



Investing in Ireland

Issue 59, June 2024

Welcome to the latest edition of PwC's newsletter on foreign direct investment ("FDI") in Ireland.

The strength and resilience of the FDI sector in Ireland is reflected once again in the significant Irish jobs and investments announced over the last few months (see page 2).

Artificial intelligence (AI) has the potential to transform all sectors of the economy and society, from manufacturing and healthcare to education and entertainment. Ireland is well-positioned to be at the forefront of this transformation (see page 4).

With its strategic position on the edge of the Atlantic Ocean, Ireland is uniquely poised to exploit the abundant wind resources that sweep across its landscape. This natural advantage, coupled with a supportive government and a thriving ecosystem for startups and foreign direct investment, places Ireland at the forefront of Europe's renewable energy revolution (see page 5).

The sports technology sector is a dynamic and rapidly expanding industry, with a diverse range of offerings from wearable technology to engagement platforms. Ireland is uniquely positioned to become a pivotal player in this market (see page 6).

Finally, we highlight some recent PwC publications and podcasts on current topical issues in the FDI space (see page 7). Ireland also maintains its number one ranking in a number of key areas for FDI investors (see page 9).

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 [HERE](#) including a range of recent publications.



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Recent FDI investment announcements

Astellas Ireland Co. Ltd, a subsidiary of Astellas Pharma Inc., announced the commencement of construction on its groundbreaking €330 million facility in Tralee, County Kerry, located within the Kerry Technology Park. This state-of-the-art facility is envisioned to be a model of sustainability and will significantly enhance Astellas' internal manufacturing capabilities, ensuring the consistent delivery of high-quality pharmaceuticals to patients worldwide. This ambitious project will also have a positive impact on the local job market, generating approximately 600 construction positions and 100 specialised jobs in engineering, science, and technology upon completion.

Crane Worldwide Logistics, a renowned provider of comprehensive supply chain solutions, announced the opening of its latest expansion - a cutting-edge warehouse in the Harbour Gate Business Park, County Cork. Spanning an impressive 126,000 square feet, the newly unveiled warehouse serves as a pivotal distribution hub for both local and international clients, and underscores Crane Worldwide Logistics' dedication to enhancing services and reinforcing its presence in Ireland's vibrant market.

Evernorth Health Services, the subsidiary of The Cigna Group specialising in pharmacy, care, and benefits solutions, has selected Tribes, County Galway as the site for its new innovation hub. This exciting development is expected to generate 100 jobs in software strategy, architecture, and portfolio and product management for specific technology products across The Cigna Group and its various businesses.

IBM Ireland, a prominent provider of global hybrid cloud, AI, and consulting services, is preparing to strengthen its presence in Ireland through a substantial new investment. This investment aims to create up to 800 high-tech positions across the country. The initiative will drive the development of advanced software by harnessing cutting-edge AI technologies, leading to advancements in Security, Automation, and Hybrid Cloud solutions.

Infineon Technologies AG, the leading semiconductor manufacturer in Germany, has unveiled plans to significantly expand its Research and Development (R&D) presence in Cork and Dublin. Over the next four years, the company aims to create over 100 new specialised engineering roles. This strategic growth initiative will elevate the company's total workforce in Ireland to over 300.

Jazz Pharmaceuticals plc, a worldwide biopharmaceutical organisation committed to creating potentially transformative medications for individuals suffering from severe illnesses, recently celebrated two significant milestones at its Athlone site. The event commemorated the company's 20th anniversary since its establishment and marked its 10th year in Athlone. Additionally, the occasion emphasised the site's crucial role in supporting Jazz's ongoing and future efforts in neuroscience and oncology, encompassing drug development and commercial manufacturing. With over 200 employees in Ireland, the company's workforce is spread across its Dublin headquarters and Athlone manufacturing facility.

Jacobs, a leading provider of comprehensive engineering and construction services in Ireland, recently announced the opening of its state-of-the-art office in Sandyford, Dublin. Jacobs also announced plans to create 100 new job opportunities within the next two years and celebrated 50 years in Ireland. Throughout these five decades, Jacobs has played a vital role in delivering critical infrastructure projects valued at over €50 billion.

RoviSys, a renowned leader in automation and information solutions, announced the opening of its newest office in Dublin, Ireland. By the end of 2025, the company plans to expand its Irish workforce to up to 30 dedicated professionals as part of its ambitious growth strategy. This expansion will further solidify RoviSys's position in the European market, positioning it as a key player in the field of automation and information solutions.

