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**Winning:** Foreign Direct Investment  
2015-2019





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# Statement from CEO and Chairman

Ireland is one of the most open economies in the world. Trading and doing business with the outside world comes naturally to the Irish, thanks to a blend of historical, cultural and social factors.

It is no surprise that businesses from all over the world have been calling Ireland home for decades, in fact for almost a century now.

As far back as 1917, when Henry Ford & Son Ltd set up a manufacturing base in Cork, Ireland has welcomed US companies to Ireland. In more recent decades the welcome has been widely extended to Europe and Asia and across an ever increasing range of sectors.

The relationship between Ireland and overseas companies has stood the test of time, with the numbers providing compelling evidence; there are over 174,000 people employed in foreign-owned enterprises in Ireland, representing almost one in ten workers in the economy. The relationship has benefitted both Ireland and our valued investors, and the evidence for this is in the experiences of individual firms who have come here, many of whom have linkages with Ireland over many decades.

This success can be measured by employment numbers and by hard economic statistics (for example overseas firms exported €124.5bn from Ireland in 2013), but also by more intangible benefits to Ireland's skill base, human capital and business culture. But success, however hard won, is by definition fleeting. Renewing and building on success year after year is the bigger achievement and this new strategy seeks to consolidate and build on Ireland's recent successes in Foreign Direct Investment (FDI).

The economic age we live in is an uncertain one. Traditional business models are evolving and customer loyalty is more hard-won than ever before. By utilising digital technologies, companies and investors are driving economic progress across all segments of the economy.

Ireland is host to a great number of the companies leading this evolutionary process and as a result Ireland can play a key role in enabling innovative companies re-shape different sectors, business models and ultimately the global economy. IDA Ireland has a strong objective of helping its clients to transform their operations so they can be successful international players in the new digital age that is upon us.

Martin Shanahan, CEO  
Frank Ryan, Chairman



So far this approach has brought success for Ireland, but it now must be replicated and built upon over the next five years.

The challenge now is to make sure that the FDI portfolio, assembled patiently and courageously over many decades, grows further and that its benefits spread more evenly throughout the Irish economy, impacting indigenous business and regional locations. This is a core focus of our new strategy, to continue winning investments and see the benefits flow as widely as possible in economic terms throughout Ireland.

We are setting ambitious targets for the next five years, 80,000 new jobs, 900 investments, €3bn R&D investments and balanced regional growth. The core role of IDA Ireland, to create employment with economic and social benefits for the Irish people, remains our top priority. But nothing happens automatically and previous performance does not guarantee future success. In a sometimes harsh economic age, Ireland must constantly perform at the highest level. Every single job created in Ireland by an overseas company has to be fought for, against ever-increasing competition from a growing range of sophisticated locations.

As a result Ireland's challenge is to be strategic and central to business development plans. Strategic to international companies who are often under huge pressure from shareholders and more generally financial markets. Fortunately, Ireland has remained central to leading global corporates for many decades. IDA Ireland's aim in this strategy, is to ensure that Ireland continues to be one of the most developed, ambitious and welcoming locations in the world for our existing and new clients and a highly supportive environment for their future growth.

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IDA Ireland's business is all about winning – winning for Ireland.

Each investment IDA Ireland wins for Ireland is different. Some happen over short durations, others can take decades. The journey from the initial meeting with a client company to establishing its first Irish presence is sometimes a long one, but IDA Ireland takes each step alongside the client company. The Ireland proposition is rightfully tested along the way and all parts of the offering (including talent, property, tax, competitiveness) have to meet client needs and expectations.

Thankfully Ireland continues to meet those expectations, year after year, but over the next few years we want to build on this success even further and broaden out the benefits of FDI within Ireland too.

While recognising that the ultimate decision on a location rests clearly with each client company, IDA Ireland is committed to a greater dispersal of investments throughout Ireland. In that context, this strategy commits IDA Ireland to regional targets, which are aimed at focusing the collective energy of IDA Ireland and stakeholders on the goal of greater regional dispersal of investment projects.

Allied to this is an enhancement of IDA Ireland's property solutions offered to companies. Ireland's recent successes in the FDI sector has involved a significant take-up of property stock of scale in the country and now strategic forward planning is needed to replenish this stock and future proof what IDA Ireland can offer when investors come to visit the country.

When a company establishes roots in Ireland, it is up to IDA Ireland and a range of other stakeholders to help companies do their best work and most innovative activity in Ireland. We believe Ireland can become a major research and innovation hub for global corporates. Much of this activity is already going on, but this strategy seeks to increase Ireland's capabilities further. This is not just an aspiration, IDA Ireland will actively support these activities.

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This strategy emphasises that overseas firms are not just getting a home away from home in Ireland or access to a dynamic labour pool, also available is a cost efficient, customer-centered supply base from Ireland's indigenous companies. By working with our sister agency Enterprise Ireland we believe more linkages and more collaboration is possible between IDA Ireland client companies and Irish manufacturers and services companies.

Building geographical diversity into IDA Ireland's portfolio is a key goal of this strategy and we commit in this document to growing our market share in Europe, consolidating on our improving performance in key growth markets and achieving higher business returns by targeting fast growing companies.

This is a high level strategy document and work will go on after publication. IDA Ireland's successes in winning FDI are supported by the efforts of others, particularly the wider Government system and our own client base, who were widely consulted as part of this strategy.

That client base is diverse and ever changing. The IDA Ireland client companies based in Ireland are an extraordinary collection of enterprises, who have shown over recent years great resilience and durability.

Most of them are trendsetters in their sectors and many do their most innovative work out of Ireland. From new microchips to blockbuster drugs, IDA Ireland client companies constantly stay ahead not just in the international business landscape, but also within the structure of their global parent companies.

IDA Ireland itself must stay ahead in future years and there is no doubt that the best way to ensure this is for us to listen carefully to our clients, a process that helped shape this strategy.

We have developed a strong national competency in attracting FDI to Ireland. As a result the ambition in this strategy is an unapologetic one - for the benefit of Ireland to make IDA Ireland the most successful Investment Promotion and Development Agency (IPDA) in the world.

Ireland has been enormously successful in generating investment from overseas companies and will continue to build on that success - "Winning" through this new strategy.



Martin Shanahan  
Chief Executive Officer



Frank Ryan  
Chairman





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# Introduction

## Developing the Strategy

IDA Ireland's strategy, **Winning**: Foreign Direct Investment 2015-2019 was developed in the context of the Department of Jobs Enterprise and Innovation's (DJEI) policy statement on FDI and with extensive input from clients, stakeholders, the IDA Board, management and team members. As part of this process an analysis of existing markets, sectors and new areas of potential was undertaken, as well as a thorough examination of Ireland's value proposition for Foreign Direct Investment (FDI).

The resulting recommendations were further developed and refined by the Executive Leadership team and Board, and stress tested with existing and potential clients and stakeholders as part of a focused programme of engagement.

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## **Global Outlook**

IDA Ireland's new strategy is being launched as the world economy is still recovering from the impact of the Global Financial Crisis. While countries face varying challenges in the short term, growth is expected to return to a stable path by 2016, albeit at a lower rate than was expected at the beginning of the crisis.

The US economy is strengthening and is expected to maintain its position as Ireland's key contributor of FDI flows over the coming years. Europe is also progressing, although with more significant challenges over the short term.

However, despite most countries following a steady path to recovery, a shock could occur in a major economy leading to an economic reversal. Issues still remain regarding the strength of recovery throughout the world, while growing geopolitical tensions also have potential growth implications.

Economic uncertainties aside, the changing pattern of FDI also provides challenges as well as opportunities. An increasing share of FDI is now originating outside Ireland's traditional markets of the US and Europe, where Ireland has a lower profile. It is also a notable feature of these 'new' regions that mergers, acquisitions and partnering are often a favoured route for expansion rather than direct investment.

Competition is also intensifying as an increasing number of countries focus on FDI to provide an additional source of economic activity. Hence, more countries than ever are ramping up their efforts to develop attractive FDI offerings. This is being achieved through a range of options, such as the easing of investment restrictions and improvement of incentives offered.

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With the market becoming more complex and competitive than ever, Ireland needs to ensure it maintains and, indeed, improves upon its FDI proposition to deliver on our ambition.

