

## Newsletter Q3, 2010



Pictured in May at the official opening of McAfee's new offices in Cork were (L-R) Dara Murphy, Lord Mayor of Cork, Minister for Enterprise, Trade and Innovation, Batt O'Keeffe, and Dave DeWalt, President and CEO of McAfee.

The opening follows the expansion by McAfee of its Irish operation, with the addition of a 120 person inside sales team. Cork is the company's HQ for much of the company's International operation, including global localization and product readiness, EMEA Finance, Procurement, Operations and Logistics for EMEA and Asia Pacific, as well as EMEA Inside Sales.

*"I'm extremely proud of the Cork operation and the talented team that works here. The people we employ here are really a strong foundation for our success,"*

Dave DeWalt, President and CEO, McAfee Inc.

### Ireland's Competitiveness

*"Prices and wages in Ireland, meanwhile, are falling, making Irish companies more competitive and encouraging foreign direct investment",* Wall Street Journal (June 29, 2010).

*"Ireland [is] making positive inroads on salary and wage competitiveness",* Martin Murphy, Managing Director, HP Ireland (March 2010).

### Ongoing ICT Investment in Ireland

Electronic Arts (EA), Telefónica, Dell, SAP, HP, AOL, Analog Devices, LinkedIn, Lumension Security and Webroot are some of the multinational companies that announced new ICT investments in Ireland over the last Quarter. EA, in a Greenfield project, announced plans to open, with the support of IDA Ireland, a European Customer Service and Operations Centre in Galway, which is expected to initially employ 200 multilingual people in 2011.

*"Galway gives us the right mix of solid technology infrastructure and International recruitment opportunities",* Dr. Ray Muzyka, Senior Vice President, EA and Group General Manager, BioWare.

Telefónica announced that it is to invest €25 million in a new European People Services centre, which will employ 100 people by the end of 2012. The new operation will provide multilingual HR services, support functions and administration to 27,000 employees.



Pictured at the Telefónica announcement (L-R) were Barry O'Leary, CEO, IDA Ireland, Irish Prime Minister, Brian Cowen, Ian Ruddy, Telefónica Europe People Services Director, Danuta Gray, Chief Executive, Telefónica O2 Ireland and Minister for Enterprise, Trade and Innovation, Batt O'Keeffe.

*"We were up against some very tough competition from other countries but Ireland took the lead in terms of Government support and understanding of the needs of a global organization,"*

Danuta Gray, Chief Executive, Telefónica O2 Ireland

### Enhanced Competitiveness in Software Development/R&D -2,600 software personnel available for new projects

Over the last 18 months, Ireland's competitiveness has improved very appreciably. Salaries for new hiring in the software sector are lower by up to 20%. The present business climate presents companies with an ideal opportunity to initiate new software development and R&D projects.

With software engineering salaries lower by up to 10% (on late 2008) and localization, QA and testing salaries lower by up to 20%, Ireland is now a much more competitive location for product development activities.

Coupled with this cost reduction is the greater availability of high quality engineering talent. Most recent data (Q1, 2010) from the Central Statistics Office (CSO) highlights that there are currently 2,600 software engineers/programmers/analysts, currently not working, available for immediate employment. The availability of the aforementioned talent means that companies can quickly commence new development activities.



There is currently a large selection of excellent quality customer support properties available in Ireland.

The above facility (32,000 sq ft) is in Loughrea, a perimeter town of Galway city, the fastest growing and most cosmopolitan city in Ireland. This recently refurbished facility has 290 workstations and is available at an extremely competitive rent.

### Lumension Security Expands R&D Centre

Following the establishment of its Global R&D centre in Galway in October 2009, with plans to employ 30 people, Lumension recently announced that it now expects to employ over 50 people by the end of 2010.

