



Investing in Ireland

Issue 28 October 2016

Welcome to the 28th edition of PwC's newsletter on foreign direct investment ("FDI") in Ireland.

Budget 2017 gives another strong commitment to Ireland's corporate tax regime, with confirmation that our statutory 12.5% corporate rate is here to stay (see page 4).

Ireland continues to achieve "No.1" rankings in a number of areas (see page 6) and the results of PwC's recent CEO Pulse Survey show that 95% of FDI CEOs view their Irish investment as a success (see page 5).

This issue also provides a snapshot of international financial services in Ireland (see page 5) and summarises recent FDI investment announcements across various sectors (see pages 2 & 3).

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



ACI Worldwide, a leading global provider of real-time electronic payment and banking solutions, announced the opening of its new European data centre in Limerick, adding 50 new employees to the current workforce

Alter Pharma, a global developer of well-established pharmaceutical products, announced its plans to add 80 new jobs to its new headquarters in Dublin, bringing total employment to 120 by 2018

Becton, Dickinson and Company (BD), a leading global medical technology company, announced a €36 million investment to expand its production facilities in Ireland, with the creation of up to 20 additional jobs

Casa Systems, a worldwide leader in next-generation ultra-broadband access technology, announced that it has established international operations in Limerick, creating more than 50 new jobs over 3 years

Deutsche Bank, the global banking and financial services company, recently opened a data lab in Dublin that will create 40 new jobs and it also announced plans to create a further 125 technology and operations roles in its Dublin offices

DMS, a recognised leader in fund governance and investment management support services, announced plans to hire an additional 50 new staff in risk, trade, execution, verification, settlement, investment management support and governance roles

Endress+Hauser, a Swiss process automation company, has announced it is to establish an international SAP IT Hub in Kildare, creating 20 jobs over five years

Fazzi Healthcare Services, the largest outsourced ICD coding service provider in the US, has established a new Irish based coding and healthcare services company in Limerick, creating 300 jobs over five years

Fitbit, a leader in the connected health and fitness category, announced the opening of its EMEA headquarters in Dublin and the creation of 50 new roles by the end of 2016

Fort Wayne Metals, a leading manufacturer of medical materials, has announced the expansion of its production operations in Mayo, with an investment of €10 million and 40 additional jobs over 5 years

GE Healthcare, a provider of medical technologies and services, announced plans to invest €150 million in a new biopharmaceutical manufacturing campus in Cork, which is expected to be home to more than 500 new jobs when fully operational

iDirect, a world leader in satellite-based IP communications technology, has announced it will establish an engineering and innovation centre in Killarney

Kaspersky Lab, the global cybersecurity company, has announced the opening of its first European R&D centre in Dublin, with an initial investment of close to €4.5 million and plans to create 50 new roles in the next three years

Mallinckrodt, a leading specialty pharmaceutical company, has announced the creation of a new €10 million state-of-the-art R&D facility in Dublin, which will bring 40 more new jobs to the site

MathWorks, the leading developer of mathematical computing software for engineers and scientists, is to establish a shared sales and services centre in Galway, with plans to fill 50 positions in its new location

Mota-Engil, a water and waste water solutions company, opened its new offices in Galway creating a UK and Ireland headquarters, leading to the creation of 60 new jobs over five years

Ortec, a leading biomaterial and polymer technology company, announced it is to establish its European headquarters with a manufacturing and operations centre in Limerick, creating up to 110 skilled engineering and science jobs over the next several years

PTC, a global provider of technology platforms and solutions that transform how companies create, operate and service the “things” in the internet of things, will create 50 new jobs at its newly established R&D centre in Dublin

RouteMatch, the US transit software company, announced it is to expand its R&D team in Ireland, initially with a team of 25 software developers by mid-2017

Sahajanand Medical Technologies (SMT), the largest developer and manufacturer of minimally invasive coronary stent systems in India, is to establish its European headquarters in Galway, which will have a state-of-the-art R&D and innovation centre, creating 50 jobs over five years

se2, a leading third-party administrator for the North American life and pensions industry, has announced the launch of its new operations in Waterford to support its business growth, and hopes to fill an additional 65 roles over the next three to four years

SiteMinder, one of the hotel industry’s leading cloud platforms, has announced 100 jobs initially with the opening of its new office, and the potential to grow further in the future

SoftwareONE, the global leader in software asset management, has announced a major expansion of its Irish operations, creating 100 new jobs as part of a €16 million investment plan

The Coca-Cola Company, a global leader in the beverage industry, announced an investment of €26 million in its operations and the creation of an additional 25 new jobs over the next three years in Ballina

Trusource Labs, a technical support services company, announced it is to establish an international operations centre in Limerick creating 134 jobs over three years

Yroo, a global search engine for smart shoppers, announced that it will grow its Irish base with the creation of 33 jobs over the next 3 years

WP Engine, a company that powers digital experiences for websites and applications built on the WordPress platform, announced the opening of its technical support and innovation centre in which is expected to create 100 jobs over three years

“The success we have long enjoyed in Ireland is thanks both to the support of the Government and its agencies as well as to the talent of our teams working throughout the country.”