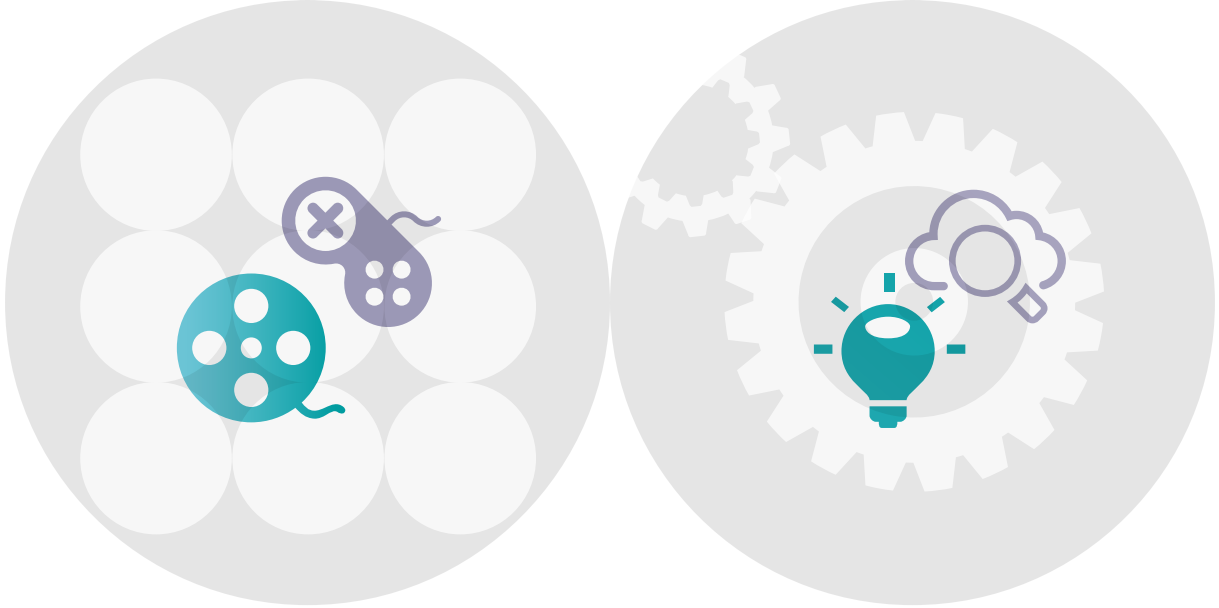
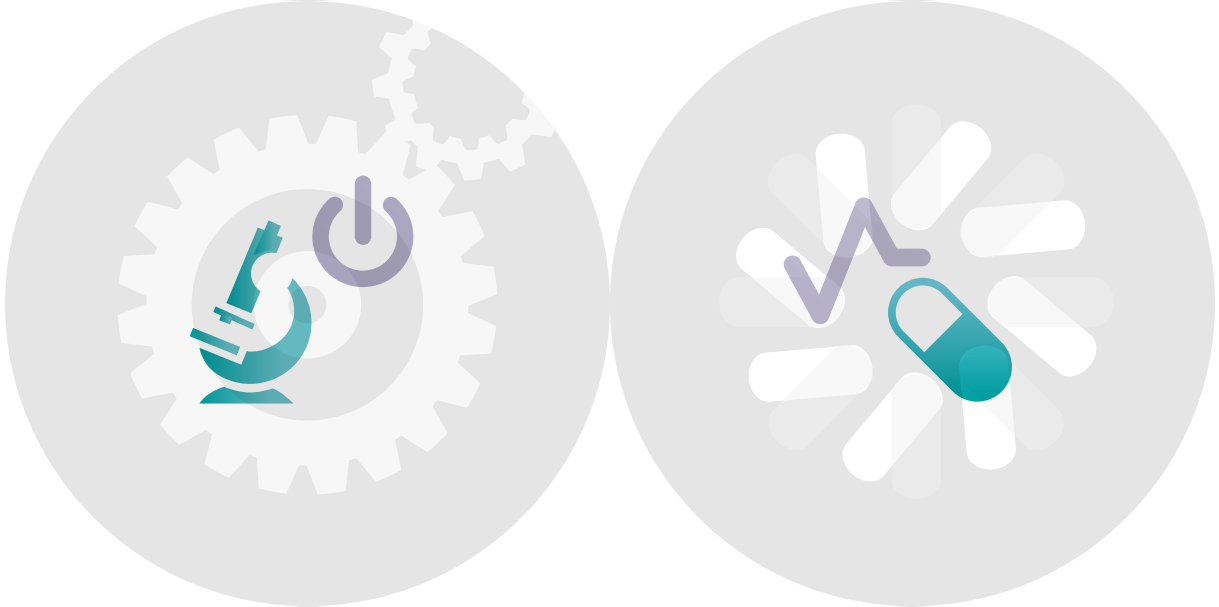
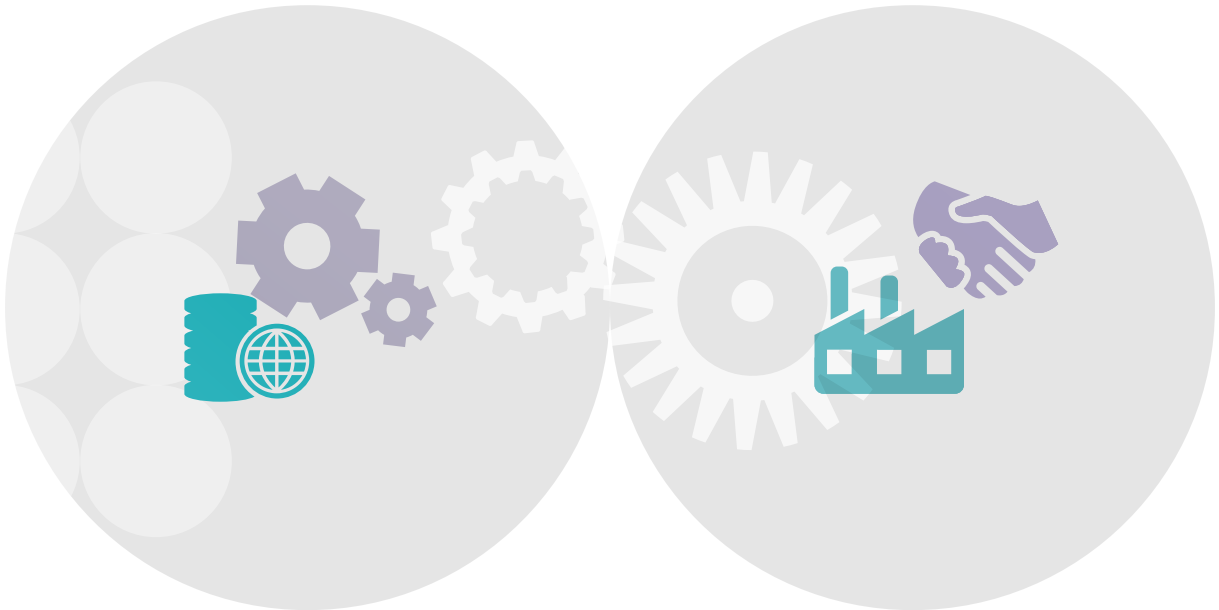
## **Our Ambition**

IDA Ireland is focused on maximising Ireland's FDI performance and playing a significant role in delivering on the Irish Government's goal to have full employment by 2018, and ensuring sustained growth over the coming decade.

In order to achieve this, IDA Ireland will build upon its successful performance over the past five years, which was achieved despite significant global pressures. During this time the total number of people employed by IDA Ireland client companies increased to over 174,000. Over the lifetime of this strategy IDA Ireland will focus on facilitating the growth of IDA client employment to 209,000 by 2019.

## **Continuous Development**

This document outlines at a high level the strategy of IDA Ireland for 2015-2019. Given the competitive nature of our work, much of the detailed analysis and plans are not included. IDA Ireland continually reviews and refines its strategy to reflect the impact of global drivers of change. IDA Ireland will formally review this strategy at its midpoint in 2017.



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# The Contribution of FDI

## Economic Impact

The FDI sector has been an important contributor to Ireland's economic performance over the past several decades. During this time period, IDA Ireland's client base has continually evolved as new sectors and areas of activity emerged while some others declined. FDI had an important impact on the economy throughout the worst years of recession providing critical support to GDP, employment and government revenue.

The impact IDA Ireland client companies have made on the Irish economy is highly significant. They are responsible for:

- Employing **174,448** directly
- Supporting an estimated **122,000** indirect jobs
- Exporting **€124.5bn** in goods and services
- Paying **€2.8bn** in corporation tax
- Spending **€1.4bn** on research and development annually.

Table 1 | Irish Economy Impact of FDI 2009-2013

€bn	2009	2010	2011	2012	2013	% change 2009/2013
Exports	100.9	105.3	116.1	122.0	124.5	23%
Irish Economy Expenditure	17.8	17.8	19.8	20.7	22.4	26%
Payroll	7.4	7.4	7.8	8.0	8.5	15%
Irish Materials	1.6	1.7	2.0	2.4	2.6	58%
Irish Services	8.7	8.7	10.0	10.4	11.3	30%
No. Employed in R&D	8,533	8,848	9,993	10,604	11,522	35%

Source: DJEI Annual Business Survey of Economic Impact 2015

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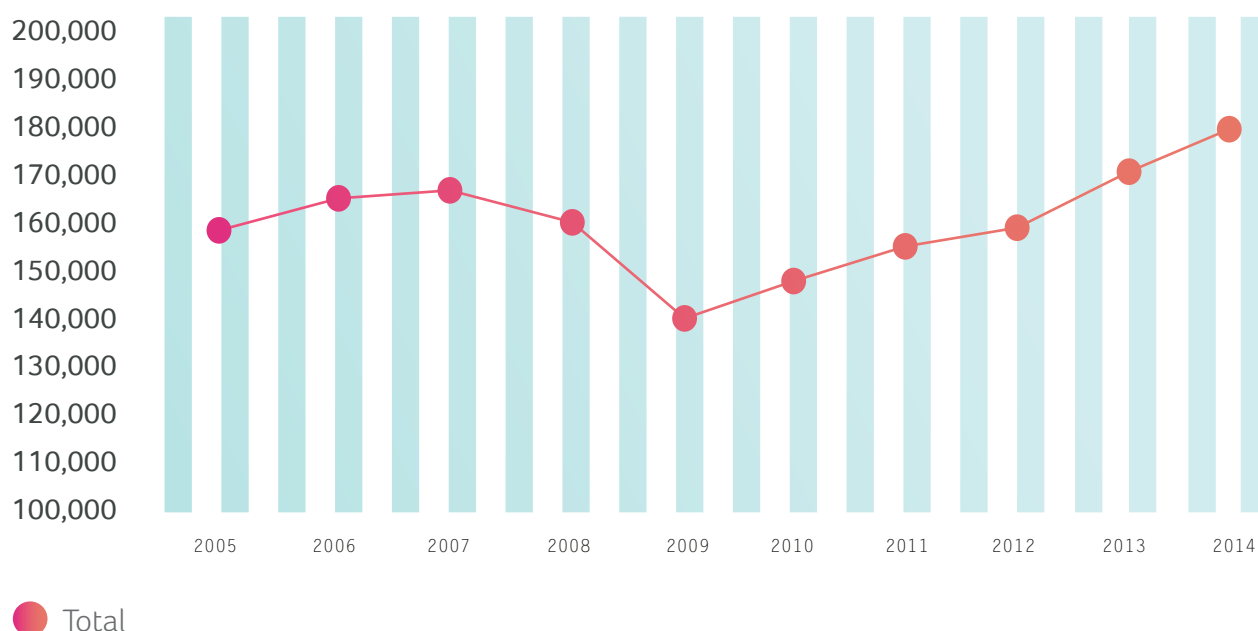
IDA Ireland client companies contribute **€22.4bn** in direct expenditure in the Irish economy providing an important source of demand for Irish companies. This is made up of:

- **€11.3bn** on Irish services
- **€ 2.6bn** on Irish materials
- **€ 8.5bn** on payroll.

