

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Ireland

## Exporter Guide

**2010**

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**Report Highlights:**

This report gives an overview of how to export to Ireland. It will give you general information on Ireland as a whole, as well as information on their retail and foodservice sectors.

**Post:**

Dublin

## **SECTION I. MARKET OVERVIEW**

### **Economic Situation**

Ireland entered into a financial crisis in 2008, and the economic fallout from the resulting recession – the first since the 1980's - continues. Government finances began to show signs of trouble in mid-2008. Government deficits increased, many businesses closed and unemployment increased. Unemployment is at an all time high at 13.7%, more than double the rate in 2007. The Irish Stock index fell, many immigrant workers left and the financial regulator resigned.

The residential and commercial property markets went into a severe slump with both sales and property values collapsing. In 2009 about 65,000 people left Ireland, and some estimate that 120,000 are likely to have left in 2010. At first, most of those leaving were immigrants returning home to Central Europe. But now, the Irish themselves have started to leave.

In November 2010, Ireland formally requested financial support from the European Union's European Financial Stability Facility. The European Union agreed to a bail out of €85 billion.

The structure of Ireland's economy is different from other EU countries. The manufacturing sector is much larger than most member states. Agriculture is more important than in other countries within Western Europe. Employment in the Agri-food industry accounted for 7.8% of those employed in 2009. Ireland had a GDP of 159 million Euros. Retail sales account for 50% of all personal consumption.

Exports amounted to 51% of the GDP in 2009. 61.4% of Irish exports go to the EU-27, with the United Kingdom alone importing 16.4% of total exports. Exports to the USA account for 20.5% of total exports.

Ireland's economic growth was -7.1% in 2009 and 0.3% in 2010. Stronger rates of economic growth are expected in 2011.

### **Irish Demographics**

In 2009, the population in Ireland was 4.5 million, an increase of 8.2% since 2005. Ireland has one of the smallest populations in Western Europe comparable to Norway, Finland or Denmark. In comparison, the UK's population is 61.7 million. Ireland's population is expected to increase a further 11% by 2020.

Ireland has an ageing population, although it is less pronounced than in other European countries. The birth rate has remained fairly stable at 2 babies per woman. 61.6% of the Irish population lives in an urban setting.

According to the 2006 census, 87.7% of the population were Irish, 7.5% were other white (British, American or Eastern European) and 1.1% were black. The largest ethnic communities are from Eastern Europe. Ireland also has a travelling community with a population of around 22,400 (about 0.5% of the population).

### **Key Influences on Irish Consumer Demands**

- Slow population growth
- Ageing population
- Number of household units growing
- Smaller households (notably one-person households)
- Rise in number of working women (52%)
- International consumer tastes e.g., Chinese, Indian, Italian, Thai, Mexican
- Reduction in formal meal occasions, leading to an increase in snacking and "grazing"
- Increasing public debate on food, incorporating safety, environmental, ethical, social and economic issues
- Increased retail concentration (supermarkets growth vs. independent retailers)

### Trends in Imports from the United States of Consumer-Orientated Foods

Product Category	Growth 2005 –2009 (%)	U.S. Exports to Ireland 2009 (\$m)
Other Consumer-Oriented Products	-70	6.1
Wine & Beer	-41	4.1
Dairy Products	+773	3.4
Processed Fruit & Vegetables	+23	2.6
Snack Foods (excl nuts)	+58	2.0
Fresh Fruit	+25	1.8
Salmon, Canned	+75	1.0
Tree Nuts	-74	0.7
Pet Foods (Dog & Cat Food)	+143	0.6
Fruit & Vegetable Juices	+23	0.3
Fresh Vegetables	+67	0.2
Eggs and Products	-46	0.1
Breakfast Cereals & Pancake Mix	0	0.1
Nursery Products & Cut Flowers	-40	0.1

