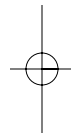
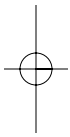


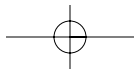
The NEW IRELAND Fund



*First Quarter Report
January 31, 2003*



Cover Photograph — Clifden, Co. Galway
Provided courtesy of Tourism Ireland.



Letter to Shareholders

Introduction

At the time of writing this letter, we are faced with the real threat of war in Iraq and a growing problem in North Korea. These situations, together with the underlying economic weakness throughout the World, would lead one to believe that it will be some time yet before we are going to see an upturn in equity markets. Despite these factors, Ireland's economy remains strong relative to most other European economies with the growth rate, in GDP terms, for 2002 expected to be 4.5% and the forecast for 2003 being 4.25%. As mentioned later in this letter, these figures become 2.5% and 3.5%, respectively, in GNP terms, when account is taken of the repatriation of multinational profits and other factors.

Recognition of the better than average economic performance of the Irish economy is reflected in the performance of its equity markets over the past 12 months. This is clearly illustrated in the table on the following pages, particularly when viewed in US dollar terms.

Because of the Fund Advisor's affiliations with certain underwriters in the Irish market, under SEC regulations, the Fund, in a number of situations, is restricted from purchasing securities in the Irish markets. As we feel that such restrictions are not in the best interests of the Fund, we have submitted an application to the SEC with a view to obtaining an exemption from some, or all, of these restrictions.

We are also very conscious of the need to keep down the expense ratio of the Fund which, due to the downturn in the markets, has been steadily rising over these past two years. As part of this exercise, we have concluded that we should discontinue the consultancy agreement with Salomon Brothers Asset Management Inc. (SBAM). The Fund has had a long and worthwhile relationship with SBAM and, as we believe that the Fund has benefited from their guidance and advice over the years, it was with regret that we felt we had to take this decision. We are continuing to look at other expense reduction opportunities, which along with the actions we have already taken, will result in a reduced expense level going forward.

We remain confident that Ireland retains an attractive economic environment offering excellent investment opportunities and, given a speedy settlement of the current world conflicts and a general upturn in international economic performance, we are hopeful that the current losing streak in world equity markets will be reversed in 2003.

Performance

In the first quarter of the Fund's fiscal year, the Net Asset Value ("NAV") of the Fund increased by 5.9% from \$11.04 to \$11.69. Over the same period, the Irish equity market index ("ISEQ") declined by 5.9% but when account is taken of the gain in the value of the Euro against the US dollar, the ISEQ showed a gain of 2.0%.

The weak performance of the Irish market, in local currency terms, mirrored international stock markets in the quarter and at the end of January, the index had returned to levels last seen at the end of 1997.

During the quarter, some additional repurchases were made under the Share Repurchase Program but these were not significant.

Economic Review

While, in recent months, there has been some encouraging signs of stability in the Irish economy, the international picture has deteriorated with the uncertainty in the Middle East preventing the long anticipated cyclical recovery in the global economy. In Europe, and specifically in Germany, there was a marked deterioration in economic performance over the last quarter of 2002.

In line with most other indicators in the Irish economy, growth in consumer demand has been on a decelerating trend since the early part of 2001. Having expanded at an annual rate in excess of 9% in both 1999 and 2000, the pace of growth slowed to 5.1% in 2001 and to 2.9% in the first nine months of 2002.

The softening in the economy is being reflected in the rising level of unemployment. The unemployment rate bottomed out at 3.7% in late 2001 and increased to 4.5% by January 2003. While this is a significant rise, the actual level of unemployment, in percentage terms, is considerably below unemployment levels elsewhere.

There has also been encouraging evidence over the last couple of months to suggest that the upward pressure on consumer prices in Ireland is abating. In January 2003, the year over year inflation rate was 4.8%. However, this figure was negatively impacted by higher indirect taxes and the underlying core inflation data is beginning to improve. In addition to the normal beneficial knock on effect of a slowing economy, inflation should also benefit from the impact of the stronger Euro and a deceleration in the rate of wage inflation, particularly in the private sector.

The Irish Central Bank expects the Irish economy to grow by 4.5% in GDP terms in 2002 but the external sector and the repatriation of multinational profits heavily influence GDP statistics. A forecasted GNP growth rate of 2.5% for 2002 is a better indicator of domestic conditions. For 2003, the Bank is forecasting growth rates of 4.25% GDP and 3.5% GNP respectively. These are credible performances in an international context.

Equity Market Review

The Irish equity index declined by 5.9% in Euro terms over the quarter ended January 31, 2003. Global equity market performance was once again negative with significant declines around the world. As may be seen from the table below, despite an actual decline, the Irish market, with its reasonable valuations and its more defensive mix of companies, continued to outperform other European markets in the most recent quarter. This same trend is evident over the one year period to January 31, 2003, both in local currency and in US dollar terms.

