Dublin City Indicators and Benchmarking

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Office of
International
Relations
& Research

Background

1. Give you a flavour of the city indicators project
2. Brief snapshot on the Dublin and Ireland Economy and benchmark where appropriate our performance
3. What are we learning from the data – key issues
4. Most importantly using it as an evidence base
5. Highlights areas of particular concern / progress during review process of Economic Action Plan

Outline

- Will be highlighting Dublin in the national & international context
- Current economic performance
- Employment / labour force
- Property/Construction, Overall Costs,
- Foreign Direct Investment (FDI)
- The Smart City – innovation and knowledge
- The Green and Sustainable city
- Will be Identifying the key challenges throughout

Dublin – Where we stand

- 39% of national output / 37-40% of jobs
- 28% of national population
- Over 58 per cent of the top 1000 companies in Ireland by turnover are based in Dublin
- Dublin is now considered a truly global city and as such features in most of the international city benchmarking indices
- 12th in Europe in terms of brand strength (2009)

Dublin – Where we stand

- Dublin continues to be recognised as one of the most liveable cities in the world
- Mercer Quality of living (2010) top quartile

- 91st largest city economy (PWC 2010)
- Second smallest population of OECD cities in report 'Competitive cities in the OECD' (78 cities)
- Top performer in terms of productivity, GDP per capita, employment growth (2007)
- Major progress since the 1990's

Globalisation

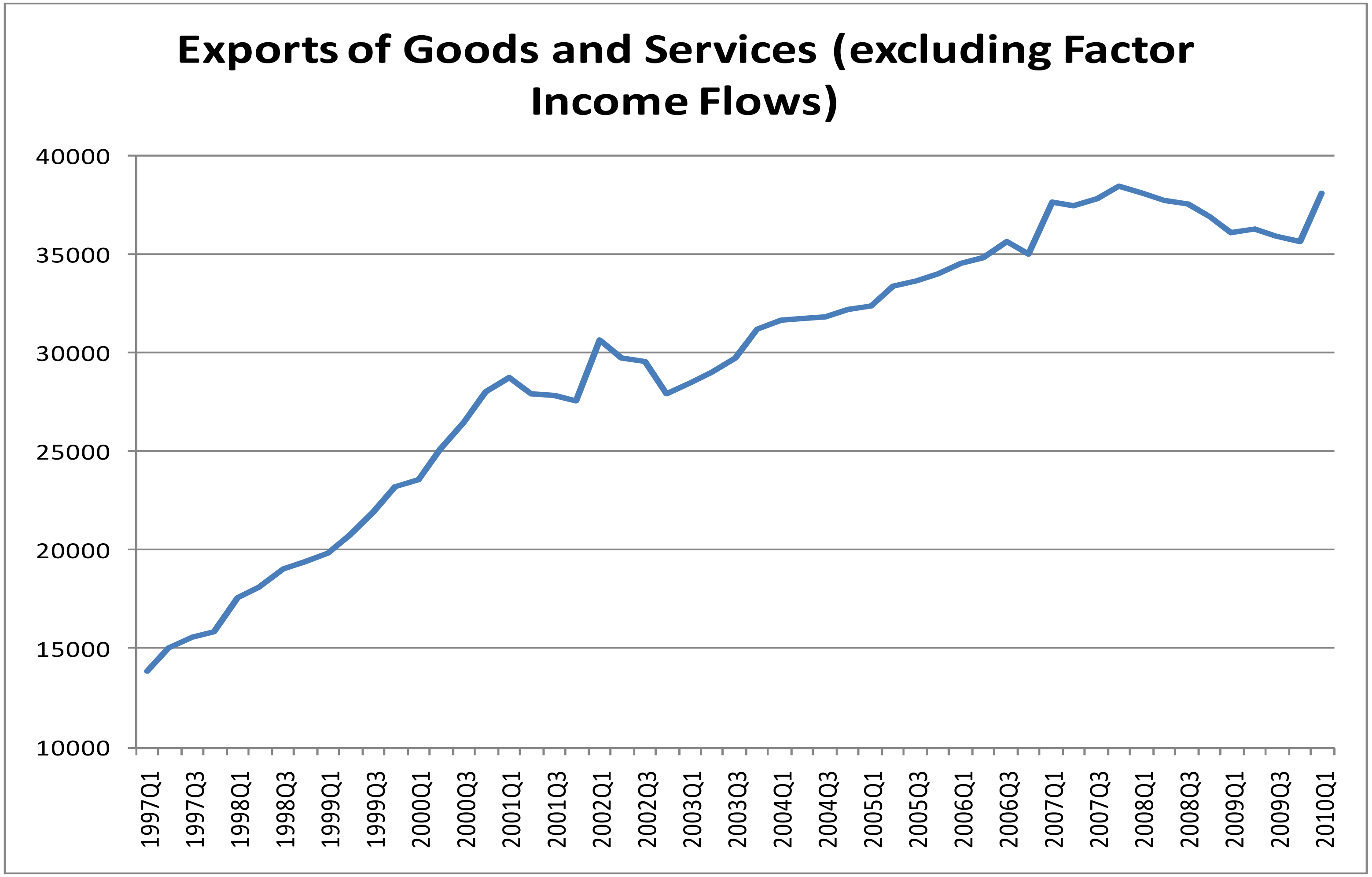
- 3rd most globalised country (EIU, E&Y)
- Globalisation and World city Network (Alpha minus) Peter Taylor, Gawc, 2009.
- Top 1000 companies - 58% located in Dublin, over half foreign owned.
- 17% US, 15% UK and 4% from Germany

The Current Economic Reality

- The majority of the gains made in the Irish economy over the early 2000’s gone
- A perfect storm – domestic and international problems
- A story of record highs and record declines
- For 2009, GDP was 7.1 per cent lower, GNP was 11.3 per cent lower
- This is the largest decline in output ever recorded in a single year

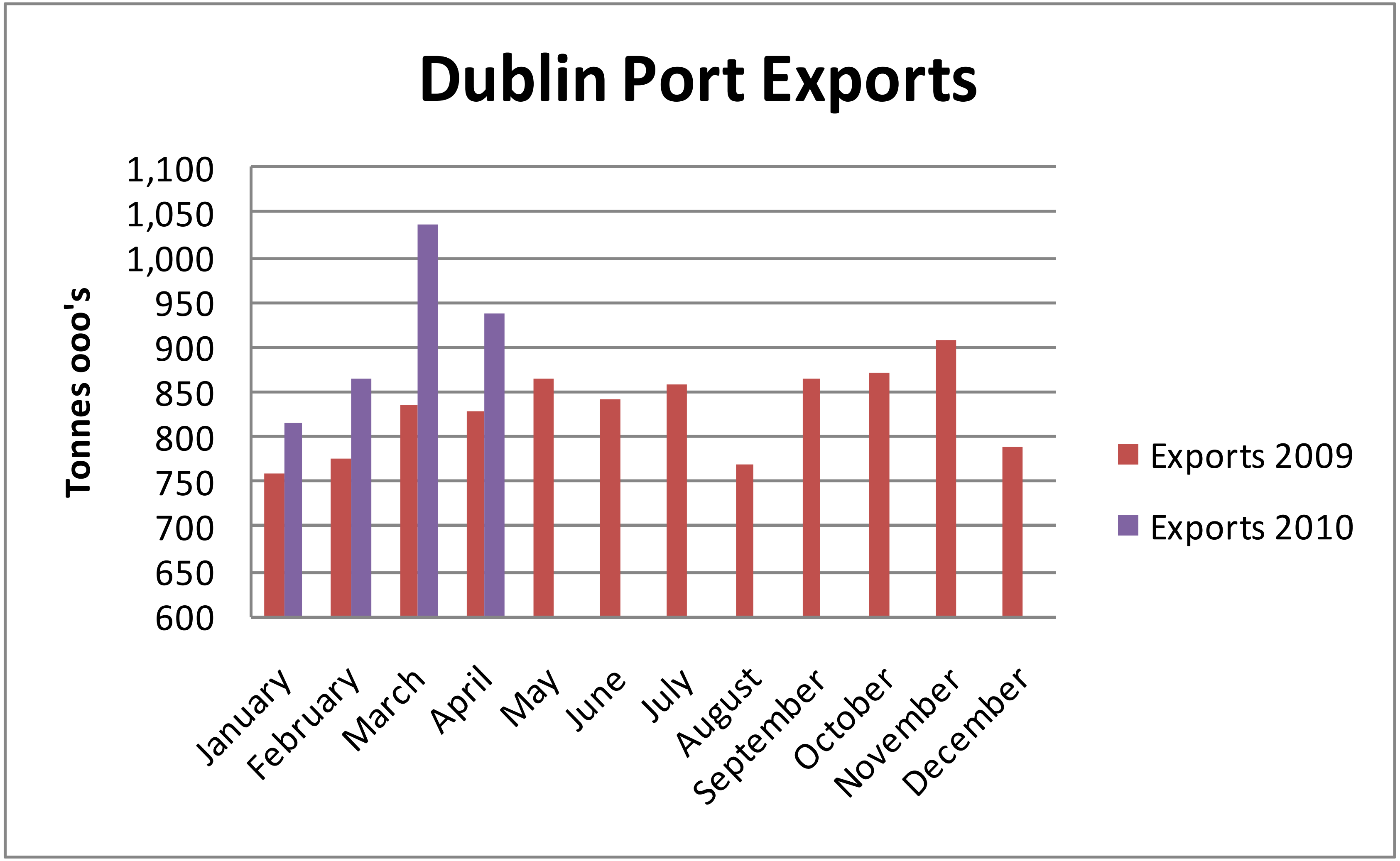
Turning the Corner?

- Ireland is technically out of recession (Q1 2010)
- GDP has increased 2.7% on the quarter while GNP is down by .5%.
- Export Driven - Exports at record levels
- Global economic outlook improving (IMF)
- Speed of decline decelerating
- Consumer Sentiment improving
- Retail sales up
- Purchasing Managers Index (PMI’s) in positive territory for services / manufacturing
- Competitiveness improving
- However long road to recovery ahead


Exports of Goods and Services (excluding Factor Income Flows)
40000
35000
30000
25000
20000
15000
10000
1997Q1
1997Q3
1998Q1
1998Q3
1999Q1
1999Q3
2000Q1
2000Q3
2001Q1
2001Q3
2002Q1
2002Q3
2003Q1
2003Q3
2004Q1
2004Q3
2005Q1
2005Q3
2006Q1
2006Q3
2007Q1
2007Q3
2008Q1
2008Q3
2009Q1
2009Q3
2010Q1

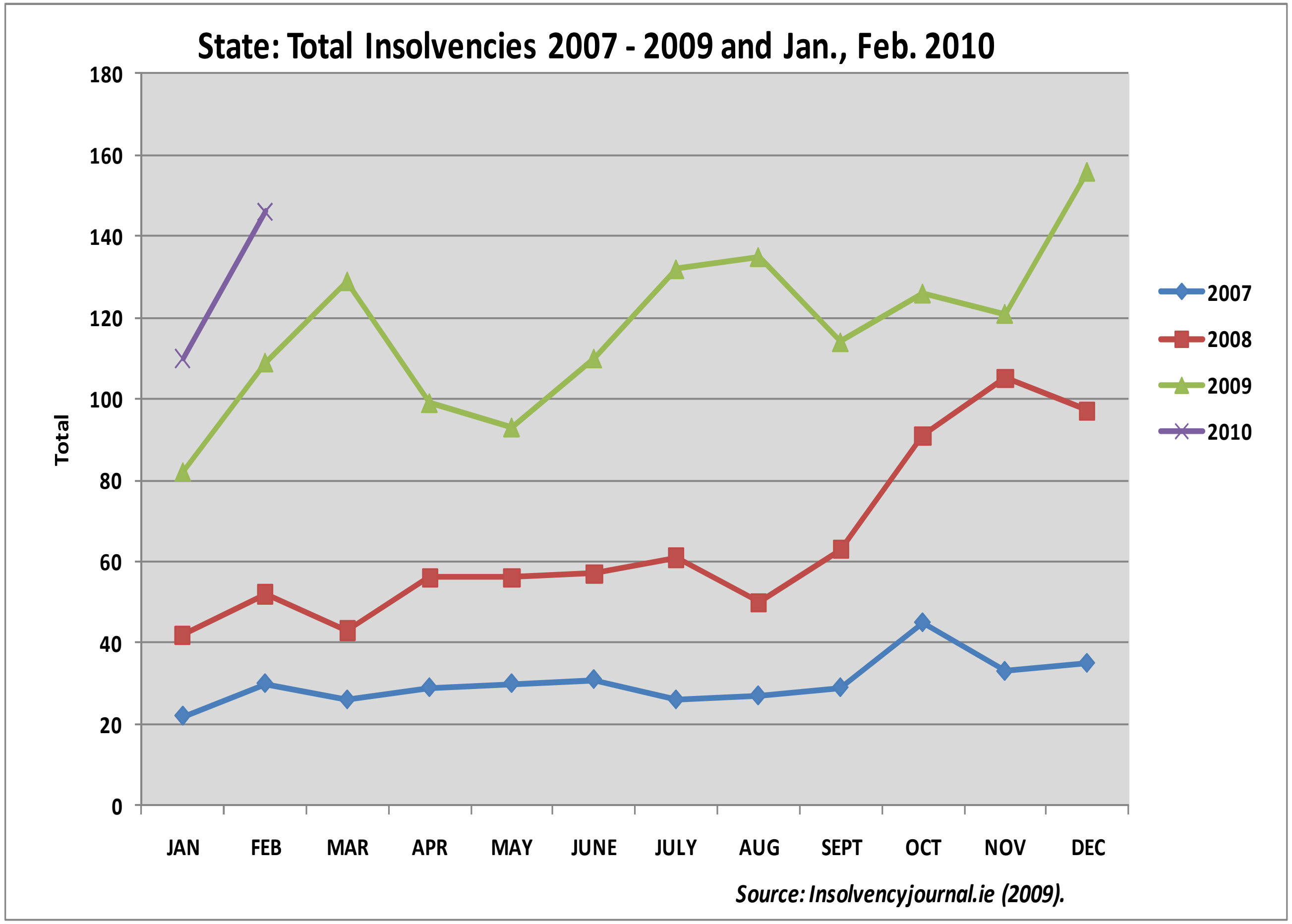
Ireland's Share of World Trade: Merchandise and Services (%), 2000-2008
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
Percentage
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Ireland's % of World's Total Merchandise
Ireland's % of World's Total Commercial Services
Source: World Trade Organisation (2009).

Exports



Dublin Port Exports
Tonnes 000's
1,100
1,050
1,000
950
900
850
800
750
700
650
600
January
February
March
April
May
June
July
August
September
October
November
December
Exports 2009
Exports 2010

Insolvencies



Dublin based companies 40% of total

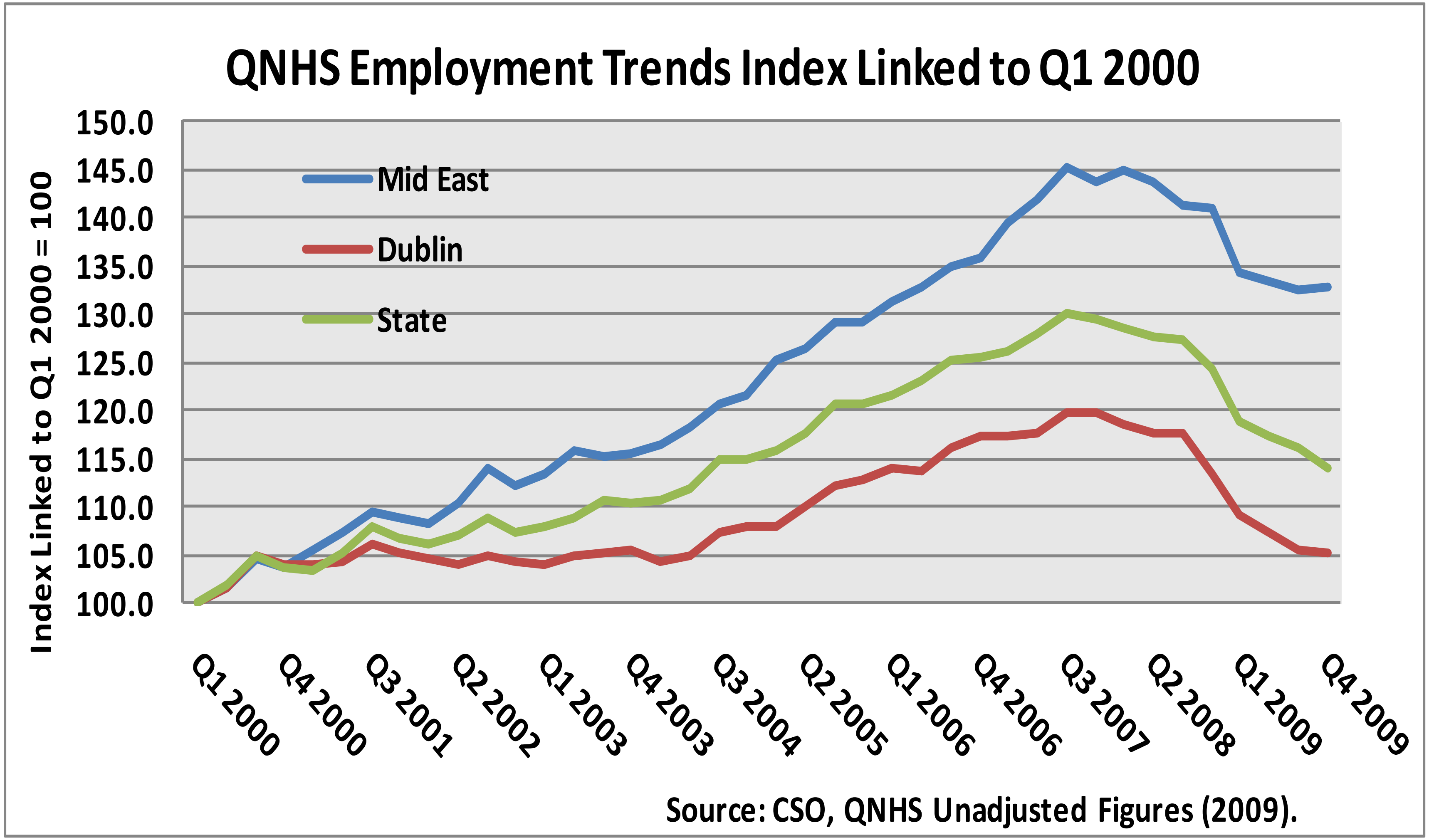
The Employment Challenge

- Employment: State: 2.138 million q4 2006 to 1.88 million to q4 2009 **(Down 251,000)**
- Dublin 628,000 to 550,000 = **(Down 75,000)**
- Since peak – Construction Half of all jobs lost in Ireland and 40 per cent of jobs in Dublin
- Construction: One in five males (20.1% - 21.5%) nationally and up to 16 per cent in Dublin.
- Nationally 80 per cent of all jobs lost since the peak in 2007 were males (66 per cent in Dublin).
- Shrinking labour force.
- Unemployment up to 12.8 per cent in Dublin (40% LT)

