Investing in Ireland

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

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

The FDI sector in Ireland continues to flourish, as reflected once again in the Irish jobs and investments announced since our previous edition in July (see page 2).

On 7 October, Budget 2026 was announced. Minister for Finance Paschal Donohoe and Minister for Public Expenditure Jack Chambers announced several measures supporting FDI in Ireland (see page 4)

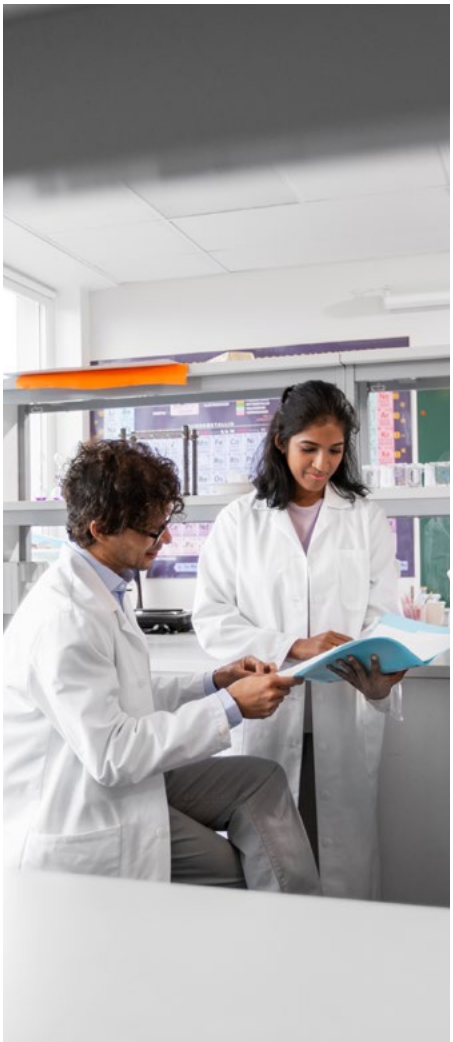
Ireland is emerging as a key hub for Japanese investment, driven by shared values in innovation, sustainability, and a deepening strategic partnership (see page 5).

Ireland is fast becoming a global leader in renewable energy, leveraging its offshore wind potential to drive climate goals, economic growth, and foreign investment (see page 6)

Finally, we highlight some recent PwC publications and podcasts on topical issues in the FDI space (see page 8) and summarise Ireland's strong ranking in a number of key areas for FDI investors (see page 11).

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.

Recent FDI investment announcements



Aenova, a leading Contract Development & Manufacturing Organisation in pharmaceuticals, is expanding its Killorglin site to pioneer advanced drug delivery systems. The facility will become a centre of excellence in particle engineering, tackling bioavailability challenges in global drug development.

Alexion, AstraZeneca Rare Disease, a global biopharma leader, has reaffirmed its commitment to Ireland through its Cork hub and nationwide operations. The company continues to invest in partnerships and innovation to deliver rare disease therapies from Ireland to patients worldwide.

Arm has officially opened its cutting-edge facility in Galway, reinforcing its commitment to technological innovation. The site will support advanced computing developments and reflects Arm's growing presence in Europe.

Centralis Group, a global provider of alternative asset and corporate services, is doubling its Dublin headcount and investing €15M to support ambitious growth targets. The move highlights Centralis's commitment to Ireland and its role in driving international expansion.

ChemPoint, a global leader in specialty chemicals, has launched ChemPoint Ireland as its new EMEA headquarters.

Complete Laboratory Solutions (CLS), now a fully Irish-led multinational, is creating up to 140 new roles in Galway as part of one of its largest expansions to date. Backed by IDA Ireland, the move reflects CLS's global growth and long-term commitment to Ireland's life sciences sector.

DHL Supply Chain has opened a new multi-user facility in Dublin to support fast-growing tech, life sciences, and healthcare sectors. The site offers specialist services tailored to global leaders operating in Ireland's thriving innovation landscape.