	<u>Quarter Ended January 31, 2003</u>		<u>Year ended January 31, 2003</u>	
	<u>Local Currency</u>	<u>U.S. \$</u>	<u>Local Currency</u>	<u>U.S. \$</u>
Irish Equities (ISEQ)	-5.9%	+2.0%	-25.0%	-6.0%
S&P 500	-3.4%	-3.4%	-24.3%	-24.3%
NASDAQ	-0.7%	-0.7%	-31.7%	-31.7%
UK Equities (FTSE 100)	-11.7%	-7.1%	-30.9%	-19.4%
Japanese Equities	-3.5%	-1.4%	-16.6%	-6.3%
Euroland Equities				
Eurostoxx	-9.1%	-1.4%	-36.3%	-20.1%
German Equities (DAX)	-12.9%	-5.2%	-46.2%	-32.6%
French Equities (CAC)	-6.7%	+1.4%	-34.2%	-17.5%
Dutch Equities (AEX)	-14.0%	-6.5%	-41.1%	-26.2%

The three largest stocks in the Fund, **Allied Irish Banks ("AIB"), Kerry Group and CRH**, suffered declines of between 7% and 10% over the quarter. In each case, the stock significantly outperformed many of their key international comparables in what was a weak quarter for markets. After the quarter-end, AIB announced that their underlying EPS growth for 2002 was 6.0% which contrasts with significant profits declines of many banks around the world. CRH announced Euro 348 million of acquisitions in the second half of 2002 but the positive impact of these deals was counterbalanced by the weakness of the US dollar in which CRH generates close to 60% of its operating profits.

Ryanair Holdings continues to deliver passenger and profits growth in excess of 30% over previous year levels. The stock price has been virtually unchanged for almost two years and the prospective valuation on the stock is now in the mid-teens in P/E terms and, while not without risk, it remains a compelling story. The stock increased by 2.9% in the quarter.

In the Irish technology and telecom sectors, **Riverdeep Group** and **Conduit** are both in the process of being purchased by management led consortia. While the operating environment was challenging and their experience in public capital markets had been difficult, it is a disappointing conclusion to our experience with both companies.

The Fund purchased a position in the building & merchanting Grafton Group during the quarter. The stock trades on a forecasted P/E of 7.7x for 2003 which undervalues its leading position in building materials and merchanting in Ireland and its increasing acquisition drive in the UK. After the quarter end, the company announced a major acquisition in the UK and a rights issue. The Fund will use this opportunity to increase its position in the stock.

Current Outlook

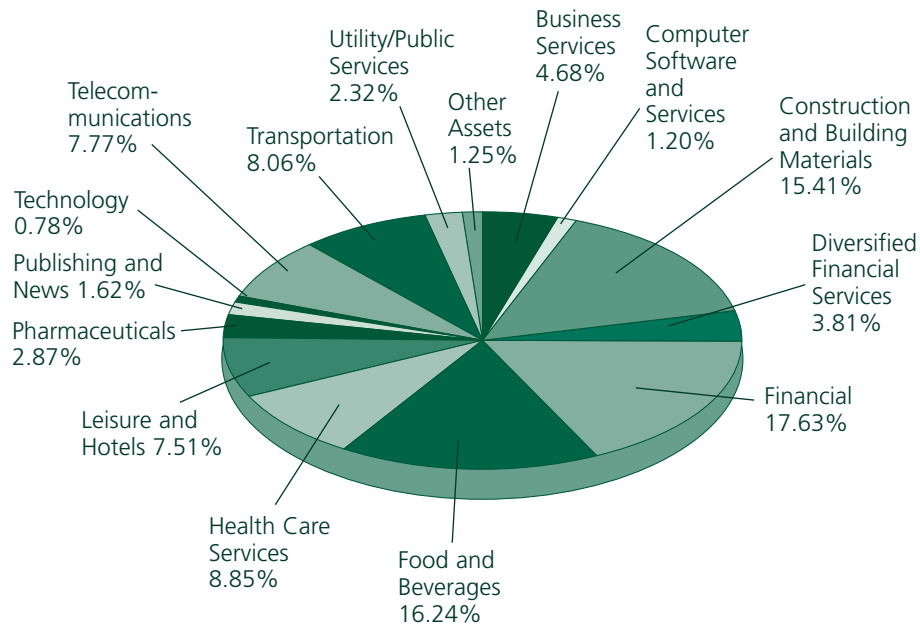
As a result of global uncertainty, and the consequent lack of investor confidence, earnings growth is in short supply, both domestically and internationally, nevertheless, forecasted earnings yields in stocks for 2003 are now in excess of relevant government bond yields. Hopefully, a quick resolution in Iraq and North Korea will engender a modest recovery in economic growth, which should help markets break their losing streak in 2003. The Fund retains a fully invested position.

