



Investing in Ireland

Issue 57, January 2024

Happy New Year and welcome to the latest edition of PwC's newsletter on foreign direct investment ("FDI") in Ireland.

This edition illustrates the strength of the FDI sector in Ireland as reflected in the very significant Irish jobs and investments announced over the last few months (see page 2).

IDA Ireland, the agency responsible for attracting and retaining FDI in Ireland, has announced its annual results for 2023. In this edition we detail the key results for 2023 and outline how Ireland is positioned for 2024 and beyond (see page 3).

The semiconductor industry is a key driver of innovation and growth in the global digital economy and Ireland has a strong position in this sector (see page 4). The gaming industry in Ireland has been growing with both start ups and FDI players contributing to its development (see page 5).

Finally, we highlight some recent PwC publications and podcasts on current topical issues in the FDI space (see page 6). 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

Clio, the world's leading provider of cloud-based legal practice management software, recently celebrated its 10th anniversary in its Dublin office. The company first located in Ireland in 2013 with the objective of assisting the company in servicing its European customer base and its services today have now been used by over 150,000 legal professionals in over 100 countries. Globally, Clio employs almost 1,000 people across five office hub locations.

Meissner Corporation, a world leading manufacturer of single-use systems, microfiltration products, stainless steel housings & filter integrity has recently celebrated the opening of its new manufacturing facility in Castlebar Co. Mayo. The new 42,000 square foot facility produces therapeutic manufacturing systems for the pharmaceutical and biopharmaceutical industries. This facility is Meissner's first manufacturing facility in Europe.

Qualcomm, a company which specialises in semiconductors, software and services related to wireless technology, has announced a \$127 million investment in the expansion of its Research and Development facility in Co. Cork. The investment will create over 150 highly skilled engineers over the next four years. Qualcomm is headquartered in San Diego but has had a presence in Co. Cork since 2013, employing hundreds of people.

Sterling Engineering, a provider of outsourced engineering services for manufacturing companies across medical technologies, life science, automotive, food and beverage industries has announced that it will establish its new EMEA Headquarters in Co. Galway. This is the company's first expansion outside the US and will lead to the creation of 50 jobs.

Thermo Fisher Scientific, a supplier of analytical instruments, life sciences solutions, speciality diagnostics, laboratory, pharmaceutical and biotechnology services has expanded its campus in Co. Cork with the opening of a research and development centre of excellence. The new facility will allow the company to scale up and meet current demand while creating further room for growth.

Verizon Communications Inc., one of the world's leading providers of enterprise and consumer communications and technology services has recently announced the establishment of a Global Centre of Excellence in Co. Limerick. Verizon has been in Ireland since 2006 and currently employees 1,000 highly skilled professionals in Dublin. The new Centre of Excellence will create over 400 new jobs over the next 2 years.



"Dublin holds a significant place on our strategic map, serving as a vital hub for our operations. Here, we've encountered a rich ecosystem of exceptional talent, a thriving cultural scene, and a robust entrepreneurial spirit that has contributed to our global success."

Ronnie Gurion, Chief Operating Officer at Clio

"We are very proud that this project means the highly skilled teams in Cork will be addressing market challenges by enabling industries such as manufacturing, automotive, hyperscale computing, gaming, medical and education. Enabling Digital Transformation at every level. QT Technologies Ireland is a very exciting place to work, given our uniqueness in Ireland in developing the broad set of skills and capabilities required to execute on advanced process technology nodes."

Paul Kelleher, VP Engineering at QT Technologies Ireland Limited

"This Centre of Excellence will bring together key functions in a creative, collaborative environment that leverages global talent and maximises our shared services model to best deliver for our businesses globally. As we continue to leverage our global footprint to best serve our customers, grouping these functions in a world-class centre will improve effectiveness and efficiency to deliver best-in-class results for our customers, employees, and partners."

Craig Silliman, President at Verizon Global Services

IDA Ireland 2023 results

IDA Ireland, the agency responsible for attracting and retaining FDI in Ireland, has announced its annual results for 2023. These show an increased number of investments, steady levels of employment across the FDI sector, robust regional investment and strong performance across key transformation areas of research development and innovation, sustainability, digitalisation and talent development.