Employment/Labour force

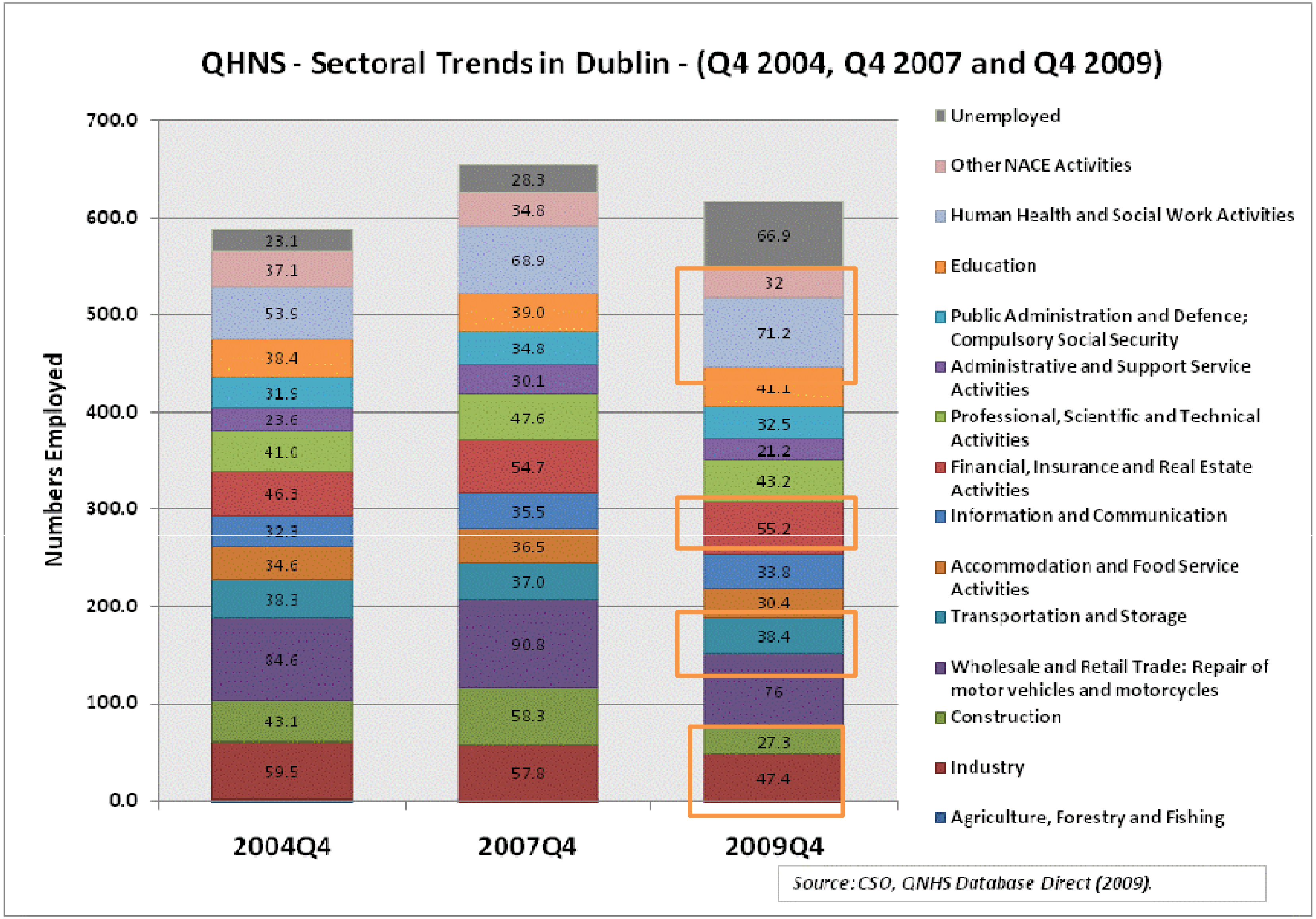
- In a 2006 eurobarometer quality of life survey Dublin was ranked the top city in the EU for the ease of finding a job (65% of those surveyed agreed). In the most recent 2009 survey Dublin was place in the bottom tier of cities 11th from bottom (16 per cent of those surveyed agreed)

QHNS


QNHS Employment Trends Index Linked to Q1 2000
150.0
145.0
140.0
135.0
130.0
125.0
120.0
115.0
110.0
105.0
100.0
Index Linked to Q1 2000 = 100
Mid East
Dublin
State
Q1 2000
Q4 2000
Q3 2001
Q2 2002
Q1 2003
Q4 2003
Q3 2004
Q2 2005
Q1 2006
Q4 2006
Q3 2007
Q2 2008
Q1 2009
Q4 2009
Source: CSO, QNHS Unadjusted Figures (2009).

Employment and the Labour Market Record Highs and Lows in Dublin

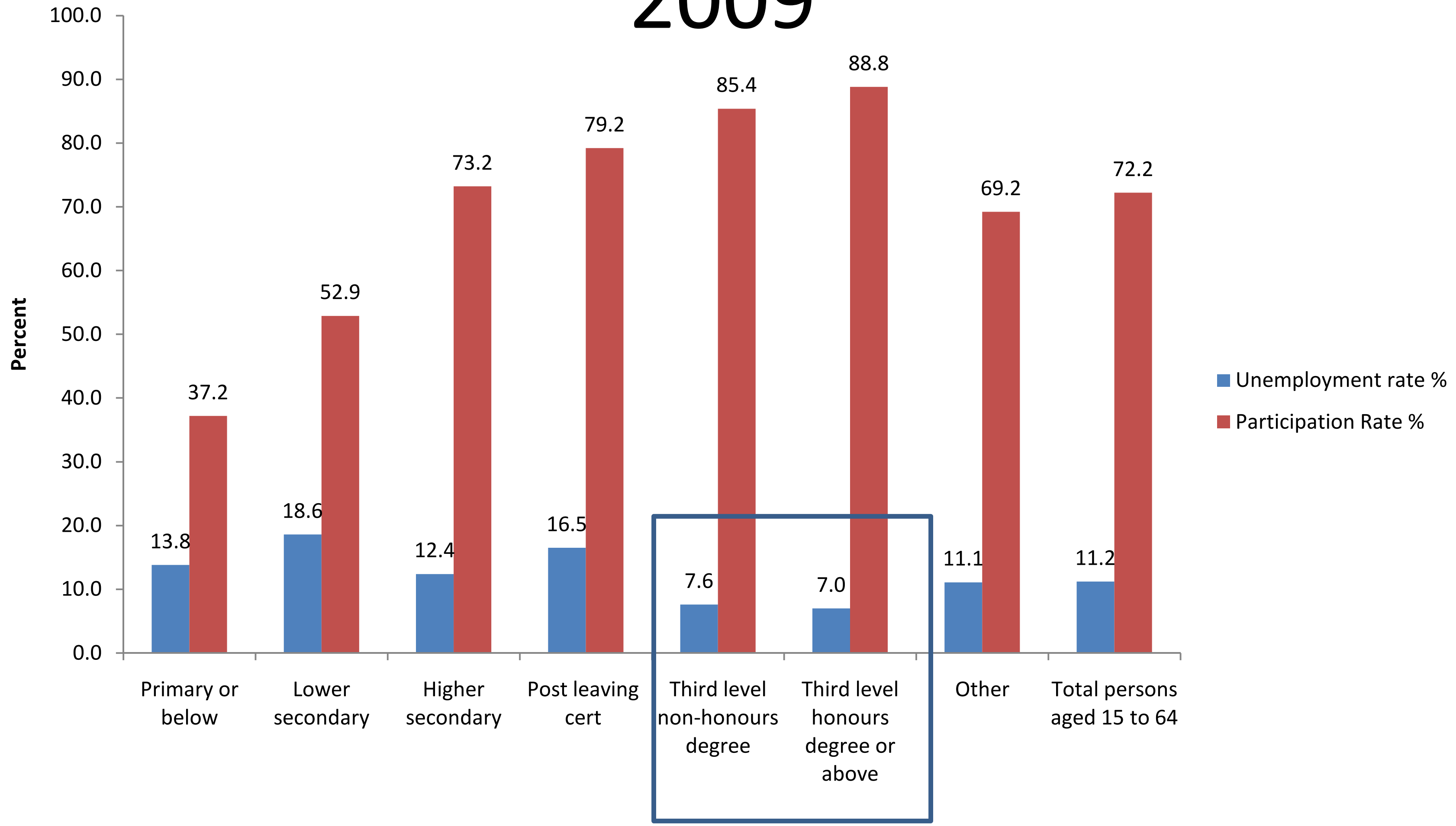
Year	Number in employment 000s	Number unemployed 000s	Number in labour force 000s	Labour force participation rate %	Unemployment rate %
Q4 2000	545.1	14.6	559.7	63.2	2.6
Q4 2007	626.8	28.3	655.1	65.7	4.3
Q4 2009	550.4	66.9	617.4	63.5	10.8



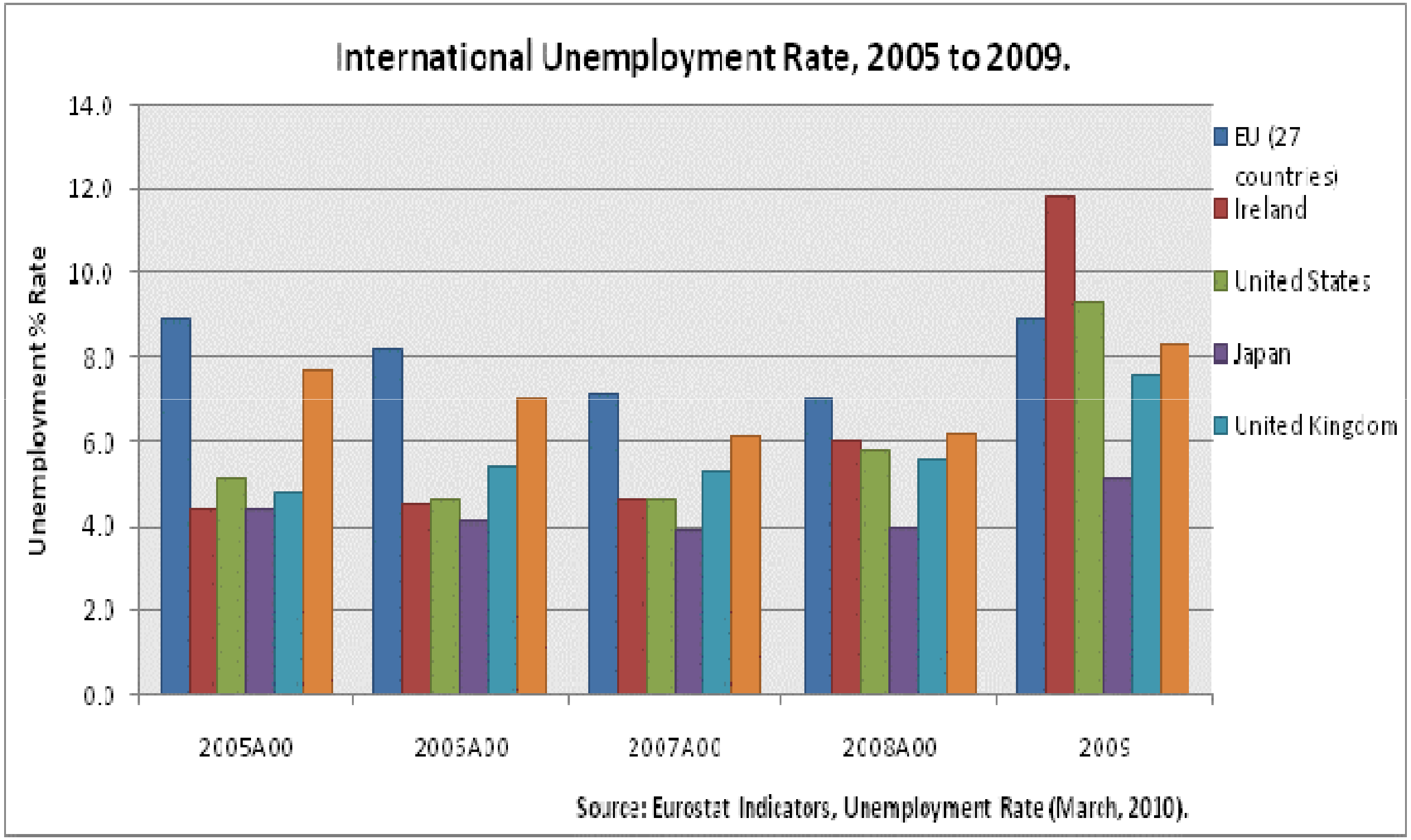
• Top 3 sectors were: 1) Wholesale and retail trade (13.8%), 2)Human Health and Social Work Activities (12.9%) and 3) Financial services and real estate (10%).

-GFCI ranking & IFSC performance

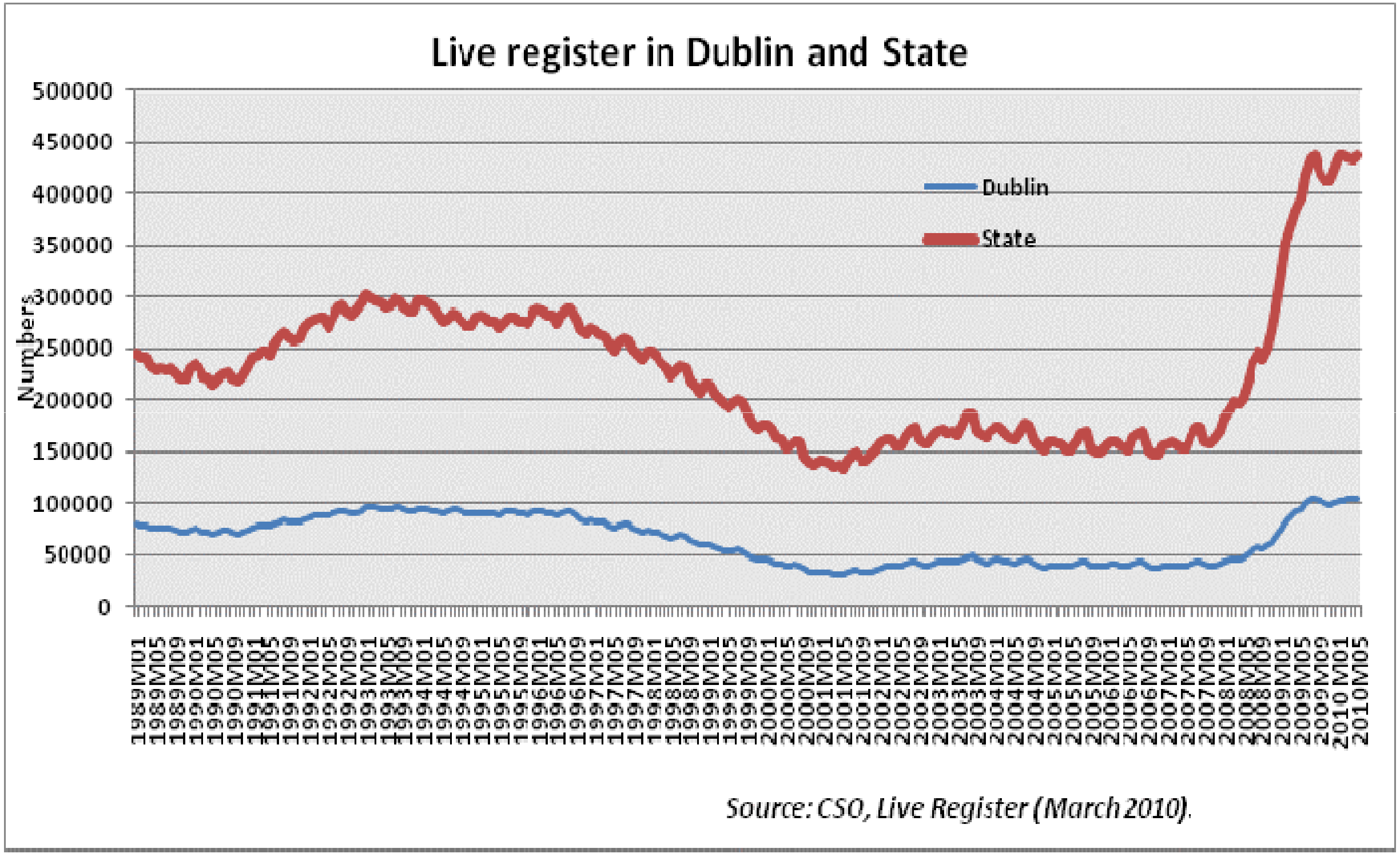
Unemployment and participation and educational attainment, Dublin, Q3 2009