ServiceNow, a global leader in digital workflow solutions that revolutionise work experiences worldwide, has recently unveiled its expansive new office space at 60 Dawson Street in Dublin's vibrant city centre. With this significant expansion, ServiceNow is following through on its commitment to create 400 additional positions since June of last year, with the goal of doubling its workforce in Ireland in the coming years.

Sonatus, a pioneer in advancing the automotive industry towards software-defined vehicles (SDVs), has announced the opening of a new R&D and engineering hub in Dublin, Ireland. Sonatus has hired a local management team responsible for this new centre, comprising seasoned business and technical leaders. This strategic decision aims to strengthen the company's engineering capabilities and underscores Sonatus's dedication to providing exceptional service to both existing clients and future customers.

State Street Corporation, a global leader in providing financial services to institutional clients, has recently commemorated the opening of its newest office in County Kilkenny. This milestone highlights the company's continued growth in Ireland since its establishment in 1996. As a prominent employer in the international financial services sector, State Street has made a significant impact on Ireland's economic landscape. The company's ongoing dedication to Ireland is poised to drive further economic expansion, job opportunities, and reinforce Ireland's position as a premier international financial services centre.

The National Institute for Bioprocessing Research and Training (NIBRT), announced a €21 million expansion, further solidifying Ireland's prominent position in the biopharmaceutical manufacturing landscape. This ambitious development not only enhances the country's capabilities in traditional biopharma production but also propels it to the forefront of advanced therapeutics. The expansion adds an additional 1,800 square metres to NIBRT's existing infrastructure, featuring seven new research laboratories and state-of-the-art training suites specifically designed for the rapidly growing field of advanced therapeutics.

The OUTsurance Group, a renowned insurance provider with well-established operations in South Africa and Australia, has introduced its vehicle and property insurance services in Ireland. Currently, the company's main office in Cherrywood, Dublin, is home to a dedicated team of 70 professionals. As part of a strong investment strategy, OUTsurance is planning to expand its workforce by adding 230 new positions within the next three years, injecting €160 million into the local economy.

UPS Healthcare, a single-source solution for healthcare logistics, has recently launched a groundbreaking healthcare logistics hub in Dublin with a €12 million investment, showcasing a strong commitment to the Irish economy and spanning an expansive area of approximately 6,000 square metres. The establishment of this facility has already resulted in the creation of 30 new jobs, demonstrating confidence in the Irish market and its potential for export growth. Equipped with state-of-the-art technology, the Dublin site offers a wide range of services, including small package handling, freight forwarding, and comprehensive logistics and distribution operations. Serving as a vital node in UPS Healthcare's global network, this facility provides customers across various sectors with a seamless and adaptable logistics solution to meet the dynamic demands of the market.

Volumetric Building Companies, a renowned global leader in modular construction, recently marked the opening of its Global Centre of Excellence in Monaghan, Ireland. Originating from Philadelphia, PA, this company has established itself as a prominent player in the modular construction sector, with an extensive network covering both the United States and Europe.



"As IBM continues to help organisations transform their businesses with hybrid cloud and AI, attracting, developing, and retaining talent remains a key priority. Today's announcement is a result of our strong relationship with IDA Ireland and the Irish government, but is also a testament to the calibre of talent here in Ireland, one of many reasons Ireland continues to be a strategic location for IBM"

James Kavanaugh, Senior Vice president and Chief Financial Officer at IBM

"As we celebrate two significant milestones, 20 years of our company and ten years in Athlone, we are reminded of the remarkable journey we have undertaken together with the local community and our partners. The long-term relationships we've built in Athlone and more broadly in Ireland have been central to our ability to deliver innovative medicines to patients worldwide"

Liz Henderson, Senior Vice President of Technical Operations at Jazz Pharmaceuticals

"ServiceNow has been present in Ireland since 2018 and it has been a key part of our rapid growth across both in EMEA and globally, as corporations and governments across the world, turn to the power of our platform to fulfill their digital needs and improve their speed and efficiency"

Mark Cockerill, Senior Vice President, Legal at ServiceNow

Artificial intelligence in Ireland

Artificial intelligence (AI) is a technology that has the potential to transform all sectors of the economy and society, from manufacturing and healthcare to education and entertainment. Ireland is well-positioned to be at the forefront of this transformation, as it has a strong AI innovation ecosystem, a skilled and adaptable workforce and a supportive and ethical governance framework.