### Ireland - Some Key Facts:

- 8 of World's top 10 technology companies have substantial operations in Ireland
- Ireland: 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 investment incentives\*
- 1<sup>st</sup> for immigration laws that do not prevent companies from employing foreign labour\*

\*IMD World Competitiveness Yearbook 2009/2010

**For further information on investing in Ireland, please contact:**

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**LinkedIn** is to establish its International headquarters in Ireland, and initially will employ 35 people in marketing, sales, finance and customer service. LinkedIn joins internet companies Google and Facebook who already have their International headquarters in Ireland.

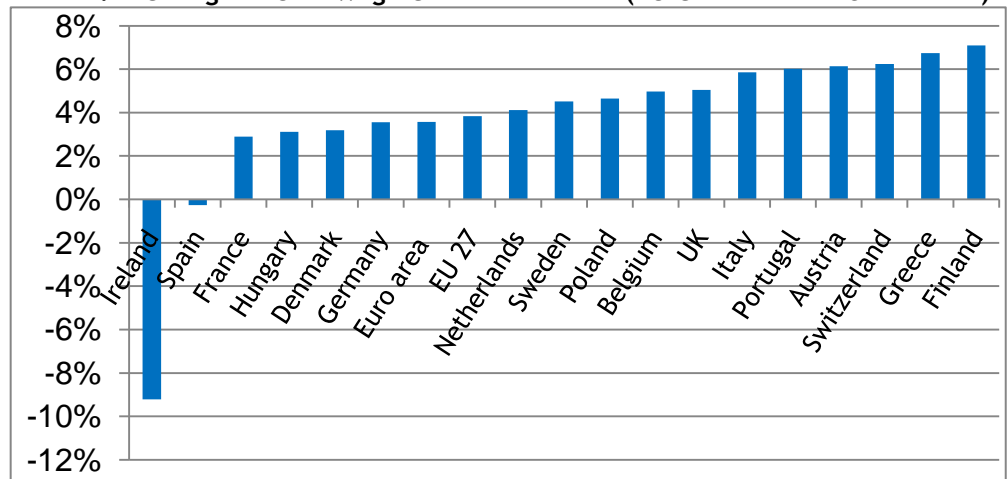
Meanwhile **Dell** has said that it will hire 100 new employees in Limerick and Dublin, in high-end technical support, engineering, finance, marketing, legal affairs and admin support. **HP** plans to add 60 new high level technical support positions at its Global Solutions centre in Dublin. This follows on from two expansion announcements in 2009, involving 550 jobs in Kildare and Galway. **Citrix** is to expand its EMEA Customer Technical Support HQ to 150 employees.

**AOL** announced that it plans over the next two years to create 50 new software engineering jobs at its Dublin development centre, bringing total employment to 160. The Irish centre is AOL's 'development engine' for Europe.

### Relative Competitiveness Improving

Ireland's relative competitiveness within the EU continues to improve. Unit wage costs are projected to decrease in Ireland by 9% between 2008 and 2011, while increasing by close on 4% on average across the EU (Table 1). This represents a 13% improvement in Ireland's relative competitiveness.

**Table 1: % Change in Unit Wage Costs 2008-2011 (EU Commission - June 2010)**



### Ireland - Europe's Number 1 Location for R&D

In a new study by accountancy firm Mazars on the world's most competitive locations for R&D, Ireland has been rated as number 1 in Europe and number 2 worldwide. The study, which evaluated the cost of global R&D after tax and other cost incentives, involved 20 countries, which included the US, UK, Netherlands, France and Israel. Recent changes to Ireland's R&D tax credit, which now is 25%, were an important contributing factor, according to Mazars.

The accountancy firm pointed out that Ireland also scores highly for R&D with multinationals on a number of critical non tax factors, which include 'the availability of qualified research institutions, the education level of available workforce, the cost and availability of resources, facilities, equipment and materials,.....intellectual property (IP) laws on ownership and protection of IP, and political stability'.

**IRELAND TAX:** Ireland has been ranked first for real corporate taxes by the 2010 IMD World Competitiveness Yearbook. For information on Ireland's tax regime, please link to: <http://www.idaireland.com/why-ireland/tax/>