With a total of 174,448 people directly employed, IDA Ireland client companies are highly significant employers and represent 29% of employment in equivalent sectors of activity<sup>1</sup>.

Taking into account the multiplier effect, an estimated 296,500 people are directly and indirectly employed in IDA client companies<sup>2</sup>.

Figure 1 | IDA client employment in manufacturing and services companies



Source: DJEI Annual Employment Survey, 2014

<sup>1</sup> (i.e. excluding sectors dominated by domestically focused services. Includes NACE sectors B – E, J, K – N)

<sup>2</sup> Employment multiplier of 1.7 (Indecon, 2010)

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## **Future Success**

Increasing globalisation, geopolitical influences and technological developments have resulted in a worldwide FDI portfolio that is in a constant state of transformation. This presents challenges and opportunities, which Ireland has proven adept at managing over many years. Ireland has developed an enviable track record, which the Irish Government and IDA Ireland is committed to building upon.

New sectors will emerge, some existing sectors will thrive and others will decline. The past ten years alone have witnessed many such changes. We have seen Global Business Services develop into a key driver of FDI. Meanwhile, the Manufacturing sector has been transformed with the reduction of lower value-add activities and a new focus on high value-add Manufacturing and R&D.

Ireland's future FDI success will require bolstering existing sectors, exploiting new opportunities and replacing declining activities. However, regardless of its exemplary track record, investments will be hard won in existing sectors and even more so in new ones.

Long-term investments made by Government in areas such as infrastructure, education and technology have underpinned Ireland's highly successful FDI endeavours to date. These investments created the environment that enabled IDA Ireland to drive the growth of new sectors and areas of activity. A continued focus on investment in skills, property and infrastructure as well as competitiveness, is required if Ireland is to replicate its past successes in FDI into the future.





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## What Success will look like

### **Mission**

IDA Ireland partners with multinational companies to win and develop foreign direct investment, providing jobs for the economic and social benefit of Ireland.

While Ireland continues to outperform its competitors in attracting FDI, its success can never be taken for granted. So, before preparing this new strategy, IDA Ireland went back to basics and revisited its core mission – to partner with others to attract FDI to Ireland. This clear and simple statement underpins everything we do.

### **Vision**

IDA, for the benefit of the people of Ireland, will be the best and most successful Investment Promotion and Development Agency in the world.

Ireland's success in the attraction of FDI to date will be built upon and surpassed, and the impact of that investment maximised over the lifetime of the strategy. IDA will help to foster a strong mutually supporting enterprise base where multinationals partner with Irish enterprise.

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## Values

In our drive to be the best and most successful IPDA we will continue to uphold and embrace the following core values:

**Passion for performance and achievement:** IDA Ireland sets and achieves ambitious goals in the very competitive and dynamic arena of FDI.

**Public service:** IDA Ireland takes pride in delivering jobs and investments. We collaborate and partner with other public bodies to deliver our mission while contributing to theirs.

**Professionalism:** IDA Ireland is dedicated to understanding the needs of leading-edge clients and delivering timely, commercial and innovative solutions. We place integrity, trust, fair treatment and responsiveness at the heart of this dedication.

**People:** IDA Ireland values the competence, dedication and commitment to excellence of its people. We value diversity. We are continually focused on making IDA Ireland a great place for staff to work, develop and succeed.

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## Targets

In order to deliver on our mission we have set the following ambitious targets for the next five years. These targets are based on a detailed assessment of the global FDI marketplace, the outlook for sectors, the factors influencing Ireland's ability to win job creating investments and our past performance.

### Win **900 new investments** for Ireland:

- These investments will be a combination of new name investments and expansions from existing overseas companies in Ireland
- These investments will be won for each region in Ireland in partnership with regional stakeholders
- The target of 900 represents an increase of over 40% on the 2010-2014 target of 640 investments

### Support our clients in creating **80,000 new jobs**:

- We will support clients in creating 80,000 new jobs from 2015 to 2019; a 29% uplift on the 2010 to 2014 target
- It is inevitable that there will also be job losses in the portfolio over the strategy. IDA will work with clients to minimise these losses to deliver a minimum of 35,000 net new jobs; a 40% uplift on the 2010 to 2014 target
- This will increase employment in the client portfolio from 174,448 in 2014 to 209,000 by 2019.

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We will **grow market share** and help maximise the impact of FDI investments:

- We will grow our portfolio of client companies from 1,195 in 2014 to 1,350 in 2019
- We will win a greater share of investments made by European and Growth Market FDI companies.
- We will win a cumulative €3bn in new RD&I investment projects, including in-house and collaborative RD&I projects with companies and universities by 2019, and encourage 120 additional companies to engage in R&D across the FDI portfolio
- We will target an increase of 20% in Irish economy expenditure from €22.4bn in 2013 to €26.8bn by 2019

These investments include the full range of client activities

**Expansion investments:** job creating or capital intensive project's from existing client companies in new areas of activity

**New Names:** initial job creating investments from client companies that have not invested in Ireland previously

**Research and Development:** investments by client companies in standalone or collaborative R&D activity in Ireland

**Skills uplift:** investment in skills uplift in client companies to secure existing and win new business

**Environmental Investments:** investments by client companies to reduce the environmental impact of their operations and increase competitiveness

Table 2 | 2015-2019 Targets

	Target (2015-2019)	Uplift
Investments	900	41%*
Gross Jobs	80,000	29%*
Net Jobs	35,000	40%*
Portfolio of Companies	1,350	13%**
Cumulative R&D Spend	€3bn	20%**
Irish Economy Expenditure	€26.8bn	20%***

\* 2015-2019 targets compared to 2010-2014 targets

\*\*New Metrics – 2019 target compared to 2014 base

\*\*\* New Metrics – 2019 target compared to 2013 base (latest available)





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# Delivering our Ambition

## Targeting Opportunities

While IDA Ireland targets a number of broad global regions currently, the majority of our business originates from US multinationals servicing the European or EMEA market.

### North America

The US continues to be the largest single investor in Ireland, accounting for over 70% of investments won since 2010. Competition for US FDI in Europe is intense.

### Europe

Europe is our second largest market accounting for 20% of investments won by IDA since 2010. While the market is challenging given uneven recovery from the downturn, significant opportunities remain.

### Growth Markets

These growth markets<sup>3</sup> have become central sources of and destinations for global FDI flows, with Asia in particular becoming a key player. IDA Ireland has put additional resources into this market over the past five years and has seen good results with 'New Name' investments rising from 4% in 2010 to 20% in 2014 and on average accounting for 10% of total investments.

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<sup>3</sup>India, China, Singapore (ASEAN – including Malaysia, Thailand, Philippines, Indonesia and Vietnam), South Korea, Japan, Australia/NZ, Russia, Brazil, Israel and South Africa

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To continue to take advantage of opportunities within its core and growth markets IDA Ireland will:

- Maintain focus on North America as its key market
- Target growth in market share in Europe
- Consolidate progress made and increase returns from key Growth Markets while exploring future opportunities
- Increase the focus on winning new FDI client companies and bring first-time investments to Ireland.
- Continue to target Emerging Companies

## **Investment Opportunities**

While IDA Ireland will maintain its current sector focus, supported by detailed sectoral strategies, it will also look towards new sources of FDI.

## **Global Business Services**

The number of people employed in IDA client companies in the services sector has grown by 32% since 2010.

The global explosion of the Business Services sector has been empowered by rapid technological developments, which have allowed traditional services, such as financial and globally traded business, to be dispersed worldwide and new categories of service activities to develop.

There are opportunities for growth right across the portfolio as new business models emerge from disruptive technology developments, the rapid adoption of social media and new regulations around the management of data.



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## High-Value Manufacturing

High levels of productivity and a deep talent base have endowed Ireland with major strengths in manufacturing. This is reflected in the size of the sector, which accounts for 23.3% of GDP (well above the EU average of 15.1%<sup>4</sup>).

Within the IDA Ireland portfolio there are currently 80,760 people employed in manufacturing companies, the majority of which (88%) are located outside Dublin. Since 2010 employment in the sector has increased by 6.5%, with the main drivers being Medical Technologies (14%), Computer and Electronic Equipment (6%) and the Chemicals sector (5%).