Talent & Skills

One of the key drivers of AI development and adoption in Ireland is the availability of talent and skills. Ireland has a rich source of AI talent, both homegrown and international. The country produces 1,500 Masters graduates per year in AI-related fields and has one of the highest EurAI fellows per capita, an accolade for exceptional contributions to AI research. Ireland also attracts skilled workers from other countries, with processes that smooth the path for them to relocate.

Dublin, the capital of Ireland, ranks top of the list in Europe for per capita availability of AI and machine learning, data science, DevOps, finance, cybersecurity, and cloud computing professionals. Many global technology companies such as Microsoft, OpenAI, Amazon, Google and IBM have established their European Headquarters or AI research centres in Ireland, creating a vibrant and collaborative AI community and welcoming our pool of talent to their workforce.

A recent poll conducted at The PwC Leadership Exchange highlights the significant role that AI and GenAI are expected to play in expediting organisational transformation over the next 12 months (read more [here](#)).

AI Ecosystem - National AI Strategy

Ireland's AI ecosystem is supported by a range of initiatives and policies that aim to foster a human-centric, ethical and trustworthy approach to AI development, adoption and use. The Government has launched a [National AI Strategy](#), which sets out our vision and objectives for AI. The strategy also outlines actions to promote AI research and innovation, drive AI adoption by enterprises and the public sector, build AI education and skills, and ensure a supportive and secure infrastructure for AI.

The Government has also established various funding schemes, such as the Disruptive Technologies Innovation Fund, the Science Foundation Ireland Research Centres, and the European Digital Innovation Hubs, to support AI projects that address societal and economic challenges and create new value and possibilities.

Knowledge Sharing

Another advantage of Ireland's AI sector is the high level of collaboration and knowledge exchange between industry, academia and the public sector. Ireland has invested heavily in building world-class research centres and facilities for AI, such as the SFI Research Centre for Data Analytics (Insight), the SFI Centre for Research Training in Machine Learning, the National Centre for Applied Artificial Intelligence (CeADAR) and PwC Ireland's very own GenAI Business Centre in collaboration with Microsoft (read more on PwC's GenAI Business Centre [here](#)). These centres provide access to cutting-edge research, expertise, data and testbeds for AI projects, as well as opportunities to participate in international AI networks and programmes.

AI Challenges/Risks

AI also poses some challenges and risks, such as job displacement, ethical dilemmas, data protection issues, and cybersecurity threats. The Government recognises the need to address these challenges and ensure that AI is developed and used in a way that respects human rights, values and that builds public trust and confidence.

Ireland has adopted the OECD Recommendation on AI, and is aligned with the EU approach to fostering a European ecosystem of excellence and trust in AI. The Government is also engaging with the public and stakeholders on the development, governance, and use of AI, and is participating in relevant international AI policy and governance processes at the EU, UN, and OECD levels.

[PwC Ireland's Whitepaper: Trustworthy AI](#) offers guidance on compliance and positions AI as a strategic driver for digital transformation.

A closer look at Ireland's renewable energy sector



Ireland's renewable energy sector is a beacon of innovation and growth, harnessing the natural forces of wind and tide to power a sustainable future. With its strategic position on the edge of the Atlantic Ocean, Ireland is uniquely poised to exploit the abundant wind resources that sweep across its landscape. This natural advantage, coupled with a supportive Government and a thriving ecosystem for startups and FDI places Ireland at the forefront of Europe's renewable energy revolution.

Ireland's commitment to renewable energy is evident in its world-leading position in onshore wind energy generation. According to IDA Ireland, Ireland's inward investment agency, Ireland ranks first globally in the share of electricity demand met by onshore wind. It also holds the second spot in Europe for wind and solar energy production per capita. These achievements are underpinned by a robust strategy to reduce reliance on fossil fuels and expand offshore wind capacity.

[The Government's Climate Action Plan 2024](#) outlines a vision to generate 80% of electricity from renewable sources by 2030. This includes 9GW from onshore wind, at least 5GW from offshore wind, and 8GW from solar power. These targets align with Ireland's legislative commitments to cut carbon emissions by 51% by 2030 and achieve net-zero carbon emissions by 2050, as mandated by the Climate Action and Low Carbon Development Act.

