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PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry at the Opening of ICADA Exhibition at Jurys Hotel at 4 p.m. on Wednesday, 17th October 1984.

The recently published Government plan "Building on Reality 1985-87" recognises that Irish industry will have to compete in an international environment of relatively slow growth but rapid technological change. The Government's industrial policy, set out in the White Paper published earlier this year, places a greater emphasis on marketing and technology acquisition in the allocation of incentives. Support will also be directed towards more highly skilled jobs and towards helping Irish firms keep abreast of the most up-to-date technologies such as Computer Aided Design and Computer Aided Manufacturing systems.

It is, therefore, of prime importance that the number of engineering graduates employed in industry be substantially increased. This is recognised in recent reports from the Sectoral Development Committee which have indicated that incentives will be provided, under specific conditions, to firms wishing to recruit and train new technical graduates. Ireland has, proportionately, only one-third the number of engineers and technologists as countries such as Japan, Denmark, France and the United States.

The recruitment of engineering graduates by Irish industry has almost doubled over the last two years, and increased by 45% last year to a total of 233 (including 95 electronics graduates). Industry now accounts for almost two-thirds of all engineering graduate recruitment.

The Confederation recognises that some new engineering graduates were still seeking employment six months after graduating in 1983. However, this occurred after three consecutive years of recession and stagnation. Educational plans must take a view of the medium-term trend. Furthermore, investment in technological skills of this nature is not solely a response to expected demand, but provides graduates with the skills which will enable the graduates themselves to create economic growth.

Since it takes four years to educate an engineering graduate, it is necessary to forecast the rate of increase in demand five to ten years ahead. Many factors contribute to an increased demand for engineering graduates in the economy. These include the low proportion of qualified engineers in the adult population; the growing technological nature of our society; the more favourable outlook for industrial growth over the next decade; the continuing restructuring of industry in favour of the manufacture of technology-based products; and the introduction of incentives to raise the level of technical manpower resources closer to those of our competitors.

The employment of engineering graduates throughout the whole economy increased by 18% last year. The demand for engineering graduates is likely to rise more rapidly in the years between now and the end of the decade. It is a matter of concern that current plans envisage engineering graduate output rising at only 10% per annum. The Confederation recommends that the intake of first year engineering students should be increased by approximately 20% per annum over the next five years and that the position be reviewed annually.

Use of Technology in Industry

In addition to increasing the number of technologists employed by Irish industry, it is worth noting the current situation regarding the usage of technological hardware and software by industry and how industry sees development over the next two years.

During the month of August, the Confederation conducted a survey of current practice in the application of information technology in Irish business. A total of 328 responses were received. It is estimated that the responses represented about one-third of the output of the business sector.

Firms were asked to indicate if they used, or planned to use within two years, a range of sixteen different information technology facilities. The results show the relative priority given by business firms to various applications. Installation of computers and associated software was the most popular application, followed by word processing, telephonic access to data bases and the use of computer terminals.

A wide range of information technology applications are currently being implemented throughout the economy. The typical firm has either implemented or has plans to implement six of the applications mentioned in the survey. However, there is considerable variation in practice between firms of different size, between sectors of industry, and between firms in the same sector.

The most popular applications were the installation of firms' own computer and associated software. The use of specially designed software was given a slightly higher ranking than the application of standard software packages. Word processing, with visual display units, were used by close to half the firms in the survey, and are expected to be used by almost two-thirds of firms within two years. Remote teleponic or data line access to data bases was recorded by almost one-third of firms, and is expected to be used by more than half of firms within two years. Facsimile machine applications were reported by one-fifth of firms and are expected to increase to one-third of firms within two years. Electronic mail applications are expected to increase from a current level of one-ninth of firms to over one-quarter over the same period.

Of particular interest to members of the Irish Computer Aided Design Association is that more than one-fifth of all firms use, or plan to use, computers for the control of their manufacturing processes, and almost as many foresee the application of computers for design. The transfer of funds electronically was reported by one-ninth of firms and this ratio is expected to increase to one-fifth. The recently introduced videotex service has already achieved a nine per cent penetration among firms in the survey, and this is expected to almost double within two years. Radio telephones in transport were reported in use by one-eighth of firms, and electronic "point of sale" systems are forecast to be used by almost one-tenth of firms within two years. Finally, teleconferencing and teletex applications were recorded by three per cent and five per cent of firms respectively.

The relevance and timing of this exhibition is seen from the following figures arising from an analysis of the 328 responses received. Over 60 respondents have already implemented computer aided design or computer aided manufacture, and a further 67 plan to do so within the next two years.

TABLE 1.

Number of firms using or intending to use within ten years.

	A USING	B TO USE WITHIN 2 YEARS	C TOTAL A+B
Computer Aided Manufacture	40	30	70
Computer Aided Design	22	37	59
TOTAL	62	67	129

TABLE 2.

Analysis by size of firm using or planning to use

	1-49	50-99	100-499	500+	Total
Computer Aided Manufacture	8	12	20	30	70
Computer Aided Design	15	7	19	18	59
TOTAL	23	19	39	48	129

TABLE 3.

Analysis of Results by Sector (u) using or (p) planning to use

	Building Materials U-P	Chemicals & Plastics U-P	Electoral Electronics U-P	Food,Drink Tobacco U-P	Mechanical Engineering U-P	Textile Clothing Footware U-P	Service Sectors U-P	Other U-P	Total U-P
Computer Aided Manufacture	2-0	5-3	10-2	9-6	4-6	5-11	3-0	2-2	70
Computer Aided Design	1-1	1-1	7-9	2-0	5-10	0-7	6-5	0-4	59
TOTAL	3-1	6-4	17-11	11-6	9-16	5-18	9-5	2-6	129

From the figures quoted it can be seen that a market exists in many sectors and in all sizes of firms, and particularly, in the electronics and mechanical engineering sectors for the products and services on display at this exhibition.

I, therefore, have great pleasure in formally declaring this exhibition open.

END 17 October 1984