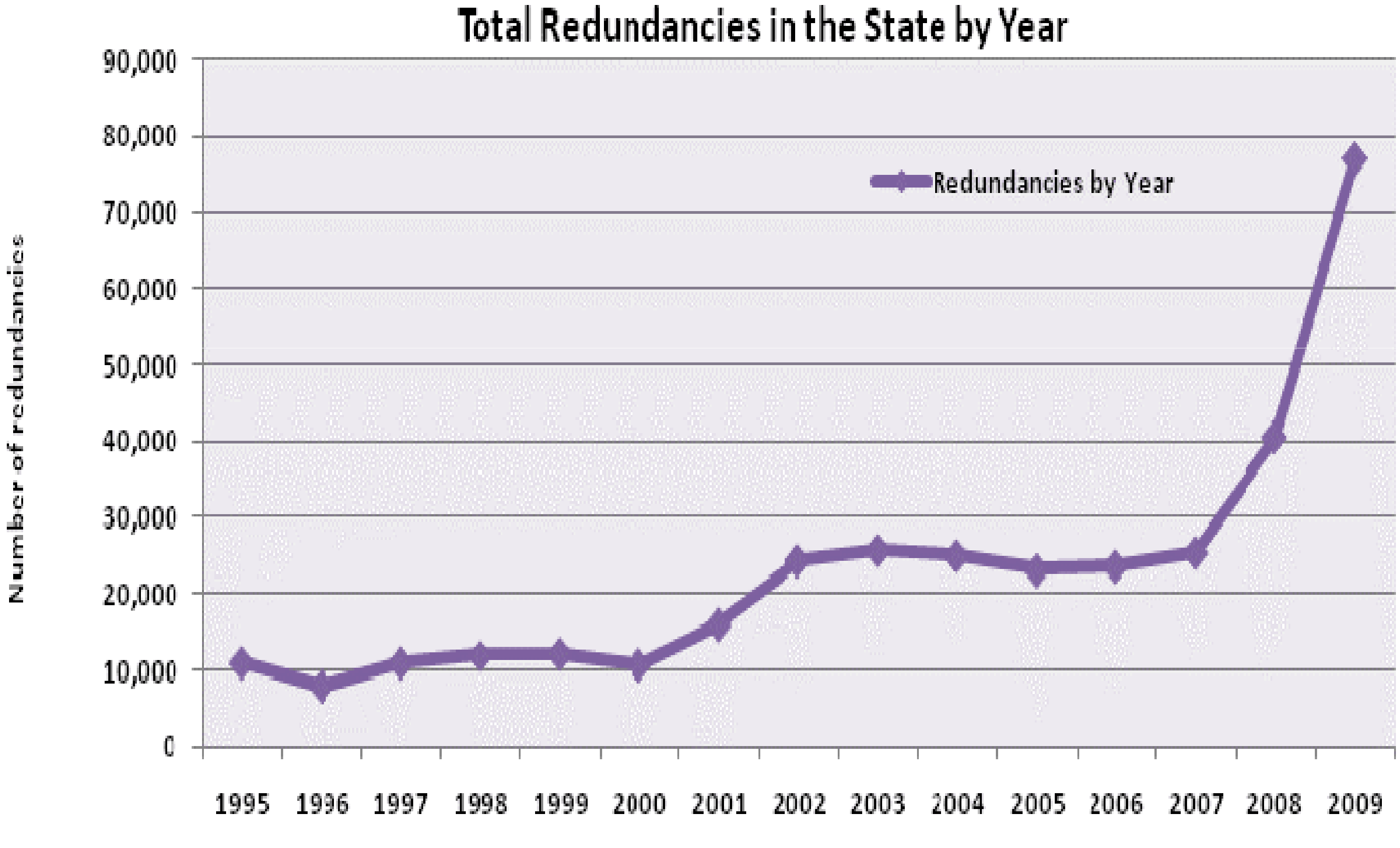
International Unemployment



Live Register

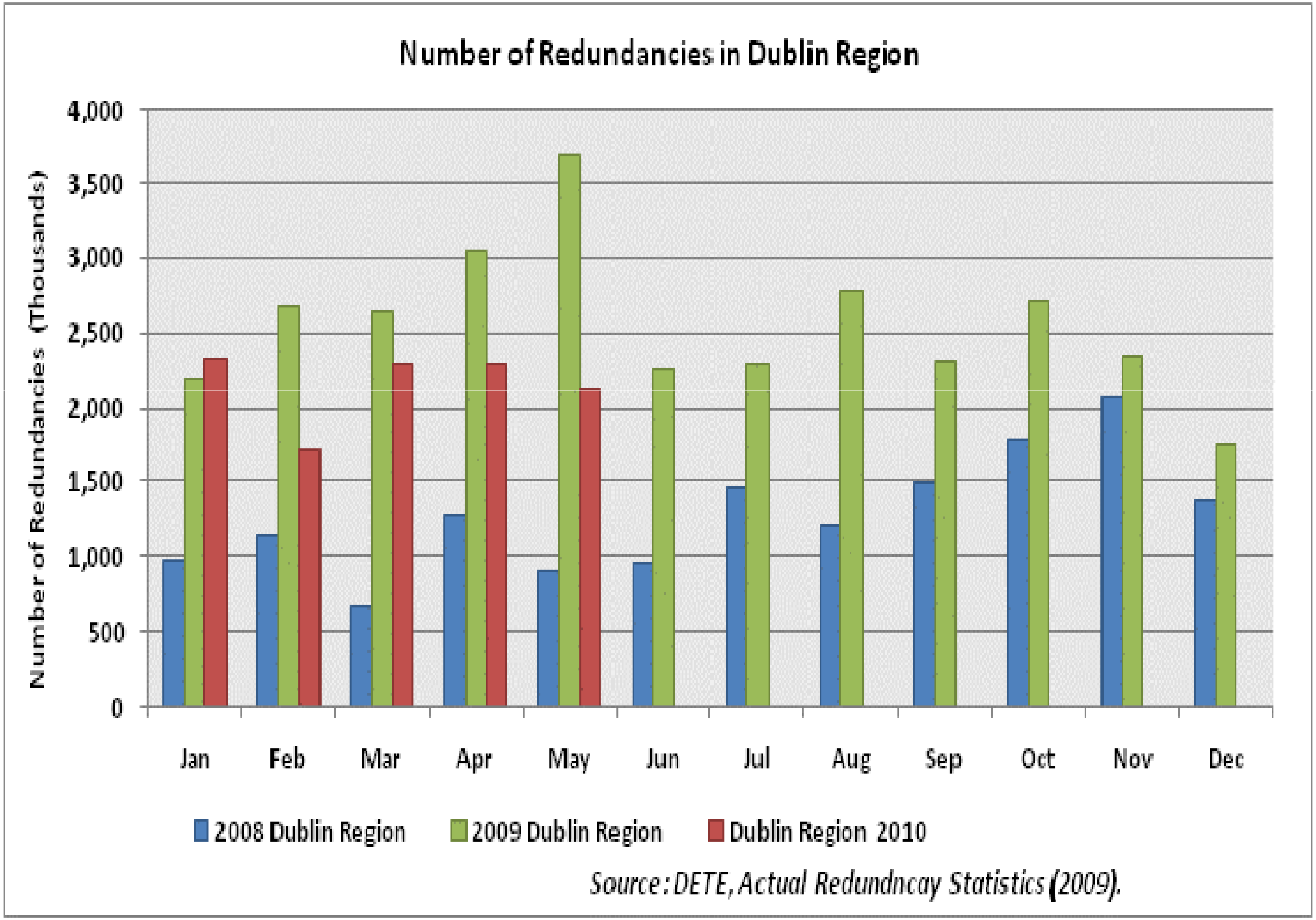


Redundancies



Source: DETE, Actual Redundncay Statistics (2009).

Redundancies

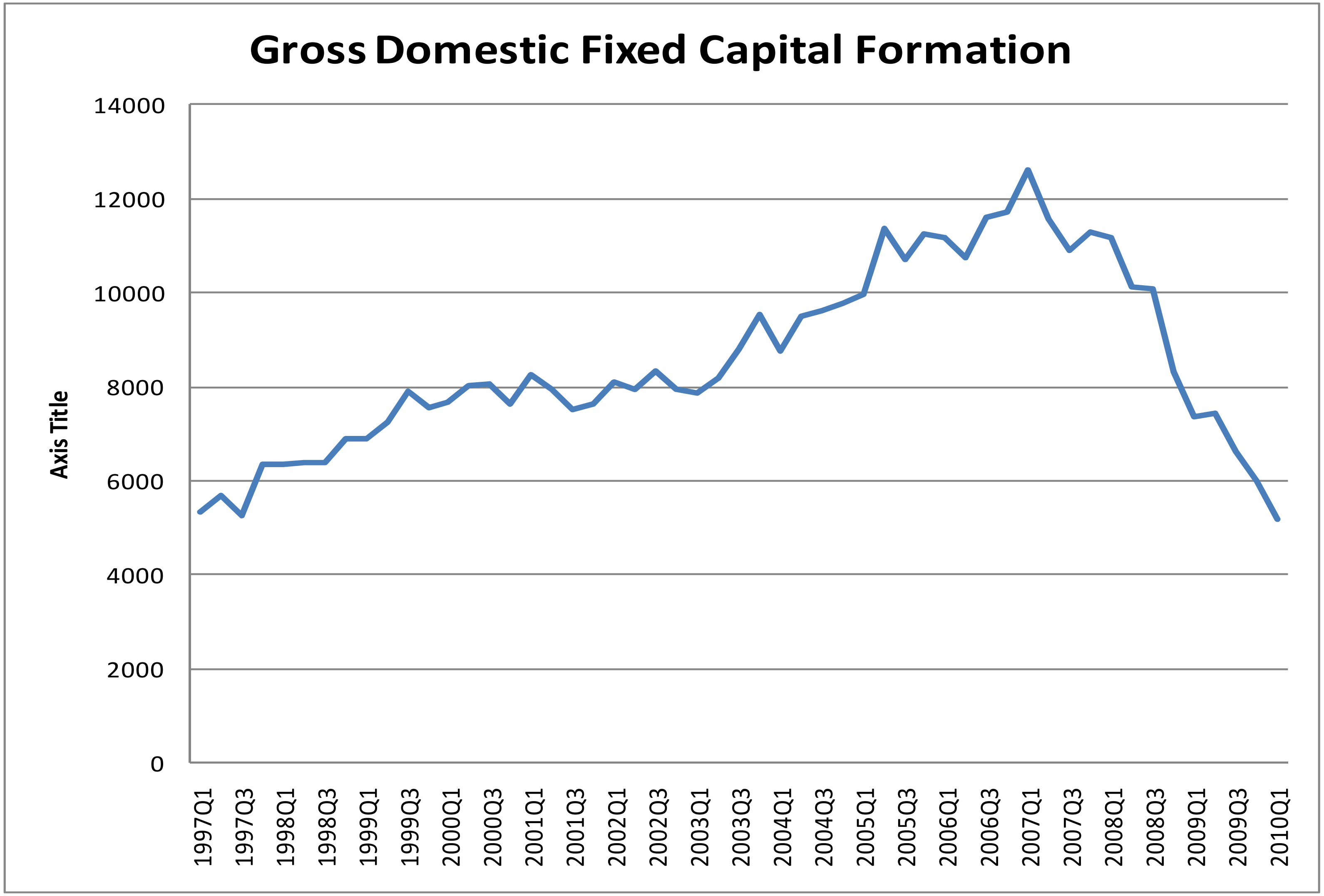


Key Issues

- All classes of workers have not been affected equally
- Risk of high and sustained long term unemployment
- Shrinking labour force (actual number and participation)
- Education, training matched to needs of existing labour market and ‘new’ employment
- Short term employment outlook for the city and state is for a continuing decline
- Unprecedented circumstances demand unprecedented actions

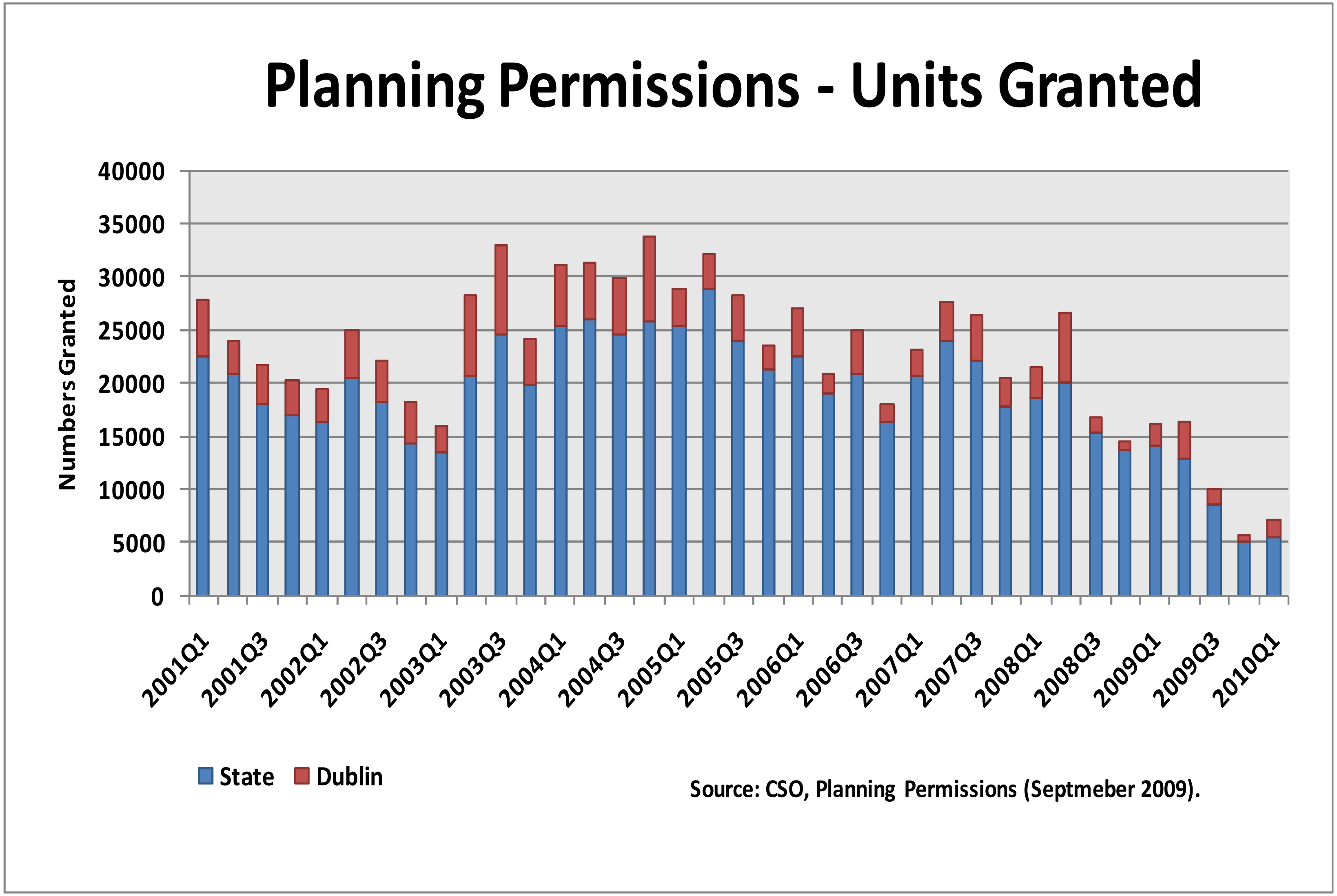
Property / Construction: The Big Decline

- Heavy job losses
- New house building including commencements, registrations and construction employment suggest that new building activity are exceptionally weak
- Dublin did not dominate nationally in terms of construction activity. (25% of national completions)



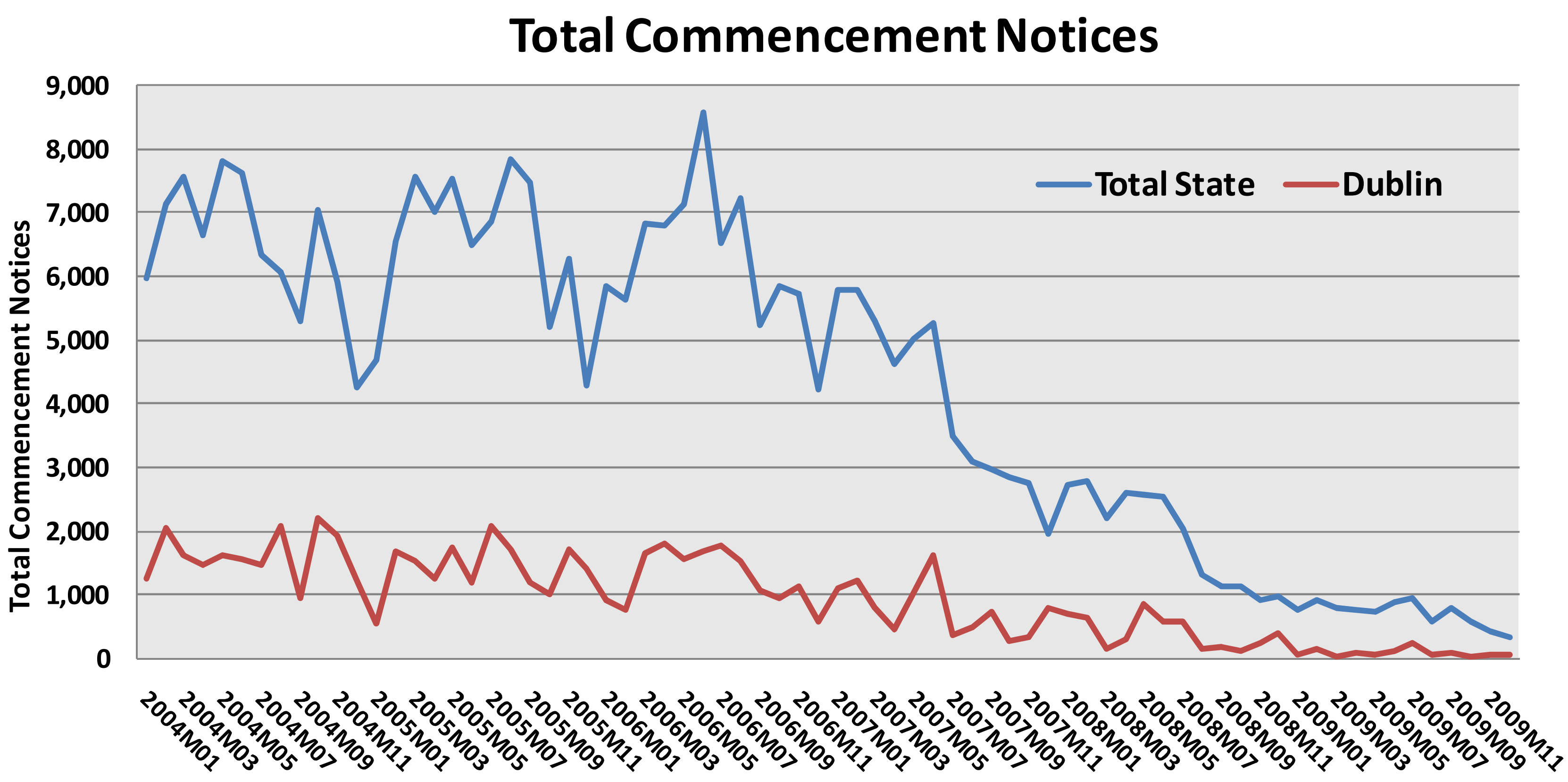
- Decline in the total levels of investment in the economy as measured by gross fixed capital formation (now at 1997 levels)