Muhtar Kent – Chairman & CEO of The Coca-Cola Company

“Today’s dedication and announcement reaffirms Ireland’s strategic importance to Mallinckrodt...”

... We are now entering a new and exciting era for Mallinckrodt in Ireland, which will continue to play an important role in the development of our global business.”

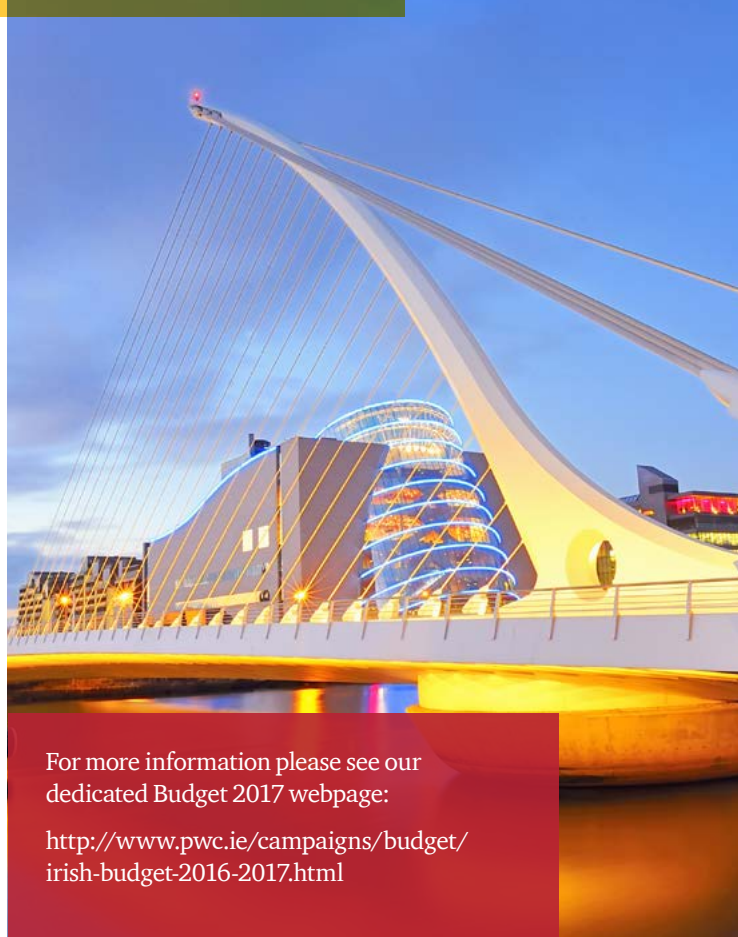
Mark Trudeau – President & CEO of Mallinckrodt

Budget 2017

Budget 2017 reaffirms the stability of Ireland's tax policy, while at the same time laying the foundations for further growth and new opportunities. The Finance Minister reiterated his clear and unambiguous commitment to the 12.5% corporate tax rate, while also reinforcing Ireland's commitment to meeting international tax standards and providing tax certainty to businesses.

Key Budget 2017 announcements include:

- 12.5% corporate tax rate remains unchanged
- No changes to Ireland's IP offering (25% refundable R&D tax credit, IP tax amortisation and 6.25% Knowledge Development Box)
- Commitment to implementing various BEPS/EU measures in line with agreed timelines



For more information please see our dedicated Budget 2017 webpage:

<http://www.pwc.ie/campaigns/budget/irish-budget-2016-2017.html>



FDI news & events

BioPharma Ambition

The Irish Pharmaceutical Healthcare Association and BioPharma Chem Ireland, representing the research based and manufacturing biopharmaceutical and chemical industries respectively, came together with the National Institute for BioProcessing Research and Training to host BioPharma Ambition. This is a multi-platform event co-sponsored by PwC, which took place in September, with the aim of inspiring and showcasing innovation in Ireland.

Irish girls win third place at EU Young Scientist awards

In September, two secondary school students wowed the judges at the EU Contest for Young Scientists. Their project "An Investigation into the Effects of Enzymes Used in Animal Feed Additives" won third place.

Ireland has an impressive history in the competition, with the country going into this year's competition ranked fourth overall in total prizes won and second overall in terms of first-place prizes.

International financial services in Ireland

Ireland has published a new strategy for the International Financial Services (IFS) industry which outlines ambitious targets for the development of the IFS industry in Ireland.

In September, the Minister for Financial Services launched the IFS Ireland brand in Singapore to a gathering of financial services professionals drawn from across banking, funds, leasing, FinTech and asset management.

This launch is a key deliverable of the Government's IFS 2020 Strategy. Now in its second year, this Strategy is driving the growth of international financial services in Ireland with the target of adding 10,000 jobs to the sector by the end of 2019.

Launching the IFS Ireland brand internationally and hosting next January's European Financial Forum in Dublin are central to raising international awareness of Ireland as the destination of choice for specialist financial

services and as a gateway to the wider European market.