The renewable energy sector in Ireland is ripe with opportunities for business and investment. The sector's growth is not only a win for the environment but also presents lucrative prospects for companies in the green economy. Ireland's renewable energy journey is set to accelerate with plans to become a green energy exporter to Europe and beyond. The development of advanced technologies such as Supernode's superconducting cables for efficient electricity transmission, positions Ireland as a leader in the global shift towards sustainable energy.

Ireland's sustainability goals are enshrined in legislation, ensuring a steadfast commitment to renewable energy. [The National Industrial Strategy for Offshore Wind](#), published in March 2024, outlines a collaborative approach to foster the sector's growth, reflecting the broader European trend of escalating investment in offshore wind.

IDA Ireland has championed investments across the green economy, from undersea cabling to AI systems for energy distribution. The agency's support has attracted significant foreign direct investment in green technology with companies like Vestas, Corio Generation, and RWE Renewables contributing to Ireland's renewable energy landscape.

Ireland's renewable energy sector is a dynamic and evolving landscape, offering a wealth of opportunities for investors and companies committed to sustainability. With strong government support, a strategic geographic location, and a track record of innovation, Ireland is not just participating in the renewable energy revolution—it is leading the charge.

How Ireland is embracing sports technology



The sports technology sector is a dynamic and rapidly expanding industry with a diverse range of offerings from wearable technology to engagement platforms. Ireland is uniquely positioned to become a pivotal player in this market, which is increasing at an impressive rate of over 13% annually.

Ireland's skills in digital, data, and regulatory expertise makes it an attractive destination for sports tech companies. Dublin's recognition as a hub for technical talent, particularly in AI and data science, further solidifies Ireland's status as a leader in the field. The presence of tech giants and their AI teams in Dublin is a testament to the rich pool of talent available in the country.

[Sports Tech Ireland's report](#) in March 2024 paints a promising picture of the sector's progress in Ireland. With 85 companies operating in areas such as performance analytics and health and wellbeing, and employment figures surpassing 60,000 in sports-related roles, Ireland's sports tech industry is on a swift upward trajectory. The presence of global players like Strava and Thrive Global alongside homegrown innovators like Orreco and Kitman Labs showcases Ireland's capacity to support and scale sports tech ventures.

The sports technology sector is expanding at over **13% annually**



Ireland's sports tech ecosystem is enriched by the synergy between local startups and international corporations. Ireland's long standing connections with companies like Google, Microsoft and Intel, which have applications in sports technology provide a robust foundation for growth. The increasing eSports sector also finds a home in Ireland, with significant investments in research and high-performance centres.

Ireland's ambition to become a global hub for sports technology is supported by collaborative efforts across commercial bodies, startups, research institutions and academia. The annual Sports Innovation and Technology Summit exemplifies this commitment bringing together key players to foster innovation and drive the industry forward.

Publications and podcasts

AI and GenAI: Catalysts for accelerating business transformation

A recent poll conducted at The PwC Leadership Exchange highlights the significant role that artificial intelligence (AI) and Generative AI (GenAI) are expected to play in expediting organisational transformation over the next 12 months.

Please see [here](#) for the results.

White paper: Drive value with trustworthy AI

Trustworthy AI: Implementing the EU AI Act as a value driver, our latest white paper, offers guidance on compliance and positions AI as a strategic driver for digital transformation.

For more information, please see our publication [here](#).

Budget 2025: PwC's pre-Budget submission

As an election budget, Budget 2025 is an opportunity for the Government to show where current and future priorities lie. We recommend that the Government focus on five key areas to secure and embed the remarkable economic growth achieved over recent years for the benefit of future generations.

For more information on our five recommendations, please see our publication [here](#).

Compliance interventions yield results for Revenue

On 25 April 2024, Revenue released its 2023 Annual Report. The report offers valuable insights into the interventions conducted by Revenue throughout 2023 and highlights the risk areas that Revenue has prioritised for review in 2024.

For more information, please see our article [here](#).





