



Investing in Ireland

Issue 60, October 2024

Welcome to the latest edition of PwC’s newsletter on foreign direct investment (“FDI”) in Ireland.

The 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).

On 1 October 2024, Ireland’s new Finance Minister, Jack Chambers, announced Ireland’s “Budget 2025”. Minister Chambers introduced several measures aimed at simplifying Ireland’s tax code and growing FDI (see page 5).

Ireland’s proposition for FDI remains robust and attractive according to IDA Ireland, which recently published its mid-year results for 2024 alongside its latest Annual Report (see page 6).

We also summarise the latest Department of Finance’s “Tax Revenue Trends September 2024” report, which evidences that Ireland continues to offer a compelling case for international investors seeking stability, growth, and innovation in Ireland (see page 7).

Finally, we highlight some recent PwC publications and podcasts on topical issues in the FDI space (see page 8). 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



Ashland, a leader in specialty chemicals and developing and manufacturing innovative bioresorbable polymers for pharmaceuticals, medical devices, and tissue engineering solutions has completed the second expansion of its pharmaceutical injectables manufacturing and R&D lab at the National Science Park in Mullingar, Westmeath. This investment highlights Ashland's dedication to cutting-edge technology platforms and bolsters Ireland's standing in the life sciences industry.

Beckman Coulter Diagnostics, a leading company in the healthcare sector which specialises in producing advanced diagnostic tools and reagents used in hospitals and laboratories worldwide has announced a €10 million investment to enhance its diagnostics production in East Clare, adding two automated reagent filling lines and upgrading existing infrastructure. The company is hiring for 50 roles and plans to add 30 more jobs by 2027. Beckman Coulter currently employs over 550 people in East Clare, with plans to increase this to 600.

CalypsoAI, the global leader in adaptive AI security, has announced that Dublin will serve as the company's Global Co-Headquarters along with New York. Over the next year, the company plans to expand its workforce in Ireland to 100 people, establishing a truly transatlantic enterprise. The Dublin Co-Headquarters will house the majority of CalypsoAI's high-value R&D functions. Since its founding in the U.S. in 2018, CalypsoAI has pioneered the AI Security category.

Cara Partners, part of the Schwabe Group for over 40 years, specialises in extracting APIs from natural herbal materials, has announced it is investing €130 million to modernise and expand its Little Island Facility in Cork. This project will create 60 new highly skilled jobs over the next four years. With this new investment, Cara Partners will become the Schwabe Group's global centre of excellence.

Chargebee, a top provider of cutting-edge subscription billing and revenue growth management solutions for global B2B and consumer-focused businesses, has announced the opening of a new office in Dublin. This significant milestone in Chargebee's international expansion underscores its dedication to its growing European customer base.

Eli Lilly and Company, a pharmaceutical manufacturer with significant worldwide presence, has increased its manufacturing investment in Limerick by \$1 billion and unveiled a new \$800 million facility in Kinsale, Cork. This new investment will boost global medicine production, benefiting millions of patients around the world.

Ericsson, a Swedish multinational company specialising in networking and telecommunications, is celebrating its 50th anniversary in Athlone, marking its transformation from a factory in 1974 to a premier software development hub today.

FinTrU, a global provider of technology-enabled Client Lifecycle Management solutions, has officially opened its new premises at Windyhall, Letterkenny. This cutting-edge facility represents a major milestone in the company's growth and underscores its commitment to expanding its presence in Ireland.

Integer Holdings Corporation, a prominent medical device contract development and manufacturing organisation (CDMO), has officially announced the completion of its facility expansion in Ireland. The milestone was celebrated with the opening of Integer's new European medical device innovation and manufacturing centre in Galway on September 20th. This follows the earlier opening of an 80,000 sq. ft. expansion of Integer's guidewire manufacturing facility in New Ross, Wexford, in September.

Keurig Dr Pepper, a leading beverage company, has announced plans to invest €6.44 million in its International Operations hub for beverage production in Newbridge, Kildare. The investment will include the installation of advanced heat pump technology to electrify its heating processes and the implementation of various energy-saving initiatives to contribute to achieving the group's climate commitments to source 100% of electricity from renewable sources by 2030. The Newbridge facility opened in 2022 and employs more than 100 employees currently.