Source: BICO Report/U.S. Bureau of the Census Trade Data

### Relative strengths/weaknesses of U.S. Supplier to Irish market

Opportunities	Constraints
The scale of the U.S. food industry may offer price competitiveness on large volume orders.	Competition from EU member states (import duty payable on U.S. products).
The Irish climate limits growing seasons and types of products grown.	Poultry and red meat are highly regulated from the EU, as are dairy product imports from the U.S.
The diversity of the U.S. population creates innovative food products and concepts which are often mirrored in Ireland.	Must meet strict Irish/EU/retailer rules on food safety, traceability, environmental issues and plant inspection.
U.S. has good brand image in Ireland. The U.S. is a popular destination for Irish tourists and familiarity with U.S. products is widespread.	Labels on packaged food need to be changed, particularly the nutritional panel. Pack sizes and palletization may also need changing.
A common language means that Ireland is a natural gateway into Europe. Most products can be transshipped from the UK.	Need to develop relationship with Irish trade contacts and invest in marketing product.
If you are already exporting to the UK, some importers will be able to also distribute to Ireland.	Biotech (GMO) ingredients are not widely accepted by the Irish consumer, perhaps due to aggressive negative press.
Strong interest in innovative products. Currently there is high interest in natural, “wholesome” and “health” food categories.	Taste buds differ in Ireland, eg. here popcorn is sweet, relishes are more like jam, and spicy doesn’t mean high chili content.

Ireland would be a small market for US products. The Irish are very loyal to their own produce, however are willing to try new things. It is very common that US companies will already be exporting products to the United Kingdom and the same importer will then sell on products to Ireland. As, with the UK it takes on average 18 months from initial market survey to the time product appears on shelves. Exhibiting at Irish food trade shows is a good way to put a new product in front of a wider audience.

## SECTION II. EXPORTER BUSINESS TIPS

### Essential Irish Market Considerations

Basic market research  
Retail, Foodservice or Processing  
Irish business partner and terms  
Import duty and excise tax  
Irish Tax  
Price points and competitors  
Labeling  
EU Food Standards Restrictions  
Promotion budget and resources

### General Consumer Tastes and Preferences

<b>Food Safety</b>	As a result of food scares over the past two decades, the Irish food supply chain is now heavily scrutinized, meaning that Irish retailers, foodservice operators and manufacturers are uncompromising on traceability and quality assurance. Irish buyers often require technical specifications above the level mandated by government legislation.
<b>Biotech (GM/O)</b>	Biotech products or products that contain biotech ingredients can only be sold in the EU if they have been given approval. If the biotech ingredient is approved it may be sold with the appropriate labeling - see GAIN Report available at: <a href="http://gain.fas.usda.gov/Recent%20GAIN%20Publications/AGRICULTURAL%20BIOTECHNOLOGY%20ANNUAL_Brussels%20USEU_EU-27_7-17-2009.pdf">http://gain.fas.usda.gov/Recent%20GAIN%20Publications/AGRICULTURAL%20BIOTECHNOLOGY%20ANNUAL_Brussels%20USEU_EU-27_7-17-2009.pdf</a> . The presence of food products containing biotech-derived ingredients in Ireland is minimal. Irish consumers are strongly against genetically modified food. The government has not yet declared the country a GM free zone, something that many other EU members have already done.
<b>Organic</b>	Sales of organic products are small. Supermarket chains dominate retail sales of organic foods. Organic products now extend to a wide range of convenience and grocery items. The global credit crisis has affected sales of premium products, including organic products in Ireland.
<b>Health</b>	Like the U.S., Ireland has a high incidence of heart disease and cancer. Consumers are looking for foods to improve their health which is driving sales of premium, less processed food, functional food, fresh fruit, fruit juices and low-fat or low-sugar processed food.

### Food Standards and Regulations

Ireland follows EU policies regarding labeling and ingredient requirements. A detailed report that specifically addresses labeling and ingredient requirements is available, entitled: The EU: Food and Agricultural Import Regulations & Standards Country Report (FAIRS) can be obtained from the FAS homepage [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Certification\\_Brussels%20USEU\\_EU-27\\_9-18-2009.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Certification_Brussels%20USEU_EU-27_9-18-2009.pdf)

### General Import and Inspection Procedures

Revenue Irish Tax & Customs are responsible for the clearance of all goods entering Ireland, for further information and customs forms please go to <http://www.revenue.ie/en/customs/businesses/importing/index.html>

The EU FAIRS report mentioned above addresses import and inspection procedures; please obtain this report for

further information.

