

US Foreign Direct Investment

Ireland is an attractive destination for Foreign Direct Investment (FDI), particularly from the United States. According to Industrial Development Authority (IDA), currently there are over 160,000 people directly employed in over 760 US firms in Ireland. Additionally, there are another 100,000 jobs in Ireland that are indirectly supported by US firms. Altogether, 20% of employment in Ireland is reliant on US Investment. US investment in Ireland has been consistent and supported by a decades long relationship that has shaped Ireland's growth to an attractive, lively, open economy. Mark Gantly, the President of the American Chamber of Commerce, stated that the US direct investment collectively amounted to a record \$446 billion in 2017, a 14% increase from 2016. United States companies that work in Ireland range from International/European headquarters, managing services for customers, product research and development to manufacturing. With increasing US investment in Ireland, there are many opportunities for careers to grow amongst the talented workforce. Ireland is also home to seventeen of the twenty top global software companies and all ten of the top pharmaceutical companies. Ireland's Taoiseach, Leo Varadkar, has described the economic relationship between Ireland the US as "resilient, and full of promise for the future".

Why Ireland?

Ireland's attractiveness as a desired destination for FDI is due to several factors. For many US businesses, Ireland acts as the perfect gateway to the European market because it is the wealthiest consumer market and home to over 500 million people. While Ireland only accounts for around 1% of the European economy, it does win 12.1% of US European FDI investment which gives it a strong standing with both the EU and the US as a committed member of the Eurozone and European Single market. Having been ranked 1st for attracting high value FDI projects, Ireland has a great reputation as a stable, competitive and pro-business country, which has aided it in becoming the fastest growing economy in the Eurozone.

Ireland also attracts a large amount of FDIs due to their high caliber workforce. In Ireland, 53.5% of 30-34 year olds have studied at the university level education (EU average = 40%) and 30% of students enrolled in STEM courses. Overall, Ireland's education system ranks in the top 10 globally for quality. Ireland is also one of the top 10 most innovative countries in the world. Based on this, Ireland's workforce is recognized internationally as rating high in areas such as flexibility, adaptability and productivity ensuring top quality outcomes.

Center Forward Basics

Center Forward brings together members of Congress, not-for profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Facts

- US firms are the largest source of new investment in Ireland. They account for 67% of all foreign direct investment in Ireland
- Ireland is home to 14 of 15 of the top medical tech companies
- FDI inflows have increased globally by over 1,500% since 1970
- Ireland is 11th in the global scientific ranking for overall quality of scientific research

Ireland's Pro-Business Policies

The Irish government has maintained a pro-business image which has welcomed new foreign direct investments with policies that have drawn US businesses since the 1950s. Ireland's success in attracting US FDI can be traced back to the policy switch from a tax incentive to a low tax country in 1996. Under the Irish governments 'pro-business' policy, the corporate tax rate of 12.5% is very attractive to businesses compared to the US tax rate of 21%. This tax rate is also attractive to US businesses due to its double taxation agreements and R&D credits, which are met with a low level of bureaucracy, offering a more flexible set up for businesses located in Ireland. The 'Doing Business' report by the World Bank reports that this tax structure makes Ireland the easiest and most business-friendly destination for US businesses. In recent years, through this pro-business approach Ireland has also made the cost for rent and salaries much more affordable compared to other EU countries. Ireland and the United States strong relationship has strengthened the transatlantic trade.

US-Ireland Relationship

The positive relationship between the US and Ireland has been supported by the common ancestral ties and values but has been further enhanced through the socio-economic benefits that United States investments bring to Ireland. This investment from US companies can be highlighted as a main contributor to recent social improvements to the quality of life in Ireland. United States companies frequently sponsor inclusive social impact programs, community volunteering, and other work-sponsored activities in order to improve the satisfaction of their workers in Ireland and benefit communities.

Links to Other Resources

- [American Chamber of Commerce Ireland - US-Ireland Business Relationship](#)
- [Deutsche Welle - Report shows stark effect Brexit will have on Irish economy, deal or no deal](#)
- [Economic and Social Research Institute of Ireland](#)
- [Enterprise Ireland - Start a business in Ireland](#)
- [Independent - Brexit presents an opportunity for Ireland to win FDI](#)
- [The Irish Times - Brexit uncertainty leads to fall in Irish FDI confidence ranking](#)
- [The Irish Times - Ireland will be main US-Europe bridge after Brexit, Ambassador claims](#)
- [RTE News - US Investment in Ireland at all time high](#)