Sincerely,



Peter Hooper
Chairman
March 20, 2003

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



Top 10 Holdings by Issuer as of January 31, 2003

<u>Holding</u>	<u>Sector</u>	<u>% of Net Assets</u>
Allied Irish Banks PLC	Financial	14.92%
Kerry Group PLC, Series A	Food and Beverages	13.44%
CRH PLC	Construction and Building Materials	10.91%
Ryanair Holdings PLC	Transportation	8.06%
Jury's Doyle Hotel Group PLC	Leisure and Hotels	4.80%
United Drug PLC	Health Care Services	4.74%
DCC PLC	Business Services	4.68%
Spectel PLC	Computer Software and Services	4.55%
ICON PLC-ADR	Health Care Services	4.11%
Irish Life & Permanent PLC	Diversified Financial Services	3.81%

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

January 31, 2003	Shares	Value (U.S.)
COMMON STOCKS (98.75%)		
COMMON STOCKS OF IRISH COMPANIES (95.88%)		
<i>Business Services (4.68%)</i>		
DCC PLC	250,000	\$ 2,710,535
<i>Computer Software and Services (1.20%)</i>		
IONA Technologies PLC-ADR*	169,300	474,040
Riverdeep Group PLC*	150,000	220,600
		<u>694,640</u>
<i>Construction and Building Materials (15.41%)</i>		
CRH PLC	500,577	6,313,967
Grafton Group PLC-UTS	317,350	1,107,173
Kingspan PLC	800,000	1,502,871
		<u>8,924,011</u>
<i>Diversified Financial Services (3.81%)</i>		
Irish Life & Permanent PLC	201,545	2,206,814
<i>Financial (17.63%)</i>		
Allied Irish Banks PLC	628,738	8,639,194
FBD Holdings PLC	260,000	1,568,568
		<u>10,207,762</u>
<i>Food and Beverages (16.24%)</i>		
Fyffes PLC	467,400	647,250
Greencore Group PLC	352,568	968,894
Kerry Group PLC, Series A	604,750	7,783,745
		<u>9,399,889</u>
<i>Health Care Services (8.85%)</i>		
ICON PLC-ADR*	85,000	2,380,000
United Drug PLC	196,700	2,744,993
		<u>5,124,993</u>
<i>Leisure and Hotels (7.51%)</i>		
Jury's Doyle Hotel Group PLC	361,942	2,778,040
Paddy Power PLC	286,365	1,567,775
		<u>4,345,815</u>

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

January 31, 2003	Shares	Value (U.S.)
COMMON STOCKS OF IRISH COMPANIES (Continued)		
Publishing & News (1.62%)		
Independent News & Media PLC	578,142	\$ 937,141
Technology (0.78%)		
Horizon Technology Group PLC*	1,359,817	452,518
Telecommunications (7.77%)		
Conduit PLC - Registered Shares GDR*	575,000	1,820,889
ParthusCeva Inc.*	9,463	39,744
Spectel PLC++ (8/4/00, 11/22/00, 11/30/01-Cost \$2,699,475)	1,800,248	2,636,742
		<u>4,497,375</u>
Transportation (8.06%)		
Ryanair Holdings PLC*	650,000	4,668,023
Utility/Public Services (2.32%)		
NTR PLC† (6/14/02-Cost \$1,169,642)	125,000	1,341,849
TOTAL COMMON STOCKS OF IRISH COMPANIES (Cost \$43,099,407)		
		<u>55,511,365</u>
COMMON STOCKS OF UNITED KINGDOM COMPANIES (2.87%) (Cost U.S. \$2,470,576)		
Pharmaceuticals (2.87%)		
Galen Holdings PLC	310,419	1,663,377
TOTAL INVESTMENT COMPANIES BEFORE FOREIGN CURRENCY (Cost \$45,569,983)		
		<u>\$ 57,174,742</u>
FOREIGN CURRENCY ON DEPOSIT (0.68%)		
(Interest Bearing)	Face Value	
British Pounds Sterling	f 405	\$ 665
Euro	€ 366,401	393,324
TOTAL FOREIGN CURRENCY ON DEPOSIT** (Cost \$387,296)		
		<u>\$ 393,989</u>

The New Ireland Fund, Inc.

Portfolio Holdings (unaudited) (continued)

January 31, 2003	Shares	Value (U.S.)
TOTAL INVESTMENTS (99.43%)		
(Cost \$45,957,279)		\$ 57,568,731
OTHER ASSETS AND LIABILITIES (0.57%)		328,785
NET ASSETS (100.00%)		<u>\$ 57,897,516</u>

* Non-income producing security.

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

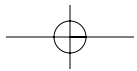
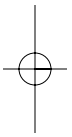
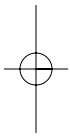
† Not readily marketable. Dates represent acquisition date.

†† 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



The New Ireland Fund, Inc.

Directors and Officers

Peter J. Hooper – *Chairman of the Board*
James J. Boyle – *Director*
William P. Clark – *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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