### **SECTION III. MARKET SECTOR STRUCTURE & TRENDS**

The Irish retail grocery market was valued at €9 billion in 2009, a decrease of 6.1 percent on 2008. Ireland has the second highest food and drink prices in the European Union. Irish prices were 29% higher than the EU average with only Denmark having higher prices. In contrast, UK food and drink prices were 3% below the EU average. Ireland has the highest prices for dairy produce in the EU with consumers paying 37% above average. Meat prices were also very high. Bread and cereals are also 32% higher than EU average prices.

Prices are so high due to Government regulations that need to be followed by the producers and high taxes.

Due to the financial crisis, many Irish consumers have been travelling many hours north over the border to buy their groceries in Northern Ireland. This is because doing a big shop works out substantially cheaper.

#### **Retail Sector**

##### **Supermarket Chains**

Ireland has three major supermarket chains: Tesco Ireland, Dunnes Stores and Musgrave Supervalu. Tesco has 91 stores and Dunnes has 123 although not all of them have grocery sections. Supervalu has 173 stores and Ireland's fourth largest supermarket chain, Superquinn has 21 stores. Marks and Spencer also operate a small number of stores.

##### **Market Shares of Ireland's Supermarket Chains**

<b>Retailer</b>	<b>Market Share %</b>
Tesco Ireland	26.7
Dunnes Stores	23.5
Musgrave Supervalu	19.8
Superquinn	6.8
Aldi & Lidl	8.7
Marks & Spencer	1.8

Source: Kantar Worldpanel, market share summary, 12 weeks to October 31, 2010.

Private label food and drink products account for 35% of products sold in supermarkets. One Euro in every three is spent on private label products.

##### **Department Stores**

Dunnes stores are a department store selling clothing and home ware but also have a food retail centre attached to the stores, similar to Marks and Spencer in the UK.

##### **Convenience Chains**

Convenience stores are a very important part of the Irish retail system.

Convenience retailers are worth €68 million to the Irish take home grocery market. They have a combined grocery market share of 5.3%. 987,000 households shop in convenience retailers every year. Each household spends on average €75 a year and shopped in them at least once a week with an average spend of €0.20. Key players are Centra, Spar, Londis and Costcutter.

##### **Other Retailers**

Iceland currently has four stores in Ireland, but plan to open 40 more in the next three years.

The same thing is happening in Ireland as what happened in the UK during the recession, there is a rising popularity towards the discounters – Aldi and Lidl. Their joint market share has increased with shoppers hoping to get cheaper goods.

### **Hotel, Restaurant & Institutional (HRI) Sector**

Eating out in Ireland is expensive and is not seen as value for money. Irish consumers eat out far less than other European countries, in fact limiting it in most cases only to special occasions.

High end restaurants have found the recession particularly hard with many struggling to survive. Consumers who are eating out are instead going to fast food venues or informal restaurants.

The famous Irish pub scene has also suffered during the past few years. Once central to the Irish social scene, pubs have seen a significant downturn in trade, with consumers increasingly buying alcohol from retailers.

Pubs first suffered with the introduction of anti-smoking laws and then strict drink drive legislations were introduced. This has caused many pubs to shut as there is a lack of rural transportation. In 2008, 833 pubs did not renew their licenses.

### **Breakdown of Food Market Value by Operator Type in 2009**

	<b>Food Sales (Euros Millions)</b>	<b>Share (%)</b>
Restaurants	508.9	22.9
Fast Food	614.7	27.7
Pubs	177.4	8.0
Hotels	450.9	20.3
Leisure	165.6	7.5
Staff Catering	161.6	7.3
Health Care	55.7	2.5
Education	71.8	3.2
Services/Welfare	13.5	0.6
Total	2,220.2	100.0

Source: Horizons FS Limited, 2009

### **Number of Irish Food Service Outlets by Type in 2009**

	<b>Number of Outlets</b>	<b>Share (%)</b>
Restaurants	1,656	11.5
Fast Food	1,855	12.9
Pubs	1,383	9.6
Hotels	2,796	19.5
Leisure	1,021	7.1
Staff Catering	1,351	9.4
Health Care	2,039	14.2
Education	2,069	14.4
Services/Welfare	195	1.4
Total	14,375	100.0

