

# Investing in Ireland

Issue 50, March 2022

Happy St Patrick's Day and welcome to the March 2022 edition of PwC's newsletter on foreign direct investment ("FDI") in Ireland.

Ireland's economy continues to display strong growth and the continued confidence from international investors is reflected in the encouraging number of Irish jobs and investments announced over the last few months (see page 2).

This edition reviews the digital economy in Ireland as regards hybrid working, its impact on the economy, the extent to which organisations rely on digital initiatives and recent legislation for the successful execution of hybrid working (see page 4).

Ireland has proven to be a popular hub and an investment opportunity for the MedTech industry. We examine why MedTech companies are attracted to Ireland and the current MedTech industry environment in Ireland (see page 5).

Finally, Ireland continues to achieve high rankings in a number of key FDI areas (see page 7).

Please do not hesitate to contact myself, any member of our team, or your usual PwC Ireland contact at any stage. We would be happy to tell you more about the topics raised in this issue or to include any interested parties on our mailing list.

**Remember to visit our FDI website for more updates and detailed information (<http://www.pwc.ie/fdi>), including a range of recent publications.**



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# Recent FDI investment announcements

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**Advantio**, a European Cybersecurity provider that specialises in Professional Services, Managed Security Solutions and SAAS security and compliance solutions, has chosen Sligo as its base for its new European Cybersecurity HQ. This will lead to the creation of 40 new jobs over the next 3 years in the areas of Product Management, Security Consulting, Project Management, Customer Success and HR.

**Amgen**, one of the world's leading independent biotechnology companies, has announced that it will be investing \$100 million for the construction of a new vial filling line with 'state of the art' technology and new site infrastructure at its manufacturing plant in Dun Laoghaire, Co. Dublin which is due to be fully operational by 2024. This investment is one of Amgen's largest construction projects outside North America and marks its 10 year anniversary in Dun Laoghaire.

**Cerenovus**, an emerging leader in neurovascular care and part of Johnson & Johnson Medical Devices Companies, has announced it will invest €50M over the next three years in its site in Galway. Over 30 new specialised roles are expected to be created at Cerenovus Galway as a result of this investment drawing on talent from across Ireland's MedTech industry and third level institutes. The company currently has a workforce of over 90 people in specialised roles at their site in Ballybrit.

**Lilly**, a renowned worldwide healthcare and biopharmaceutical company has revealed plans to construct a new state-of-the-art manufacturing facility in Raheen, Limerick, which will employ 300 people. The monoclonal antibody manufacturing facility will aid in the delivery of cutting-edge

treatments to patients all around the world. Lilly intends to invest €400 million in the new plant's construction leading to 500 additional jobs during that time.

