20. Ireland

20.1. SMEs in the national economy

SMEs comprised 99.5% of all employer firms in 2014 and employed approximately 65% of the labour force, whereas large enterprises comprised only 0.5% of the employer firms, but accounted for approximately 35% of employment. Actually, that when proprietors and family members engaged in the SME are added to the employee figure, SMEs account for 69% of persons employed.

Table 20.1. Distribution of firms in Ireland, 2014

<table>
<thead>
<tr>
<th>Firm size (employees)</th>
<th>Number of enterprises</th>
<th>% of total</th>
<th>Number of employees*</th>
<th>% of employees</th>
<th>Numbers of persons engaged**</th>
<th>% of persons engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>All active enterprises</td>
<td>238 249</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-employer firms</td>
<td>135 811</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All active enterprises (excluding non-employer firms)</td>
<td>102 438</td>
<td>100</td>
<td>1 191 676</td>
<td>100</td>
<td>1 334 291</td>
<td>100</td>
</tr>
<tr>
<td>SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro (1-9)</td>
<td>84 570</td>
<td>82.6</td>
<td>238 799</td>
<td>20</td>
<td>373 342</td>
<td>28</td>
</tr>
<tr>
<td>Small (10-49)</td>
<td>14 728</td>
<td>14.4</td>
<td>284 745</td>
<td>23.9</td>
<td>291 714</td>
<td>21.9</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>2 628</td>
<td>2.6</td>
<td>254 647</td>
<td>21.4</td>
<td>254 928</td>
<td>19.1</td>
</tr>
<tr>
<td>Large (250+)</td>
<td>512</td>
<td>0.5</td>
<td>413 485</td>
<td>34.7</td>
<td>414 307</td>
<td>31</td>
</tr>
</tbody>
</table>

Note: Does not include NACE Code 64.20, Activities of Holding Companies.

* Employees are persons who are paid a fixed wage or salary.
** Persons engaged include employees, proprietors and family members. Persons engaged are the sum of employees plus working proprietors.

Source: (OECD, 2017(i)).

20.2. National policy framework to support SMEs in public procurement

The Irish Government recognises the role that public procurement can play as an instrument to support innovation that allows SMEs greater access to the public sector market. Circular 10/14,1 issued by the Department of Public Expenditure and Reform, sets out guidance for all public sector bodies to further enable SMEs to compete for public contracts. The guidance covers in particular the following areas:

- market analysis
- sub-dividing contracts into lots
- consortium bids
- capacity requirements
- turnover requirements
II. COUNTRY PROFILE: IRELAND

- innovation
- framework agreements
- assistance with eProcurement
  - advertising of contract opportunities to promote SME participation
  - publication of contract award notices
  - registration and email alerts
  - supplier databank
  - prior information notices
  - requests for tenders/expression of Interest
  - online submission of tenders
- insurance levels
- life cycle costing
- no charging for tendering opportunities
- feedback.

Further support for SMEs to participate in the public procurement market can be found in Small Business Innovation Research (SBIR) Ireland, the national innovative pre-commercial procurement initiative administered by Enterprise Ireland, Green Action Plan for SMEs, and Action Plan for Jobs 2017.

20.3. Implementation mechanisms

The Office of Government Procurement, the central purchasing body of Ireland, established the SME Advisory Group and facilitates its quarterly meetings. It is a standing group chaired by a Minister of State at the Department of Finance and Public Expenditure and Reform to discuss procurement policy and initiative design to assist SMEs, so that the voice of Irish SMEs can be heard at the highest level. The Office of Government Procurement engages with industry representatives and civil societies, including the Irish Small and Medium Enterprises Association (ISME), Irish Business and Employers Confederation (IBEC), Small Firms Association (SFA), Construction Industry Federation (CIF) and Chambers Ireland through the SME Advisory Group to exchange views and identify policy initiatives. Other business-focused public bodies that attend these meeting would include the Competition and Consumer Protection Agency; Enterprise Ireland; Inter-trade Ireland; and the Department of Business, Enterprise and Innovation.

The Office of Government Procurement holds an annual conference that covers all of the latest policy developments relevant to suppliers. Furthermore, the Office of Government Procurement, Enterprise Ireland and Inter-trade Ireland regularly hold “meet the buyers” events designed to encourage SME participation and to increase knowledge of policy in the area.

20.4. Monitoring performance

Each year the Office of Government Procurement (OGP) carries out a spending and tendering report on all procurement activity. The Public Service Spend and Tendering Analysis Report for 2014, published by the OGP, indicates that 95% of the analysed expenditure is with Irish-based firms and the majority of the spend analysed is with SMEs. The OGP also conducted an analysis of the 122 framework agreements it has in place, which shows that 67% of framework members are SMEs and 63% of the frameworks had multiple lots, facilitating SME access.
Note

1 Circular 10/14: Initiatives to assist SMEs in Public Procurement, accessible at http://etenders.gov.ie/Media/Default/SiteContent/LegislationGuides/Circular_10__14_0.pdf.

Reference