Motorola Solutions, a global leader in safety and security technology, is opening a new R&D Centre in Cork which will create 200 highly skilled jobs. The centre will focus on designing software for their land mobile radio (LMR) portfolio, with plans to expand into other technologies. This move follows over \$12 billion in R&D and acquisitions over the past decade. Motorola Solutions has deployed over 13,000 LMR networks globally, providing secure communications for governments and enterprises.

North American Bancard, a US-based leader in fintech solutions, has announced it will open its R&D centre of excellence in Limerick, creating just over 50 new jobs. NAB has revolutionised payments with a diverse platform supporting global payment types, processing over \$100 billion worth of transactions annually. This decision highlights the region's outstanding talent and technical expertise, enhancing its reputation as a centre for payments investments and cutting-edge R&D initiatives.

PCI Pharma Services, a leading CDMO, has announced it will construct a new 82,000 sq ft facility in Meath alongside its existing 45,000 sq ft facility. This expansion leverages PCI's existing assets and expertise to accelerate biopharma clients' speed to market and levels of quality. PCI's ongoing investment aims to assist them in meeting growing client demands.

PennEngineering, a worldwide innovator in fastening solutions, is expanding its operations in Galway City, with a €14 million investment in its Mervue facility. This project will create 70 new jobs over the next five years and includes the construction of a new building with a technology and training centre, testing laboratories and a customer experience centre. The new roles will be in the areas of manufacturing, engineering and training.

Proofpoint, Inc., a leading cybersecurity and compliance company, has announced the expansion of its global footprint with a new office in Cork. This new location will act as Proofpoint's international hub, generating over 250 jobs within the next two years, with ongoing recruitment and continued investment planned for the region. The new hub will be responsible for essential business functions for the group such as engineering, R&D, customer support, finance and marketing. Proofpoint currently employs over 4,500 people globally with over 100 employees in Cork currently.

SiriusXM, a major audio entertainment company in the US has opened a new technology facility in Dublin which will serve as a centre of excellence for their Product and Technology organisation. The Dublin team will focus on software development, automotive technology, adtech, data science, and analytics. This facility will play a key role in SiriusXM's digital transformation, developing high-quality, scalable software for their streaming and in-vehicle audio platforms.

Slalom, a global business and technology consulting company, plans to create 300 new jobs in Ireland over the next three to five years. This announcement coincides with their new lease at Waterways House in Dublin's Digital Docklands. Established a year ago, Slalom's Irish operation expects to have 60 employees by year-end.

Thermo Fisher Scientific, a global leader in serving science, celebrated the ten-year anniversary of its on-site wind turbine in Currabinny, Cork in June 2024. In 2023, the wind turbine provided 19% of the site's electricity, having generated over 75,000 megawatt hours (MWh) of power since its installation—equivalent to powering approximately 17,000 homes for a year. This achievement has also led to the avoidance of over 44,000 metric tons of carbon dioxide equivalents (CO₂e) from the grid.

UKG, a prominent provider of HR, payroll, workforce management, and culture solutions, and the largest private software company in the U.S., has announced the opening of its latest Global Operations Hub in Kilkenny UKG aims to create 200 new jobs in the areas of cybersecurity, customer success, R&D, and professional services.

Workvivo by Zoom, a company that specialises in employee engagement and internal communications has launched its flagship engagement hub in the heart of Cork City. The company plans to create 100 new jobs in Ireland to support its next phase of growth. More than a year after being acquired by Zoom, Workvivo's employee experience platform continues to engage employees in organisations worldwide. Strong growth has driven plans to create 100 Irish jobs over the next two years.

Yourway, a global leader in integrated clinical supply solutions, celebrated the grand opening of its new flagship GMP depot in Dublin. Yourway plans to create numerous jobs in the clinical trial materials sector. The facility is designed to support the increasing EU biotech and biopharma activities across various modalities, including gene editing, cell therapy, mRNA and more.