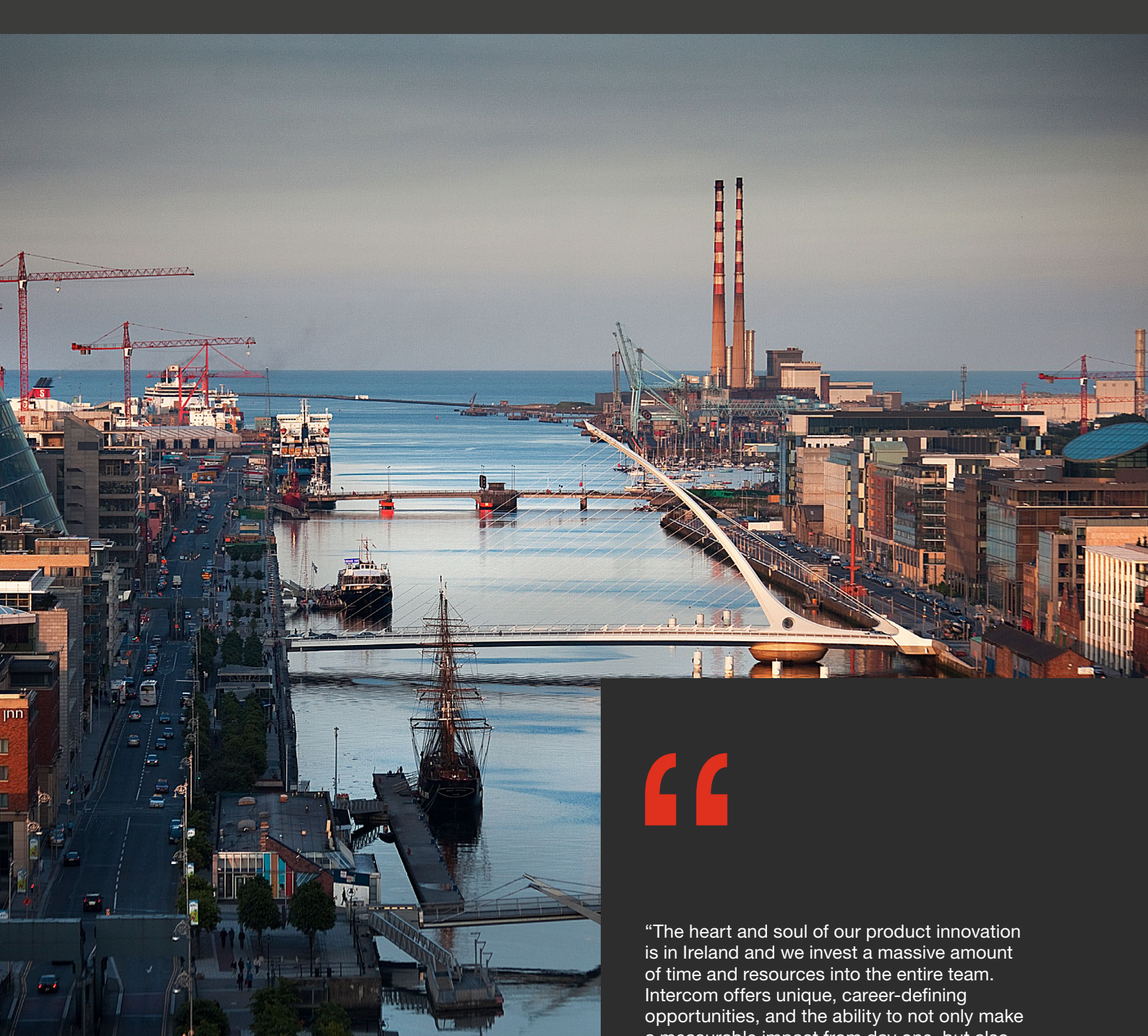
**IBM**, a worldwide technology business that specialises in hardware, software, cloud-based services and cognitive computing, has announced plans to hire 200 individuals in Ireland. The new jobs are spread across IBM's three campuses in Ireland (in Dublin, Cork and Galway) and vary from research, development, and innovation (RD&I) to digital sales.

**Intercom**, a modern communications platform that helps companies build strong customer relationships has announced plans to hire an additional 150 people which will bring their Irish workforce to over 400 people by the end of 2022. The announcement is in addition to its plans to open a new Dublin office on Earlsfort Terrace, Dublin 2 in early 2023.

**McGill and Partners**, a boutique specialist (re) insurance broker, plans to expand its Irish team to 50 staff in total by 2025. The Dublin office will give the company the opportunity to offer its European clients access to global insurance markets.

**Stats Perform**, the sports tech leader in data and AI that operates across 25 countries, has established a Global Rugby Centre of Excellence in Limerick. The company chose Limerick as its EMEA base in 2017 due to the availability of significant sports technology and talent in the region. The recent expansion has created over 100 new full and part-time roles in Limerick and represents a significant milestone for the company.





**Udemy**, a leading online course provider aimed at professional adults and students, has announced its plans to expand its EMEA headquarters in Dublin, creating more than 120 new jobs in 2022. Udemy established its first operation outside the US with its EMEA headquarters in Dublin in 2014, and currently employs nearly 200 people in Dublin with plans to expand this to 300 employees by the end of 2022.

**VidMob**, a provider of end-to-end solutions to help brands improve their marketing, has announced it has relocated its EMEA hub to Dublin. The company currently employs 21 people in its Dublin based EMEA office, with plans to double its headcount in the next 12 months. The company also plans to create a further 75 jobs in the next 3 years.



“The heart and soul of our product innovation is in Ireland and we invest a massive amount of time and resources into the entire team. Intercom offers unique, career-defining opportunities, and the ability to not only make a measurable impact from day one, but also positively impact the growing Irish tech scene.”

