

Ireland's Competitive Edge

Driving Business & Supporting Communities

In recent decades, Ireland has made significant strides in developing into a destination of choice for business to locate and for people to live, work, and raise families. However, the factors that have contributed to Ireland's success up until now may not continue to deliver this success into the future. Ireland must continue to adapt to maintain its competitive edge, ensuring that it remains an attractive location for people to come, and for business to invest. As we look to the years and decades ahead, we must consider what changes are necessary to support Ireland in achieving an even more prosperous future, driving continued growth and delivering for our communities and people.

In a world where geopolitical shocks are becoming ever more prevalent, it is essential that Ireland maintains a pro-business ecosystem and continues to be a voice for open trade, whilst leveraging the opportunities presented by 'friend-shoring' and other such moves. Remaining a beacon of stability will support investment and jobs growth into the future and ensure Ireland's economy retains a central role in global supply chains and in the global operations of multinationals in sectors ranging from pharma and biopharma to ICT and technology, to advanced manufacturing and MedTech, and more.

The American Chamber of Commerce Ireland (AmCham) believes that to ensure Ireland retains a competitive edge over competitor jurisdictions, it is paramount to maintain cost competitiveness and deliver capacity for future growth. By achieving this, Ireland has the opportunity to be the destination of choice for FDI.

In this regard key recommendations from AmCham for Budget 2025 include:

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Building Ireland's Competitive Edge

- + The ongoing revision of housing targets to deliver the required accommodation levels for both purchase and in the rental market, for Ireland's growing population.
- + The implementation of further planning reforms in relation to the timeframe for planning permission decisions, with a view to delivering initial decisions within three months and concluding any additional considerations within a further three months.
- + The prioritised delivery of vital national transport infrastructure including MetroLink, Dart+ and the delivery of capacity for growth at Dublin Airport.
- + The delivery of vital road and transport infrastructure to support balanced regional development.
- + The development and integration of a fully digitalised healthcare system, where all health systems are linked digitally to provide greater efficiencies and enhanced patient outcomes.



Powering Ireland's Competitive Edge

- + The acceleration of renewable energy development, particularly offshore wind, wave, solar and green hydrogen.
- + The provision of strategic investments and loans to facilitate and support near-shoring of waste management infrastructure on the island, particularly for materials which are currently exported overseas and where a case can be made, with funding, to move that process closer to the point of collection.
- + The urgent acceleration and expansion of the investment in the energy grid to provide sufficient capacity levels to cater for current and future power needs, providing security of supply for both current and future investment and growth.
- + The introduction of measures to allow multisite customers with onsite renewable generation, and demand side flexibility, to trade energy at no cost across the grid between sites. At present, companies who are producing surplus renewable energy are selling this to the grid cheaply, and then buying it back again at other sites with no renewable element included.
- + The delivery of increased investment in critical infrastructure to address existing challenges and ensure sufficient capacity is put in place to cater for future growth, with KPIs to measure progress against.

Skilling Ireland's Competitive Edge

- + The attraction and retention of world-class researchers and educators into Ireland's tertiary education system to support industry-academia collaboration and talent development.
- + The on-going mapping of skills needs to inform and support the development of skills to match the pace of innovation and change within industry.
- + The expansion of the range of apprenticeships available, with a particular focus on areas where the greatest skills gaps exist, including digital and A.I., engineering, advanced manufacturing, supply chain management, and cybersecurity.
- + The development of a digitalised solution to meet the employment permit and visa needs of those choosing to relocate to Ireland to study and work.
- + A reassessment of tax rates and thresholds and a reduction of the tax burden on employees .
- + The reduction of the marginal income tax rates and the thresholds at which they apply to encourage and retain a talented work force in Ireland.

Enhancing Ireland's Competitive Edge through RD&I

- + The provision of a comprehensive multi-annual investment plan for research infrastructure, collaboration between academia and industry and the development of cutting-edge technologies.
- + The implementation of initiatives to attract and support more students pursuing doctoral studies, aiming to increase the annual output of PhD graduates beyond the current 550 to 600.
- + The expansion of the scope of qualifying fields for the R&D tax credit, to include A.I., data analytics, digitalisation, emerging technologies in the field of advanced/digital manufacturing, and carbon neutrality to support the advancement of climate action.
- + To ensure the R&D tax credit remains attractive in an ever-changing world, consideration should be given to expanding the definition of 'qualifying spend' to take account of related party R&D expenditure where the Irish entity is the IP owner bearing the economic risk associated with such expenditure.