Source: Horizons FS Limited, 2009

#### SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Product Category	Total Ireland Imports 2009 (\$ million)	Ireland Imports From U.S. 2009 (\$ million)	U.S. Import Tariff Rate	Key Constraints to Market Development
Fish and Seafood HS: 03	125.7	0.3	0-22%	Highly fragmented market, domestic shortfall.
Chocolate confectionery HS: 1806	241.7	0.04	8-27%	Domestic & EU competition, low acceptance of American chocolate taste
Vegetables & Fruit prepared in Vinegar HS:2001	12.4	n/a	0-16%	Competition from Turkey, Netherlands and India
Preserved fruit & nuts HS: 2008	46.6	0.7	7-27%	Competition from EU, Thailand & South Africa
Fruit & Vegetable Juice HS: 2009	17.4	0.04	16-23%	Competition from EU and Brazil
Sauces, Condiments, Seasonings HS: 2103	15.4	0.8	0-10%	Sauces from many other countries.
Soft drinks HS: 2202	29.3	0.3	0-10%	Domestic & EU competition, strong brands, market reaching saturation
Beer HS: 2203	192.0	0.9	0%	Domestic & EU competition, major brewers located in EU
Wine HS: 2204	277.0	3.9	18-25%	Competition from EU, Australia, Latin America & S. Africa.

Source: GTIS

#### SECTION V. KEY CONTACTS AND FURTHER INFORMATION

##### Foreign Agricultural Service

U.S. Department of Agriculture  
Embassy of United States of America  
24 Grosvenor Square  
London W1A 1AE

Tel: +44 20 7894 0040

Fax: +44 20 7894 0031

E-mail: [AgLondon@fas.usda.gov](mailto:AgLondon@fas.usda.gov)

Web: [www.usembassy.org.uk/fas/index.html](http://www.usembassy.org.uk/fas/index.html)

Contact For: U.S. Government Agency for information on UK and Irish markets, exporting from the U.S. to the UK and Ireland. Policy information etc.

**Dept of Agriculture, Fisheries & Food**

Agriculture House, Kildare Street, Dublin 2  
Tel: +353 1 607 2000  
E-mail: [info@agriculture.gov.ie](mailto:info@agriculture.gov.ie)  
Website: [www.agriculture.gov.ie](http://www.agriculture.gov.ie)

Contact For: Irish Government Agency for any information on the Irish Agricultural sector.

**Food Safety Authority Ireland**

Abbey Court, Lower Abbey Street, Dublin 1  
Tel: +353 1 817 1300 Fax: +353 1 817 1301  
Email: [info@fsai.ie](mailto:info@fsai.ie)  
Website: [www.fsai.ie](http://www.fsai.ie)

Contact For: Irish Government Association for information on Irish food safety standards and policies.

**United States Mission to the European Union**

Office of Agricultural Affairs  
Organization chart: [www.fas.usda.gov/posthome/useu/staff.html](http://www.fas.usda.gov/posthome/useu/staff.html)  
Boulevard du Regent 27  
B-1000 Brussels  
B-Belgium  
Tel: +32 2 811 4154 Fax: +32 2 811 5560  
E-mail: [AgUSEUBrussels@fas.usda.gov](mailto:AgUSEUBrussels@fas.usda.gov)  
[www.fas.usda.gov/posthome/useu](http://www.fas.usda.gov/posthome/useu)

Contact For: U.S. Government Office dealing with EU agricultural policy information.

**Irish Trade Associations****Food and Drink Industry Ireland**

Confederation House, 84/86 Lower Baggot Street, Dublin 2  
Tel: +353 1 605 1500 Fax: +353 1 638 1500  
E-mail: [paul.kelly@ibec.ie](mailto:paul.kelly@ibec.ie)  
Website: [www.fdi.ie](http://www.fdi.ie)

Contact For: Irish trade association which is the voice of the Irish food and drink manufacturing industry.

**RG Data**

Rock House, Blackrock, Dublin  
Tel: +353 1 288 7584 Fax: +353 1 283 2206  
E-mail: [rgdata@rgdata.ie](mailto:rgdata@rgdata.ie)  
Website: [www.rgdata.ie](http://www.rgdata.ie)

Contact For: Ireland's independently owned grocery shops, convenience stores, forecourt stores and supermarkets.

**Bord Bia – Irish Food Board**

Clanwilliam Court, Lower Mount Street, Dublin 2,  
Tel: +353 1 668 5155 Fax: +353 1 668 7521  
Website: [www.bordbia.ie](http://www.bordbia.ie)

Contact For: Works in partnership with the industry to promote Irish food and drink.