Planning

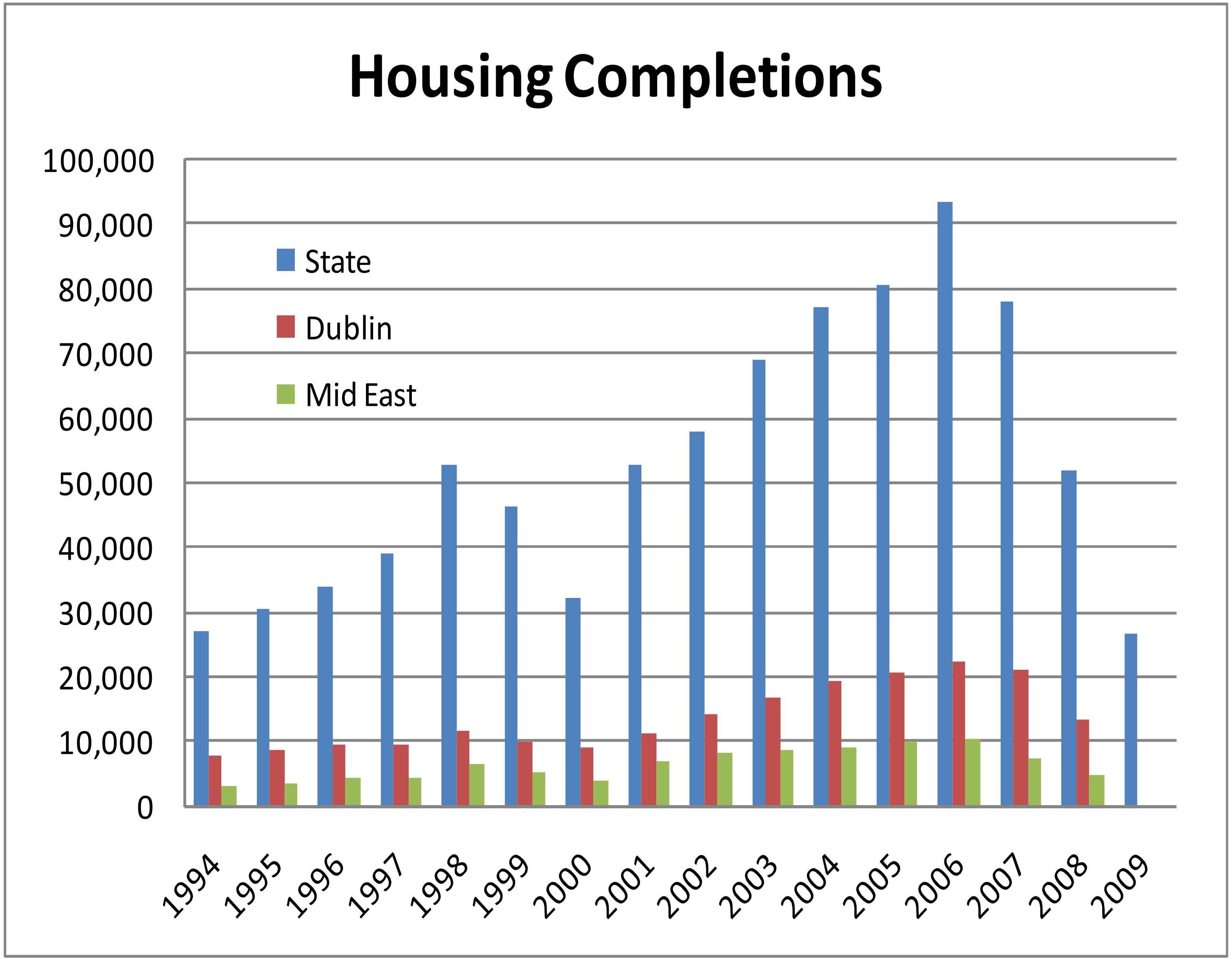


Planning Permissions - Units Granted
Numbers Granted
40000
35000
30000
25000
20000
15000
10000
5000
0
2001Q1
2001Q3
2002Q1
2002Q3
2003Q1
2003Q3
2004Q1
2004Q3
2005Q1
2005Q3
2006Q1
2006Q3
2007Q1
2007Q3
2008Q1
2008Q3
2009Q1
2009Q3
2010Q1
State
Dublin
Source: CSO, Planning Permissions (Septmeber 2009).

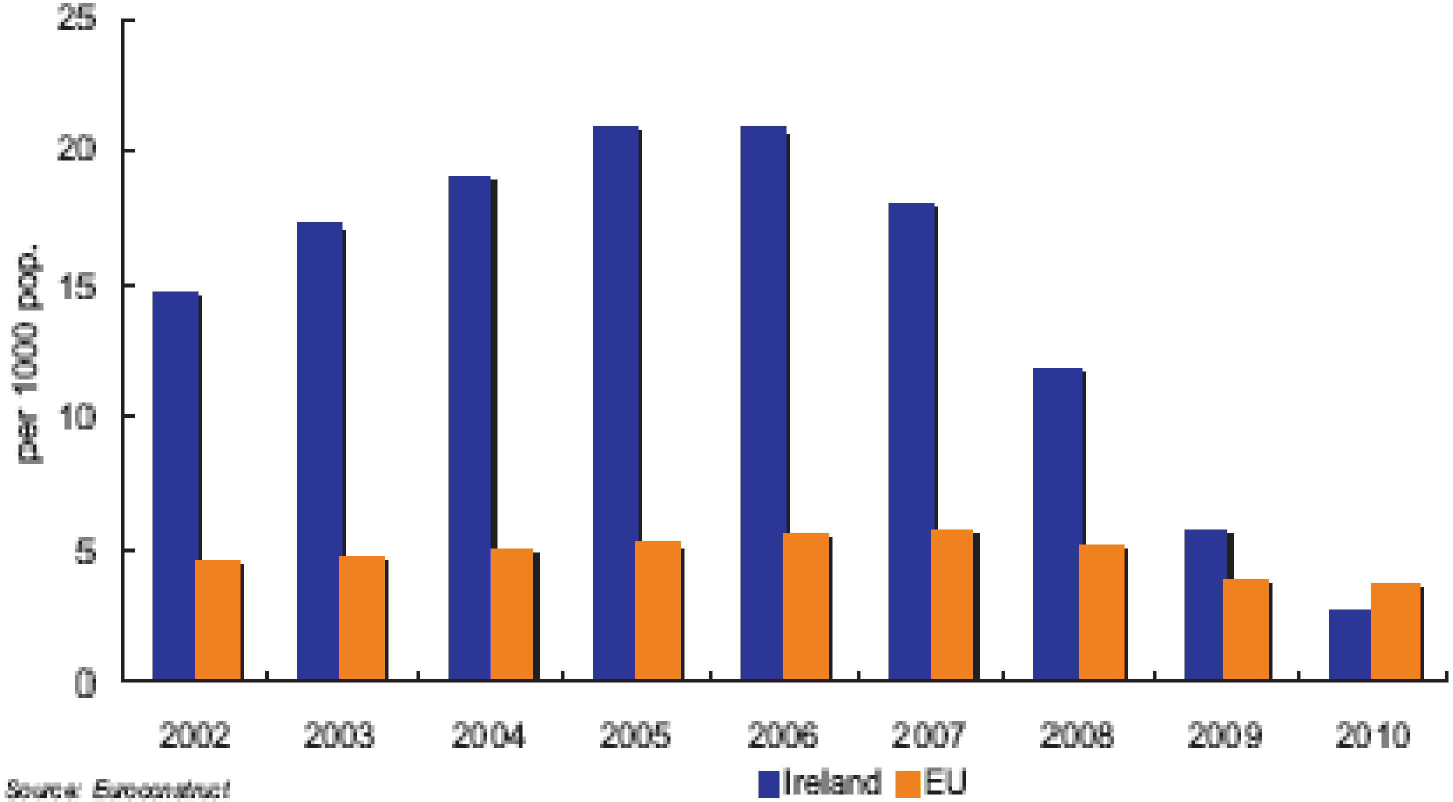
Commencements



Source: Department of Environment, Heritage and Local Government (2009).


Housing Completions
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
State
Dublin
Mid East
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009

Irish house completions returning to more normal levels after the boom



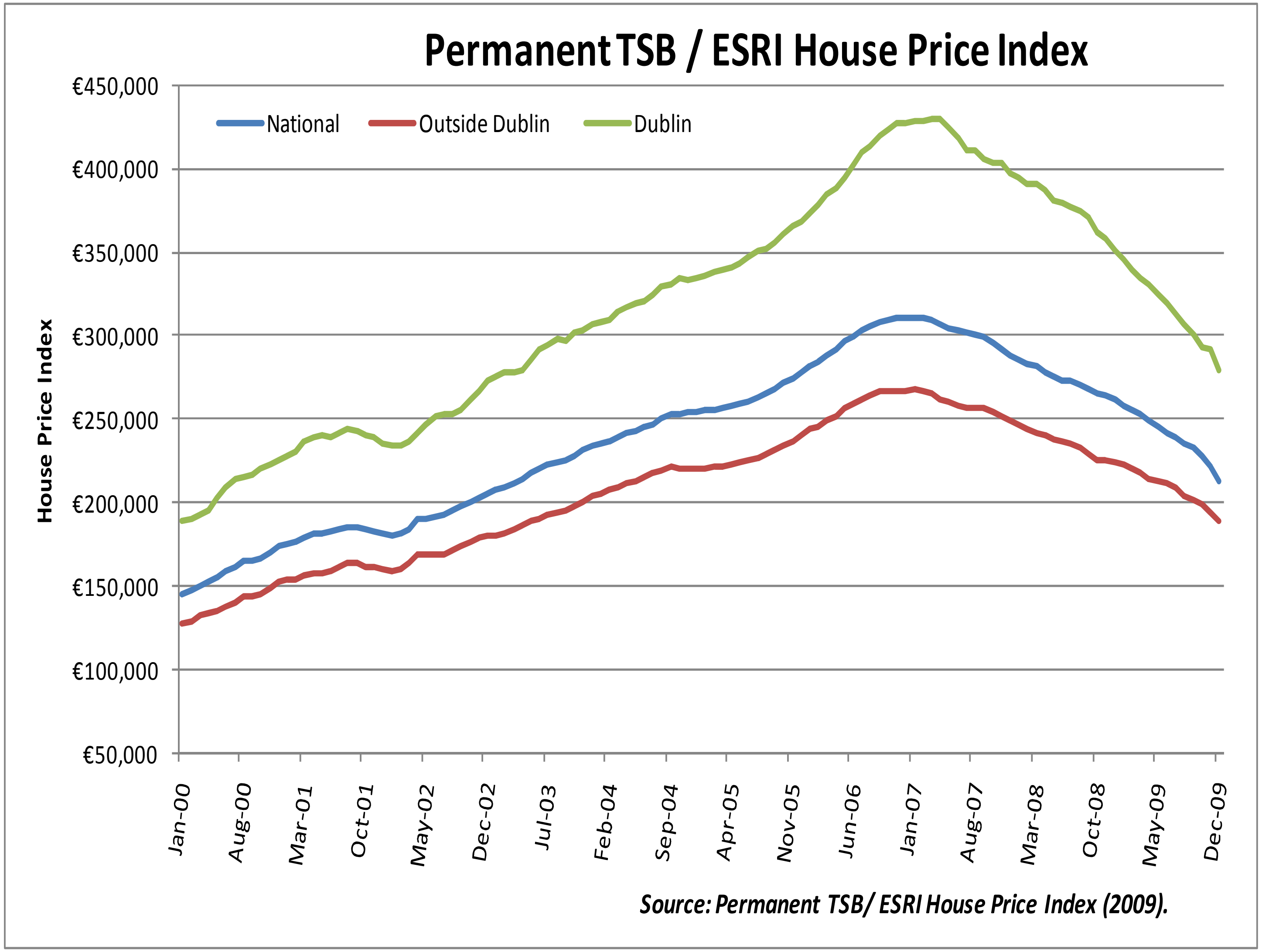
Source: Euroconstruct

Property / Construction

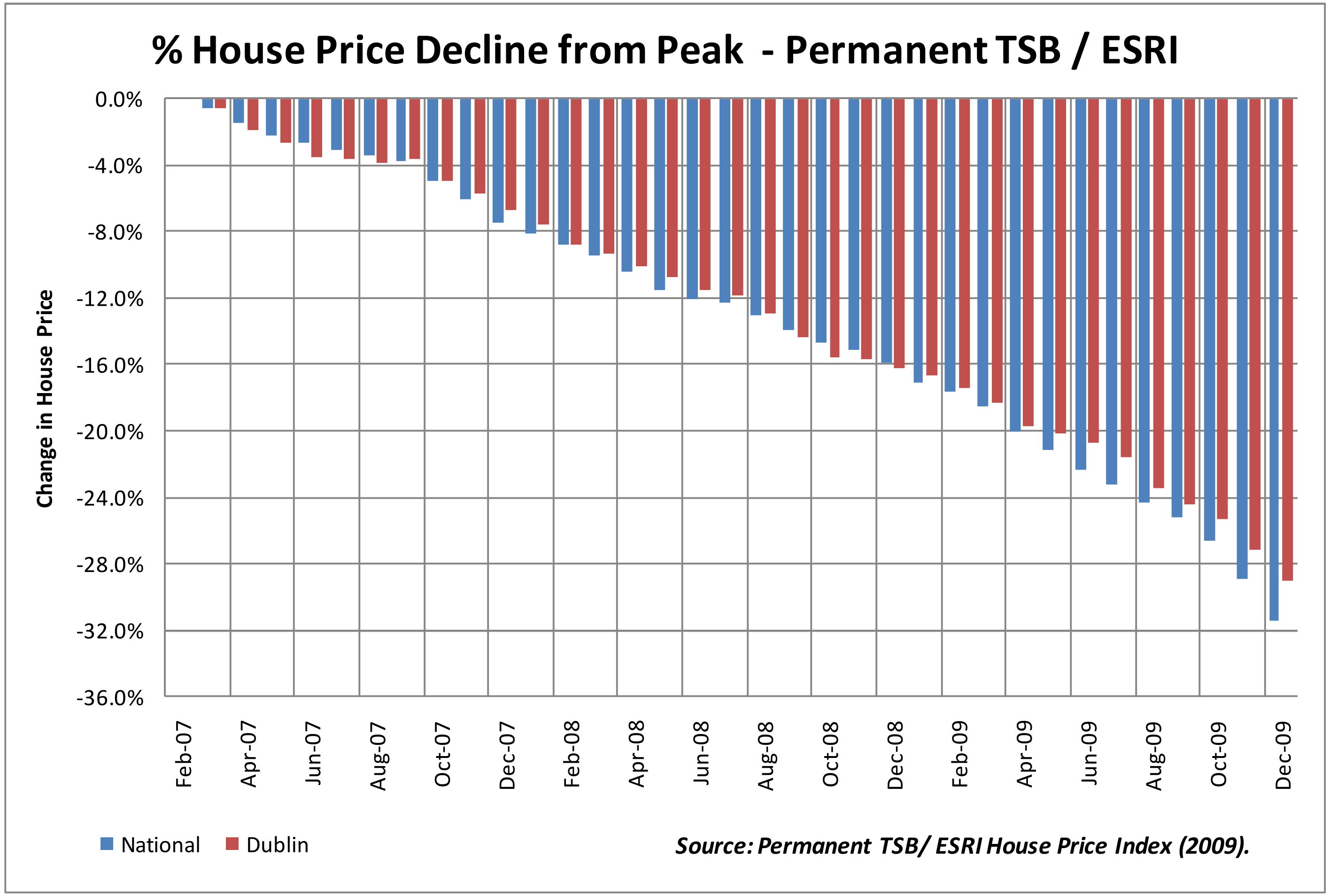
- European Regional Growth Index (Jones la Salle 2009) Dublin now 73rd most attractive city.
- Construction sentiment PMI indicators weakening for the 34th month in a row (April 2010, Ulster bank)
- Maybe some growth in 2011 at the earliest?