Ireland's Competitive Edge in the Digital World

- + The provision of multi-annual funding to accelerate the delivery of the National Digital Strategy, with ringfenced funding in place. Significant opportunity exists in this context to make a substantial impact, with a focus on cybersecurity, digital literacy, and emerging technologies including generative A.I. and immersive technology.
- + The development of regulatory sandboxes to support innovation, particularly in A.I.
- + The provision of adequate resourcing for regulatory bodies, and particularly for the competent authority designated to oversee the implementation of A.I. regulation.
- + The delivery of comprehensive and coordinated digitalisation of public services accompanied by an action plan with KPIs and key milestone investments necessary to facilitate the strategy.
- + The adequate investment and resourcing is provided to the National Cyber Security Centre (NCSC), the Commission for Communications Regulation (ComReg) and all other regulators and relevant bodies to ensure cyber competencies are to the fore as each regulated service increasingly becomes a digital service.
- + The implementation of mechanisms to measure Ireland's progress in maintaining best practice, and the formalisation of benchmarking Ireland against global best practice standards for cyber. Ireland must be able to adapt as expectations alter in future years.
- + The development of awareness raising campaigns and direct engagement with companies of all sizes, but particularly within indigenous SMEs in relation to the laws and regulations coming down the line, similar to the work that the NCSC has done with its quick reference guide for NIS2.





Key Statistics

- + 970 US companies in Ireland
- + Directly employing 210,000 people
- + Indirectly supporting a further 168,000 jobs
- + Spend of US multinationals in the Irish economy in 2022:

€16bn
on payroll

€10.8bn
on goods and services

€14.2bn
on capital expenditure

President's Foreword

Elaine Murphy



The competition to attract inward investment continues to grow across the globe as countries increase the attractiveness of their offerings for FDI and become more innovative in how they market themselves as a destination for investment. Ireland has greatly benefited from being one of the world's most globalised small countries. Indeed, in the 2023 IMD World Competitiveness Rankings, Ireland was ranked as the second most competitive economy in the world – increasing its position from eleventh in 2022.

However, when we look to the future of inward investment, it is clear that Ireland too must be continually focused on enhancing its offering, both for talent and for business. The factors that have enabled Ireland's success thus far may not be the same factors that spur our country's growth into the future.

While Ireland has benefited from being a globalized small country, this also means that Ireland is exposed to the headwinds in the global economy. As such, addressing matters such as cost competitiveness and ensuring Ireland has built-in infrastructural capacity for future growth will be vital to Ireland's continued growth into the future.

In our 2025 Budget submission entitled 'Ireland's Competitive Edge: Driving Business and Supporting Communities', the American Chamber of Commerce Ireland (AmCham) sets out our priorities to ensure Ireland remains a foremost location for talent to live and for business to invest. We outlined the smart policy and investment decisions that will deliver impact and support Ireland in being a powerhouse in sustainability, research, talent attraction and digital in the years and decades ahead.

Ireland, and its regions, have many strengths which can be leveraged to best position Ireland to attract the next wave of FDI, and to support the growth of 970 US operations in Ireland, which support, directly and indirectly, 378,000 jobs in our economy. Ireland currently ranks 1st globally for attracting and retaining international talent, 8th in the world for quality of life, and 63% of 25–34-year-olds have attained third level education – higher than the EU average of 41%.

With the global battle for talent, skills, and investment at a high, now is the time to implement smart policy decisions, not just to cater for current needs, but to develop the capacity that will be required in the future. With smart policy decisions now, Ireland can grasp and maximise the opportunities of the future and bolster its reputation as a great place to live, work, and do business.

Elaine Murphy

2024 President, American Chamber of Commerce Ireland



Building Ireland's Competitive Edge



Delivering Capacity for Future Growth

Key to ensuring Ireland maintains a competitive edge is the delivery of vital infrastructure projects. As AmCham outlined in its Budget 2024 submission, Ireland must be prepared to be home to a population of 8 million people by 2050. In achieving this, we must now focus on delivering, not just for our current needs, but for Ireland's future needs. A long-term vision is necessary to ensure infrastructure delivery is always ahead of population growth, not responding to it. Budget 2025 provides the opportunity for Government to lay the foundations to ensure the capacity exists to build the Ireland of the future.

As Ireland's population continues to grow, and as business needs evolve, ensuring security of supply of energy, water and wastewater, delivering the required levels of housing, ensuring supply-chains are protected, and advancing necessary transport infrastructure will be essential in providing for Ireland's future business and community growth.

In delivering infrastructure for the Ireland of tomorrow, key barriers in the planning system must be addressed to allow for the timelier development of essential projects, ensure certainty of timeframe, support the delivery of housing for Ireland's growing population, and to realise Ireland's potential in terms of renewable energy.

The additional €0.9 billion made available under the National Development Plan in Budget 2024 was a positive step. Now, the opportunity exists in Budget 2025 to provide for the adequate resourcing of critical infrastructure, with the necessary additional funds being directed towards the delivery of the National Development Plan.

To enhance Ireland's competitive edge and ensure future growth, it is pivotal to make and showcase progress in the areas of housing, planning, transport, balanced regional development, and healthcare.

Budget 2025 provides the opportunity for Government to lay the foundations to ensure the capacity exists to build the Ireland of the future.

In a recent AmCham FDI Insights survey 28% of respondents said that investment in infrastructure and capacity to support future growth is the best way for Ireland to build on its FDI success and attract future investment.