Equifax, a global data and analytics leader, has opened a new AI Innovation Lab in Wexford to advance its worldwide AI R&D efforts. Supported by IDA Ireland, the lab highlights Equifax's commitment to Ireland and its role in developing next-generation data-driven solutions.

EXL, a global data and AI company, has opened its international headquarters and AI Innovation Lab in Dublin's Docklands, reinforcing its commitment to Ireland. The lab will drive cutting-edge AI solutions and support EXL's goal of hiring up to 200 tech specialists.

G&F Precision Molding, a global leader in advanced manufacturing, is expanding into Ireland with a new facility in Mullingar and plans to create 30+ high-value roles. Supported by IDA Ireland, the move highlights G&F's commitment to Ireland's MedTech sector and its collaboration with local innovation partners.

HarbourVest Partners, a global private markets asset manager with over $147 billion in assets under management, has strengthened its presence in Ireland by opening a new office at One Haddington Buildings, Dublin 4. Since establishing operations in Dublin in 2019 with an initial team of six, HarbourVest has expanded significantly, now employing over 40 professionals.

Merck, a global science and technology leader, has opened a €150M climate-neutral filtration facility in Cork to support life-saving therapies worldwide. This major investment underscores Merck's commitment to sustainability and Ireland's role in global biopharma innovation.

Mullingar Construction have begun developing IDA Ireland's state-of-the-art Advance Building Solution in Mullingar to attract global investment and support business growth. This project reinforces Ireland's commitment to positioning the Midlands as a hub for innovation and FDI.

PayPal is creating 100 new data science roles in Dublin, strengthening its global AI capabilities. Supported by IDA Ireland, the move transforms its Dublin site into a hub for digital innovation.

Stryker, a global leader in medical technologies, is rolling out its Training Centre of Excellence model across Ireland, starting with its Limerick site. Supported by IDA Ireland, the initiative will upskill employees in digitalisation, sustainability, and AI to meet evolving industry needs by the end of 2025.

"Establishing a presence in Ireland marks a significant milestone and reflects years of G&F's commitment to building strong partnerships with our customers. It is my intent that this foothold grows to become a significant member of the Irish life science manufacturing community."

John Argitis,
President, G&F Precision Molding

"Ireland has long stood as a cornerstone of our global network, and our partnerships here reflect both our confidence in the country's talent, infrastructure, and supportive business environment, and our shared commitment to collaboration. Working closely within the Irish life sciences community allows us to enhance specialist capabilities in supply chain and technical operations, ultimately delivering our life-changing medicines to more patients around the world."

Shane Doyle,
Senior Vice President, Global Operations and Sustainability, Alexion, AstraZeneca Rare Disease

"EXL is proud to deepen its roots in Ireland with the launch of our new headquarters for international business and the opening of our AI Innovation Lab. This expansion not only reflects our confidence in Dublin as a leading hub for AI talent and innovation, but also our ambition to deliver AI-powered solutions to clients across the globe. We're excited to grow our presence in Ireland while advancing the frontiers of AI."

Rohit Kapoor,
Chairman and CEO of EXL

Budget 2026 – key highlights

On 7 October 2025, Ireland's Minister for Finance, Paschal Donohoe and Minister for Public Expenditure, Jack Chambers announced Ireland's Budget 2026. Minister's Chambers and Donohoe introduced several measures targeting infrastructure and housing commitments, while maintaining Ireland's competitive FDI environment.

Below are the key highlights of Budget 2026 concerning Ireland's corporate tax regime, specifically relevant to the FDI sector.

Participation exemption

Ireland has updated and improved the participation exemption for foreign dividends, simplifying the operation of the exemption. The updated rules will extend the scope of the regime to a greater number of countries, including territories where non-refundable taxes apply. Technical updates have also been updated to enhance the functioning of the relief.

Research & development

The Research & Development credit received a number of positive changes. These include the increase in the R&D tax credit rate from 30% to 35%, as well as a rise in the first-year payment threshold from €75,000 to €87,500 – to offer greater support for smaller R&D claims. A new administrative simplification will also allow 100% of an R&D employee's emoluments as qualifying costs where at least 95% of their time is spent on eligible activities. The Budget also announced an upcoming "R&D Compass" which will explore targeted reforms and outline the future direction of innovation supports.

