Irish Internet Economy to generate 150,000 New Jobs by 2020 – UPC Research

Internet Economy will grow from current €8.4 Bn to an estimated €21.1 Bn by 2020

Minister Rabbitte launches The Second UPC Report on Ireland’s Digital Future

Wednesday 04, June, 2014 - Comprehensive new research carried out for UPC predicts that up to 150,000 new jobs could be created through the Irish Internet economy by 2020 as a result of continuing uptake of broadband services and the overall digitisation of society, industry and commerce in Ireland.

The value of Ireland’s Internet economy is forecast to grow from its current level of €8.4 billion a year to an estimated €21.1 Bn (10% of GDP) by 2020 with consumer spending contributing 60% or close to €13 Bn of this figure.

The findings are published in The Second UPC Report on Ireland’s Digital Future, launched today by Communications Minister Pat Rabbitte, T.D., with UPC CEO Magnus Ternsjö and Gerard O’Neill, Chairman of Amárach Research who carried out the research for UPC.

Minister Rabbitte said, “I welcome this Report which makes an excellent contribution to our understanding of Ireland’s digital economy and the impact and benefits which the Internet is creating for our society. The findings from the UPC Report are clear. If we can capture the opportunity presented by digitisation, then this will contribute strongly to jobs and economic growth. The Government is fundamentally committed to the expansion of high speed Internet accessibility for our population and this is the agenda we are pursuing through the National Digital Strategy and National Broadband Plan.”

Among the striking findings of the Report is that, while Irish consumers are digital leaders and voracious consumers of online products and services, as much as 60% or €3.5 Bn of their current spending goes abroad. Many Irish businesses are lagging behind their own customers in this respect and therefore possibly missing out on a huge market opportunity.
UPC Chief Executive Magnus Ternsjö added: “Ireland ranks highly among the world’s most digitally advanced economies. The country performs well within the average standards in Europe for internet adoption and well beyond the average standards for higher internet speeds. Investment in digital infrastructure, products and services is strong and is equally matched by the skills to use them.

“With some 60% of Irish online shopping going abroad and online spending due to grow to €13 billion by 2020, the implications of these figures are clear. We cannot afford to capture only 40% of this opportunity.

“A quarter of Irish enterprises don’t have websites let alone any trading capacity online. In the essential SME and SOHO (Small Office / Home Office) sector of the economy, that is about 47,000 businesses who are missing out on the digital opportunity.

“Small businesses have a brighter future here if they capitalise on existing demand for their products and services by using the web to reach out to potential customers. We need to encourage businesses who can substitute the imported flow of online purchased goods and who can offer significant online export potential in their own right.

“Competitiveness is also key because over one third of Irish online consumers currently feel they get better quality, choice and value from retailers abroad.

Acknowledging progress being achieved by the Government's National Digital Strategy and National Broadband Plan, Ternsjö said, “Focused education and assistance need to be provided to Irish businesses to enhance their online capabilities. The Trading Online Voucher Scheme requires greater awareness and promotion. Tax reliefs would possibly make an impact with a fixed deadline for Irish businesses to urgently increase digital presence.

“If society and industry can keep pace with the digitisation levels of our world peers then this will benefit national prosperity and public wellbeing. We need to ensure nobody is left behind and the widespread benefits that digitisation brings can be enjoyed by all.”
Highlights

Life Online

- In just two years since the first UPC Report, 30% of Irish adults are now subscribing to broadband speeds of 30 Mbps or higher - compared to just 10% in 2012 – which places Ireland ahead of the EU-28 average of 18.2% for these higher speeds. 44% of Irish homes can access speeds of up to 200 Mbps

- Consumer spending online which currently stands at just under €6bn a year in 2014 is set to rise to almost €13bn by 2020

- People said that if their Internet connection was to disappear tomorrow, they would want €130 a month or up to €1,500 a year to replace this loss for them, an indication of the consumer surplus and value that people place on their Internet service

- 60% of parents have installed parental control software which blocks or filters certain website types

Enterprise & Innovation

- Irish businesses anticipate higher levels of growth through digital productivity and expect 21% of their sales to be online in 2014

- Ireland is far ahead of the EU average for business social media adoption and 53% of Irish firms say they are influenced by online feedback from consumers and customers

- 75% of Irish enterprises have websites but as many as 47,000 SMEs / SOHOs are missing out on the digital opportunity

- Encouragingly, 59% of businesses surveyed intend to recruit in the next 18-24 months with a strong emphasis on digital skills including analytics, programming social media and digital marketing. Over half of Irish businesses said they plan to sell to more customers outside of Ireland by using the internet over the next two years.
The Digital Future

- The internet economy in Ireland directly employed the full-time equivalent of 49,000 people in 2012
- 79,000 extra new jobs will be directly employed through the internet economy by 2020
- As many as 150,000 direct and indirect new jobs are forecasted from continuing digitisation by 2020.

Ends.

Notes

Research Methodology - Extensive market research was conducted independently for UPC by Amárach among customers of all telecommunications providers across Ireland. It surveyed 1,000 Irish adults about their digital lives, preferences and experiences and carried out interviews with over 200 Irish business decision makers about the opportunities and challenges that they face – or will face – due to digitisation.

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