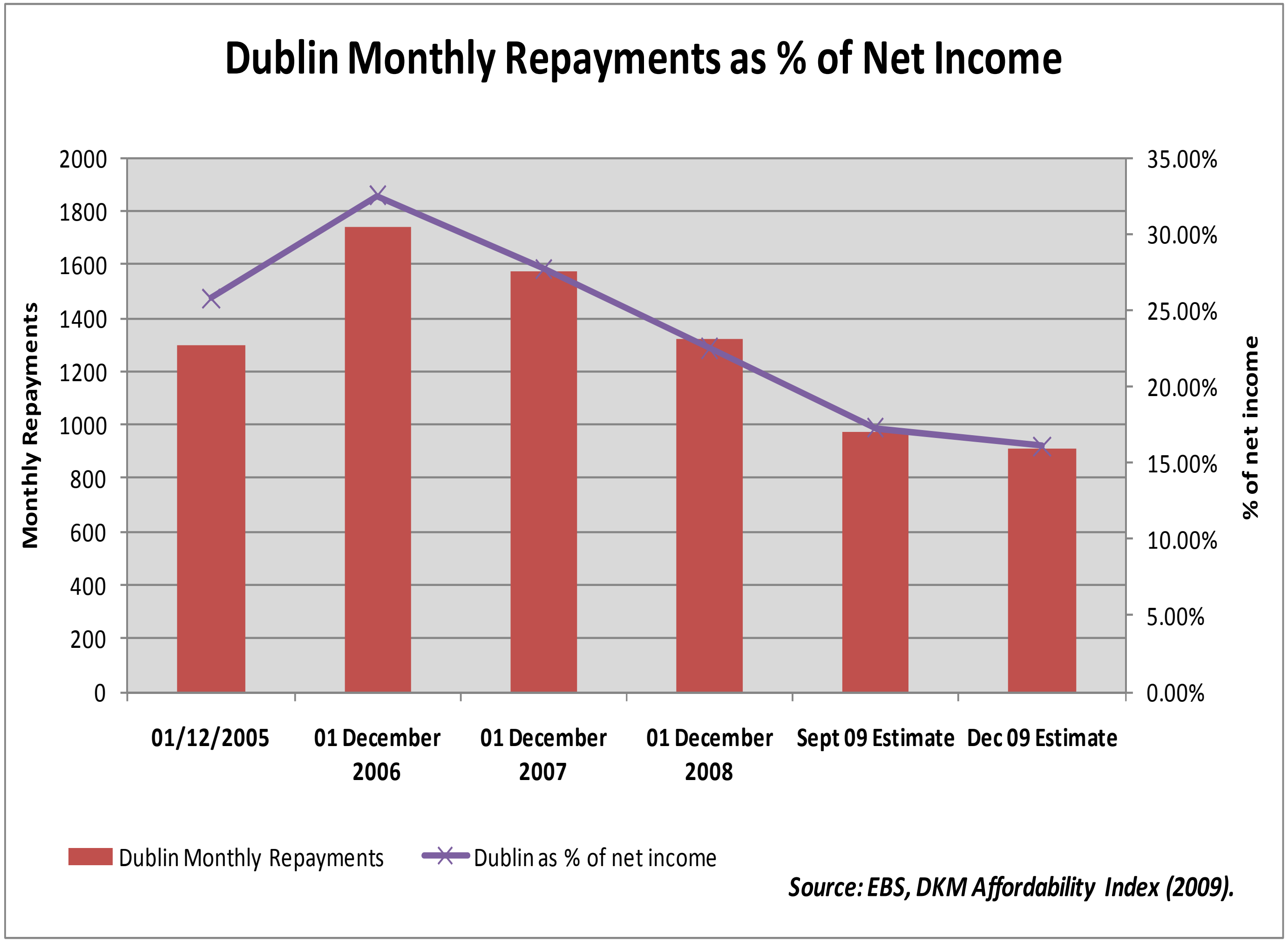
(Highest reading for over 2 years)

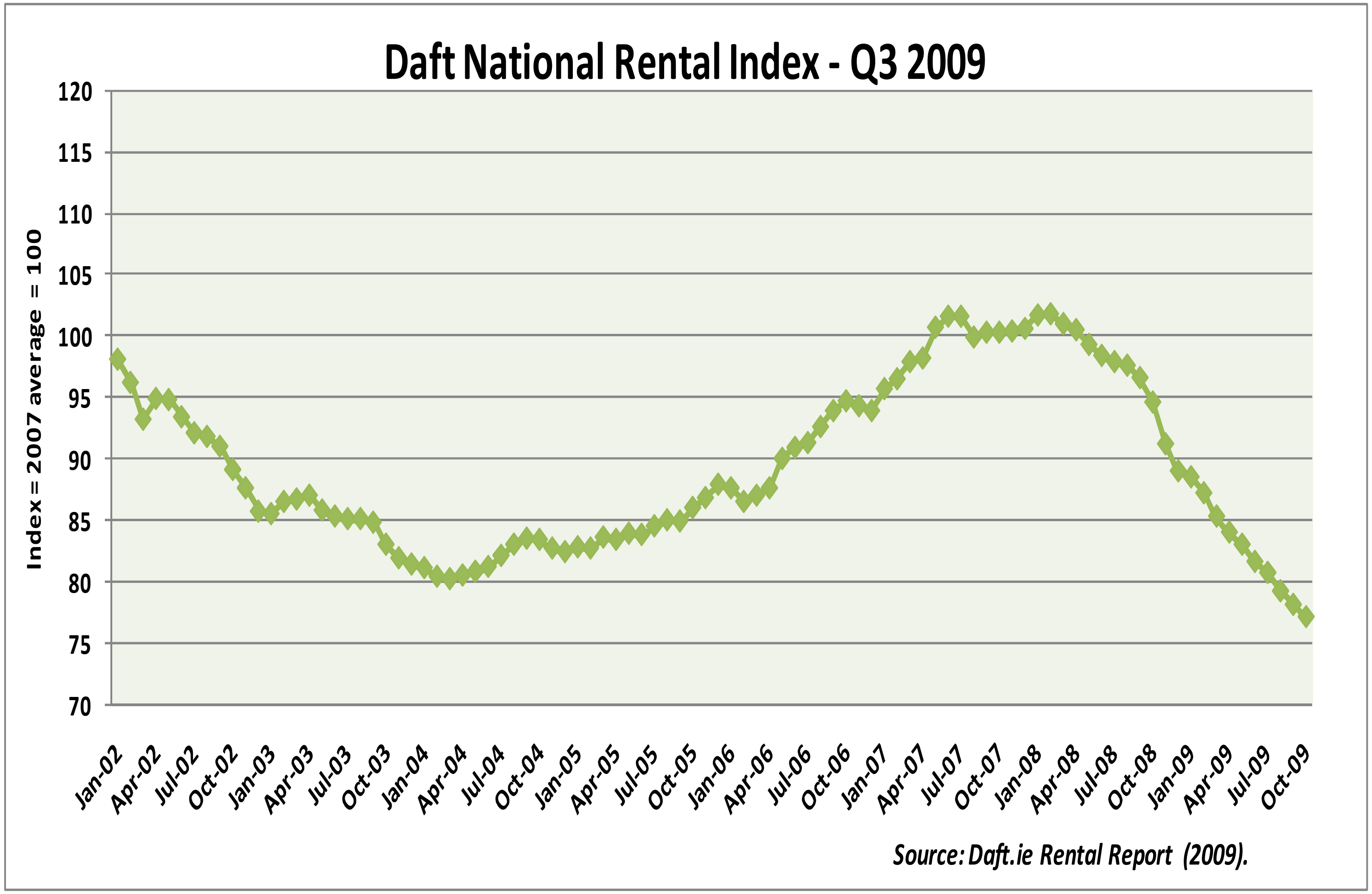
- More job losses predicted as existing infrastructural projects are completed (still over 120,000 employed)

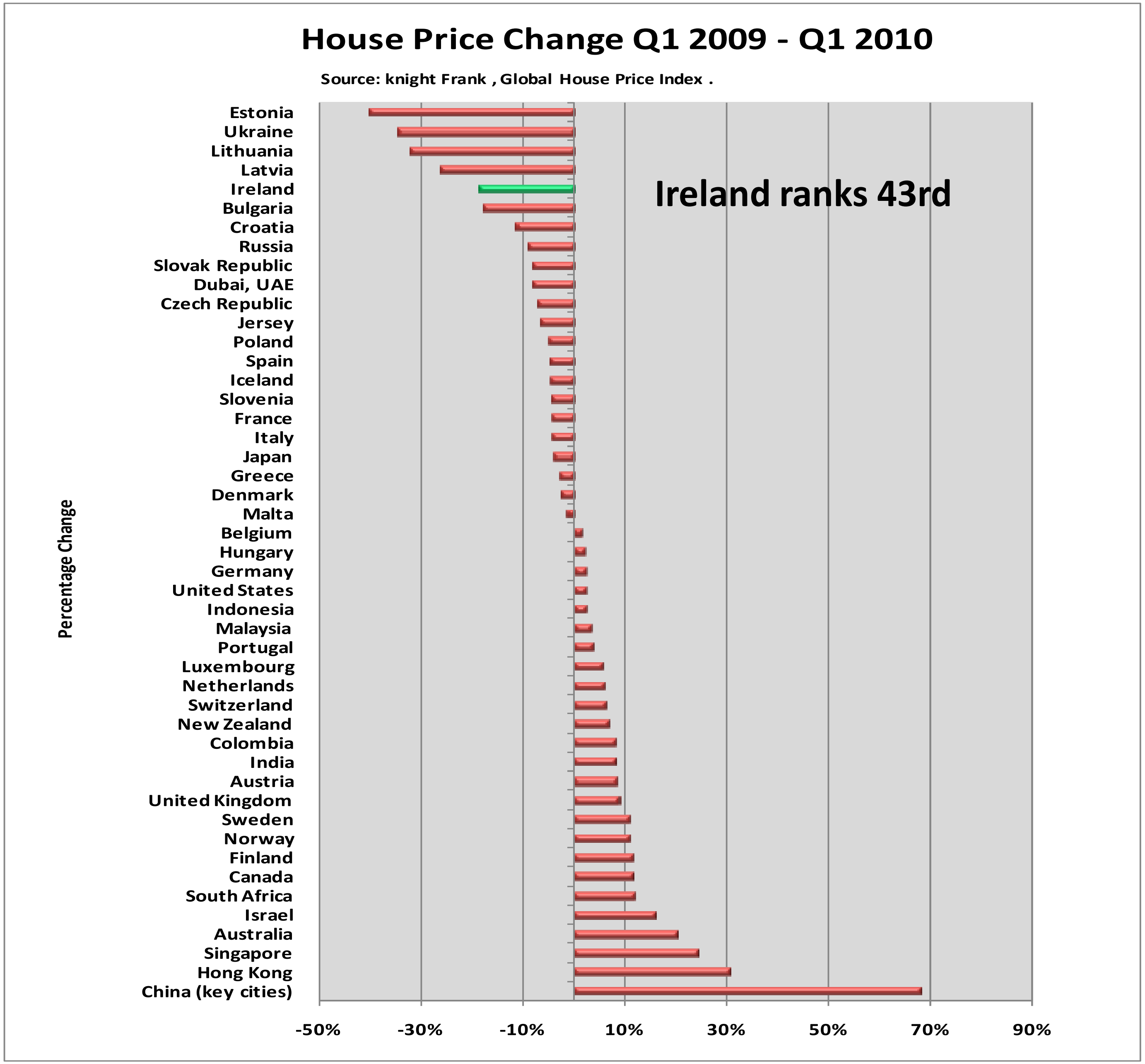

Permanent TSB / ESRI House Price Index
National
Outside Dublin
Dublin
House Price Index
€450,000
€400,000
€350,000
€300,000
€250,000
€200,000
€150,000
€100,000
€50,000
Jan-00
Aug-00
Mar-01
Oct-01
May-02
Dec-02
Jul-03
Feb-04
Sep-04
Apr-05
Nov-05
Jun-06
Jan-07
Aug-07
Mar-08
Oct-08
May-09
Dec-09
Source: Permanent TSB/ ESRI House Price Index (2009).

Decline from peak



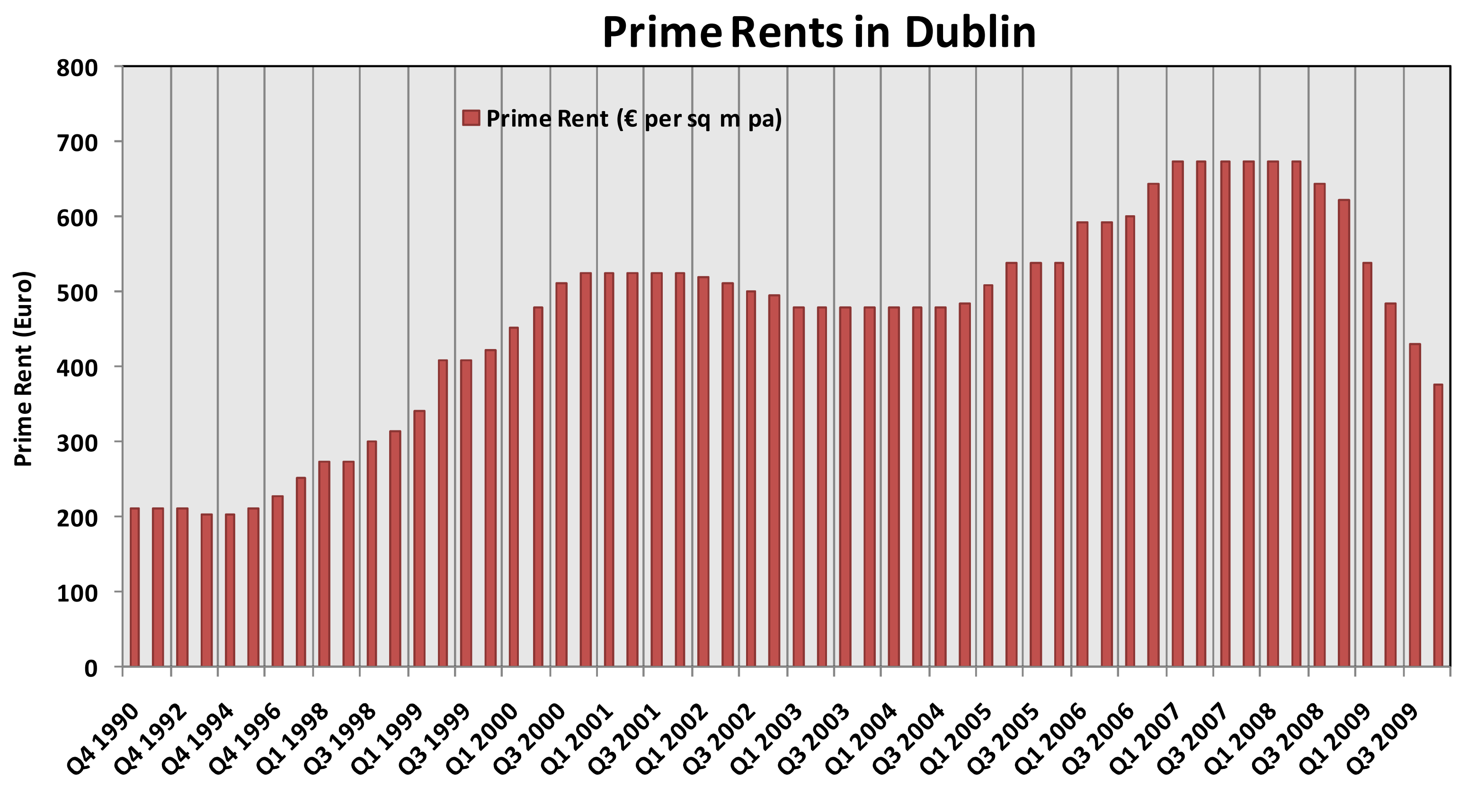

Dublin Monthly Repayments as % of Net Income
Monthly Repayments
% of net income
2000
1800
1600
1400
1200
1000
800
600
400
200
0
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
01/12/2005
01 December 2006
01 December 2007
01 December 2008
Sept 09 Estimate
Dec 09 Estimate
Dublin Monthly Repayments
Dublin as % of net income
Source: EBS, DKM Affordability Index (2009).


Daft National Rental Index - Q3 2009
Index = 2007 average = 100
120
115
110
105
100
95
90
85
80
75
70
Jan-02
Apr-02
Jul-02
Oct-02
Jan-03
Apr-03
Jul-03
Oct-03
Jan-04
Apr-04
Jul-04
Oct-04
Jan-05
Apr-05
Jul-05
Oct-05
Jan-06
Apr-06
Jul-06
Oct-06
Jan-07
Apr-07
Jul-07
Oct-07
Jan-08
Apr-08
Jul-08
Oct-08
Jan-09
Apr-09
Jul-09
Oct-09
Source: Daft.ie Rental Report (2009).



House Price Change Q1 2009 - Q1 2010
Source: knight Frank , Global House Price Index .
Ireland ranks 43rd
Percentage Change
Estonia
Ukraine
Lithuania
Latvia
Ireland
Bulgaria
Croatia
Russia
Slovak Republic
Dubai, UAE
Czech Republic
Jersey
Poland
Spain
Iceland
Slovenia
France
Italy
Japan
Greece
Denmark
Malta
Belgium
Hungary
Germany
United States
Indonesia
Malaysia
Portugal
Luxembourg
Netherlands
Switzerland
New Zealand
Colombia
India
Austria
United Kingdom
Sweden
Norway
Finland
Canada
South Africa
Israel
Australia
Singapore
Hong Kong
China (key cities)
-50%
-30%
-10%
10%
30%
50%
70%
90%

Commercial Property

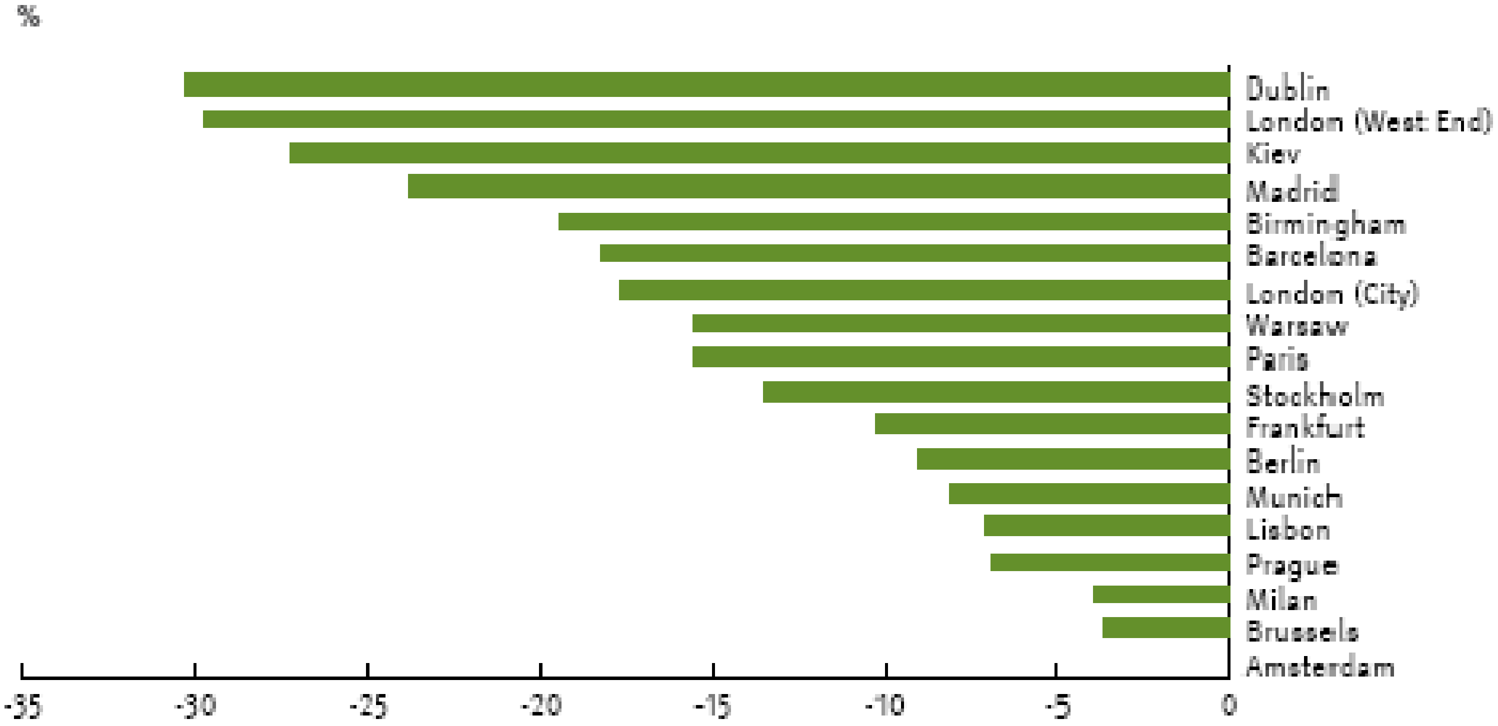


Source: CBRE Market Data (2009).