**Des Traynor, co-founder and Chief Strategy Officer of Intercom**

“Over the past 40 years, we have continued to invest in Ireland in part because of supportive government policies that value life science innovation. This new Lilly campus in Limerick will allow us to expand our capacity to make innovative new medicines that can help treat some of the world’s most serious illnesses.”

**Edgardo Hernandez, Senior vice president and president of Lilly Manufacturing Operations**





# Ireland's Digital Economy for Hybrid Working



“Work is no longer a place we go, instead it’s something we do. We have to adapt our technology, how we train people and our strategy to reflect this.”

**Joe Tynan, Head of Digital at PwC Ireland**

In the past 2 years digitalisation has had a massive impact on the economy and both public and private sector firms.

It is estimated that the economic and transformative impact of digitalisation could be worth more than €300 billion to the Irish economy by 2023 accounting for 65% of our economic output, according to figures from the International Data Corporation and the World Economic Forum. Digitalisation not only offers a way to engage with customers and employees, but it also offers the potential for new revenue streams and reduced costs.

Implementing digitalisation is not just about the technology available, it also requires having the right strategy in place and support from all employees to change the way in which a business operates and ultimately make the shift towards a hybrid workforce.

## Grow Remote Ireland

Grow Remote Ireland was one of the first hybrid working initiatives in Ireland and was set up in 2018 to highlight the potential positive impact of remote working for our communities. The organisation now has 60+ local chapter leads, where remote working is used as a tool for community development

## Right to Remote Working Bill 2022

The Irish Government is planning to introduce new legislation that will give employees the right to request to work from home emphasising Ireland’s commitment to hybrid working with its increased flexibility and reduced commuting times for employees.

The proposed legislation will require employers to have a written statement that sets out the remote working policy including the way in which remote requests are managed as well as the conditions that will apply to remote working within the organisation providing employees with more certainty, reasonable grounds, they can now be taken to the Workplace Relations Commission (WRC).

This legislation has been welcomed by many as it encourages both employers and employees to use the remote working hubs that have been set up across the country in a bid to attract people to rural Ireland following the launch of the “Connected Hubs” campaign by the Government.

- 82% of leaders of Irish companies indicated they were forced to adopt digital faster and sooner in the past two years<sup>1</sup>
- 77% said hybrid working would make a lasting impact on the organisation<sup>1</sup>
- 69% of leaders state they will have a hybrid workforce in the future<sup>1</sup>
- Hybrid working retains talent and the availability of hybrid working is considered a bonus for employees<sup>1</sup>

1 Microsoft “Digital Ireland - Inclusive Recovery” Report

# Why Ireland for MedTech?

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Ireland has established itself as a global location of choice for the MedTech industry. The industry has deep roots going back to when Abbott set up here in 1926 followed by Johnson & Johnson in 1935, Siemens in 1966 and a host of other world leaders including Boston Scientific and Medtronic in the years following.

The combination of access to EU markets, competitive and transparent tax system, a highly educated workforce, ease of establishing business here and our historic record of success for this sector continues to drive investment and job creation throughout Ireland in the MedTech industry.

The sector is now moving more towards technology solutions combined with medical science in preventative medicine rather than just disease management. MedTech companies can capitalise on this emerging trend in Ireland with 9 of the top 10 US technology companies located here along with our highly educated workforce providing many opportunities for collaboration.

The growth in the MedTech industry in Ireland in recent years has been significant and MedTech

now accounts for 32% of Ireland's GDP and employs over 40,000 people directly. With 9 of the top 10 pharmaceutical companies and 14 of the top 15 med-tech companies operating in Ireland, Ireland is already a very attractive location for the MedTech industry and there is certainly reason for optimism in Ireland maintaining its position as a global leader in MedTech.

The MedTech industry is supported by the MedTech Association within Ibec which represents the sector in Ireland. The Association aims to encourage sustainable development and profitable growth for its 250+ members and its overall aim is to support the vision of the sector for Ireland to become the global leader in medical technology. The Association also offers training and upskilling through apprenticeship and springboard programmes to members.

The MedTech Association will shortly publish its strategy to 2025 which is based on extensive research and interviews with companies and other participants in the top MedTech innovation hubs around the world, including Boston, San Francisco, Asia, Israel, the UK, France and Switzerland.