IDA Ireland is putting a significant emphasis on manufacturing in our new strategy. As part of this focus we will deepen our relationship with our manufacturing clients to: support the training and upskilling of staff; incentivise research and development in both product and process; and assist Irish sites in winning new expansion investments from their parent companies.

We will also continue to work with stakeholders across the government system to ensure the ecosystem is supportive of manufacturing in areas such as infrastructure and energy.

## Existing Sectors

A critical element of IDA Ireland's new strategy will be a continued strong focus on the traditional key sectors of:

- |                       |                       |
|-----------------------|-----------------------|
| • Technology          | • Medical Devices     |
| • Media & Content     | • Engineering         |
| • Business Services   | • Ingredients         |
| • Bio Pharmaceuticals | • Financial Services. |

<sup>4</sup>(European Commission, 2014)

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IDA will continue to help support these sectors to thrive, by winning new investors, as well as partnering with clients to explore and develop expansion opportunities and drive investment in R&D.

## Convergence Opportunities

Many exciting opportunities exist at the point where the sectors in which we have existing strengths converge and intersect. Given Ireland's scale and the strength it has in these sectors, IDA believes there is significant scope to capitalise on these opportunities. The rapid growth of technology is seeing a wave of new opportunities which Ireland is perfectly positioned to exploit. Trends towards Cloud, Social, Mobile and Analytics have the potential for disruption across many existing sectors. IDA Ireland will work with our clients to capitalise on these opportunities and maximise investment. Key sectors impacted by advances in technology that hold extensive opportunities include:

- Internet of Things
- Big Data
- Security Biometrics
- Smart Ageing
- Portable Services
- Sharing Economy
- Financial Technology

## New Forms of Investment

IDA Ireland will be looking to other sectors to widen the flow of investment into Ireland as the FDI sector changes, expands and develops over the next five years.

Key targets over this time period will be:

- Marine Economy
- Investments linked to Infrastructure
- Property FDI
- Arts and Culture
- Energy Services

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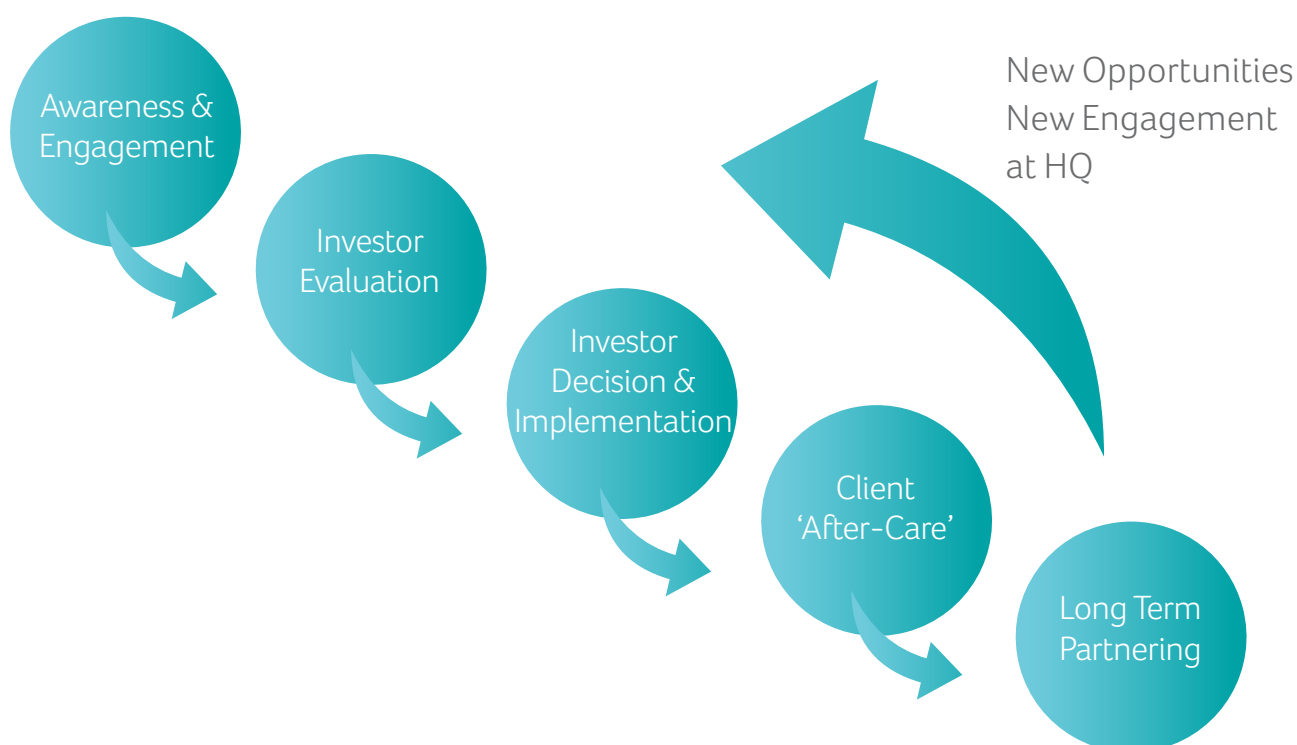
## Client Focus

A key differentiator of IDA Ireland's FDI offering is its ability to respond to client needs efficiently, effectively and ahead of competitors. We act as a partner to existing and prospective client companies in the implementation of their strategic objectives. This spans the entire FDI process, from their initial awareness of Ireland as a location to invest in, through the full decision-making process, to the start up of their operations and beyond. IDA Ireland will continuously improve and promote its service offering to clients. This will help strengthen its position as a competitive and well-differentiated investment promotion and development agency (IPDA).

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Figure 2 | How IDA Ireland Partners with Leading Multinational Companies

Phases of Development



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## Raising Awareness

IDA Ireland is in constant contact with key decision makers in companies across the globe to raise awareness of Ireland as a location for FDI. Specific executives in potential client companies operating in our key sectors are targeted directly by our global office network and indirectly through international marketing.

## Instilling Confidence

IDA Ireland supports clients and potential clients and provides certainty around all aspects of operating a business in Ireland. This is achieved through the provision of support and information, including tailored site visits.

## Developing the Business Case

IDA Ireland partners with companies helping them develop the business case for investment in Ireland. It also works hand-in-hand with companies to identify property and office solutions, particularly in regional locations.

## Financial Support

For companies that make the decision to invest, IDA Ireland provides financial support in the form of employment, capital, R&D, environmental or training grants within EU state aid rules.

## Ongoing Supports

Once a company invests in Ireland they are provided with a range of supports from IDA Ireland on an on-going basis. These include acting as a key contact for networking opportunities and connections with public bodies, Irish firms and multinational companies.

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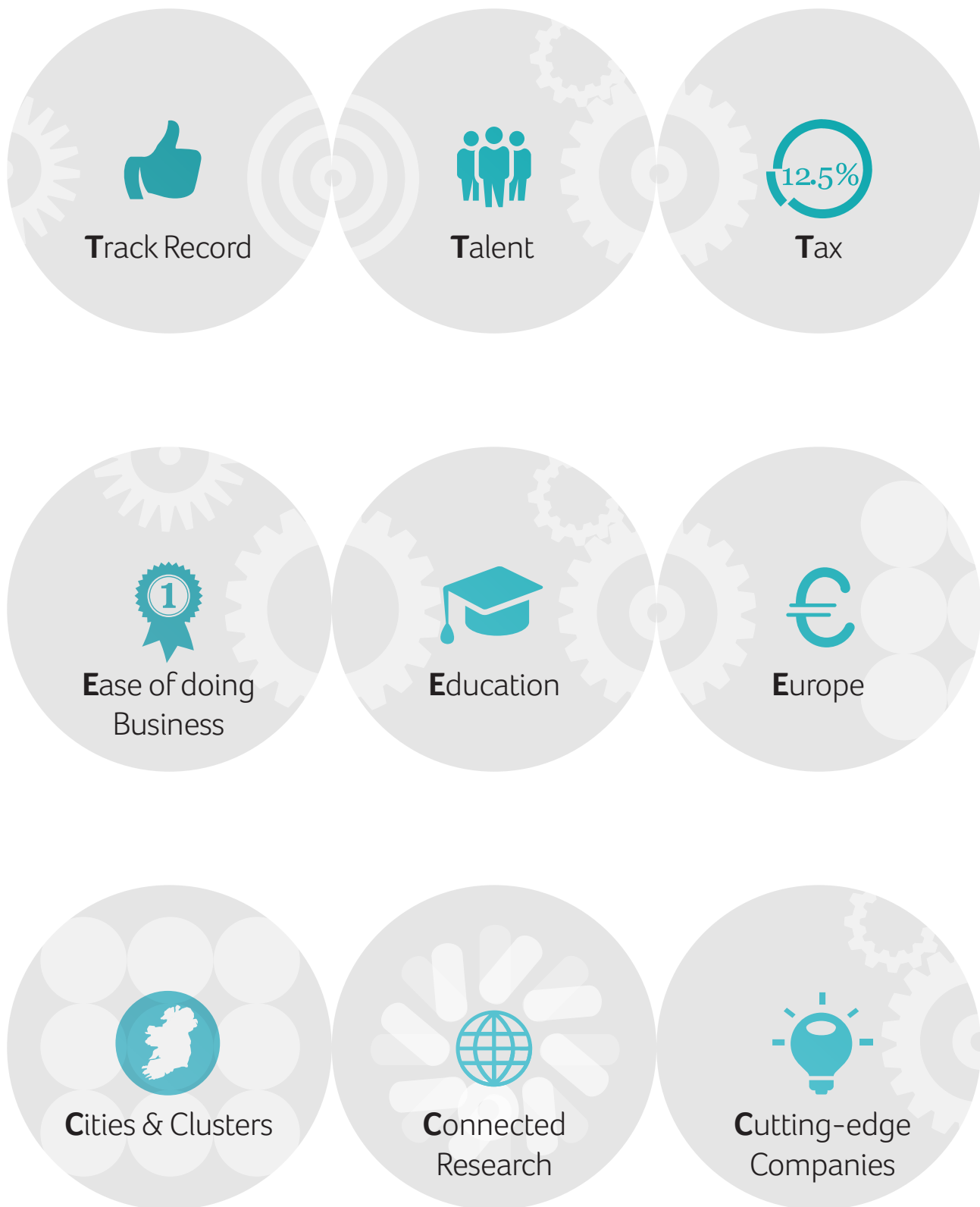
## Strengthening Relationships

With approximately 70% of FDI investments on average coming from existing clients, developing long-term partnerships is a crucial area of focus for IDA Ireland. We continue to work with clients to assist them in continually improving and transforming their Irish operations and identifying new areas of opportunity.