Infrastructure development

The 2026 Budget once again introduced a number of measures to further improve Ireland's infrastructure. Ireland's expanding infrastructure is crucial to the continued growth and performance of our economy. By committing to improving Ireland's housing, energy and transport networks, the government continue to provide the foundation for our thriving business landscape.

Some of the measures addressing infrastructure in the 2026 Budget include an allocation of funding of €1.1 billion, as well as €24 million allocated to the Future Ireland Fund.

Plans for reform of tax regime for interest

The Irish government also announced plans to reform Ireland's taxation regime for interest, aiming to enhance competitiveness and align with international best practices. The plan follows a public consultation and proposes a multi-step approach to improve the current interest taxation regime. Further input will be sought in November 2025, with Finance Bill 2026 anticipated to enact these changes in legislation.

Ireland and Japan: A strong and growing investment partnership

Ireland continues to strengthen its position as a leading destination for Japanese foreign direct investment (FDI), underpinned by a shared commitment to innovation, sustainability, and global connectivity. The relationship between Ireland and Japan is built on decades of mutual respect and economic cooperation, and recent developments signal a deepening of this strategic partnership.

Ireland's appeal to Japanese investors

Japanese companies are increasingly choosing Ireland as a base for their European operations. Key factors driving this trend include:

- **EU Market Access:** Ireland offers seamless access to the European Union's single market, making it an ideal location for Japanese firms seeking to expand in Europe.
- **Pro-Business Environment:** Ireland's stable political climate, competitive corporate tax regime, and strong regulatory framework create a welcoming environment for international investment.
- **Skilled Workforce:** Ireland's young, educated, and internationally diverse talent pool is a major draw for Japanese companies in sectors such as pharmaceuticals, technology, and financial services.
- **Innovation Ecosystem:** Ireland is home to a thriving R&D landscape, supported by world-class universities and government-backed initiatives.

Japanese investment in Ireland: key highlights

The scale and impact of Japanese investment in Ireland is significant and growing. Japanese companies are active across a range of sectors, including life sciences, ICT, financial services, and advanced manufacturing.

