



HP Ireland Managing Director Martin Murphy (left), Deputy Prime Minister Mary Coughlan and Barry O'Leary, CEO of IDA Ireland at the announcement of a 500 person expansion of HP's Irish operation.

*"Ireland was chosen because of our competitive ability to keep a pace with global market requirements and because of our access to a highly skilled and talented labour pool, with the necessary technical and language support skills to manage this operation", Martin Murphy, Managing Director, HP Ireland*



Barry O'Leary, CEO of IDA Ireland, Deputy Prime Minister Mary Coughlan and Ed Medlin, Vice President and Senior Counsel of Maxim Integrated Products at the announcement of Maxim's new Business Services Centre in Dublin.

*"We are investing in Ireland because the country has a talented and technically qualified workforce, and it has demonstrated a strong commitment to promoting R&D", Tunç Doluca, President and CEO of Maxim Integrated Products.*

## Significant new investments in 2009

2009 has yet again been another very good year for Information and Communication Technologies (ICT) investment in Ireland. HP, Microsoft, Intel and IBM, to name a few, all made very substantial investments, adding to their already extensive existing operations in Ireland. HP, for example, announced that it planned to create 500 new jobs in multilingual technical support and R & D, while Intel announced the creation of up to 130 new jobs in a €50 million R & D investment. Microsoft officially opened its European 'mega data centre', a 303,000 sq ft facility to service its growing online and cloud services business.

2009, for the first time, saw the establishment in Ireland of some leading global ICT companies, including Maxim Integrated Products, Bentley Systems, Lumension Security and Big Fish. Bentley Systems, a provider of software for infrastructure, announced the establishment of a 150 person International shared services and Sales & Marketing centre, while Maxim Integrated Products, a provider of high performance semiconductors, announced a 100 person International Business Centre, to focus on financial shared services and multilingual technical customer support. For further details, [www.idaireland.com/news-media/press-releases](http://www.idaireland.com/news-media/press-releases)

The investment by the aforementioned companies is a measure of their confidence in Ireland, and its ability to meet their international business requirements. Looking ahead to 2010, IDA Ireland is confident of further significant investments. High quality skills availability, at competitive cost, a pro business environment, EU and euro membership, coupled with a low corporate tax rate and generous financial support packages will again be important factors for companies setting up operations in Ireland.

## Salary costs down 10-15% - further decreases expected

There were major decreases in the cost of hiring new talent in 2009, with salaries on average down by 10-15% on 2008 levels. Salary decreases were more pronounced in certain sectors, with finance and management positions down by 15 - 20%, and graduates costing up to 30% less than previously. The cost of hiring new IT talent, including software engineers and technical support personnel, was down by up to 15%. Further reductions are expected in 2010.

## Property rental prices down by 35 - 50%

The cost of renting property over the last two years has reduced considerably, with property rental prices in Ireland down by 35-50% from peak prices in 2007. Companies investing in Ireland can now rent high spec offices from as little as €10 - €14 / sq ft / annum in Ireland's main cities, with some properties in perimeter towns available at €8 - €10 / sq ft / annum. Short term leases, including rent free periods of up 6-12 months, are available.



The prospects for future software and engineering talent is bright, with numbers commencing first year studies in 2009 in science and computer science courses at Irish universities and institutes of technologies up by 25% on 2008.

### Ireland - Some Key Facts:

- 1<sup>st</sup> for FDI and Corporate Tax regime (2009 Global Innovation Survey)
- World's number 1 provider of employable graduates (EU Commission study Nov 2009)
- 1<sup>st</sup> for availability of skilled labour \*
- 1<sup>st</sup> for availability of financial skills\*
- 1<sup>st</sup> for Immigration laws that do not prevent companies from employing foreign labour\*
- 1<sup>st</sup> for Investment incentives\*
- 3<sup>rd</sup> for flexibility & adaptability of people\*
- 3<sup>rd</sup> for being open to new ideas\*
- 4<sup>th</sup> for labour productivity\*
- One of Europe's youngest populations: 34% less than 25 years of age
- 2009: Companies investing in Ireland for the first time up 11% on 2008

\*IMD World Competitiveness Yearbook 2009



High spec offices are available for renting in Ireland's main cities from as little as €10-14 / sq ft / annum.

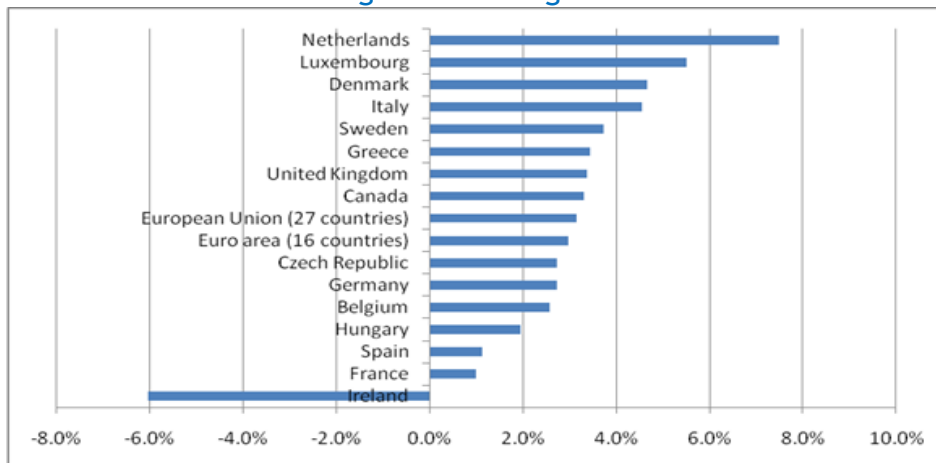
For further information on investing in Ireland, contact:

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## Relative Competitiveness

Ireland's relative competitiveness in Europe is forecast to improve significantly to 2011. European Commission forecasts project that unit wage costs in Ireland will improve by 9% relative to EU member states in both Western Europe and Central Europe (Table 1). The Commission is forecasting that unit costs during the period will decrease by 6% in Ireland while on average increasing by over 3% elsewhere in the EU.

Table 1: Forecast % change in unit wage costs 2009-2011



Source: EU Commission, January 2010

## Low corporate tax rate of 12.5%

Ireland's corporate tax rate of 12.5% is one of the lowest 'onshore' rates in the world. The Irish Government is committed to retaining the 12.5% tax rate until at least 2025. The OECD has said that Ireland has selected the 'high road' of 'full and fair competition' and is 'setting the example' with respect to its corporate tax rate.

## Skills availability

One of the primary reasons why multinational companies set up in Ireland is the availability of highly skilled people. For example, Google, which established in 2003 and now employs over 1,500 at its EMEA HQ in Dublin, has capability in over 50 languages. SAP, which first established in Ireland in 1997, has over 900 people employed in multilingual technical / customer support, R&D, telesales and technical writing.

The prospects for future software and engineering talent is bright, with numbers commencing first year studies in 2009 in science/computer science courses at universities and institutes of technologies up by 25% on 2008.

## 25% R&D Tax Credit and Grant Support for R&D

Ireland's 25% R&D tax credit, coupled with strong financial support from IDA Ireland, has been an increasingly important influencer in recent R&D investment decisions, with total IDA supported R&D investments up over 35% since 2007.

Ireland's tax benefit and grant support can reduce R&D costs very appreciably; the level of support depends on R&D type, depth of research and level of collaboration with universities. The tax credit can be availed of through a reduction in the company's Irish corporate tax liability or, in certain circumstances, through a cash refund from the Revenue Authority. Royalties from new patents are tax exempt, subject to a €5 million ceiling per annum.