As part of our commitment to developing and strengthening our relationships with both potential and existing client companies, IDA Ireland will:

- Enhance current grant offerings
- Continue to expand its network of overseas executives
- Partner with public and private sector organisations, including Science Foundation Ireland (SFI) and Enterprise Ireland (EI) to invest in infrastructural projects that will support advanced manufacturers in Ireland
- Use innovative digital marketing technologies to promote Ireland for FDI
- Support more multilateral engagement between IDA Ireland client companies
- Broaden the package of supports available to companies for transformation
- Work with sister agencies, including SFI and EI, to enhance the range of supports for companies to engage in R&D on a standalone and collaborative basis.

Figure 3 | Ireland's Value Proposition



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# Ireland's Value Proposition

## **World Class Value Proposition**

Almost every aspect of a country, from its infrastructure through to its quality of life, is key when it comes to the decision-making process behind choosing a location for FDI.

Ensuring Ireland's continued attractiveness for FDI will require a stable macroeconomic environment and support for the consistent pro-enterprise policies behind Ireland's success to date. These include:

- A competitive corporate tax regime
- High-quality education and skills development
- Innovation
- Openness to trade
- Development of a safe, stable and attractive living and working environment
- Property availability
- Competitiveness.

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## **Supporting the FDI Agenda**

There are many factors that contribute to Ireland's competitiveness. Preserving and improving these framework conditions is an essential starting point for the next phase of our development as a destination for FDI.

The Action Plan for Jobs (APJ) has ensured a strong focus by Government on the timely implementation of key policies to support enterprise. This has acted as an important coordination framework for the past three years. IDA Ireland will proactively identify current and future policy issues that have the potential to impact FDI investments. We will work with the Department of Jobs, Enterprise and Innovation (DJEI) and others through the APJ process to ensure they are addressed in a timely manner.

The research undertaken while developing our new strategy has highlighted the need for some more specific interventions, which we will ask the Government to prioritise as part of our implementation plan.

Ireland's tax offering remains competitive. It is important that the proposed Knowledge Development Box (KDB) is successfully designed and implemented. The KDB will be part of Ireland's suite of measures to incentivise companies to develop new technology in Ireland. This will help support IDA Ireland's efforts to persuade more overseas companies to undertake R&D and innovation activities in Ireland.

In an internationally competitive environment, companies and people look at the total tax burden when deciding to invest or relocate. Ireland needs to be competitive in relation to personal taxation rates. In order to ensure that we can continue to compete to attract and maintain the best talent, the government should continue to reduce the personal tax burden, as budgetary arithmetic allows.



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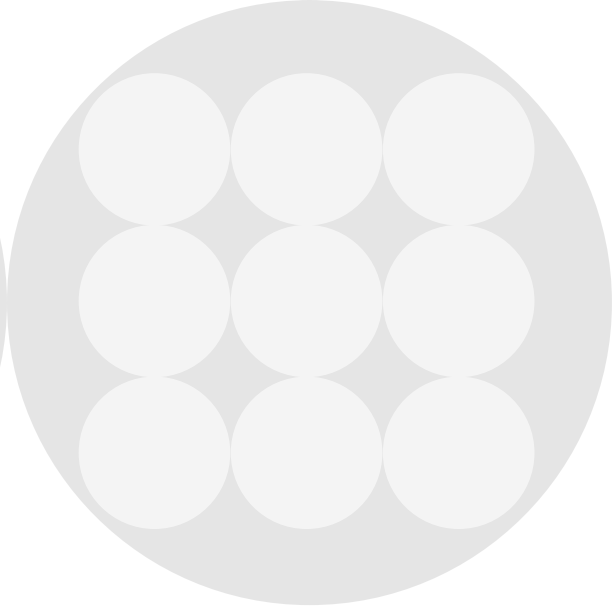
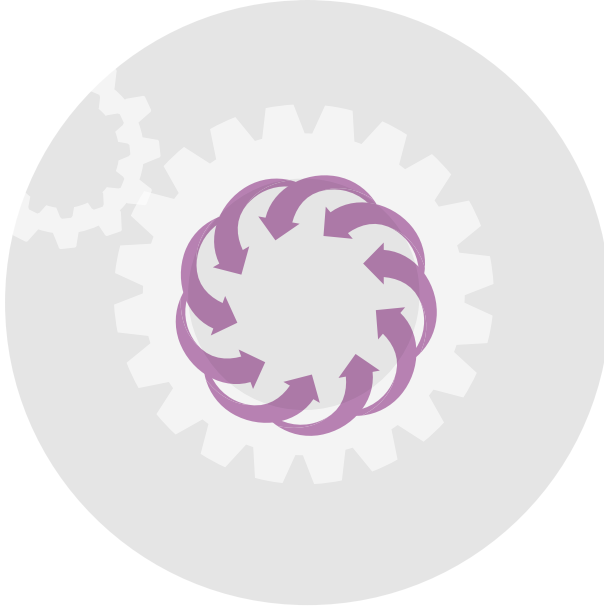
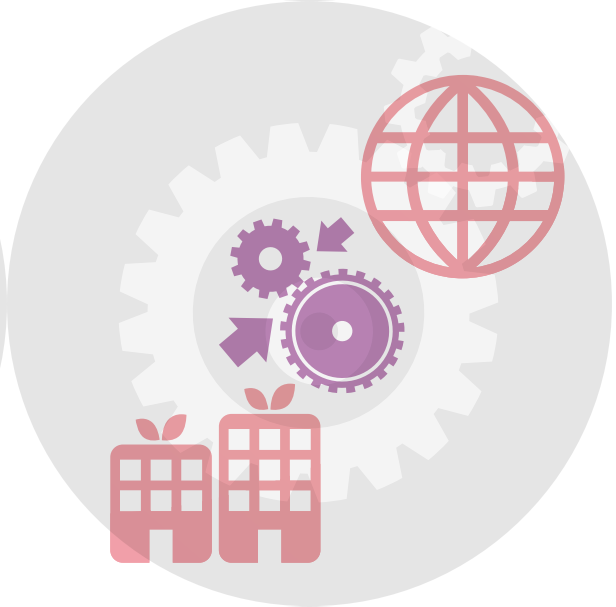
The availability of talent will be the key differentiator for locations to win FDI in the future. Existing investors are unanimous in their praise of the quality and commitment of the people they can hire in and attract to Ireland. This is a critical aspect of our value proposition and we must continue to improve it through a focus on: education, skills, labour activation, re-training, and visa/work permit programmes. IDA Ireland also supports the important recommendations of the Expert Group on Future Skills Needs (EGFSN) around the ongoing development of our base of technology skills<sup>5</sup>.

A robust, sophisticated, balanced and clear regulatory framework is central to the attraction of high-value FDI investments in areas as diverse as Life Sciences, Finance, Manufacturing and data-driven Services activities. IDA will work with the relevant Government Departments to ensure that the regulatory system is fit for purpose across these diverse areas including: data, intellectual property, finance, energy and water.

Following the challenges of the past five years the Irish economy looks to be on a firm path. It is important in this context that a return to sustained growth does not erode competitiveness.

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<sup>5</sup> Addressing Future Demand for High Level ICT Skills & ICT Action Plan



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# Investing Throughout Ireland

## Driving Investments

Regional development is a major component of IDA Ireland's new corporate strategy. For the first time ambitious investment targets have been set for each region, with a strong focus on securing an increased share of investments. Central to this is a strong ambition for employment growth throughout all regions over the lifetime of the strategy.

IDA Ireland is targeting a minimum increase in investment of 30% to 40% in each region outside Dublin, with Dublin continuing to attract similar high investment levels as before.

Competition for FDI is intense and global, with virtually every country in the world actively seeking new FDI investments. Consequently, investors have many attractive location options to choose from – countries, regions and cities. IDA Ireland has a long and credible track record of presenting potential investors with the best location options throughout Ireland for each client. We actively incentivise and encourage Investors to consider a range of potential locations in Ireland, however, the ultimate locations selected are always decided by our clients, not by IDA Ireland.

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## **Regional Value Proposition**

Clear trends are evident in the demands of FDI investors in selecting locations, including: regions of scale with appropriate urban centres, supply of skilled people, international connectivity, energy infrastructure, telecommunications, R&D capabilities, sub-supplier and services infrastructure.