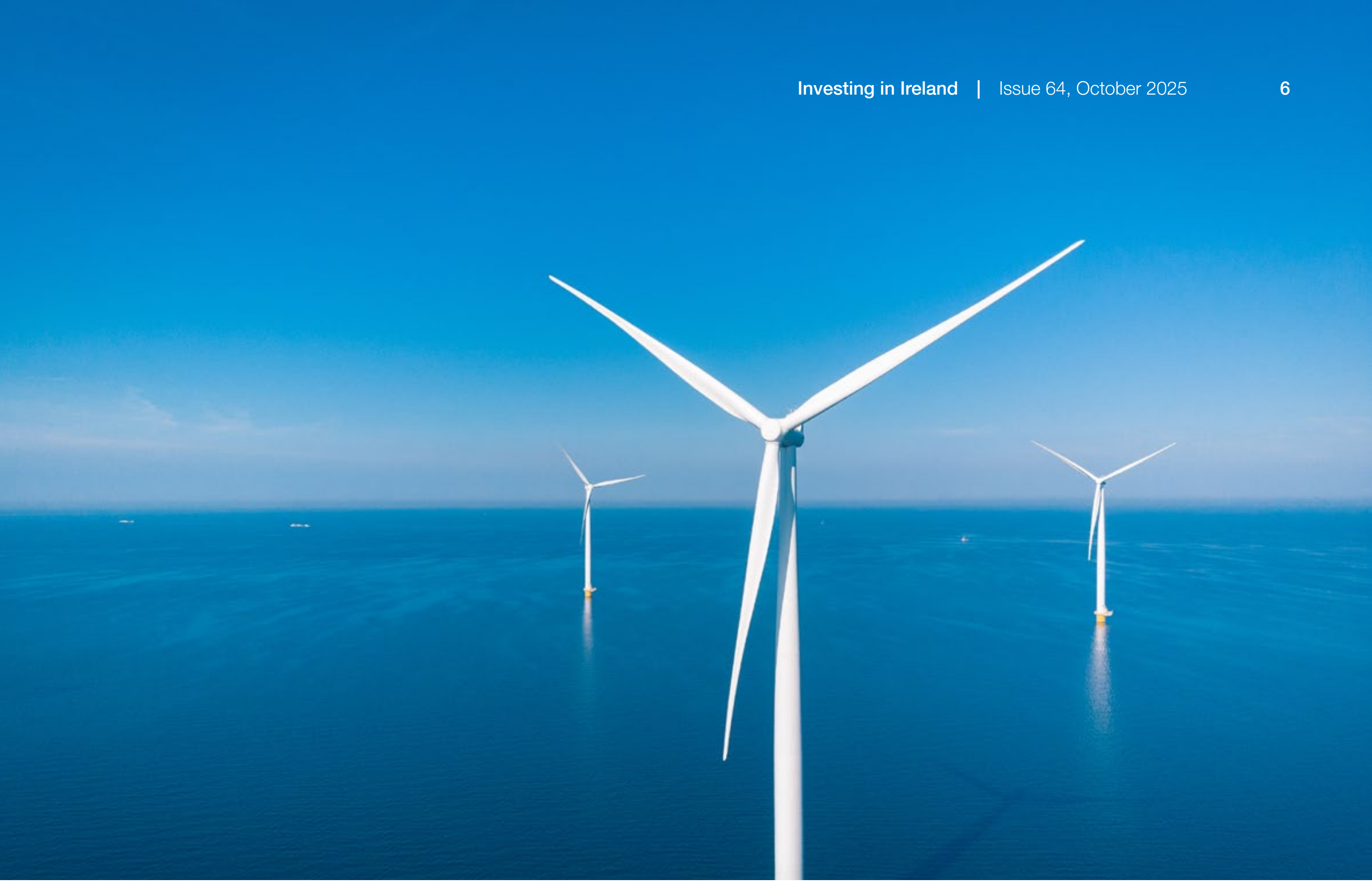
Snapshot of Japanese investment in Ireland

- 44 Japanese companies operating across 60 sites in Ireland.
- These companies employ approximately 8,000 people.
- Japan is the largest source of FDI into Ireland from the Asia-Pacific region.
- Japan ranks as the fifth largest source of FDI into Ireland globally in terms of employment.

Recent developments and strategic engagement

Ireland's commitment to strengthening ties with Japan is evident through high-level diplomatic and economic engagement. Initiatives such as the opening of Ireland House in Tokyo and Ireland's participation in Expo 2025 Osaka reflect a forward-looking approach to bilateral cooperation.

These efforts are complemented by the activities of Japanese companies already thriving in Ireland, whose continued investment underscores confidence in Ireland's long-term economic prospects.



Ireland: A rising force in renewable energy

Ireland is rapidly emerging as a key player in the global renewable energy landscape, driven by ambitious climate goals and abundant natural resources. With a target to generate 80% of electricity from renewables by 2030 and achieve climate neutrality by 2050, the country is positioning itself as a prime destination for FDI in clean energy.

Offshore wind: Ireland's strategic advantage

Ireland's vast maritime area and strong wind conditions make it one of Europe's most promising locations for offshore wind development. Offshore wind is central to Ireland's clean energy transition and economic growth strategy.

- €38 billion potential economic contribution from offshore renewables
- Thousands of new jobs expected across the energy and infrastructure sectors
- 5 GW offshore wind capacity targeted by 2030
- 37 GW offshore wind capacity targeted by 2050 – over six times current peak electricity demand

Progress and pipeline

Ireland's first offshore wind auction (ORESS 1) in 2023 marked a major milestone, awarding 3.1 GW of capacity across four projects—the largest renewable procurement in Irish history. A second auction is planned for 2025, with the Tonn Nua site off Waterford designated for development (900 MW).

