



Batt O'Keefe, Minister for Enterprise, Trade & Innovation and Dr. Katharine Frase, Vice President, IBM Research at the announcement of IBM's first Smarter Cities Technology Centre (March 2010).

"Today's announcement is yet another step in the evolution [of IBM in Ireland] and follows on from a number of announcements over the past three years [7 in total] which have ensured that Ireland continues to play a critical role in IBM's success", Michael Daly, Country General Manager IBM Irl.



Arne Josefsberg, General Manager, Internet Hosting, Microsoft Corp., Paul Rellis, Managing Director, Microsoft Ireland, Ireland's Prime Minister, Brian Cowen, Jean-Philippe Courtois, President Microsoft International and Barry O'Leary, CEO, IDA Ireland at the opening in Dublin of Microsoft's first EMEA Cloud Computing Services Centre (September 2009).

"The opening of the data centre is a milestone in our ongoing investment in Europe & provides the critical infrastructure to support the local delivery of our next generation of online services...The opening also celebrates Microsoft's long-term commitment to Ireland..."
Jean-Philippe Courtois, President, Microsoft International.

9 of World's Top 10 Software Companies in Ireland

Ireland is recognized internationally as a leading global location for software, and is one of the world's largest exporters of software. Nine of the world's top 10 software companies now have significant operations in Ireland. These include Microsoft, IBM, Oracle, SAP, Symantec, HP, EMC, Adobe and Siemens.

Company activities are wide ranging, varying from software development and University collaborative research projects, to business services (multilingual customer/technical support, financial shared services and supply chain management) and EMEA/International headquarters. Sales/marketing, in particular inside sales, localisation, data hosting and IP management are also important activities.

Including the indigenous sector, Ireland has over 600 software companies, employing 27,000 people. Annual exports from the software sector are €24 billion.

IBM & SAP Invest in Software Development Projects

The last two years have been very good years in Ireland for new investment from the software industry. In particular, there have been a number of significant software development projects, which include:

- **IBM** in March 2010 established its first Smarter Cities Technology Centre, which will involve an investment of €66 million and the creation of 200 jobs. The centre will help cities interconnect and manage their core operational systems such as transport, communication, water and energy.

In June 2009, IBM announced a €25 million, 100 person expansion of its software laboratories in Dublin, Cork and Galway. The new research focuses on developing Software as a Service (SaaS), service management and data warehouse products, and will bring total employment at the company's software laboratories to over 600 people.

- **SAP Business Objects** announced in 2008 that it would invest €29 million in a new 100 person research operation in Dublin. The research involves developing new generation applications, to enhance business and social networks, and deliver new levels of analytics.
- **Lumension Security**, a security software company, established a new 30 person R&D centre in Galway in August 2009.

Skills - Developer Salaries lower by up to 10%

Since late 2008, Ireland has become a more competitive location. The cost of hiring new IT talent has decreased by about 15%, with software developer salaries lower by up to 10%, depending on language and location. Localisation, tester and QA salaries for new hires are down by up to 20%, due to increased availability. Technical support and IT management salaries are also lower by up to 20%.

The payment of bonuses has been greatly reduced and eliminated in many instances. Employee expectations are generally lower and they are more flexible. Going forward, IT salaries are expected to decrease further, as the supply of qualified personnel is forecast to increase.

Other Investments:

Since January 2008, Intel, HP, EMC, Synopsys, IBM, SAP Business Objects, Lumension Security, Sophis, Sajan and Channel Advisor all commenced new software development projects in Ireland.



Ireland has a multilingual and multicultural software development community, with 22% of developers non Irish.

As an EU member, Ireland can draw upon an annual science, maths and computing graduate population of 381,000.

Numbers commencing undergraduate University computer / software courses are up 32% since late 2007. This is positive for future skills availability.



University of Limerick (UL), location of LERO, Ireland's National Software Research Centre.

20% of Ireland's computer / software graduates emanate from UL.

Dell, Analog Devices, Intel, Symantec and QAD have sizeable operations in the Limerick area.

For further information on investing in Ireland, please contact:

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Cloud Computing - A Strategic Focus

Cloud computing is a strategic focus for IDA Ireland and is a priority for development and support. Recently, there have been notable investments in cloud computing R&D projects, which include:

- **HP** in October 2009 announced the expansion of its software development centre in Galway, involving a €11 million, 50 person R&D investment. The expansion involves establishing the Galway facility as a centre of expertise for Cloud Computing Services in food product tracking, tracing and authentication.
- **IBM** established its first European Cloud Computing Centre in Ireland in 2008. The centre plans to employ 21 people and will focus on research and innovation.

Microsoft officially opened its first European 'mega data centre' in September 2009. The 300,000 sq ft centre, involving a \$500 million investment, will support Microsoft's online, live and cloud services. The centre is the company's first Cloud Computing Services Centre for EMEA customers.

Investments over the past two years in the Software as a Service (SaaS) space included a 40 person multilingual customer support project from SuccessFactors in July 2009, and the acquisition in 2008 by both Workday and Opsource of two Irish software companies, Cape Clear and LeCayla Technologies, respectively.

Skills - Increased Availability

A key contributing factor for ongoing software development investments in Ireland is the availability of high quality software engineers at competitive cost. Going forward, there is expected to be increased availability of engineers for a number of reasons:

- In the immediate term, the global downturn has increased the numbers of engineers available for permanent employment, including contractors, as employers in Ireland and Europe scale down operations and reduce costs. According to FAS, Ireland's Training and Employment Agency, the numbers of software engineers seeking employment was up 40% in Q4 2009, on Q4 2008, albeit from a very low base.
- There has also been an appreciable increase in numbers undertaking short-term training courses. For instance, in Q1 2010 1,000 people commenced ICT courses with FAS (100 in Q1 2009), of which 30% were in software programming. Testers and QA personnel, which are now in more plentiful supply, are in particular undertaking software engineering educational and training courses.
- The numbers commencing undergraduate computer/software courses in universities has increased by 32% since late 2007. This trend is expected to continue, as evident by preliminary university application figures for 2010, which are up 40% on 2007. Post graduate student numbers have increased by 14% since late 2007.

EU Important Source of Software Engineers

As a member of the EU, Ireland has been readily able to attract software engineers from Europe. Ireland is regarded by continental Europeans as an attractive place to work in, due to a large base of leading multinational companies and the country's English language. These factors, coupled with Ireland's flexible work permit regulations for non EU citizens, have contributed to an increasing multicultural, diverse software development community, where 22% are non Irish (13% in 2000).

Given the free movement of people within the EU, software engineers from the EU will continue to be an important source of supply for Irish based industry. As an EU member, Ireland can draw upon an annual science, maths and computing graduate population of 381,000.