

The
NEW IRELAND
Fund

Third Quarter Report
July 31, 2003

Letter to Stockholders

Dear Shareholder,

Introduction

Although problems still remain in the Middle East, the US economy is showing encouraging signs of a recovery and this, together with the continued weakness in Europe, has had the effect of reversing the downward trend in the US dollar vis-a-vis the Euro. It remains to be seen whether this trend will continue, given the huge US Government deficits that are being predicted and the probable recovery in Europe.

As mentioned in the semi-annual report, in a further effort to reduce expenses, we have discontinued the printing and distribution to shareholders of our first and third quarter reports. As and from this quarter, these reports will be made available to shareholders through the Fund's web site-www.newirelandfund.com.

Performance

In the third quarter of the Fund's fiscal year, the overall Irish equity index (ISEQ) rose by 4.95% in Euro terms and by 5.40% in US dollar terms. By comparison, over the same period, the Fund's Net Asset Value (NAV) increased by a satisfactory 9.55% to \$14.00. The impact of currency in relation to the increase in the NAV was significantly smaller than in recent quarters.

In the first nine months of the fiscal year, the NAV increased by 26.8% through the combination of the strength of the Euro against the US dollar and the improved performance of the stocks held by the Fund.

We continued to implement the Share Repurchase Program with 148,250 shares being repurchased, since the beginning of the fiscal year, at a cost of \$1,484,688. These repurchases represent a reduction of 2.98% of the shares outstanding at October 31, 2002 and they have resulted in a positive impact on the Fund's NAV of 7 cents per share.

Economic Review

Across the globe, economic growth remains in short supply but there is some early evidence of the beginning of a recovery, particularly in the US. As one of the most open economies in the world the Irish economy is coping reasonably well with the challenging international environment.

According to the country's national accounts, consumer demand in Ireland expanded by 1.8% over the first three months of 2003 with more recent retail sales statistics indicating that consumer spending remained sluggish in the second quarter of the year. The average year on year increase in retail sales in the second quarter was 1.4%.

At the end of July 2003, the Irish unemployment rate stood at 4.8% having started 2003 at 4.4%. Thus far, Ireland's unemployment rate has not suffered the classic end of cycle upward spike and it continues to compare very favourably with levels elsewhere in Europe. The resilience of the Irish labor market has been impressive over these past twelve months which is another indication as to how well Ireland has been coping with the economic downturn.

The annual rate of consumer price inflation in July 2003 was 3.1% which is a full two percentage points lower than in February of this year. The key factors impacting inflation have been a fall in clothing and footwear prices, lower energy costs and a decline in mortgage interest rates.

The Central Bank of Ireland is now forecasting GNP growth of 1.5% for 2003 with GDP growth being forecast at 2.75%. The GNP number is probably the better indicator of current domestic trends, as it excludes the repatriation of profits of multinational companies operating in Ireland. Falling inflation and the prospect of an international recovery, led by the US, is reflected in the Central Bank's expectation of a rise in GNP to 3.5% in 2004.

Equity Market Review

The Irish stock market increased by 4.9% in Euro terms over the quarter ended July 31, 2003. Global equity market performance was strong as investor confidence, helped by monetary and fiscal stimulus on both sides of the Atlantic, continued to improve. The Irish market lagged global and European markets over the period under review, as investors feel it has, relatively speaking, less potential for a sharp recovery in corporate profits over the coming year. This view is based on the fact that, on average, Irish companies did not suffer sharp declines in earnings in 2001 and 2002.

	Quarter Ended July 31, 2003	
	<u>Local Currency</u>	<u>U.S. \$</u>
Irish Equities (ISEQ)	+4.9%	+5.4%
S&P 500	+8.0%	+8.0%
NASDAQ	+18.5%	+18.5%
UK Equities (FTSE 100)	+5.8%	+6.3%
Japanese Equities	+17.9%	+16.7%
 Eurobond Equities		
Eurostoxx	+9.1%	+9.8%
German Equities (DAX)	+18.5%	+19.3%
French Equities (CAC)	+8.7%	+9.4%
Dutch Equities (AEX)	+12.3%	+13.1%

CRH registered an increase of 21.5% in the quarter and is rapidly regaining its premium valuation relative to the European building materials sector. The company announced an agreement to buy the Dutch building materials/DIY distributor, Cementbrouw for Euros 693 million. This is the largest deal ever completed by CRH. This deal brings the total spending on acquisitions in 2003 to Euros 1.2 billion. The combination of CRH and Cementbrouw will create market leadership in building materials/DIY in the Netherlands and it will also bring greater balance to CRH's global spread as it reduces the company's concentration in the US where much of its recent acquisition activity has occurred.