37GW

Target offshore wind by 2050

Currently, Ireland has one operational offshore wind farm—Arklow Bank Phase 1 (25 MW)—but a robust pipeline is underway:

- Codling Wind Park (1,300 MW) – Co Wicklow
- Dublin Array (824 MW) – Co Dublin & Wicklow
- Arklow Bank Phase 2 (800 MW) – Co Wicklow
- North Irish Sea Array (500 MW) – Co Dublin, Meath & Louth
- Oriel Wind Farm (375 MW) – Co Louth

Global players driving growth

Ireland's offshore wind sector is attracting major international developers:

- Ørsted – Operates 19 wind farms in Ireland; actively expanding offshore portfolio
- Statkraft – Plans to deliver 3 GW of clean energy by 2030, including the North Irish Sea Array
- Aker Horizons – Acquired Mainstream Renewable Power (€1 billion deal); developing multiple offshore projects and investing in advanced transmission technology via SuperNode

Why invest in Ireland's renewable energy sector?

- Strategic location with access to European energy markets
- Government support through auctions, planning reforms, and maritime area plans
- Strong policy framework aligned with EU climate goals
- Growing demand for clean energy and energy security

Snapshot: Ireland's offshore wind ambitions

- 2030 Target: 5 GW offshore wind
- 2050 Target: 37 GW offshore wind
- Current Offshore Capacity: 25 MW (Arklow Bank Phase 1)
- ORESS 1 Auction (2023): 3.1 GW awarded
- Next Auction: Planned for 2025
- Major Developers: Ørsted, Statkraft, Aker Horizons, SSE Renewables

Publications and podcasts

Unpacking Budget 2026, so you can see what matters

Expert analysis of Budget 2026 from PwC Ireland, tailored for the C-suite and business leaders.

For more information, please see our report **here**.

Finance Bill 2025

What could Finance Bill 2025 mean for you and your business?

For more information, please see our summary **here**.

US Trade Tensions: Impact on Irish Pharmaceuticals

Despite new tariffs proposed targeting pharmaceutical imports into the US, the White House confirm that the EU's 15% tariffs will be upheld.

For more information, please see our report **here**.

Clean Industrial Deal – tax incentive recommendations

European tax incentive recommendations for the Clean Industrial Deal mean businesses can potentially expect beneficial tax changes.

For more information, please see our report **here**.

The sustainability factor: Mastering new drivers of value creation

PwC's latest report explores how CFOs and COOs can unlock tangible business value by integrating sustainability into strategic decision-making.

For more information, please see our report **here**.

Responsible AI, internal audit, AI governance

Explore how Responsible AI is enhancing risk functions to deliver value and AI innovation.

For more information, please see our report **here**.

Economic update

- The **Central Bank of Ireland** projects a 3.6% increase in GDP for 2025, reflecting robust domestic demand and strong export performance.
- **ESRI's Autumn 2025 Economic Commentary** forecasts a 3.8% growth in Modified Domestic Demand, driven by strong consumer spending and employment gains.
- Central Bank of Ireland's **Q3 2025 Bulletin** revises growth projections upward to 2.9%, citing Ireland's resilience and infrastructure investment.
- The **IMF** raised its global growth forecast for 2025 to 3.2%, citing a modest impact from US trade tariffs and support from AI-driven investment and fiscal policies in Europe and China.
- Ireland recorded a €12.8 billion exchequer surplus in 2024, providing a strong fiscal buffer heading into 2025 as per our **Quarterly Economic Digest.**
- Despite global trade uncertainties, Ireland's export sector remains buoyant. **ESRI** notes that pharmaceutical exports are exempt from new US tariffs, helping to sustain export volumes.
- Unemployment remains low, with the youth unemployment rate at 12.2% in July, well below historic averages as per our **Quarterly Economic Digest.**
- According to the **ESRI**, the labour market continues to expand, supported by growth in high-value sectors like pharmaceuticals and ICT.
- According to **CSO** Ireland, retail sales and property prices have remained stable, indicating healthy domestic consumption.
- Our **Quarterly Economic Digest** details how inflation is expected to remain moderate at 2% for 2025, supporting consumer purchasing power.