While FDI cannot form the sole economic development strategy for a region, it can play a huge role in increasing economic activity and reducing unemployment. However, winning such investments are a challenge and will require a concerted and continuous effort by all national and regional stakeholders. This will require greater co-operation, collaboration and integration to develop and present the strongest possible proposition to existing and future potential investors.

The new Regional Action Plans for regional development, announced by DJEI will provide a structure for all the stakeholders in each region to work together in a collaborative manner to maximise future FDI investment potential, in conjunction with other economic development objectives such as indigenous industry and tourism. IDA Ireland has set new and ambitious FDI targets for every region in the country which we view as collective targets for the stakeholders in each region to work together to achieve.

## **Cities and Urban Centres**

There is an increasing trend of FDI locating in larger urban areas. Dublin is an international-scale city and, as such, has a key role in attracting investment. It is critical that the planning and development of Ireland's capital city creates a world-class urban area that continues to attract not only international investment but also international talent.

Ireland has a large number of attractive cities and towns that have a proven ability to attract FDI. These urban centres will play an important part in attracting FDI to all regions.

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## Winning in the Regions

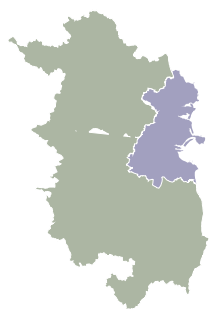
IDA is targeting a minimum 30% to 40% increase in the number of investments for each region outside Dublin. These targets have been developed taking into account the key factors crucial to attracting and retaining FDI, namely:

- A critical mass of population and urban centres
- The ability to attract and develop appropriate skills (talent)
- The existence of clusters in specific industry sectors/activities
- Alignment with the IDA global team's targets for the sectors, geographies and new opportunities
- Regional infrastructure and place-making, including social and cultural capital
- Availability of property solutions and those planned over the short, medium and longer term of the strategy.

These investments will be a combination of new name investments, expansions from existing overseas companies in Ireland and R&D investments.

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## Regional Snapshots



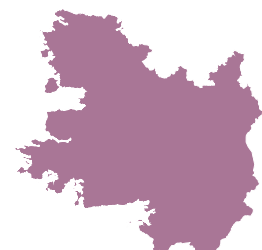
**Dublin & the Mid-East** (Kildare, Meath and Wicklow) have benefitted from a high concentration of FDI. Dublin, as the capital city and the main population centre in Ireland acts as a major attractor of FDI for Ireland and its regions. The Mid-East hosts a number of investments of significant scale in the Technology and Pharmaceutical sectors. Client companies in the two regions collectively employ 84,995. Over the past five years IDA Ireland secured 450 investments in these two regions. There is a diverse range of companies within the two regions which span the entire range of sectors within the IDA portfolio. Dublin and its hinterland is also home to arguably the strongest technology cluster in Europe. IDA will strive to achieve the same high level of investment into Dublin over the lifetime of the new strategy. In addition, IDA will aim to increase investment into the Mid-East by 30% to 40% in line with other regions.



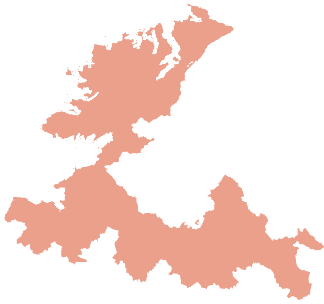
The **South-West** (Kerry and Cork) has a total of 30,419 people employed in IDA client companies. The region has a strong cohort of companies across all sectors with particular strengths in pharmaceuticals, technology and engineering. From 2010 to 2014, IDA won 107 projects for the South-West. A 30% to 40% uplift in projects would result in 139 to 150 projects for the region.



IDA clients in the **Mid-West** (Limerick, Clare and North Tipperary) employ 14,575 people. The Mid-West has a rich cluster of ICT and Medical Technologies companies. Over the past five years (2010-2014) IDA has secured 51 projects for the Mid West region. A 30% to 40% uplift in projects would result in 66 to 71 investments for the region.



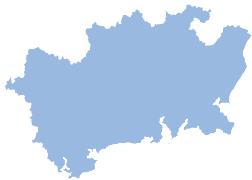
IDA clients in the **West** (Galway, Mayo, Roscommon) employ 18,652 people in leading companies in the ICT, Life Sciences and the services sectors. IDA Ireland secured 71 projects in the West from 2010-2014, a 30% to 40% uplift in projects would result in 92 to 99 projects for the region.



IDA Ireland secured 47 projects for the **Border area** (Donegal, Leitrim, Sligo, Cavan, Monaghan, Louth) over the past five years (2010-2014). Client companies in the region now employ 9,734, these include leading companies in the Engineering, Life Sciences, Financial and Services sector. A 30% to 40% uplift in projects would result in 61 to 66 projects for the region.



IDA Ireland won 19 projects for the **Midlands** (Offaly, Laois, Westmeath and Longford) from 2010-2014, client companies in the region employ 4,032 people in a range of sectors including: ICT, Life Sciences and Engineering. A 30% to 40% uplift in projects would result in 25 to 27 projects for the region.

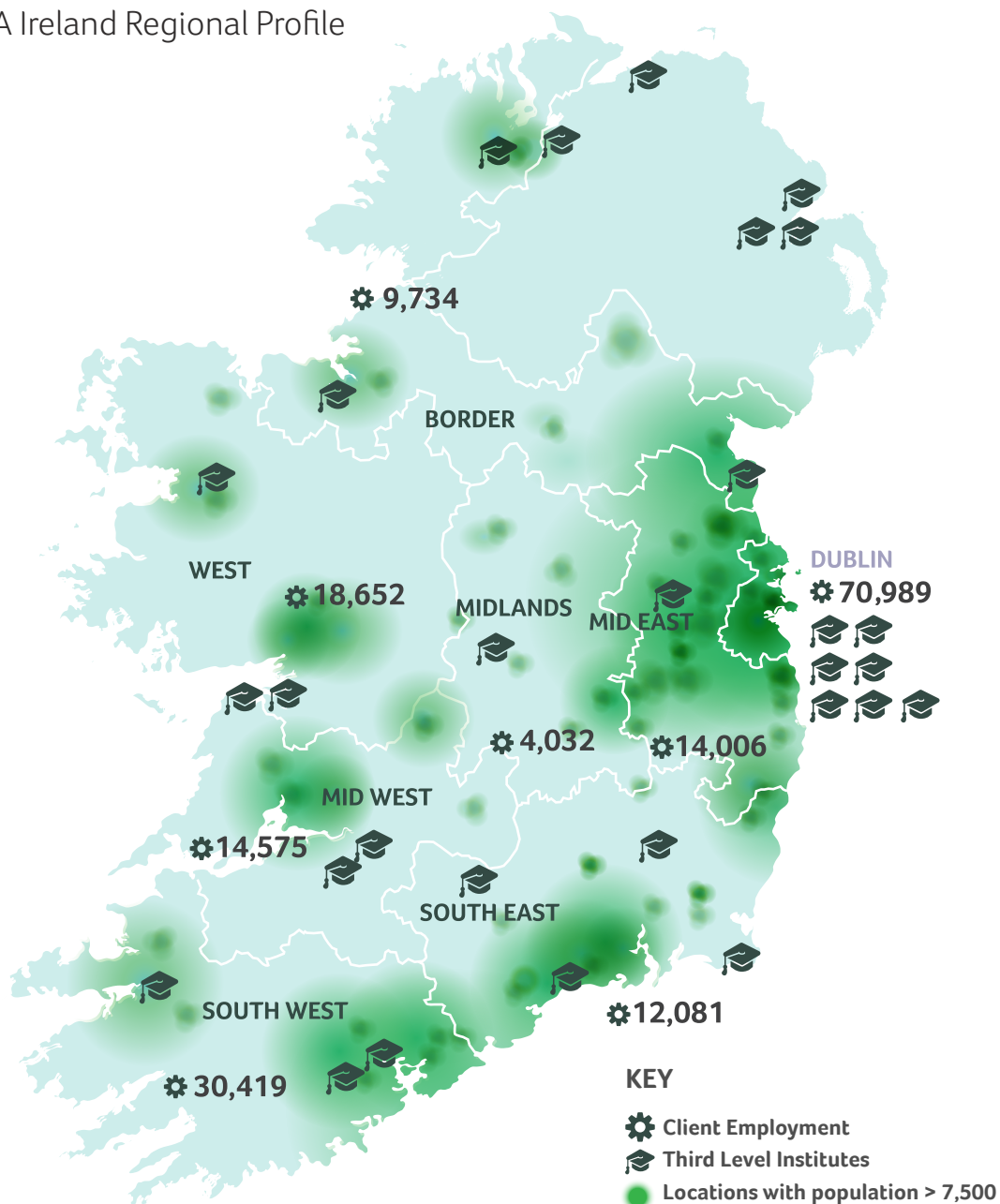


Over the period 2010-2014 IDA won 34 investments for the **South East** region (Wexford, Waterford Carlow, Kilkenny, and South Tipperary). There are currently 12,081 people employed by IDA clients in the region. in a range of companies, with particular strengths in Medical technologies. A 30% to 40% uplift in projects would result in 44 to 48 projects for the region.

