

# Cost rises worse now than in the Celtic Tiger warns Ibec

**Colm Kelpie**

IRELAND'S competitiveness is being eroded in a more severe way than during the Celtic Tiger years, the head of Ibec has said.

IBEC CEO Danny McCoy said this was occurring in wage demands and in rents.

He told an audience of business leaders that politicians must adapt to the globalised nature of the Irish economy in order to sustainably manage future growth and retain competitiveness.

"Right now, we are burning through our competitiveness in a way that is actually more severe than during the Celtic Tiger," Mr McCoy said.

"If you want to see evidence of that, it's occurring in wage developments, it's occurring in rents - and everybody in this room knows the trajectory of commercial rents in Dublin in particular."

Mr McCoy said that in Dublin 2, office rents have gone from €25 a square foot, to €62 a square foot within three years.

"That type of exponential growth in terms of the cost base of the country will erode our competitiveness dramatically," Mr McCoy added.

He said the economy had never been on a "higher watermark".

"Our employment levels are now back at the peak of 2007, there are now 2.2 million people back at work in Ireland. However, on this occasion, the population of Ireland is 400,000 more than the last time we reached that employment peak."

He argued that with the rise of the intangible economy Ireland has found a resource that is much more valuable than oil.

"The intellectual capital on corporate balance sheets is eminently renewable and positions Ireland at the frontier of this type of globalisation," he said.



IBEC CEO Danny McCoy