For additional PwC Ireland insights on Ireland's economy, please see **here** for our Q3 2025 quarterly economic update

Ireland's position

1st in the world for:

- Equal opportunity[1]
- Foreign investors[1]
- Changing market conditions[1]
- Attracting and retaining talents[1]
- Opportunities and threats[1]
- Flexibility and adaptability[1]
- Workforce productivity[1]
- National culture[1]
- ICT service exports[1]

1st in Europe for:

- Friendliest country in the EU[2]
- E-commerce[3]
- Youngest population[4]
- Fastest growing population[4]
- STEM graduates per capita[4]
- Employment in high-tech manufacturing and knowledge intensive service sectors[4]
- Work Life Balance[7]

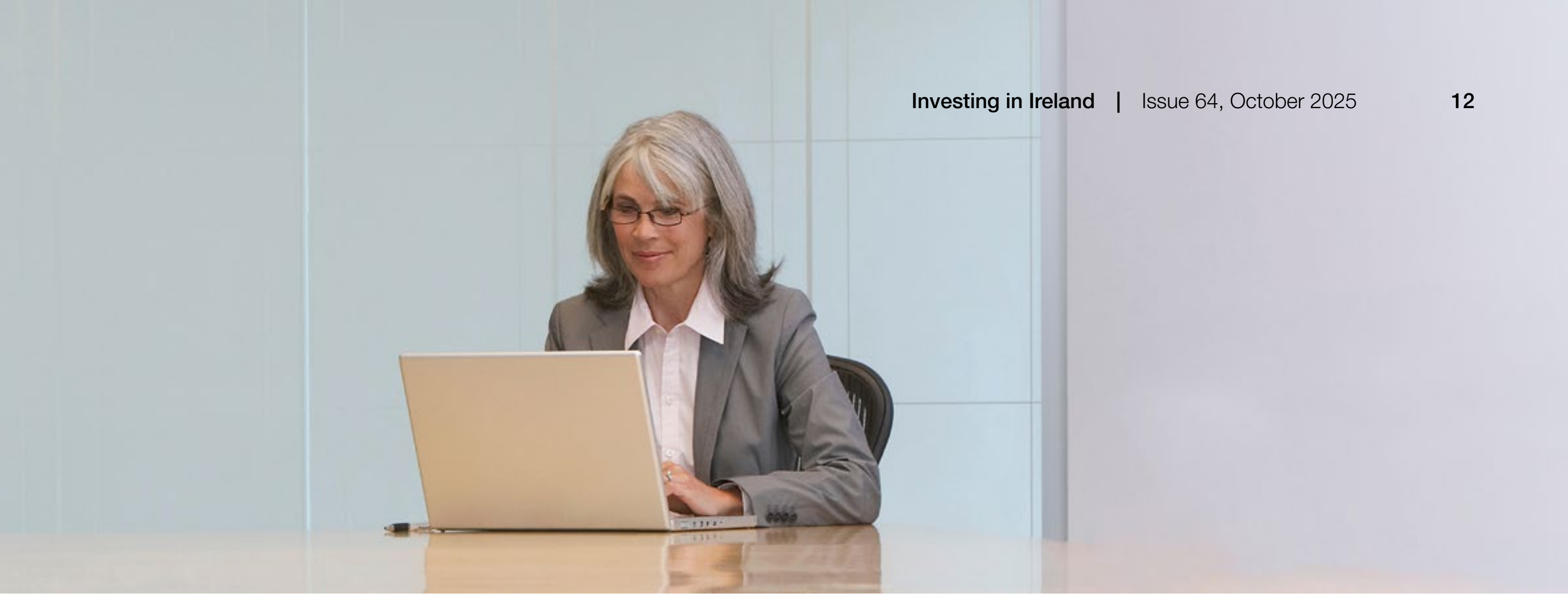
1st in Eurozone for:

- Quality of life[5]
- 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 2024
4 Facts about Ireland 2023, IDA Ireland
5 UNDP Human Development Index 2024
6 European Cities and Regions of the Future, FDI Intelligence 2024
7 Remote Global Life-Work Balance Index 2025