Both **Jurys** (+18.6% in the quarter) and **Kingspan** (+29.2%) enjoyed a deserved re-rating as investors began to look beyond short-term economic difficulties and focused on the growth business models that both stocks possess. In the Healthcare sector, **ICON** (+ 34.4% in the quarter) had an excellent quarter, both in terms of share price and operating performance. The company's quarterly earnings report, to the end of June 2003, showed EPS growth of 39% and revenue growth of 34%, excluding acquisitions.

AIB (-10.7%) under-performed the market, and the European sector, over the past quarter as it lacks the type of cyclical earnings recovery that is currently being forecast for many European banks. It should be remembered that this lack of upside has its origins in the fact that Irish banks did not suffer the earnings downturn and stock price declines, which happened globally in 2001 and 2002. The slowing Irish economy, margin squeeze from lower interests rates and the stronger Euro means that AIB must work hard to generate EPS growth in 2003. The stock is currently out of favor in a market focused on recovering earnings growth but, with a forecasted prospective P/E of 9.9% and a dividend yield of 4.3%, this already seems to be built into valuations that are now close to 20% below comparables in Europe.

Current Outlook

Given the sluggish economic environment and the impact of currency fluctuations, earnings growth amongst the larger Irish stocks remains limited. However, there are a number of companies such as Kerry Group, ICON, Ryanair, United Drug, IAWS and Grafton Group that continue to deliver double-digit EPS growth. A recovery in international economies will help to revitalise activity in Ireland's domestic market and this should result in a general recovery of corporate profits in 2004. We retain a fully invested stance for the Fund.

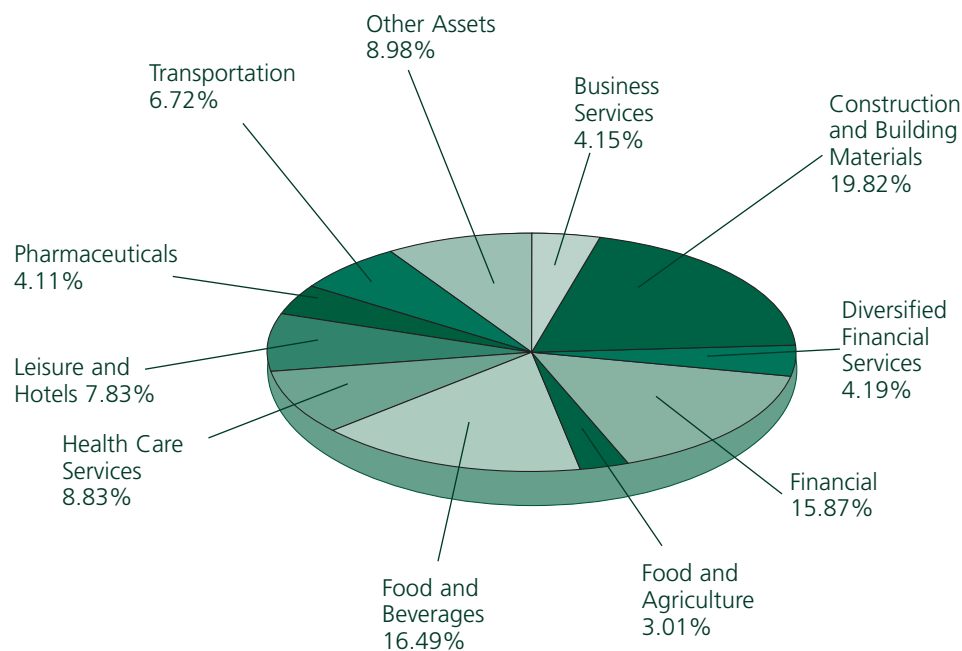
Sincerely,



Peter Hooper
Chairman

September 19, 2003

Portfolio by Market Sector as of July 31, 2003
(Percentage of Net Assets)



Top 10 Holdings by Issuer as of July 31, 2003

<u> Holding </u>	<u> Sector </u>	<u> % of Net Assets </u>
CRH PLC	Construction and Building Materials	13.90%
Kerry Group PLC, Series A	Food and Beverages	13.54%
Allied Irish Banks PLC	Financial	12.88%
Ryanair Holdings PLC	Transportation	6.72%
Jury's Doyle Hotel Group PLC	Leisure and Hotels	5.07%
United Drug PLC	Health Care Services	4.44%
ICON PLC-ADR	Health Care Services	4.38%
Irish Life & Permanent PLC	Diversified Financial Services	4.19%
DCC PLC	Business Services	4.15%
Galen Holdings PLC	Pharmaceuticals	4.11%

The New Ireland Fund, Inc.
Portfolio Holdings (unaudited)