“Keeping ahead of today’s threat landscape and accelerating our position as a trusted cybersecurity partner for the world’s leading organisations requires exceptional people. We are excited to be able to tap into Ireland’s strong technology ecosystem, with its broad cybersecurity talent base.”

Kim Sullivan, Chief People Officer at Proofpoint.

“These investments will boost the production of some of our medicines, helping millions of people with diabetes, obesity and Alzheimer’s disease live the healthiest lives possible. We won’t stop there – these state-of-the-art facilities will also be equipped to support our promising pipeline molecules of the future.”

Edgardo Hernandez, Executive Vice President and President of Lilly Manufacturing Operations.

“As we commemorate the 50th anniversary of our R&D centre in Athlone, we celebrate not only a significant milestone, but also the profound contributions of our dedicated workforce. Their expertise and commitment have been pivotal in advancing essential mobile technologies that power communications networks across the globe. Our ongoing R&D efforts and projects with Governments and academic institutions, including what we have announced with Enterprise Ireland and the Technical University of the Shannon today, serve as key foundations in realising Ericsson’s vision of intelligent and programmable networks.”

Per Narvinger, Sr. Vice President and Head of Business Area Cloud Software and Services at Ericsson

Budget 2025 - key highlights



On 1 October 2024, Ireland's Finance Minister, Jack Chambers, announced Ireland's Budget 2025. Minister Chambers introduced several measures aimed at simplifying tax regulations and boosting FDI. The budget seeks to balance the need for fiscal stability with the goal of maintaining Ireland's competitive edge in the global market.

Below are the key highlights of Budget 2025 concerning Ireland's corporate tax regime, specifically relevant to the FDI sector.

Introduction of a participation exemption on foreign source dividends

A significant highlight of Budget 2025 was the long-awaited introduction of a participation exemption on foreign source dividends, effective from 1 January 2025. This initiative aims to simplify double tax relief for multinational companies in Ireland and position Ireland as a leading global holding company location. Additionally, further work on participation exemptions, including considerations of geographic scope and foreign branch exemptions, will continue into the next year in an aim to better simplify the corporation tax code.

Consultation on tax treatment of interest

The Irish Government has launched consultation on the tax treatment of interest in Ireland, which will run until January 2025. This detailed consultation, encompassing 27 questions, seeks to simplify the current complex interest taxation provisions while ensuring that Ireland's tax system remains resilient, competitive and aligned with international commitments. This initiative represents a significant opportunity for positive change in a complex area.

Research & development tax credit

To support innovative businesses in adapting to an increasingly digitised world, a review of the Research & Development (R&D) tax credit will be undertaken over the coming year. Changes made in last year's Budget increased the R&D tax credit rate from 25% to 30%, and this review aims to explore further enhancements for the support available to businesses engaged in R&D activities in Ireland.

Infrastructure development

The future economic performance of Ireland will heavily depend on the prioritisation and development of public infrastructure over the next decade. The Irish Government has emphasised the importance of using strong exchequer tax receipts to address challenges in housing, energy, water and transport infrastructure.

Ireland's Budget 2025 marks a significant stride towards simplifying and strengthening Ireland's bolstering business landscape, particularly in the realm of corporate tax and FDI. Collectively, the measures introduced reflect a balanced approach to maintaining fiscal stability while reinforcing Ireland's competitive edge in the global FDI market.

IDA Ireland's mid-year results



Ireland's position for FDI remains robust and attractive, according to IDA Ireland, which recently published its mid-year results for 2024 alongside its latest Annual Report for 2023. The agency continues to excel across multiple FDI indicators, achieving and surpassing targets set out in its 2021-2024 strategy, "Driving Recovery and Sustainable Growth".

Robust growth in new investments

IDA Ireland supported a total of 131 investments during the first half of this year, continuing on from the 248 total investments in 2023. Notably, 74 (56%) of these investments are planned for regional locations outside of major cities outside of the capital Dublin, which underscores the organisation's commitment to fostering economic growth beyond the major urban centres. This strategic focus on regional development is expected to deliver significant benefits, including the creation of 8,900 jobs.