In order to deliver on these ambitious targets IDA Ireland will:

- Work with public bodies and the private sector on regional action plans
- Work closely with existing clients to retain and strengthen their presence in each region through continued company transformation
- Increase Global Business Services and High Tech Manufacturing investments
- Align IDA business sectors with the regions and their corresponding strengths to develop sectoral ecosystems
- Work more closely with Enterprise Ireland and its indigenous base of companies to identify synergies, enhance clusters, participate in site visits and maximise benefits for the region
- Pursue new areas of opportunity for clients companies
- Develop appropriate property solutions through the provision of buildings and sites in designated regional locations
- Increase IDA Ireland's regional footprint to adequately support the regional strategy.

Figure 4 | IDA Ireland Regional Profile



## Property Solutions

International research strongly indicates the provision of appropriate, innovative and competitive property solutions, coupled with robust infrastructure and a developed property ecosystem, is a key driver behind winning FDI business.

IDA Ireland is committed to ensuring a good supply of suitable property solutions is available for FDI in regional locations and where the private sector is not delivering a solution, IDA Ireland will take a lead role in the delivery of new facilities.



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The Government, through DJEI has unveiled a five-year strategy aimed at accelerating the jobs recovery in every part of the country. The plan includes €150 million for an IDA property investment programme to attract foreign direct investment into different parts of Ireland over a five year period.

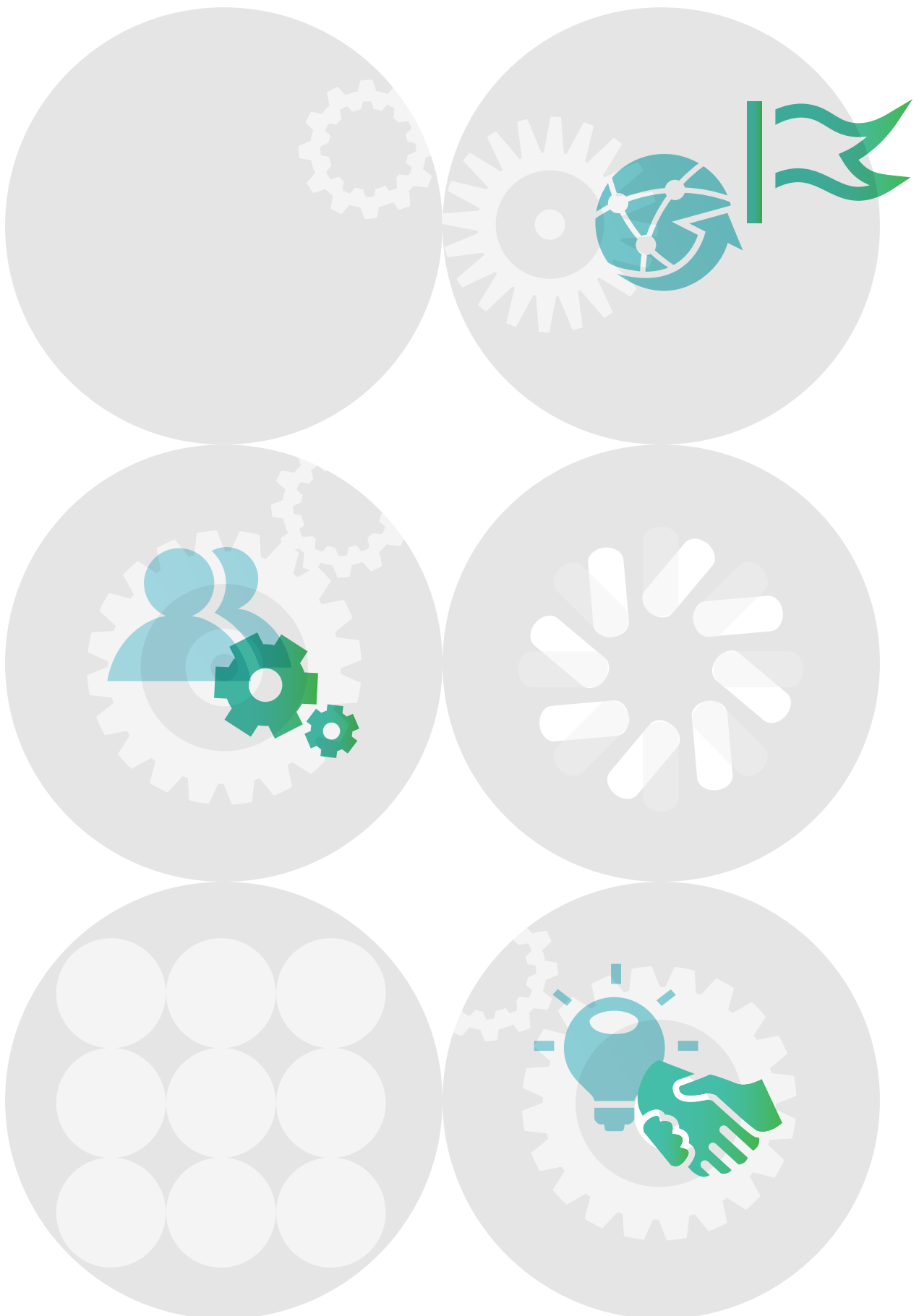
This investment will focus on the building of Advance Building Solutions (ATBs), infrastructure investment in a number of Utility Intensive Strategic site solutions and the upgrade of Business and Technology Parks within IDA's national portfolio.

The programme will build on recent investments by IDA in a number of Advance Technology Buildings in regional locations, with three more to begin construction this year at sites in Sligo, Castlebar and Tralee and further investments planned from 2016 onwards for Galway, Dundalk, Limerick, Athlone, Carlow and Waterford. The provision of Advance Building Solutions will account for approximately one third of the overall investment.

IDA will invest in the development of Utility Intensive Strategic Sites and related infrastructure provision. These site solutions are large specialised Greenfield sites which require significant capital investment in utilities (i.e. power, water, waste water, gas, telecoms). These site solutions meet the particular requirements of large scale capital intensive projects such as advance manufacturing in ICT, Life Sciences and Food sectors. The infrastructure planning and delivery for existing IDA sites together with the acquisition of new sites will commence this year. The provision of Utility Intensive Strategic Sites will account for approximately half of the investment programme.

IDA operates 30 regionally dispersed Business & Technology Parks (B&TP). The availability of developed and managed high quality B&TPs is a key component for winning FDI. IDA B&TPs are master planned to deliver a high quality business environment which support a campus environment for IDA and EI clients to establish and grow their respective business alongside other similar types of companies. Over the next 5 years, IDA will invest in the development and upgrade of these B&TPs.

Collectively these investments will be critical to the achievement of investment targets in all regions.



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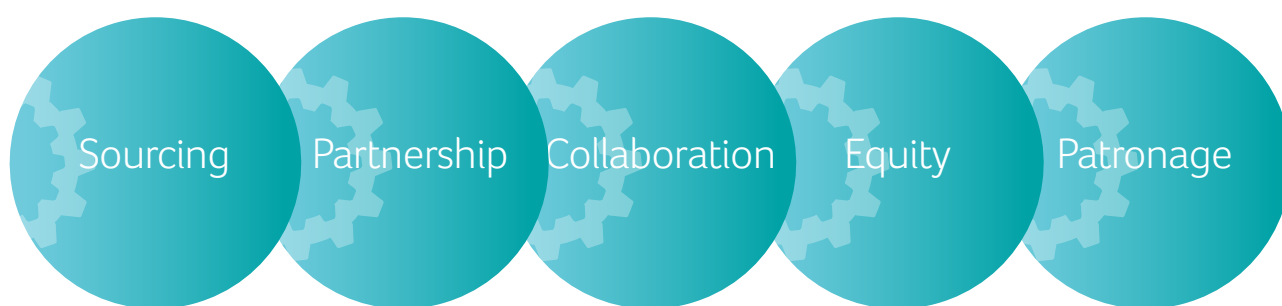
# The Role of Irish Industry

## Showcasing Irish Enterprise

It has become increasingly evident the capabilities and knowledge of Irish companies are highly regarded by international firms. This offers an array of potential opportunities, especially so given the extensive international networks of large Irish firms. These networks hold the possibility of new FDI opportunities in the form of global suppliers, partners, collaborators, technology developers and co-developers.

The touch points between multinationals and Irish companies span the full range of business interaction. Partnering can yield significant gains for both communities including new product offerings and a richer proposition, based on the full ecosystem. These gains in turn will positively impact on FDI spend in the economy.