Vacancy Rates now over 20% in the city

Commercial

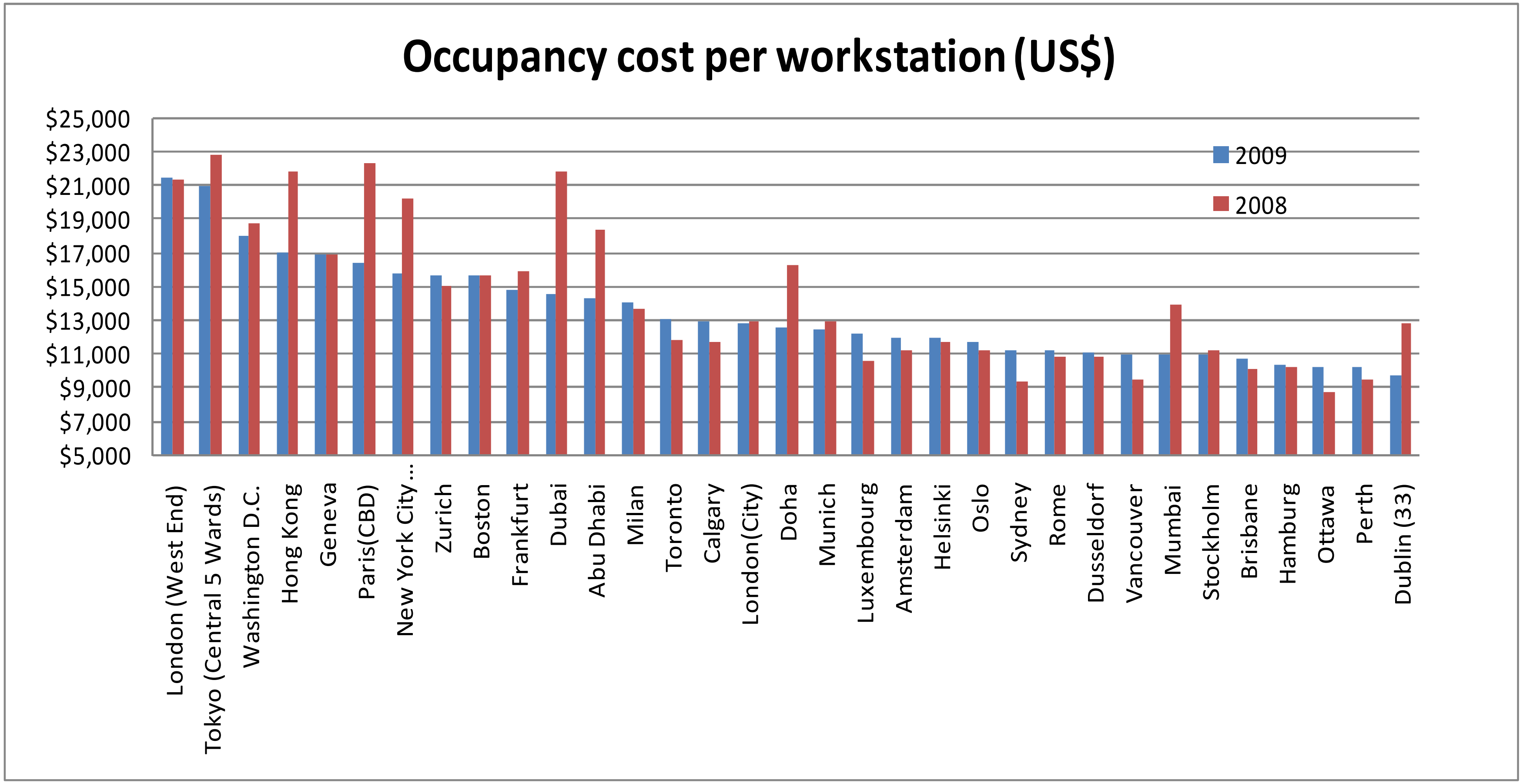
Prime office rents – annual change, Q4 2008 to Q4 2009



*Changes calculated in local currency terms

Source: Knight Frank Research

Occupancy Costs per Workstation

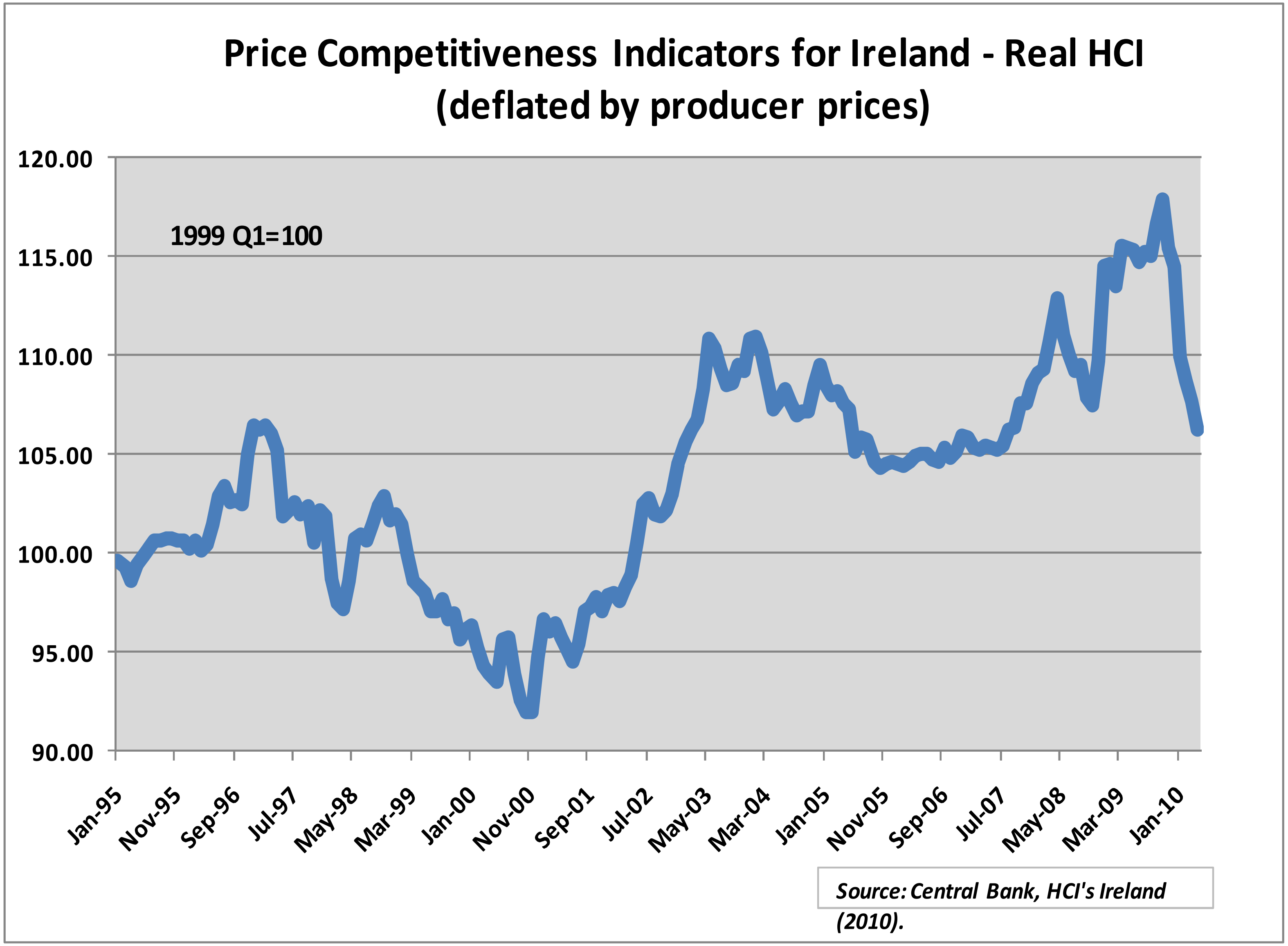


Key issues

- The future for the sector
- Negative Equity/ Mortgage Arrears
- NAMA impact
- Access to credit
- Upwards only rent reviews in retail

Cost Competitiveness

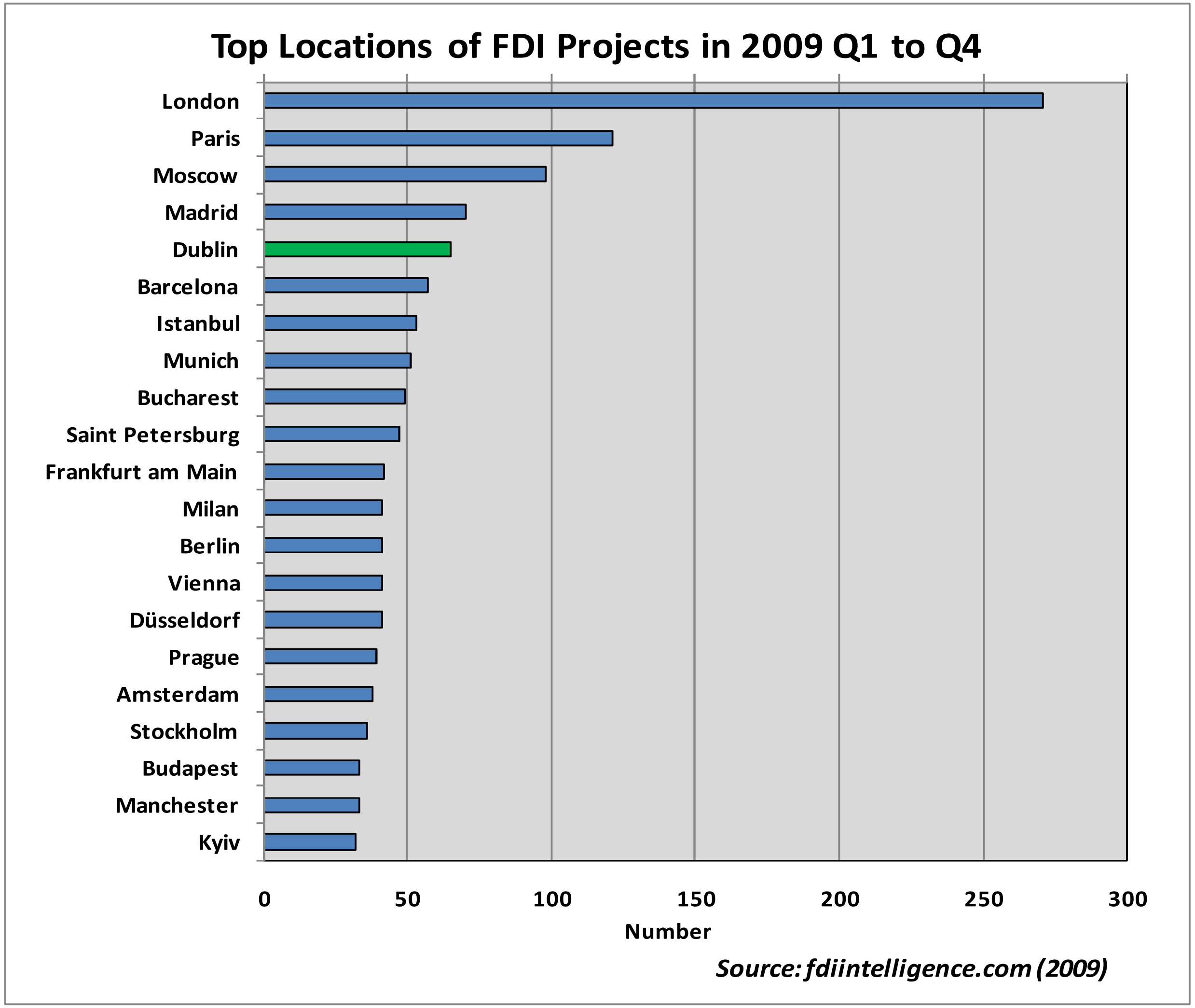
- Improved significantly against our international competitor cities.
- Weak Euro
- Mercer Cost of Living 2010 – down to 42nd position
- UBS (2009) Prices and Earnings – 10th from 4th
- Eurostat (2010) annual comparison of food prices across the EUInflation (2nd most expensive & 29% higher than EU average)
- Energy costs –electricity (industrial electricity 5th highest in EU)
- Oil – now at 70 dollars (peaked at 130)
- Minimum Wage relatively high (8.35)
- Concerns – government and professional services


Price Competitiveness Indicators for Ireland - Real HCI
(deflated by producer prices)
1999 Q1=100
120.00
115.00
110.00
105.00
100.00
95.00
90.00
Jan-95
Nov-95
Sep-96
Jul-97
May-98
Mar-99
Jan-00
Nov-00
Sep-01
Jul-02
May-03
Mar-04
Jan-05
Nov-05
Sep-06
Jul-07
May-08
Mar-09
Jan-10
Source: Central Bank, HCI's Ireland (2010).

Foreign Direct Investment

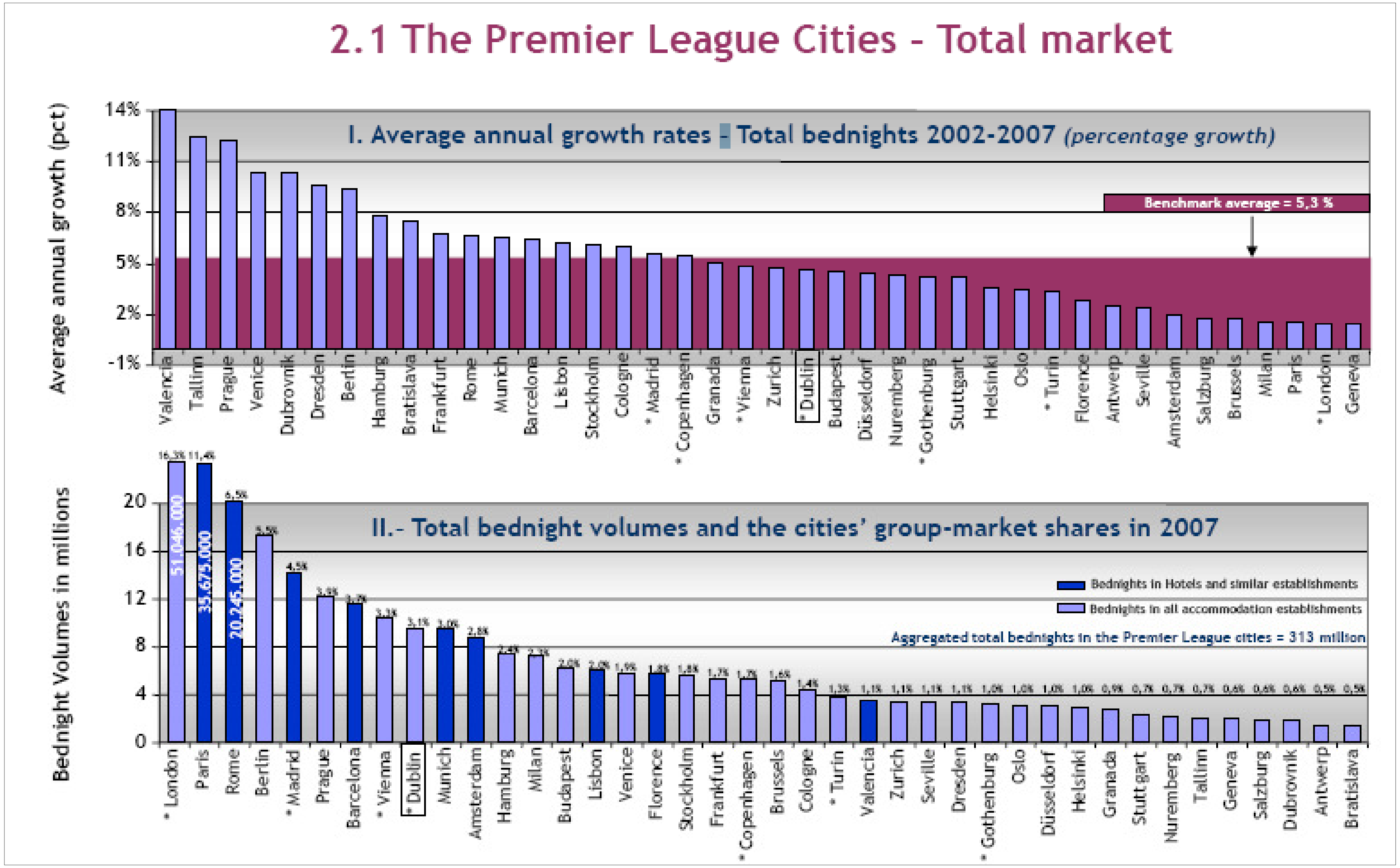
- Global Backdrop of a challenging 2009 (UNCTAD) down 39%.
- Ireland and Dublin strong performance
- FDI magazine cities of the future – Dublin 6th and 4th for future economic potential.
- Headquarters, R&D, Financial services
- Higher Quality Announcements / fewer Jobs
- Dublin attracts over 50% of national projects
- Dominated by US (35%), UK (26%) and Germany (6%)