Reasons to choose Ireland for financial services include:

- Ireland is the 7th largest provider of wholesale financial services in the EU
- With more than 500 international financial institutions, Ireland has become a world leading centre for a variety of activities ranging from fund administration to aircraft leasing
- 50% of the world's commercial aircraft fleet is managed from Ireland
- 50% of the world's top banks are established in Ireland

CEO Pulse Survey

PwC Ireland's 2016 CEO Pulse Survey, the 11th edition, gathers the views of over 250 Irish and multinational business leaders. It is clear from the findings that business leaders today are placing a much greater focus on delivering business success and growth beyond profits and the bottom line.

Despite external pressures, the survey finds that Irish business leaders intend to grow their operations by investing in people and capital. Plans to grow workforces are at their highest level since the first CEO Pulse Survey.

Ireland remains competitive despite increased competition from other countries looking to attract FDI. Direct access to the EU, a low-tax pro-business environment and a highly-skilled English speaking workforce make it an attractive FDI location.

For more information please click on the following link: <http://www.pwc.ie/survey/pwc-ceo-pulse-survey.html>

Key results:

90% of CEOs see tax as a business cost that needs to be managed efficiently

95% of FDI companies confirm their investment in Ireland is a success.

62% of CEOs are expecting to hire more staff

90% of FDI companies are planning on either increasing or maintaining their investment.

Economic update

- GDP growth of 4.2% forecast for 2016
- Total domestic demand, capital formation and net imports increased by 9.1%, 38.9% and 11.8% respectively in the second quarter of 2016
- Unemployment was down to 7.9% in September 2016 and Ireland is set to hit its employment growth target set by the EU for 2020 four years early
- The digital economy is now worth 6% of Ireland's GDP and is expected to grow to €14 billion by 2021



Ireland continues to lead the way in 2016!

1st in the World for investment incentives being attractive to foreign investors ¹

1st in the World for flexibility and adaptability of people ¹

1st in the World for availability of finance skills ¹

1st in the World for real GDP growth ¹

1st in the World for national culture being open to foreign ideas ¹

1st in the World by for FDI by average job value of investment projects ²

1st in the World for exporting computer and information services ³

1st in Europe for attitudes towards globalisation ¹

1st in Europe for ease of paying taxes ⁴

1st in Europe for workplace happiness ⁵

1st in Eurozone for supply chain resilience and business safety ⁶

1st in the Eurozone as best country for doing business ⁷

¹ IMD World Competitiveness Yearbook 2016

² IBM Global Trends 2016

³ OECD Digital Economy Outlook 2015

⁴ PwC/World Bank Group – Paying Taxes 2016

⁵ Indeed Workplace Enjoyment Ranking 2016

⁶ FM Global Resilience Index 2016

⁷ Forbes Best Country for Doing Business 2015

Ireland & the Cloud

PwC's publication, the "25 Fastest Growing Cloud Companies", confirms that Ireland is a destination of choice for these companies of the future. With a healthy environment for a burgeoning "Software as a Service" start-up scene to grow in, as well as a guiding light for veteran software vendors shifting to a cloud model, Ireland is the first choice for 14 of the 25 fastest-growing cloud companies in the world.



Tax treaty update

Ireland has signed comprehensive double taxation agreements with 72 countries, of which 70 are in effect.

The new double taxation agreement with Ethiopia, which was signed on 3 November 2014 and entered into force on 12 August 2016, will enter into effect in Ireland on 1 January 2017.

A double taxation agreement to replace the existing agreement with Pakistan was signed on 16 April 2015 and ratified by Ireland on 21 December 2015; when notification of the completion of ratification procedures by Pakistan is received, the agreement will enter into force.

Ireland has completed the ratification procedures to bring the protocol to the existing agreement with Belgium into force. When notification of the completion of ratification procedures by Belgium is received, the Protocol will enter into force.

The new double taxation agreement with Botswana which was signed on 10 June 2014 and entered into force on 3 February 2016, will enter into effect in Ireland on 1 January 2017.

Negotiations for new double taxation agreements with Azerbaijan, Ghana, Kazakhstan and Turkmenistan, and for a protocol to the existing double taxation agreement with Mexico, have concluded; these are expected to be signed shortly.

Negotiations for a new double taxation agreement with Oman and a protocol to the existing agreement with South Africa are at various stages. Negotiations for a replacement double taxation agreement with the Netherlands are ongoing.

Double taxation agreements with Thailand, Ukraine, Zambia, and protocols to existing agreements with Germany and Luxembourg, entered into effect earlier in the year.

Plans to initiate negotiations for new agreements with other countries during 2016 are ongoing.



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 www.pwc/ie/fdi for additional information. Various topics of interest for foreign investors can be found in the publications link in the tax section, including:

Budget 2017

Brexit

Companies Act 2014

Tax Facts 2016

Why Ireland?

Previous issue of Investing in Ireland

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