- 14 of the top 15 MedTech companies operate in Ireland
- The MedTech sector accounts for nearly 10% of Ireland's exports
- Ireland is one of the largest exporters of Medical products with annual exports of over €12.6 billion to over 100 countries





# Publications and podcasts

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## **Assessing the impact of Revenue's new Compliance Intervention Framework**

Revenue has recently announced details of its new Compliance Intervention Framework effective from 1 May 2022. The framework introduces a new classification of Revenue's compliance interventions most notably a new desk-based intervention named "Risk Review" which replaces the former "Aspect Query" among others.

Please see more details of our overview [here](#).

## **Report: "Act now: From Recovery to Growth"**

Our new report displays how many businesses are now shifting their focus away from survival and more towards recovery and growth.

Please see the publication [here](#).

## **DAC7 Directive and actions you should take**

Finance Act 2021 has transposed EU tax transparency rules for digital platform operators (DAC7) into Irish law. The new rules will take effect from 1 January 2023 and will require standardised reporting across the EU and will also seek to reduce the administrative burden on operators by requiring platforms to report in only one EU Member State where they have operations in multiple jurisdictions.

You can read more about DAC7 [here](#).





# Economic update

## Ireland's Sovereign Credit Rating Upgraded to AA

It is the first time that ratings agency Fitch has raised its opinion on Ireland since 2017 and returns it to an AA level that was last seen in 2010.

In its decision, Fitch referred to the continued improvement in Ireland's tax revenues and the extent of the strong economic recovery from the pandemic. It also cited its expectation that Ireland's debt to GDP and debt to national income ratios will enter a firm downward trajectory.

- Dublin is ranked in 4th place overall as one of the lead "European cities of the future" according to the Financial Times's FDI Intelligence
- Ireland ranks 5th in the EU in the 2021 edition of the Digital Economy and Society Index (DESI).
- Ireland is the 5th greenest country in MIT Technology Review's Green Future Index
- Ireland is ranked 7th globally among 165 independent states according to Economist Intelligence's Democracy Index 202.
- Ireland is ranked in the top 10 countries for gender equality
- Ireland is ranked 24th among 190 economies for ease of doing business, according to the latest World Bank annual ratings

- Irish economy measured by GDP is expected to grow by 5.5% in 2022
- In 2021 Ireland recorded the highest increase in FDI employment in a single year.

### 1<sup>st</sup> in World for:

- Real GDP growth<sup>1</sup>

### 1<sup>st</sup> in Europe for:

- Paying business taxes<sup>2</sup>
- E-commerce and the integration of digital technologies<sup>3</sup>
- ICT as a percentage of GDP and ICT labour productivity<sup>3</sup>
- Friendliest city in the EU (Galway)<sup>4</sup>
- EU region of the future (Dublin)<sup>5</sup>
- Artificial Intelligence<sup>7</sup>
- Youngest population<sup>8</sup>
- Fastest growing population<sup>8</sup>

### 1<sup>st</sup> in the Eurozone for:

- Quality of life<sup>6</sup>
- Business Friendliness (Cork City)<sup>5</sup>
- FDI Strategy (Cork City)<sup>5</sup>

1 IMD World Competitiveness Yearbook 2021

2 PwC/World Bank Group "Paying Taxes" Report 2020

3 The Digital Economy and Society Index 2020

4 Condé Nast Traveller Reader Travel Awards 2020

5 Global Cities of the Future 2020/21 – FDI Intelligence

6 UNDP Human Development Index

7 AI in EU Enterprises, Eurostat Report 2021

8 Facts about Ireland 2021, IDA Ireland





# Would you like to know more?

Should any of the topics covered in this newsletter be of particular interest to you, please do not hesitate to contact any member of the FDI team, or your usual PwC Ireland contact. If any of your colleagues would like to be included on our mailing list, please let us know.

Please click on our website for additional information. Various topics of interest for foreign investors can be found in the publications link in the tax section, including:

**[Budget 2022](#)**

**[Brexit](#)**

**[CEO Survey](#)**

**[Previous issue of Investing in Ireland](#)**

**[Tax Facts 2021](#)**





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