Transformative investments from existing companies

Alongside the new companies investing in Ireland this year, IDA Ireland has also revealed several significant and transformative large-scale investments from existing clients. For example, IBM Ireland announced in May that it would add 800 high-value positions to its locations in Dublin, Cork, and at its subsidiary Red Hat in Waterford; and Bristol Myers Squibb announced a \$400 million investment that will add 350 jobs, increasing the number of people employed at its Dublin campus to over 1,000.

Sustaining competitiveness in a dynamic global environment

In its 2023 Annual Report, IDA Ireland has emphasised how crucial it is to protect Ireland's competitiveness as the global FDI environment grows more complicated and demanding. Ireland must continue to be flexible as it changes and adjusts to new industries as well as a more dynamic and

cutthroat international environment. In the "Driving Recovery and Sustainable Growth" 2021-2024 strategy, targets of securing 800 investments and creating 50,000 jobs have already been exceeded. The agency is dedicated to carrying on its collaboration with stakeholders to guarantee continuous investment and advancement in domains including talent, infrastructure, and energy supply, which are pivotal to Ireland's competitiveness.

A secure and competitive hub for multinational operations

Ireland is still regarded as a very secure and competitive destination for international investment. There are now over 1,800 multinational client operations in IDA's portfolio that have chosen Ireland as their base for growth and success, with one-third of these operations having been in Ireland for 20 years or more. Furthermore, regional employment reached a record high of 163,471 jobs in 2023. Ireland is known for its agility, with an economy supported by a vibrant network of multinational corporations, domestic businesses, and academic institutions. The Irish Government remains dedicated to supporting the growth of the necessary infrastructure, innovation and skills to support existing and future FDI needs.

IDA Ireland also announced that investment approvals in the first half of 2024 reached a record high, maintaining the upward trend from prior years. Despite difficulties in the world economy, Ireland continues to be seen as a stable and competitive location for FDI.

Department of Finance's "Tax Revenue Trends September 2024" report



Ireland has long been recognised as a leading global destination for FDI, thanks to its robust economic framework, strategic location, favourable tax and business environment. The Department of Finance's "Tax Revenue Trends September 2024" report, evidences that Ireland continues to offer a compelling case for international investors seeking stability, growth, and innovation.

Economic resilience and growth

Tax revenues have shown steady growth, increasing by €5.0 billion (6%) in 2023 alone. This growth is a testament to the country's strong economic fundamentals and its ability to attract and retain high-value FDI investments.

Favourable tax environment

The corporate tax regime and 12.5% tax rate has been a cornerstone of Ireland's economic policy and this remains competitive. In 2023, corporation tax receipts amounted to €23.8 billion, reflecting a 5.3% increase from the previous year. This growth underscores the robustness of Ireland's tax regime and its appeal to multinational corporations.

Sectoral strengths

Ireland's tax revenue is significantly strengthened by contributions from key sectors such as technology, pharma and financial services. These sectors are not only pivotal to the economy but also offer significant opportunities for foreign investors and local employment. For instance, the manufacturing sector alone contributed 38.1% of the total corporation tax collected in 2023. The technology and finance services sectors followed closely, contributing 17.3%

and 15.1%, respectively. These sectors are characterised by high profitability and innovation, making them attractive targets for investment.

Mitigating risks and ensuring sustainability

While Ireland's tax revenue trends paint a positive picture, the Government is acutely aware of the concentration risks associated with reliance on a small number of high-revenue sectors and firms. To mitigate these risks, the Government has established two long-term investment vehicles: "The Future Ireland Fund" and "The Infrastructure, Climate and Nature Fund". These funds aim to channel exchequer revenues into sustainable investments, thereby pre-funding future liabilities and supporting inter-generational equity.

Ireland's strategic approach to economic growth, coupled with its favourable tax environment and sectoral strengths, makes it an ideal destination for FDI. The government's proactive measures to ensure long-term sustainability further enhance the attractiveness of Ireland as a stable and competitive FDI hub. As global investors seek opportunities in a dynamic and resilient economy, Ireland stands out as a beacon of growth and innovation.