**Vintners Federation of Ireland**

VFI House, Castleside Drive, Rathfarnham, Dublin 14

Tel: +353 1 492 3400

Fax: +353 1 492 3577

E-mail: [enquiries@vintners.ie](mailto:enquiries@vintners.ie)

[www.vfi.ie](http://www.vfi.ie)

Contact For: Trade association for Irish pubs outside Dublin area.

**APPENDIX - STATISTICS**

**TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION FOR 2009**

Irish Agricultural Imports From All Countries (\$Mil)	8.2
U.S. Market Share (%) 1/	3.6%
Irish Consumer Food Imports From All Countries (\$Mil)	5.3
U.S. Market Share (%) 1/	0.5%
Irish Edible Fishery Imports From All Countries (\$Mil)	0.2
U.S. Market Share (%) 1/	0.4%
Irish Total Population (Millions)	4.5 Million
Irish Urban Population (Millions)	2.74 Million
Number of Major Metropolitan Areas 2/	1
Per Capita Gross Domestic Product (U.S. Dollars)	\$61,314
Irish Unemployment Rate (%)	13.7%
Irish Percent of Female Population Employed 3/	52%
Exchange Rate (U.S.\$1 = £)	1.59

Footnotes

1/ From Bico Statistics (Export/Import Statistics for Bulk, Intermediate, and Consumer Oriented Foods and Beverages - BICO)

2/ Population in excess of 1,000,000

3/ Percent of number of women (15 years old or above).

**TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS**

(In millions of United States Dollars, rounded to the nearest million)

Commodity	Ireland Imports from the World			Ireland Imports from the U.S.			U.S. Market Share %		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Consumer Oriented Agric. Total	5,568.6	6,035.6	5,269.0	30.8	26.8	25.3	0.6	0.4	0.5
Fish & Seafood Products	246.6	235.9	203.9	2.8	0.8	0.9	1.1	0.3	0.4
Agricultural Total	7,849.4	8,457.6	7,538.6	344.7	316.8	266.1	4.3	3.7	3.5
Agricultural, Fish & Forestry	9,284.4	9,517.1	8,215.7	401.2	362.8	296.4	4.3	3.8	3.6

Source: Global Trade Information Services.

**TABLE C – TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS**

**Ireland - Top 15 Suppliers of Consumer Food Imports**

	2007 (\$ millions)	2008 (\$ millions)	2009 (\$ millions)
United Kingdom	3,280.1	3,548.3	3,101.0
Netherlands	624.5	647.1	554.2
Germany	366.5	483.5	403.5
France	298.1	321.8	235.8
Belgium	175.8	172.9	145.9
Spain	131.5	140.6	120.5
Italy	105.7	135.7	112.6
Denmark	43.3	52.2	54.8
Brazil	62.9	62.5	53.6
Chile	59.9	44.7	51.3
Poland	28.4	45.8	43.3
Australia	72.3	29.2	34.7
Thailand	22.9	24.8	29.4
Austria	23.4	40.0	29.1
South Africa	40.3	40.9	28.9
United States	30.8	26.8	25.3
World	5,568.6	6,035.6	5,269.0

1/ note that this data under-represents actual U.S. sales to Ireland as an undetermined amount of products are transshipped via the UK.

Source: Global Trade Atlas

### **Ireland – Top 15 Suppliers of Fish & Seafood Products Imports**

	2007 (\$ millions)	2008 (\$ millions)	2009 (\$ millions)
United Kingdom	164.7	170.8	134.2
Germany	16.4	21.0	17.9
Netherlands	3.6	6.2	9.2
France	6.9	9.9	7.6
Iceland	10.0	5.0	7.2
Denmark	9.1	8.1	6.4
Poland	0.7	2.2	3.5
Norway	0.2	0.3	3.1
India	5.4	0.4	1.9
South Africa	1.7	0.7	1.9
Philippines	1.4	0.5	1.1
United States	2.8	0.8	0.9
Sweden	0.6	0.8	0.9
New Zealand	0.6	0.3	0.9
Spain	1.7	0.9	0.8
World	246.6	235.9	203.9

1/ note that this data under-represents actual U.S. sales to Ireland as an undetermined amount of products are transhipped via the UK.

Source: Global Trade Atlas