Appendix 3

CSO Thematic Publications

The Central Statistics Office publishes a number of broad thematic publications which are available for purchase from the Central Statistics Office, Information Section, Skehird Road, Cork; from the Government Publications Sales Office, Sun Alliance House, Molesworth Street, Dublin 2; or through any bookseller. In addition all Central Statistics Office publications are available for download free of charge from www.cso.ie.

Current publications include:

Measuring Ireland's Progress

Women and Men in Ireland

Information Society and Telecommunications

Construction and Housing in Ireland

Small Business in Ireland

Equality in Ireland

Ageing in Ireland

Other topics will include:

Regional Lifestyles in Ireland

Sports Participation in Ireland