Figure 5 | Touchpoints between Multinationals and Irish companies

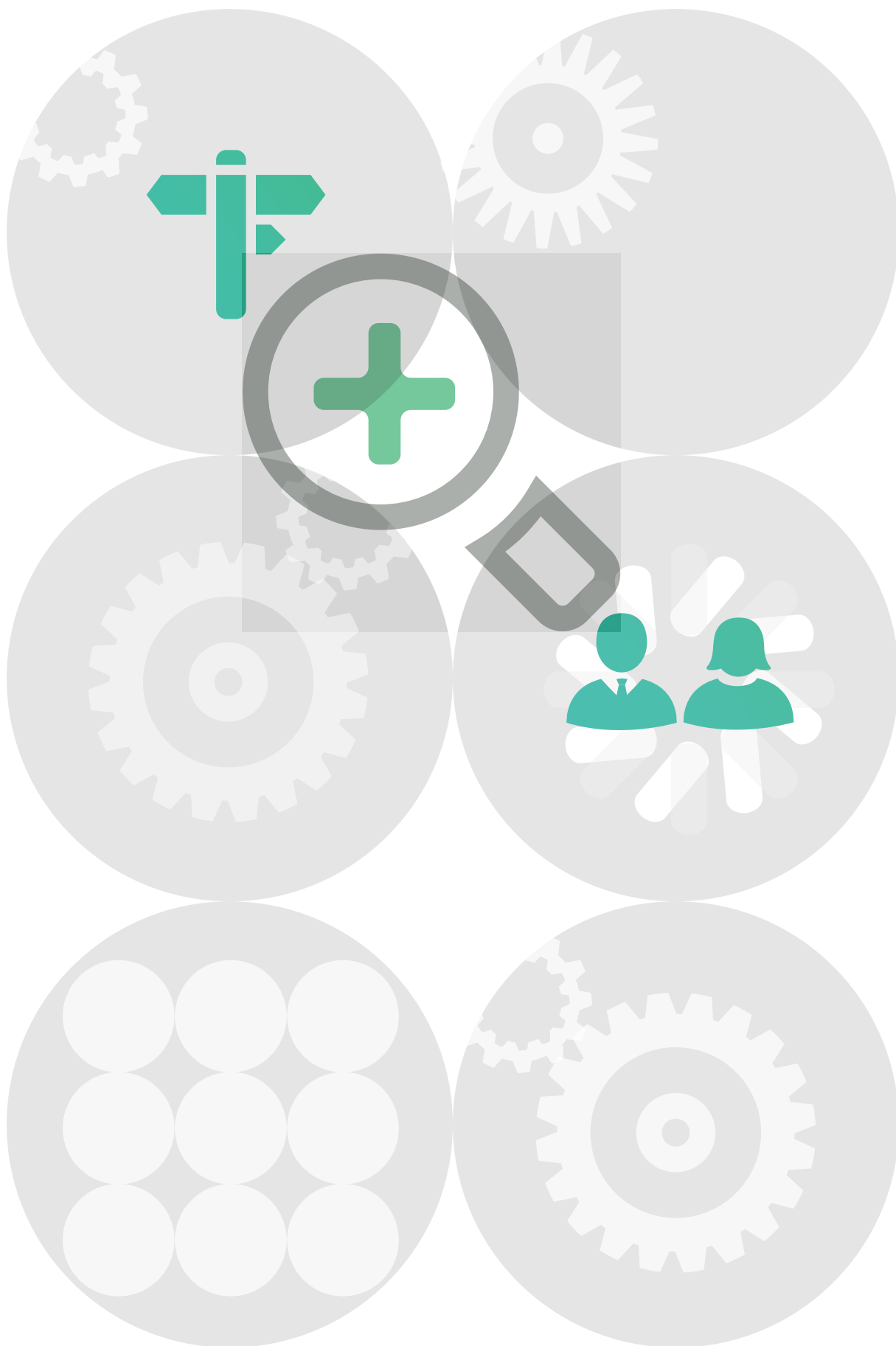


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Effective partnering between IDA Ireland and Enterprise Ireland (EI), the government organisation responsible for the development and growth of Irish enterprises in world markets, is key to realising these gains. In this context we are committed to:

- Showcasing the cadre of cutting-edge companies that is Irish enterprise
- Promoting interaction between overseas and Irish companies in research collaboration, business development and skills
- Introducing appropriate EI clients to overseas investors at an early stage, by encouraging them to take part in FDI site visits
- Developing joint enterprise strategies with EI for relevant sectors
- Deepening cross agency collaboration at a national and regional level, including: supporting the drive to increase EI client sales to the multinational sector; and managing joint networking events with SMEs, technology centres and multinationals
- IDA Ireland and EI will ensure that companies are seamlessly supported across their engagement with various Government agencies at different points during their lifecycle when investing in Ireland.





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## Partnering and Collaboration

### **Team-based Success**

In order to deliver its ambitious targets, IDA Ireland will pursue a progressive partnership agenda. This will not only enhance Ireland's competitive advantage for FDI, but will benefit the wider enterprise agenda.

The attraction of FDI to Ireland is a team effort involving both public sector bodies and private industry. While IDA Ireland has the lead role in packaging and presenting the national, regional and sectoral proposition to investors, it is very reliant on others across the Government and Private Sector to ensure that Ireland's propositions are supportive of the FDI agenda.

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## **Strengthening Relationships**

IDA Ireland operates under the auspices of the Department of Jobs, Enterprise and Innovation. We work closely with our sister agencies, Enterprise Ireland and Science Foundation Ireland.

We also interact with and depend on many Government Departments and public agencies. These both directly and indirectly support the work of IDA Ireland and help to create the right investment environment. IDA Ireland will continue to be proactive in supporting these mutually beneficial relationships through regular contacts and ongoing information sharing.

In order to continue to effectively pursue the important research agenda with client companies we will continue to work with SFI to identify new ways of supporting the research ecosystem.

In order to deepen market penetration in target markets where IDA Ireland currently has little activity and to pioneer work in new exploratory markets, we will continue to work with the Department of Foreign Affairs and Trade, Ireland's embassy network and other agencies. This will be spearheaded through Ireland's Local Market Team structure.

Professional advisors, commercial services firms and industry associations act as important advocates for Ireland as an investment location. IDA Ireland is committed to fostering ongoing collaboration with these bodies to help drive FDI in Ireland.



## Key Partnerships

IDA Ireland does not operate in a vacuum and the success of FDI in Ireland has been a collaborative effort. The key partnerships behind IDA Ireland's ability to attract FDI investment are as follows.

- 
-  Government Departments
  -  State Agencies
  -  Chambers of Commerce
  -  Local Government
  -  Industry Associations
  -  Companies
  -  Employer & Employee representative bodies
  -  Professional Advisors
  -  Regulatory Bodies
  -  Educational Institutions



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# Building Internal Organisational Capability

## Operational Excellence

IDA Ireland's vision is for the benefit of the people of Ireland, to be the best and most successful Investment Promotion and Development Agency (IPDA) in the world and this will be achieved through a focus on execution and excellence.

Our research has identified the following key differentiators for investment promotion activity:

- Client relationships and value
- Creating service particularly in aftercare
- Deep market knowledge and clear focus
- Collaboration, networking and cluster building
- Knowledge management
- Compelling online presence
- Clear measurement of key priorities
- Competent and motivated people

Awareness of these differentiators now inform every element of strategic endeavour undertaken by IDA Ireland.

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## New Initiatives

To support our vision we will initiate a number of strategic initiatives that will enable us to realise this ambition.

**Execution and Innovation:** We will introduce a programme to drive quality and operational excellence at all levels in the organisation.

**Corporate Strategy and Policy Group:** Building and delivering the value propositions will require IDA Ireland to partner more effectively across both the public and private sectors. We will work with a wide range of stakeholders to improve our value propositions to investors.

**Knowledge Management:** We will put knowledge management at the heart of our operations. IDA Ireland will maximise the use of CRM technology.

**Information Technology:** We will build our capability in the use of best-in-class IT systems and online platforms in areas like information management, business intelligence and digital marketing.

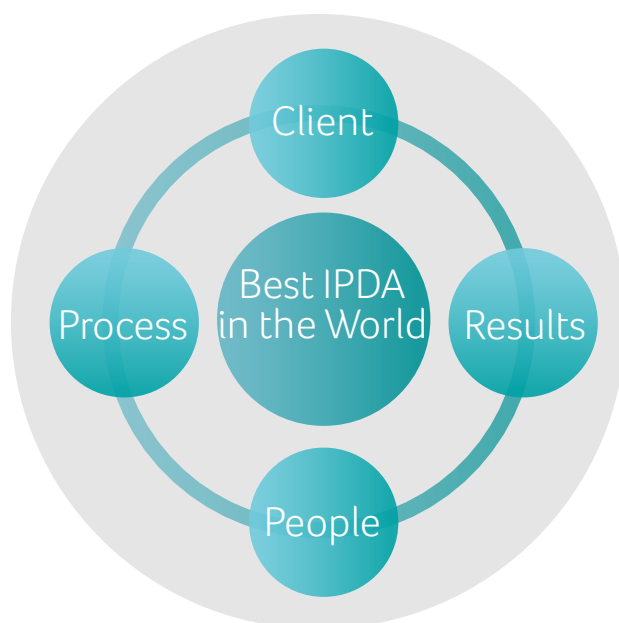
**Client Service:** IDA Ireland will provide clear statements of service to all of our clients and manage the fulfilment of this service promise through our Client Relationship Management and management structures. We will introduce a bi-annual survey of client satisfaction. This feedback will be critical to ensuring we continue to provide services that meet clients' needs and expectations.

**Talent and Capability:** IDA's employees are its key asset. We want to ensure our people continue to be highly competent and capable with the aim of IDA being a global talent benchmark, whether for public or private organisations.

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**People:** We recognise that empowered, engaged and collaborative employees are the cornerstone of success. We will measure ourselves against external benchmarks to ensure delivery. IDA Ireland will continue to value Diversity and Inclusion.

Execution and excellence will continue to be watchwords for our working lives over the next five years. We aim that, by the end of that period, IDA Ireland will have provided significant additional value to clients and stakeholders through dedication to client service, excellent processes and great results.



## **Resources**

IDA Ireland depends on Government to provide the necessary resources to undertake and fulfill its mandate. In this regard, we are appreciative for the support that we have received from successive Governments. It will be important, over the lifetime of this strategy that the appropriate resources continue to be made available in order to win foreign direct investment.



To find out more about Investing in Ireland,  
visit [www.idaireland.com](http://www.idaireland.com)





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