Over €1.4 billion

spent by IDA clients on research and innovation projects



Despite the global and domestic challenges presented in 2023, Ireland continued to attract new FDI in 2023, with 248 investments won by IDA Ireland, up 2.5% from 2022. These investments are expected to create almost 19,000 jobs in the coming years, across a range of sectors and regions. Some of the key points from an FDI perspective are as follows:

- Over 1,800 IDA client companies directly employed more than 300,000 people in Ireland for the second consecutive year, accounting for 11.3% of national employment.
- 132 investments were won outside of Dublin in regional locations, representing 54% of total investments won and supporting over 160,000 regional jobs.
- 83 investments were won from first-time investors in Ireland, demonstrating the continued appeal of Ireland's FDI proposition to new investors.
- Over €1.4 billion was spent by IDA clients on research and innovation projects, reflecting the high level of R&D activity, collaboration and incentives available in Ireland.
- 25 sustainability projects were approved, focused on carbon abatement and building Ireland's green economy.
- Over €77 million was committed to investment in talent development, enhancing the skills and capabilities of the FDI workforce.

The Minister for Enterprise, Trade and Employment Simon Coveney praised the results as indicative of a resilient Ireland that remains an attractive destination for global companies. IDA Ireland CEO Michael Lohan said the results speak to the continued attractiveness of Ireland as a location for FDI and the enduring commitment of FDI companies to make complex, innovative and impactful investments at scale.

Looking ahead, IDA Ireland remains optimistic about the prospects for FDI in Ireland, despite the challenging international environment and increased competition. The IDA said that Ireland's FDI proposition remains strong, based on its track record, talent, tax, technology and membership of the EU.

IDA Ireland also said that transformation is critical to delivering and sustaining future economic impact and prioritises areas of research and development, innovation, sustainability, digitalisation and talent development, as client companies look to build a sustainable future. Ireland is well placed to be part of these transformational initiatives, as evidenced by the strong performance across these areas in 2023.

IDA Ireland's current strategy, [Driving Recovery and Sustainable Growth 2021-2024](#), focuses on winning investment for Ireland and balanced regional development. During the next 12 months, the organisation will be developing a new strategy for the next four years to underpin Ireland's FDI offering, in partnership with its stakeholders and client companies.

IDA Ireland CEO Michael Lohan also acknowledged the need to address the domestic challenges of housing and energy supply, as well as the global challenges of industrial policy and geopolitical uncertainty, to ensure that Ireland remains a competitive and attractive location for FDI.

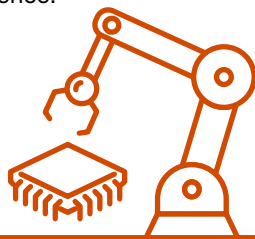
IDA Ireland's annual results for 2023 show a resilient year for FDI in Ireland despite the global and domestic challenges, with increased investments, steady employment, robust regional development and strong performance across key transformation areas with a bright future for the coming years.



Ireland's semiconductor industry: a golden opportunity

The semiconductor industry is a key driver of innovation and growth in the global digital economy, and Ireland has a strong position in this sector thanks to its long history of attracting FDI and developing research and innovation excellence.

The demand for chips is expected to double by 2030, reaching a market value of **over \$1 trillion**



The semiconductor industry is one of the most strategic and dynamic sectors in the global economy, with applications ranging from mobile devices and data centres to healthcare and automotive. The demand for chips is expected to double by 2030, reaching a market value of over \$1 trillion. However, the industry also faces challenges such as supply chain disruptions, geopolitical tensions, technological complexity and environmental sustainability.

Europe has recognised the importance of strengthening its semiconductor ecosystem and has adopted the [European Chips Act](#), a comprehensive framework to boost research, innovation, production and resilience in the sector. The Chips Act aims to increase Europe's share of global chip production to at least 20% by 2030, mobilising more than €43 billion of public and private investments and fostering cross-border collaboration.