Publications and podcasts

Budget 2025

See what the results of Budget 2025 mean for you and your business in our publication [here](#).

PwC Global CSRD Survey 2024

Discover the challenges and opportunities of CSRD sustainability reporting in PwC's global report.

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

GenAI Business Leaders Survey 2024

2024 is expected to see a marked uplift towards AI and GenAI adoption - but many are wary of its ability to build trust. PwC's survey, having nearly 100 participating Irish business leaders, aims to highlight how AI and GenAI are impacting Irish businesses.

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

Climate Tech Report 2024

The Climate Tech report spotlights 22 key players across Ireland who are creating unique solutions to address the impact of climate change and advance the goal of net zero.

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

Establishing a Branch or Subsidiary in Ireland

When setting up in Ireland a company has an important decision to make regarding the most appropriate legal presence to establish which best suits their company and future plans.

For insights and comparisons between the two please see our publication [here](#).

Irish Workforce Hopes and Fears Survey 2024

Discover the key insights from the PwC Ireland Workforce Hopes and Fears Survey 2024 which addresses issues such as organisational change, skills development and AI adoption.

See the results from the Survey [here](#).





Economic update

- The ESRI forecasts modified domestic demand (MDD) to grow by 2.3% in 2024 and by a further 3.1% in 2025 as cost-of-living challenges fade, real incomes grow and the labour market remains robust.
- The ERSI expects unemployment to be 4.3% in 2024 and lower marginally at 4.2% in 2025.
- In its second Quarterly Economic Outlook for the year, Ibec is forecasting growth in GDP of 2% this year and 2.7% in 2025, as the economic outlook in the Irish economy remains positive.
- Davy highlights a recent survey by the American Chamber of Commerce which found 70% of its client US firms expected to expand employment in Ireland.
- The Central Bank predicts a growth in exports this year of 9.3%, as output in the chemicals and pharmaceuticals sector increases. Industry reports suggest that these sectors are expected to expand in 2025 and 2026 to meet rising global demand.
- Inflation is expected to return to sustainable levels dropping from 5.2% in 2023, to 1.7% in 2024, according to the Central Bank.
- The CSO notes an increase of 1.1% for Q2 in personal spending on goods and services, this is a key measure of domestic economic activity.
- According to Budget 2025, the Government is projecting an exchequer surplus of €23.7bn 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.



Stats

1st in World for:

- Equal opportunity¹
- Foreign investors¹
- Changing market conditions¹
- Attracting and retaining talents¹
- Opportunities and threats¹
- Flexibility and adaptability¹
- Workforce productivity¹
- National culture¹
- ICT service exports¹

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

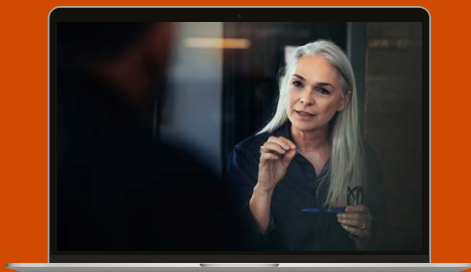
1. IMD World Competitiveness Yearbook 2024
2. Condé Nast Traveller Reader Travel Awards 2023
3. Digitalisation in Europe, Eurostat Report 2023
4. Facts about Ireland 2023, IDA Ireland
5. UNDP Human Development Index
6. European Cities and Regions of the Future, fDi Intelligence 2024

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:

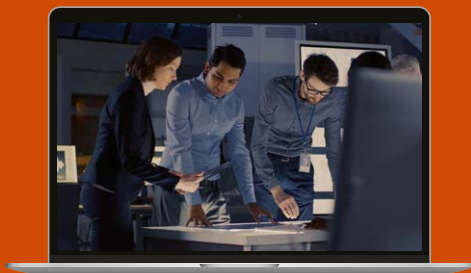
Budget 2025



Tax Facts 2024



CEO Survey 2024



Previous issue of Investing in Ireland





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