July 31, 2003	Shares	Value (U.S.)
COMMON STOCKS (99.53%)		
COMMON STOCKS OF IRISH COMPANIES (95.42%)		
<i>Business Services (4.15%)</i>		
DCC PLC	250,000	<u>\$ 2,799,818</u>
<i>Computer Software and Services (0.55%)</i>		
IONA Technologies PLC-ADR*	169,300	<u>372,460</u>
<i>Construction and Building Materials (19.82%)</i>		
CRH PLC	498,768	9,375,227
Grafton Group PLC-UTS	380,820	1,778,830
Kingspan Group PLC	675,707	<u>2,220,793</u>
		<u>13,374,850</u>
<i>Diversified Financial Services (4.19%)</i>		
Irish Life & Permanent PLC	256,295	<u>2,827,046</u>
<i>Financial (15.87%)</i>		
Allied Irish Banks PLC	628,738	8,690,300
FBD Holdings PLC	260,000	<u>2,019,246</u>
		<u>10,709,546</u>
<i>Food & Agriculture (3.01%)</i>		
IAWS Group PLC	227,619	<u>2,029,086</u>
<i>Food and Beverages (16.49%)</i>		
Fyffes PLC	467,400	841,735
Greencore Group PLC	352,568	1,150,821
Kerry Group PLC, Series A	580,900	<u>9,134,073</u>
		<u>11,126,629</u>
<i>Health Care Services (8.83%)</i>		
ICON PLC-ADR*	85,000	2,958,000
United Drug PLC	1,345,494	<u>2,998,567</u>
		<u>5,956,567</u>
<i>Leisure and Hotels (7.83%)</i>		
Jury's Doyle Hotel Group PLC	361,942	3,422,039
Paddy Power PLC	286,365	<u>1,856,561</u>
		<u>5,278,600</u>

The New Ireland Fund, Inc.

Portfolio Holdings (unaudited) (continued)

July 31, 2003	Shares	Value (U.S.)
COMMON STOCKS OF IRISH COMPANIES (Continued)		
Publishing & News (1.99%)		
Independent News & Media PLC	732,313	<u>\$ 1,343,542</u>
Technology (0.98%)		
Horizon Technology Group PLC*	1,359,817	<u>658,136</u>
Telecommunications (2.85%)		
Spectel PLC‡ (8/4/00, 11/22/00, 11/30/01-Cost \$2,699,475)	1,800,248	<u>1,924,964</u>
Transportation (6.72%)		
Ryanair Holdings PLC*	650,000	<u>4,535,987</u>
Utility/Public Services (2.14%)		
NTR PLC† (6/14/02-Cost \$1,169,642)	125,000	<u>1,442,117</u>
TOTAL COMMON STOCKS OF IRISH COMPANIES (Cost \$41,136,142)		<u>64,379,348</u>
COMMON STOCKS OF UNITED KINGDOM COMPANIES (4.11%) (Cost U.S. \$2,389,607)		
Pharmaceuticals (4.11%)		
Galen Holdings PLC	278,469	<u>2,770,812</u>
TOTAL INVESTMENT COMPANIES BEFORE FOREIGN CURRENCY (Cost \$43,525,749)		<u>\$ 67,150,160</u>
FOREIGN CURRENCY ON DEPOSIT (0.28%)		
	Face Value	
British Pounds Sterling	£ 284	457
Euro	€ 170,445	<u>191,845</u>
TOTAL FOREIGN CURRENCY ON DEPOSIT (Cost \$194,595)		<u>192,302</u>
TOTAL INVESTMENTS (99.81%) (Cost \$43,720,344)		<u>67,342,462</u>

The New Ireland Fund, Inc.

Portfolio Holdings (unaudited) (continued)

July 31, 2003	Value (U.S.)
OTHER ASSETS AND LIABILITIES (0.19%)	<u>\$ 128,056</u>
NET ASSETS (100.00%)	<u>\$ 67,470,518</u>

* Non-income producing security.

** Foreign currency held on deposit at the Bank of Ireland.

† Not readily marketable. Dates represent acquisition date.

†† Not readily marketable and non-income producing security. Dates represent acquisition date.

ADR –American Depository Receipt traded in U.S. dollars

GDR –Global Depository Receipt traded in U.S. dollars

UTS –Units

£ British Pounds Sterling foreign currency symbol

€ Euro Foreign Currency

U.S. Currency code

The New Ireland Fund, Inc.

Directors and Officers

Peter J. Hooper – *Chairman of the Board*
James J. Boyle – *Director*
Denis Curran – *President and Director*
Denis P. Kelleher – *Director*
James M. Walton – *Director*
Lelia Long – *Treasurer*
Hugh Carter – *Assistant Treasurer*
Linda J. Hoard – *Secretary*

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