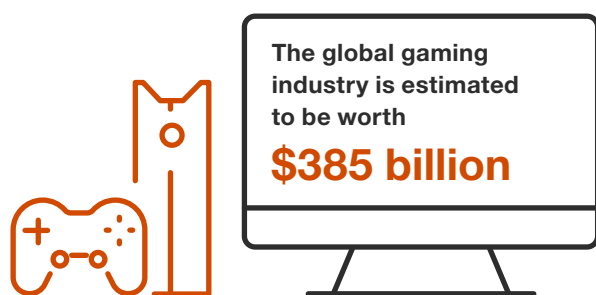
Ireland is well positioned to benefit from this initiative and to play a leading role in the European and global semiconductor landscape. Ireland has a strong track record of attracting and retaining FDI in the sector, with some of the key highlights from an FDI perspective summarised below:

- Over 20,000 employed in the Irish Microelectronics sector.
- 15 of the top 30 global semiconductor companies operate in Ireland.
- Ireland is home to Europe's most advanced semiconductor fabrication plant at a single site of an investment of over €30 billion.
- 3 of the top 5 global electronic design automation companies are in Ireland, a hub of design activity.
- In 2023, Ireland was in the top two locations in Europe for Installed Semiconductor Capacity.
- Enterprise Minister Simon Coveney announced on 8 January 2024, the appointment of Dr Denis Doyle as a new IDA Ireland board member. He is currently the board chair of Tyndall National Institute, Ireland's leading research centre in semiconductors, microelectronics and photonics.

The semiconductor industry is a vital and dynamic part of Ireland's economy, offering high-value jobs, exports and innovation. It is also a highly competitive and fast-changing global market, where Ireland faces increasing challenges from other regions and countries.

Ireland's gaming sector: a hub for growth and innovation

The global gaming industry is estimated to be worth \$385 billion and Ireland is seen as an attractive country for establishing a foothold within Europe. It is a prime destination for foreign direct investment in the gaming industry, offering a range of advantages such as a skilled talent pool, a favourable tax regime, and strong government support and incentives.



Ireland unveiled its new 32% digital games tax credit which was legislated for in 2023. This tax relief allows game developers to get a refund on certain expenditure incurred after 22 November 2022 on the development of a game provided conditions are met. The credit may be claimed either on an interim basis as the game is being developed or in full on completion of the development of the game. The credit is subject to a minimum qualifying expenditure of €100,000 and a cap of €25 million per project.

This tax credit, along with other R&D and IP incentives helps enhance the profitability of developing games in Ireland.

Ireland's gaming industry benefits from the availability of highly skilled and creative talent, with a strong pipeline of graduates from game development and design courses offered by leading universities and colleges. Moreover, the presence of established gaming multinationals like Activision Blizzard, Riot Games, Take-Two Interactive and EA contributes to the skilled workforce, as these companies often produce employees who break out and develop new gaming ideas.

Ireland also has a vibrant gaming community, with events like GamerFest, Nexus, and Dublin Games Festival attracting thousands of gamers, developers and industry professionals every year.

Ireland also provides incentives and funding opportunities for game developers such as:

- **The Game Developers Conference (GDC) Scholarship** - offers free passes to the world's largest professional gaming industry event for Irish game developers, and is sponsored by Enterprise Ireland and IMIRT
- **The Irish Game Makers Association (IMIRT)** - represents and advocates for the Irish game development community, organises events and awards, and provides mentorship and networking opportunities.
- **The Creative Europe MEDIA Programme** - provides funding and training for European game developers, including several Irish projects.

Ireland has the potential to become a major player in the global esports market, which is one of the fastest-growing and most lucrative segments of the gaming industry. The global esports market is expected to grow from \$1.72 billion in 2023 to \$6.75 billion by 2030 and Ireland has a growing reputation in the esports scene hosting tournaments such as GamerFest, as well as being home to esports organisations such as Navitz Gaming, Wylde Esports, and Munster Rugby Gaming who compete in worldwide tournaments. Riot Games, the publisher of popular esports game League of Legends also has a presence here in Ireland.

Ireland has a long history of producing successful games, from classics like Lemmings and Worms to recent hits like The Darkside Detective and Song of the Sea. The country is home to over 100 game studios, many of them independent, creating original and diverse games across various genres and platforms.

Ireland's gaming industry is growing, and Ireland offers attractive opportunities such as the digital games tax credit, funding for university game development programs, and support for international conferences and events.

Publications and podcasts

PwC Ireland has published its 2023 Gender Pay Gap Report

PwC Ireland has published its 2023 Gender Pay Gap Report. The report, mandatory for organisations with 250 employees or more, shows that women make up at least half of our population across all levels within the firm.

Pillar Two: Preparing for change

Ireland's Pillar Two rules will take effect for large businesses with accounting periods beginning on or after 31 December 2023. As the effective date looms ever closer, there are certain actions you should take to ensure your business is Pillar Two-ready.

