

Overview

The uncertainties and complexities of a looming Brexit bring potential complications for Ireland as a result of the close proximity and friendly trade relations with the United Kingdom. Despite the negative impacts of England leaving the European Union, Ireland is working hard to maintain its position as an attractive destination for United States' Foreign Direct Investment (FDI). Ireland's economy will undoubtedly change as a result of Brexit.

Potential Post-Brexit Investment in Ireland

According to the American Chamber of Commerce Ireland, United States' investment in Ireland is at an "all time high." Ireland's pro-business policies make it an attractive destination for FDI. Many speculate that as a result of Brexit, the 25% decline in FDI to the UK is likely to be diverted to Ireland. Ireland has been described as a 'safe haven' and it remains one of the most desirable locations for FDI through its many benefits including a generous corporate tax regime, talented workforce, strong membership in the EU and gateway to the European market.

Also, Ireland will now be the only English-speaking country in the European Union. With the departure of the U.K., Ireland plans to strengthen their economic relationship with Germany and France and increase trade between the countries. As its role in the EU grows, Ireland also has the opportunity to play a significant role in improving US-EU relations. Leo Varadkar, Ireland's Prime Minister, has expressed his thoughts, stating "We also see ourselves as a global country, not so much an island behind an island at the edge of a continent, but rather an island at the center of the world." Bringing together the EU and the US will further attract US investment and enhance Ireland's role as the European hub. Ireland is a committed member of the European Union and provides companies with guaranteed access to the European market.

Potential Threats

As a result of increasing investment in Dublin, Ireland is emerging as a technological and financial hub, however the effects of Brexit may affect this. Ireland's economy is vulnerable because of its close proximity and strong economic relationship with the UK. Another major concern is the fact that Ireland exports more to the UK than any other country in Europe.

Direct effects of Brexit on Ireland have already occurred. For example, Ireland's ranking in top countries as FDI locations has fallen to 20th. This fall is partly due to the strong trade relationship between the UK and Ireland which makes the Irish economy sensitive to Brexit negotiations. Also, with the uncertainty of the status of the border issue between Ireland and Northern Ireland in the Brexit negotiations, companies may wish to invest in other countries.

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

- Ireland has a low corporate tax rate of 12.5%
 - UK's corporate tax rate - 28%
- 17% of Ireland's exports go to the UK
- Enterprise Ireland and IDA provide advice on expansion, innovation and global success to international firms located in Dublin – making Ireland attractive for FDI
- Along with Shanghai and Frankfurt, Dublin is one of the top 15 centers thought to 'become more significant in the future'

Initiatives to Remain Competitive

In order to maintain their reputation and international competitiveness, Ireland has announced many plans to improve its citizens' access to higher education and technology. Ireland aims to enhance its education systems further, in order to develop the desired skills for future employers' demands. This would include ensuring those entering the workforce are equipped for advances in the digital era along with the plan for Ireland to be a leader by 2026 in STEM. As the Brexit deadline approaches this fall, Ireland will continue to find ways to attract further international investments.

Links to Other Resources

- [Deutsche Welle - Report shows stark effect Brexit will have on Irish economy, deal or no deal](#)
- [Economic and Social Research Institute of Ireland](#)
- [Forbes - Will Dublin become Europe's regulatory Technology Hub After Brexit?](#)
- [Independent IE - Brexit presents an opportunity for Ireland to win foreign direct investment - IDA boss](#)
- [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](#)
- [The Irish Times - Sustaining the foreign direct investment pipeline](#)
- [RTE News - US Investment in Ireland at all time high](#)