Economic update

- The ESRI expects the economy to grow by 2.5% in gross domestic product (GDP) terms this year and by 2.3% next year.
- In its first Quarterly Economic Outlook for the year, Ibec is forecasting growth in GDP of 2% this year and 3.4% in 2025.
- The IMF is predicting that GDP will expand by 1.5% in 2024 and by 2.5% in 2025.
- The ESRI forecasts modified domestic demand (MDD) to grow by 2.3% in 2024 and by 2.5% in 2025 as cost-of-living challenges fade, real incomes grow and the labour market remains robust.
- Electricity, gas and other fuel prices declined by 12.9% over the 12 months to the end of January 2024, according to separate figures published by the Central Statistics Office (CSO).
- The IMF also expects that inflation in Ireland will fall more than previously expected this year, averaging out at 2.4% across 2024 before settling back to 2% next year.
- The most recent outlook from ECB staff forecasts euro area inflation continuing to ease to 2% in 2025.
- Ratings agency Fitch has upgraded Ireland's sovereign debt rating to AA. It is the first upgrade from Fitch in two years and the highest rating it has given to Irish debt since 2009.
- The IMF thinks employment will also remain robust, with unemployment forecast to remain low at 4.4% this year and only rising marginally to 4.5% in 2025.
- As tech firms rebounded from a period of retrenchment in 2022 and 2023, net exports of goods and services rose by 85.3% or by €19.4 billion in the first quarter of 2024, the CSO said.
- According to Budget 2024, the Government is projecting a surplus of €8.8bn in 2024.



Stats

1st in World for:

- Real GDP growth¹
- Knowledge diffusion & knowledge impact¹
- Investment incentives¹
- Foreign investors¹
- Flexibility and adaptability¹
- Attracting and retaining talent¹
- ICT service exports¹
- Economic performance in 2023¹

1st in Europe for:

- Friendliest country in the EU²
- E-commerce³
- Youngest population⁴
- Fastest growing population⁴
- STEM graduates per capita⁴
- Employment in high-tech manufacturing and knowledge intensive service sectors⁴

1st in the Eurozone for:

- Quality of life⁵
- Small European Regions of the Future (Mid-West Region which comprises the counties of Clare, Limerick, and Tipperary)⁶

1. IMD World Competitiveness Yearbook 2023
2. Condé Nast Traveller Reader Travel Awards 2023
3. Digitalisation in Europe, Eurostat Report 2023
4. Facts about Ireland 2023, IDA Ireland
5. UNDP Human Development Index
6. European Cities and Regions of the Future, fDi Intelligence 2024

Stats

- Ireland is ranked 2nd in the World for Overall Competitiveness according to “*IMD World Competitiveness Yearbook 2023*”.
- Ireland is ranked 2nd in the World and in the EU for the highest GDP per capita for 2023 according to “*Visual Capitalist*”.
- Ireland is ranked the 2nd most peaceful country in Europe and third in the world, according to the 2022 “*Global Peace Index*” by the *Institute for Economics and Peace*.
- Ireland is ranked 3rd in the World for Government and Business Efficiency according to “*IMD World Competitiveness Yearbook 2023*”.
- Ireland has the 4th lowest combined top marginal corporate income tax rate (12.5%) in the OECD, and is significantly lower than the OECD average rate of 23.6% for 2022. This competitive 12.5% rate will remain in place notwithstanding the introduction of the 15% minimum effective global tax rate for in-scope groups.
- Ireland is ranked 4th in the OECD for Corporate tax.
- 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 has the 6th ‘most free’ media in the world according to the “*Reporters Without Borders 2022 Index*”.
- Ireland is ranked 6th in the EU in the *Corruption Perceptions Index*.
- Ireland ranked 7th out of 167 countries in the “*Democracy Index 2023*”.
- Ireland is ranked the 7th most democratic nation worldwide by the *Economist Intelligence Unit*.
- Ireland is ranked 7th globally among 165 independent states according to *Economist Intelligence’s Democracy Index 2022*.
- Ireland is ranked 8th in the World for high quality of life according to the “*United Nations Human Development Index*”.
- Ireland is ranked in the top 10 countries for gender equality.
- Ireland ranked 12th in the world in the 2024 “*Social Progress Index*”.
- Ireland is the 13th happiest nation according to the UN sponsored “*World Happiness Report*”.

Would you like to know more?

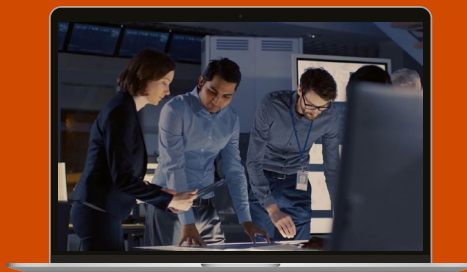
Should any of the topics covered in this newsletter be of particular interest to you, please do not hesitate to contact any member of the FDI team, or your usual PwC Ireland contact. If any of your colleagues would like to be included on our mailing list, please let us know.

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:

Tax Facts 2024



CEO Survey 2024



Previous issue of Investing in Ireland





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