Is your business ready for Enhanced Reporting Requirements?

As we enter the last few weeks of 2023, it is timely for employers to consider their readiness for Enhanced Reporting Requirements (ERR). The new rules are due to come into effect in Ireland on 1 January 2024.

Empowering clinical support functions with Gen AI

In recent years, the development and integration of artificial intelligence (AI) has revolutionised various industries—and the healthcare sector is no exception. AI, specifically generative AI (GenAI), has shown great potential in improving clinical support 'back-office' functions (e.g. appointment scheduling, records management, payer billing etc.) within hospitals and wider health systems.

Pensions Pulse: expert analysis of the latest pension trends

In this edition of PwC Ireland's pensions pulse, we consider potential changes to the State pension from 1 January 2024, emerging details concerning auto-enrolment and media coverage of the Standard Fund Threshold.





Economic update

- In its latest outlook on the Irish economy, the International Monetary Fund (IMF) said the Irish economy has shown “remarkable resilience” in the face of consecutive shocks, including the Covid-19 pandemic and the energy crisis triggered by the war in Ukraine.
- Inflation is slowing — with the annual rate standing at 3.9% in November — driven largely by a drop in energy prices. Furthermore, the Government, the Economic and Social Research Institute (ESRI), and the Central Bank are all forecasting that inflation will continue to drop next year. The Government and the ESRI are projecting it to fall to 2.9% with the Central Bank being more optimistic at 2.3%. The ECB's target is to get inflation down to 2% over the medium-term.
- The IMF forecast the Irish economy will have a soft landing in 2024 as economic growth moderates to around 2%.
- The Government is optimistic that GDP will recover, forecasting growth of 4.5%.
- The European Commission forecasts that thanks to the fiscal surplus and high nominal GDP growth, that Ireland's general government debt-to-GDP ratio is forecast to decrease from 43.0% in 2023 to 41.4% in 2024 and 40.2% in 2025.
- According to forecasts contained in Budget 2024, modified final domestic demand (MDD) is expected to grow 2.2% with consumer spending — the largest component of MDD — expected to grow by 3.2%.
- The Central Bank expects a rebound in the pharmaceutical and information and communication technology (ICT) manufacturing sectors in 2024 along with a recovery in exports.
- The Government is projecting a surplus of €8.4bn in 2024.
- Unemployment remains low at 3.8%.
- The multinational sector increased employment in 2022 by 9%.



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:

- Paying business taxes²
- Friendliest city in the EU (Galway)³
- Artificial Intelligence⁴
- Youngest population⁵
- Fastest growing population⁵
- STEM graduates per capita⁵
- Employment in high-tech manufacturing and knowledge intensive service sectors⁵

1st in the Eurozone for:

- Quality of life⁶
- Small European cities of the future (Cork City)⁷

1. IMD World Competitiveness Yearbook 2023
2. PwC/World Bank Group “Paying Taxes” Report 2020
3. Condé Nast Traveller Reader Travel Awards 2021
4. AI in EU Enterprises, Eurostat Report 2021
5. Facts about Ireland 2023, IDA Ireland
6. UNDP Human Development Index
7. Global Cities of the Future 2021/22 – FDI Intelligence

Stats

- Ireland ranked 1st in the world for real GDP growth according to the *“IMD World Competitiveness Booklet 2023”*.
- Ireland is ranked 2nd in the World for Overall Competitiveness and 3rd in the World for Government Efficiency in 2023 and Business Efficiency in 2023 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 was ranked as 3rd in the World for the most peaceful place on Earth according to the *“Global Peace Index”*.
- 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 continue after the planned introduction of the 15% minimum effective global tax rate for groups below the “Pillar Two” global turnover threshold of €750m.
- 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 is ranked 4th in the EU in the *“Democracy Index 2022”*.
- 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 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 is the 13th happiest nation according to the UN sponsored *“World Happiness Report”*.
- Ireland is ranked 13th in the world for renewable energy investment according to the EY *Renewable Energy Country Attractiveness Index*.
- Ireland has set a target to reduce carbon emissions by 50% by 2030.
- Ireland has the highest level of STEM graduates per capita in EU.

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 2023](#)



[CEO Survey 2023](#)



[Previous issue of Investing in Ireland](#)





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