Foreign Direct Investment



Tourism: Top City Destinations

Top Tourism Cities



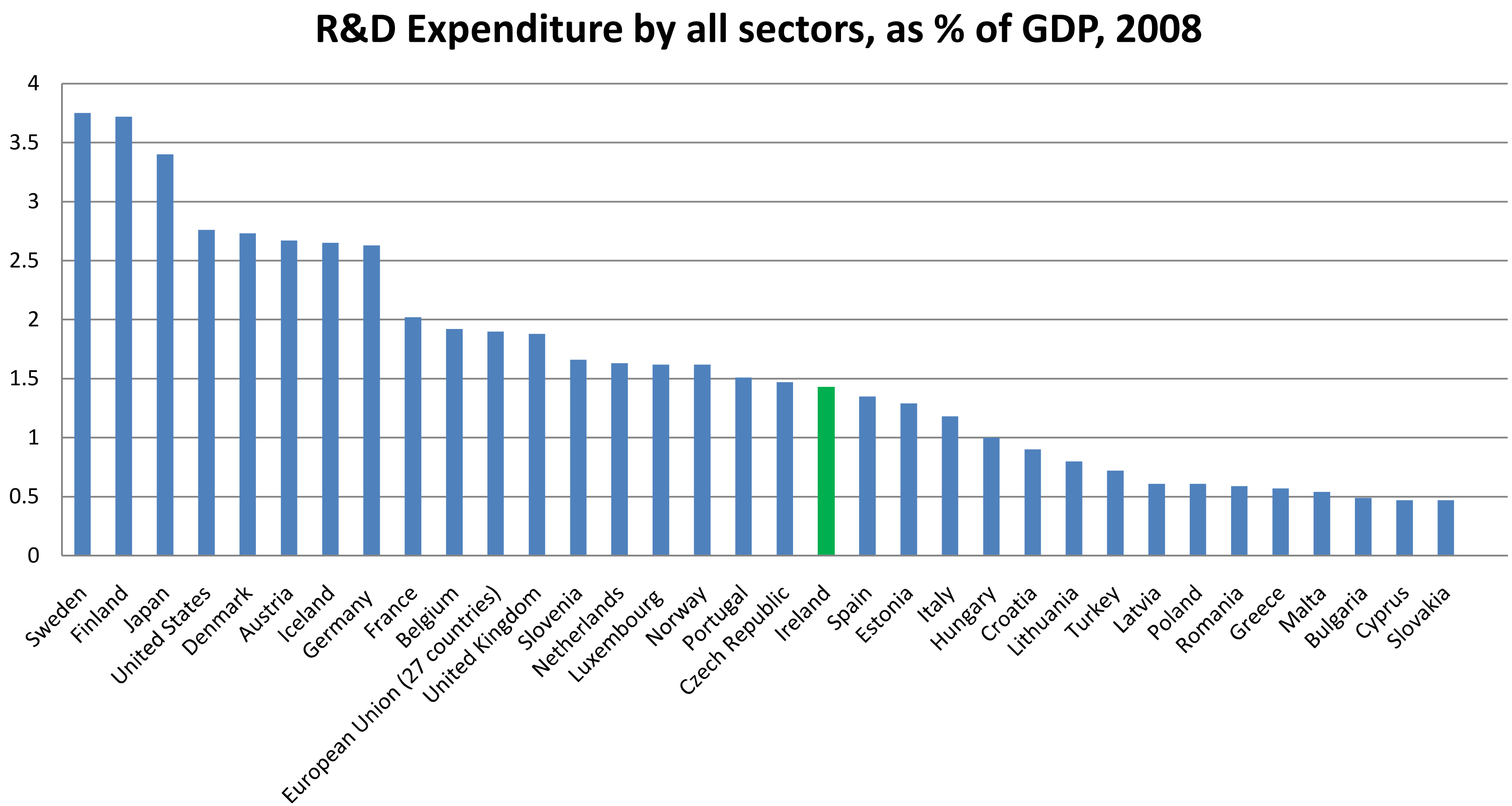
Tourism

- 4.5 million tourists to Dublin in 2008
- 1.5 billion revenue
- 70% visit Dublin Only
- Hotel Costs now cheapest in Europe (Hotels.Com)
- UK post office survey – Dublin ranked as one of the cheaper European cities
- National numbers now down 18.5% since march 2009
- City Costs, airport taxes are issues for the sector
- National Convention Centre

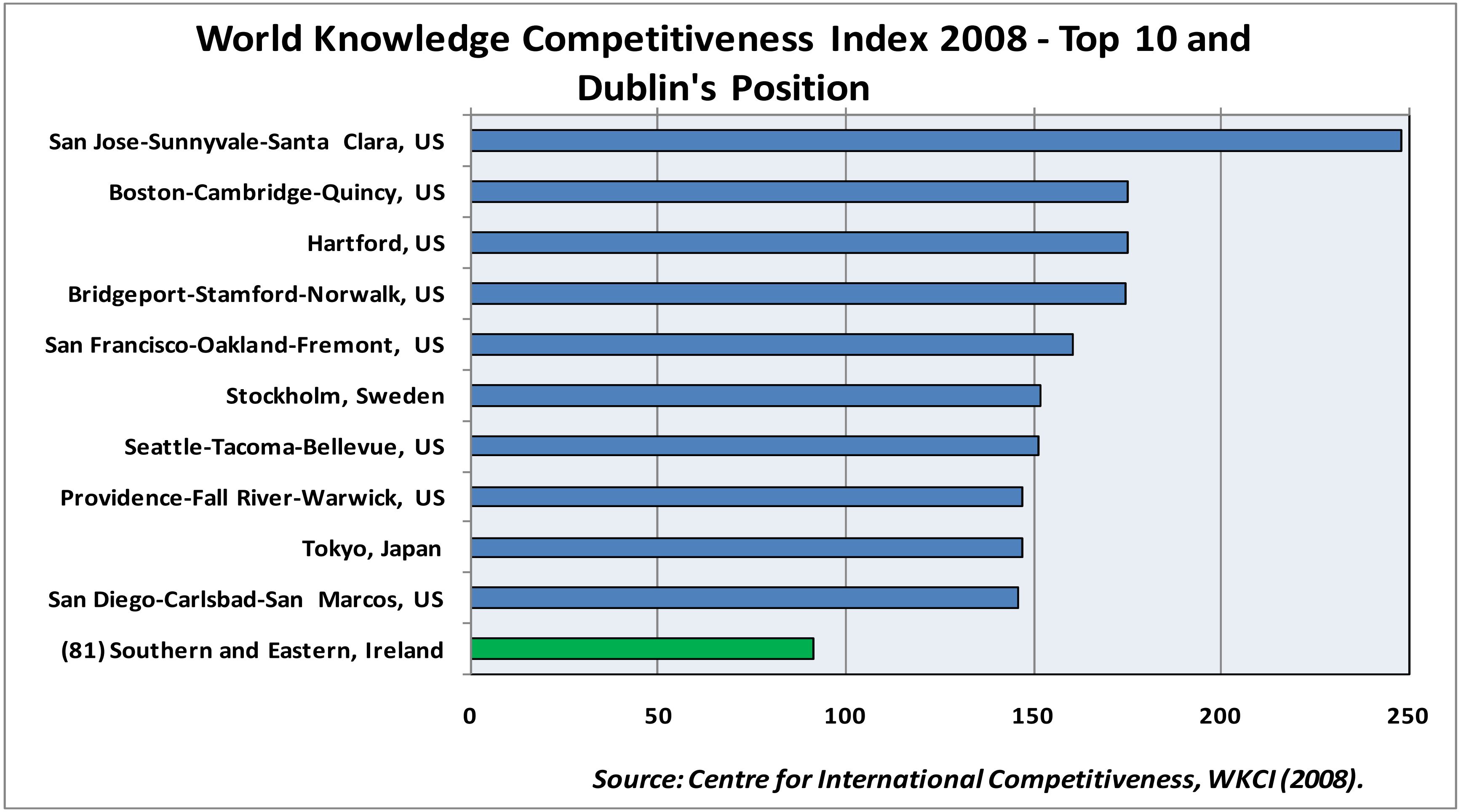
The Smart City – Innovation and Knowledge.

- Dublin: Irelands knowledge hub
- Reputation & World Class Universities
- Trinity was 43rd inside the elite top-50 group. UCD is now ranked 89 worldwide (Times-QS)
- Dublin's Michael Smurfit School of Business retains its 98th rank in the EIU MBA rankings
- 50% of the Dublin workforce have 3rd level qualifications
- 56% of all university students Dublin
- 64% PHD students Dublin

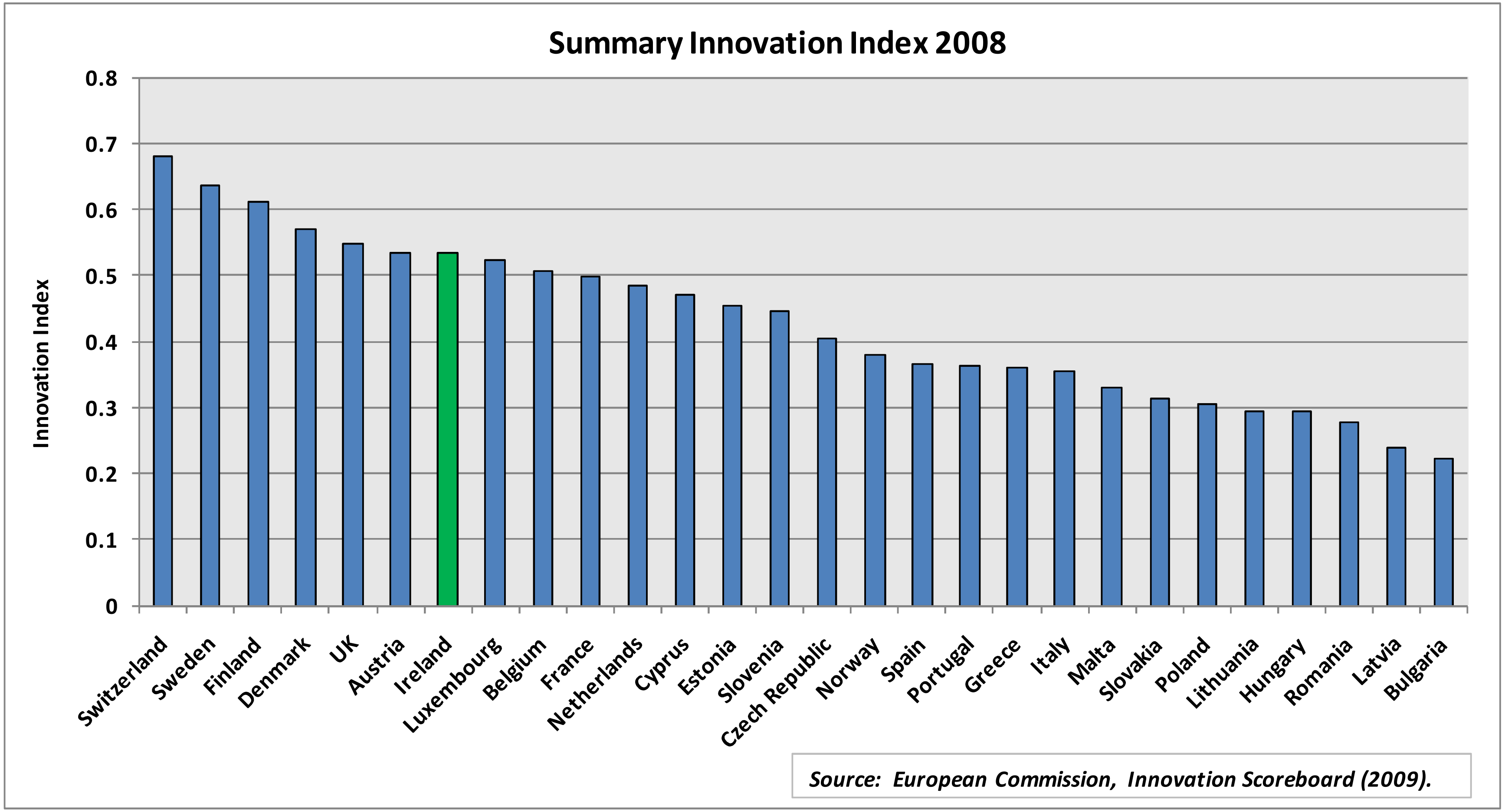
The Smart City – Innovation and Knowledge (R&D)

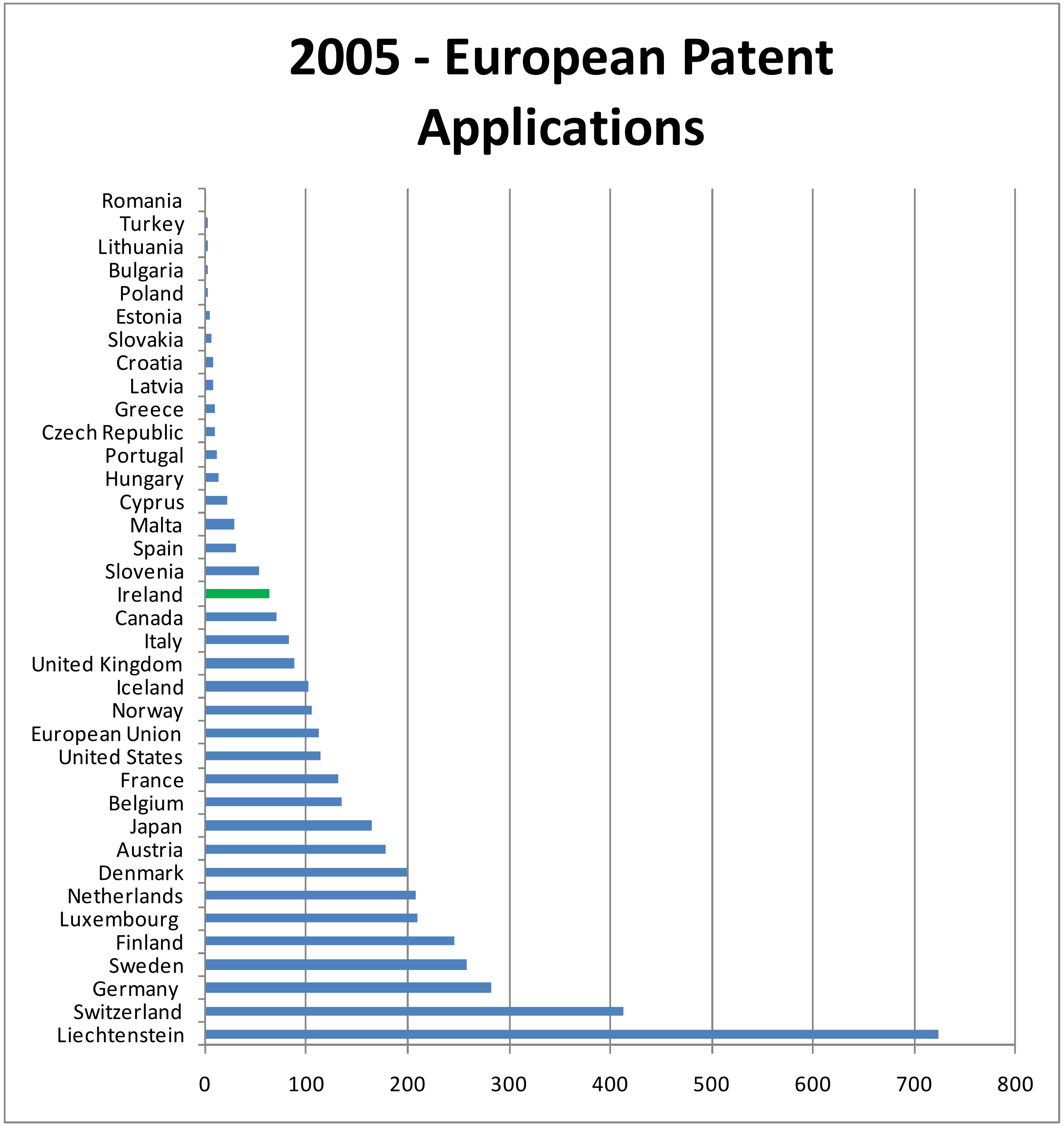


Knowledge Competitiveness



Innovation

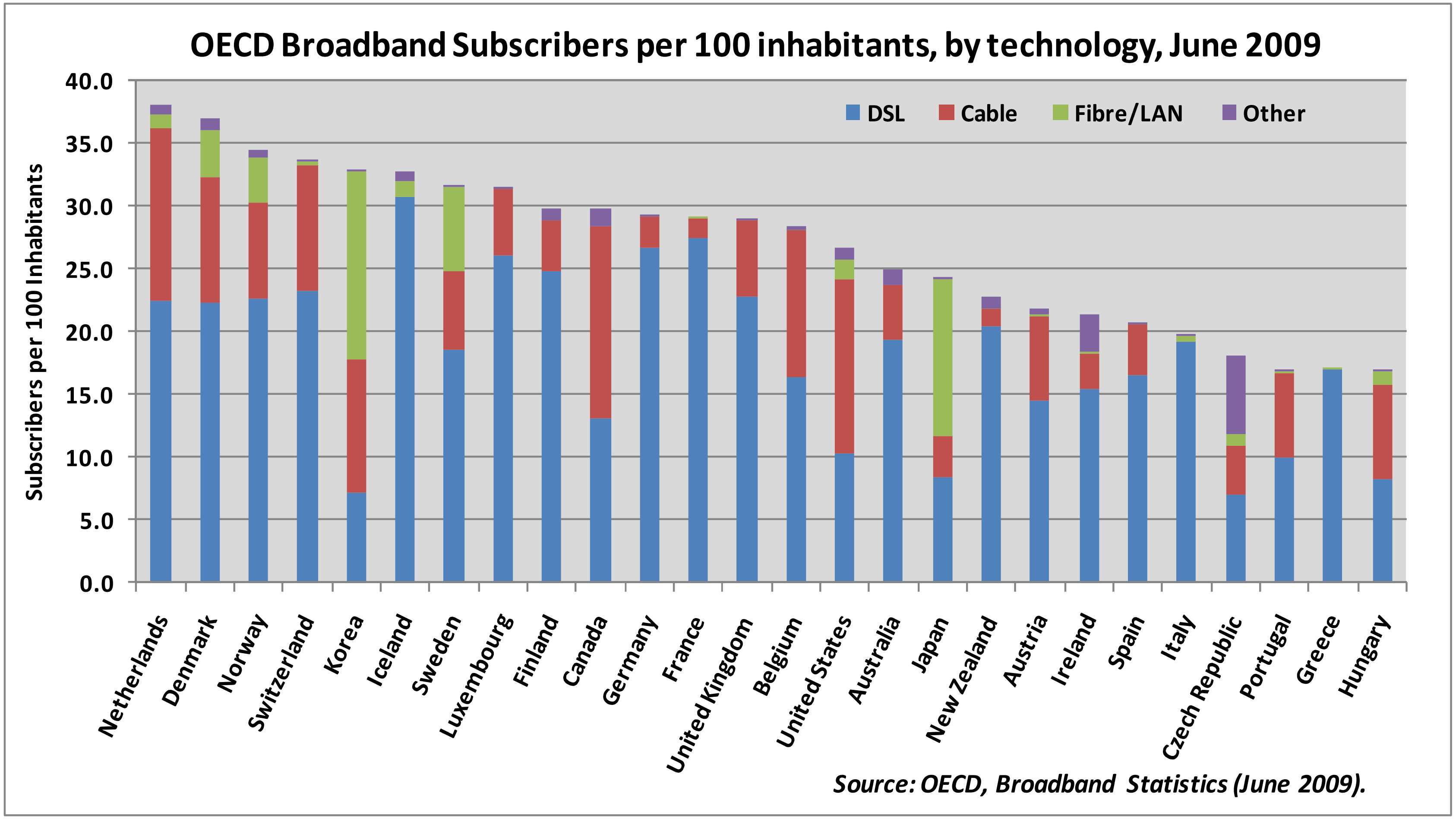

Summary Innovation Index 2008
Innovation Index
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
Switzerland
Sweden
Finland
Denmark
UK
Austria
Ireland
Luxembourg
Belgium
France
Netherlands
Cyprus
Estonia
Slovenia
Czech Republic
Norway
Spain
Portugal
Greece
Italy
Malta
Slovakia
Poland
Lithuania
Hungary
Romania
Latvia
Bulgaria
Source: European Commission, Innovation Scoreboard (2009).