Ireland's ranking

- Ireland is ranked 1st in ***MIT Technology Review's Green Future Index's "Green Society and Clean Innovation"*** because of its reforestation efforts.
- Ireland is ranked 1st amongst the world's advanced economies in projected GDP growth according to the ***IMF's World Economic Outlook.***
- Ireland ranks 1st in the ***"Good Country Index".***
- Ireland ranks 1st of 14 EU countries for quality education according to the ***"Sustainable Progress Index 2025".***
- The Irish passport is 1st in the world, allowing visa-free access to 176 nations and territories according to ***"Nomad Passport Index's 2025".***
- Ireland ranks 2nd globally for Work-Life Balance according to ***Remote's 2025 Global Life-Work Balance index.***
- Ireland is the 2nd largest exporter of digital services in the EU and 3rd in the world, in 2023, according to the ***World Trade Organization.***
- Ireland is ranked 2nd in the OECD for FDI intensity, with an FDI stock of 256% of GDP in 2023.
- Ireland is ranked 2nd in the World and in the EU for the highest GDP per capita for 2023 according to ***"Visual Capitalist" and "IMD World Competitiveness Yearbook 2024".***
- Ireland is ranked 2nd in Europe for hybrid and remote job postings, according to ***Linkedin***
- 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.***
- Dublin is ranked in 3rd place overall as one of the leading ***"European cities of the future"*** according to the ***"Financial Times' FDI Intelligence".***
- Ireland is ranked 3rd in the world for ***Business Efficiency*** according to ***"IMD World Competitiveness Yearbook 2024".***
- Ireland is ranked 4th in the world for ***Overall Competitiveness*** according to ***"IMD World Competitiveness Yearbook 2024".***
- 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 23.9% for 2024. 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 globally in the ***"Global Peace Index 2024".***
- Ireland is ranked 5th in the OECD for corporate tax.
- Ireland ranks 5th in the EU in the 2021 edition of the ***"Digital Economy and Society Index" (DESI).***
- Ireland is ranked 5th globally in the ***"Global Innovation Index 2024".***
- Ireland has the 6th 'most free' media in the world according to the ***"Reporters Without Borders 2022 Index".***
- Ireland is favourably ranked 6th in the EU in the ***"Corruption Perceptions Index".***
- Ireland is ranked 6th in the world for higher education in 2024, according to ***"The Campus Advisor".***
- Ireland is ranked the 8th most democratic nation worldwide by the ***"Economist Intelligence Unit 2024"*** and 7th out of 167 countries in the ***"Democracy Index 2023".***
- Ireland is ranked 8th in the World for high quality of life according to the ***"United Nations Human Development Index".***
- Ireland is ranked 9th in the EU on the ***"Gender Equality Index 2024".***
- Ireland is ranked 9th for business attractiveness, up from 14th place in 2022, according to ***"The PwC Private Business Attractiveness Index".***
- Ireland is ranked the 10th most innovative country in Europe, according to the World Intellectual Property Organisation – WIPO.
- Ireland ranked 12th in the world in the ***2024 "Social Progress Index".***
- Ireland is the 15th happiest nation, out of 147 countries, according to the UN sponsored ***"World Happiness Report 2025".***
- Ireland ranks in 17th position on ***"The IMD World Digital Competitiveness Ranking"*** in 2024, ahead of Britain, France and Germany.
- Ireland ranks 29th in the ***"Climate Change Performance Index 2025"***, up 14 places from 2024.

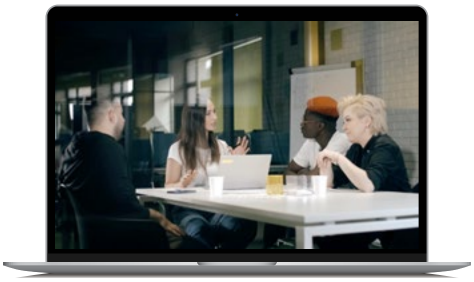


Would you like to know more?

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:

CEO Survey 2025



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Budget 2026

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Tax Facts 2025

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