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## Urgent need to raise fresh venture capital

By John Kennedy

THERE is between €100m to €150m worth of venture capital (VC) in the Irish economy ready to invest. However, much of this capital will be directed to existing clients of VC companies under second and third-level funding rounds.

The chairman of the Irish Venture Capital Association (IVCA), Denis Fahey, warned that fresh funds need to be raised by local venture capitalists. "The industry needs to embark on a major

fundraising programme in 2006 if the capital is to be there for new investment and start-ups."

Fahey said the last major fund raising by Irish venture capitalists took place in the five-year period 1999-2003 when €1bn was raised by the industry.

Fahey added that the IVCA is planning to launch the first in-depth study of the impact of VC in Ireland. Findings to date, he said, have showed that VC-backed firms increased employment levels by 15pc year on year.

He said recent reports of job losses in the Irish manufacturing sector emphasised the need to build an economy based on intellectual property. In this regard, he said, it was vital to more than double the number of technology start-ups in Ireland from around 200 per annum to 500.

Fahey said technology would continue to attract the bulk of Irish VC money but there is a broadening of investments to include healthcare as well as the more traditional software and communications and electronics sectors.



**Denis Fahey, chairman,  
Irish Venture Capital  
Association**