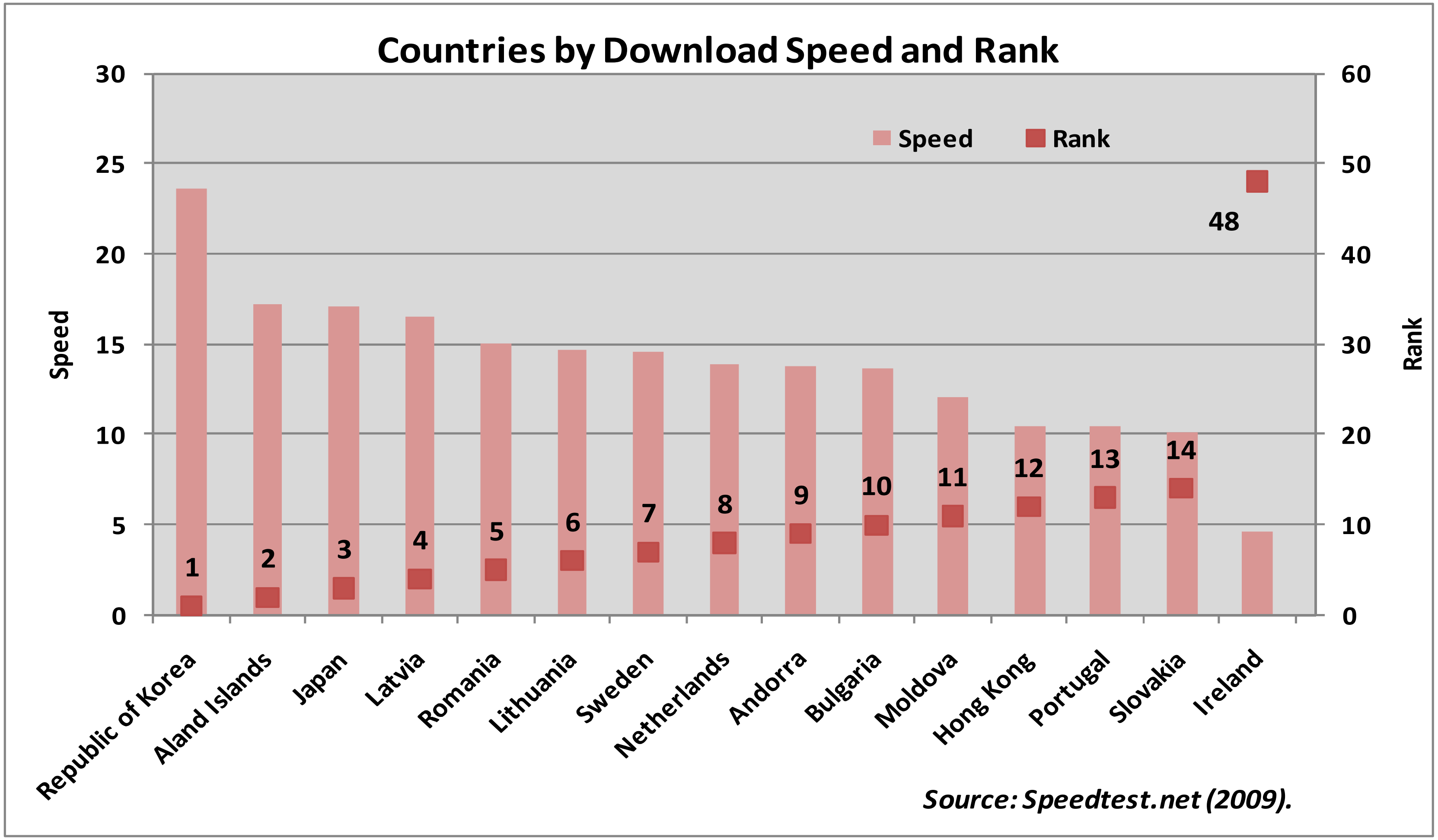
2005 - European Patent Applications
Romania
Turkey
Lithuania
Bulgaria
Poland
Estonia
Slovakia
Croatia
Latvia
Greece
Czech Republic
Portugal
Hungary
Cyprus
Malta
Spain
Slovenia
Ireland
Canada
Italy
United Kingdom
Iceland
Norway
European Union
United States
France
Belgium
Japan
Austria
Denmark
Netherlands
Luxembourg
Finland
Sweden
Germany
Switzerland
Liechtenstein
0
100
200
300
400
500
600
700
800

The Broadband Challenge

- A key enabler to the smart economy

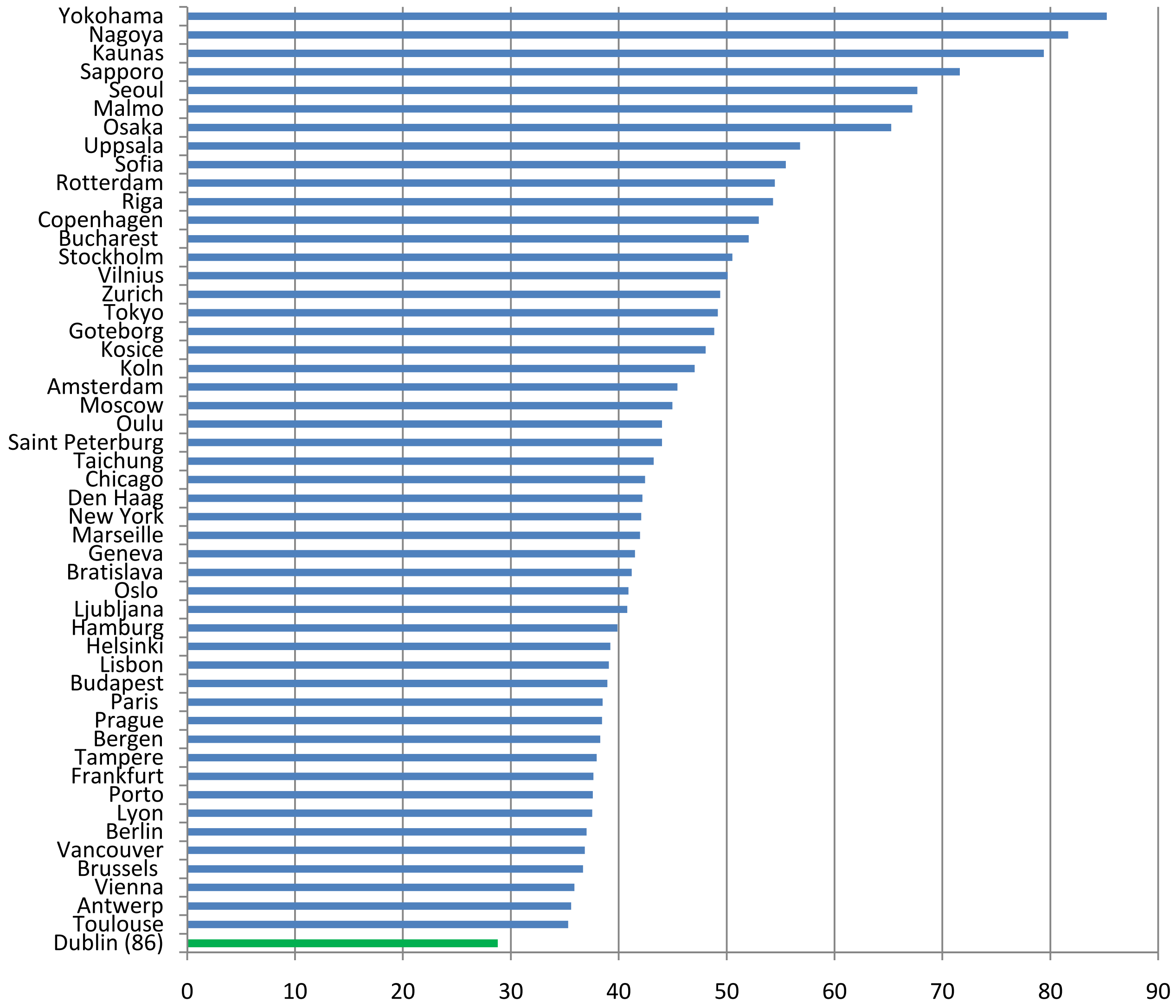


Broadband



Countries by Download Speed and Rank
Speed
Rank
30
25
20
15
10
5
0
60
50
40
30
20
10
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
48
Republic of Korea
Aland Islands
Japan
Latvia
Romania
Lithuania
Sweden
Netherlands
Andorra
Bulgaria
Moldova
Hong Kong
Portugal
Slovakia
Ireland
Source: Speedtest.net (2009).

Top 50 cities – CISCO Broadband Quality Score - download/upload/latency

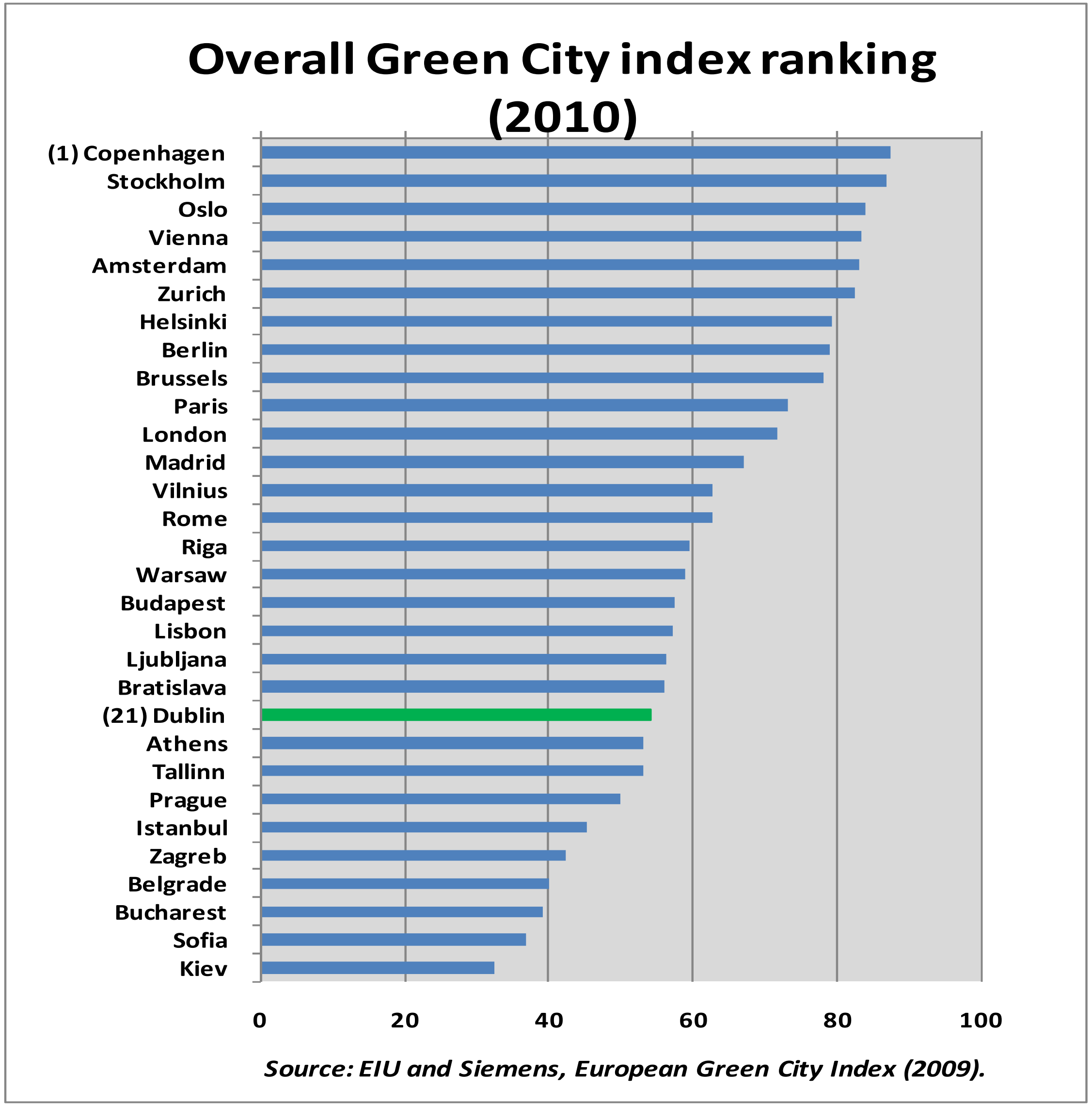


The Smart City – Innovation and Knowledge

- We hear a lot of talk about Dublin being a smart city
- Mediocre performance is the reality
- What about our competitors / peers?
- Denmark (copenhagen), Netherlands (amsterdam), Sweden (stockholm), Finland (helsinki), Switzerland (zurich/geneva)
- Do we want to be leaders or followers?

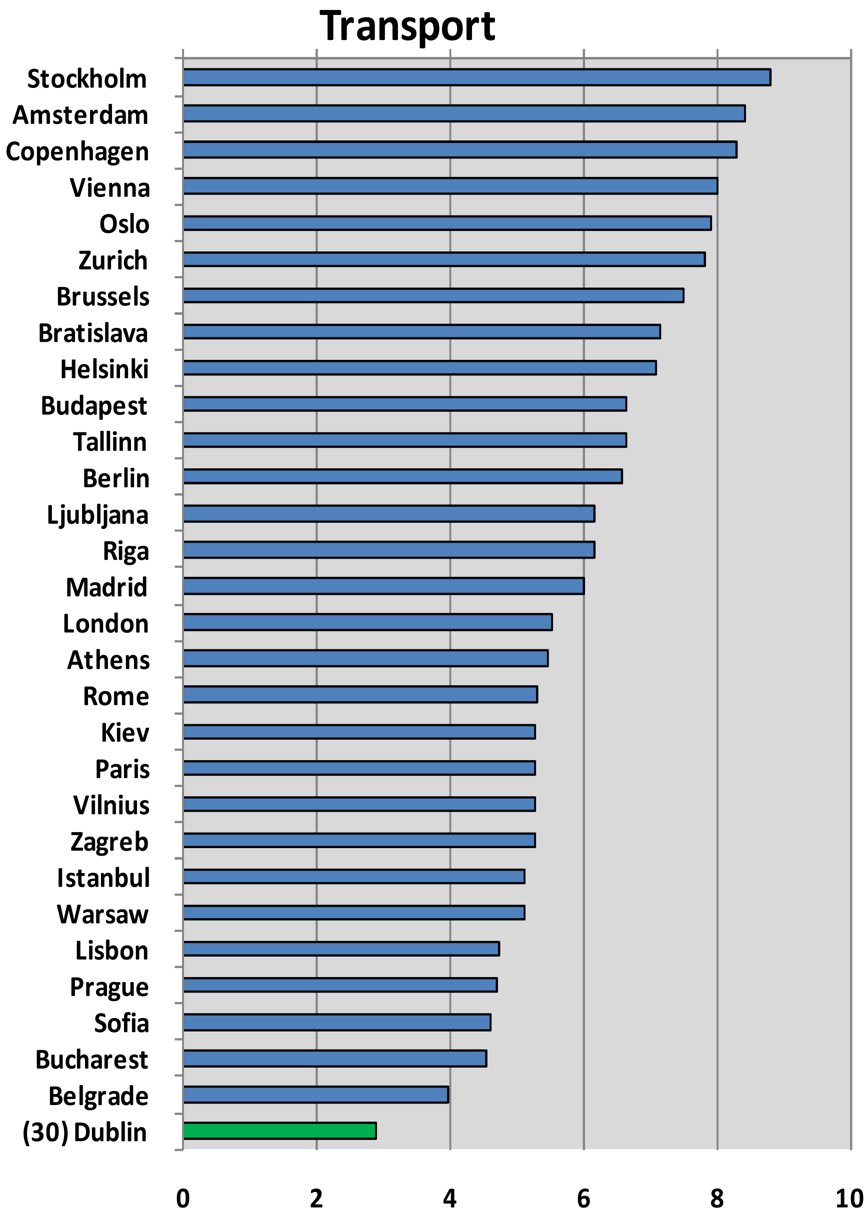
A green and sustainable city

- Increasing recognition of importance of green and sustainability (QoL and Competitiveness)
- Siemens Green City index (EIU)
- Real opportunities exist for improvement



Green Cities - Dublin

- 3rd in air quality ranking
- About 28% of waste is recycled, above the 30- city average of nearly 18%.
- Co2 – We produce twice the European city average
- 18th in the energy category - Over Dependency on fossil fuels
- Dublin consumes 156 gigajoules per year, compared with a 30-city average of around 81 gigajoules
- Dublin ranks 24th in the buildings category.
- Linking job creation opportunities through addressing key city challenges?



Source: EIU and Siemens, European Green City Index (2009).

- less than 20% of people take public transport to work
- Public transport deficit also highlighted by Mercer study
- Quality of living
- Executive opinion
- One of the cities biggest challenges

Key Issues

- Generally Dublin is a Follower not global leader under innovation & technology
- The smart economy – making it a reality
- Are we really getting our priorities right?
- Broadband

Conclusions

- Some green shoots but recovery a long way off
- Lag time for employment to pick up
- Unemployment / long term unemployment / job creation
- Training and Education challenge
- Access to credit / finance challenge
- Aspects of costs a concern
- The future for the construction sector
- Negative Equity/ Mortgage Arrears
- NAMA impact

Next Steps – City Indicators

- This is the starting point – lots of gaps
- Welcome your opinion and input
- Enhancing the evidence based debate
- Provides unique source of information to Action Plan to enable evidence based actions
- Highlights areas of particular concern to the drivers of the Action Plan