Housing

Housing remains the foremost challenge identified by AmCham members with regard to maintaining Ireland's attractiveness as a location for investment and growth. In a recent AmCham survey, 98% of members stated that the availability of residential accommodation is challenging for staff in their business operations in Ireland. Delivering for the housing needs of talent is crucial in ensuring Ireland remains an attractive location for business, as where talent wishes to live is a key driver in attracting investment and supporting business expansion. In this context, housing must be viewed as a crucial economic enabler.

Inward migration has had numerous benefits for Ireland and its society – it has brought increased diversity and supported significant social change in recent years. As Ireland's population continues to grow, addressing and enabling housing delivery must remain the number one priority for government.

In delivering housing to support Ireland's growing population, AmCham recommends:

- + A continued focus on the delivery of housing under the 'Housing for All' Plan.
- + The ongoing revision of housing targets to deliver the required accommodation levels for both purchase and in the rental market, for Ireland's growing population.
- + The delivery of essential and community amenities to cater for individuals and families and ensure Ireland remains an attractive destination in which to live.
- + The undertaking of world-class planning, with both international and domestic efforts to examine international best practice in housing delivery and to inform Irish actions to accelerate housing delivery.
- + The examination of new methods of housing delivery for use in Ireland to ensure the most efficient means of housing delivery are in place in Ireland.

As Ireland's population continues to grow, addressing and enabling housing delivery must remain the number one priority for government.



Planning

Central to the timely progression of all critical infrastructure projects will be reform of the planning system. AmCham acknowledges the work undertaken within the Planning and Development Bill 2023 which aims to address some of the key challenges existing within the Irish planning system. However, increased action is necessary to deliver a planning system which can provide the necessary capacity for Ireland's future growth.

Developing a planning system which meets the needs of modern-day society and business is paramount. As we look to the future, ensuring the greatest degree of certainty in relation to timeframes for approvals, and the prioritisation of key infrastructure projects will be essential to ensure Ireland provides the clarity needed to secure new investments. While this is a challenge currently, it also presents a significant opportunity for Ireland with the enactment of the correct policy measures.

In continuing to strengthen Ireland's planning system to enhance Ireland's competitive edge, AmCham recommends:

- + A continued focus on ongoing reform of the planning process to provide enhanced certainty of timeframe and process, building on the progress being made in the Planning and Development Bill 2023.
- + The amendment of Section 173 of the Planning and Development Bill 2023 to allow for an application to lift the automatic suspension of planning permission, where a judicial review process is being pursued.
- + The implementation of further reforms in relation to the timeframe for planning permission decisions, with a view to delivering initial decisions within three months and concluding any additional considerations within a further three months.
- + The triaging of planning applications to allow for the prioritisation of critical infrastructure and investments.
- + The increased digitisation of the planning system to increase efficiency and transparency for applicants.
- + The comprehensive resourcing of the planning system, including national and local planning bodies.
- + A focus on delivering the necessary skills and resourcing levels for An Coimisiún Pleanála and local authorities to allow for the speedy consideration of planning applications, and for the delivery of timely deliveries.



Transport

Transport connectivity is essential in securing Ireland's competitive edge and is a key requirement for strong and resilient supply-chains. In delivering key transport projects, Ireland has the opportunity to enhance its competitive edge, making travel more sustainable and accessible for talent, whilst also increasing efficiencies for business.

In enhancing Ireland's transport system, ensuring a focus on micro-mobility solutions, particularly for the first and last miles of a commuters' journey, will support the development of a transport system that is effective and efficient for individuals and families. Further, with the working environment having changed, and hybrid working having become more commonplace, supporting talent with more suitable fare options would encourage the use of sustainable travel to and from work. Currently, individuals have the option on some transport services of undertaking a single or return journey, or purchasing a weekly, monthly or annual ticket. However, the introduction of new offerings whereby it is possible to buy a fare-saving 2- or 3-day pass would make sustainable transport options more appealing to commuters and should be actively pursued.

In developing transport infrastructure with a view to enhancing Ireland's competitive edge, AmCham recommends:

- + The prioritised delivery of MetroLink and Dart+, in line with the Government's commitments, alongside regular progress updates on delivery.
- + The continued development and delivery of enhanced walking and cycling infrastructure.
- + A continued focus on the delivery of micro-mobility solutions with a particular focus on the first and last mile of a commuter's journey.
- + The aggressive pursuit of measures to support the use of electric vehicles, particularly through the expansion of the electric vehicle charging network.
- + The accelerated delivery of infrastructure to facilitate the import and use of sustainable aviation fuels, namely storage and blending facilities.
- + The development of Dublin Airport's capacity for growth, including the accommodation of increasing passenger numbers.
- + The introduction of fare offerings on public transport to cater for those in a hybrid working environment, with 2- and 3-day pass options.



Balanced Regional Development

In 2023 there were 480 US operations in regional locations around Ireland, directly employing 118,000 people and supporting a further 94,000 jobs across Ireland's regional communities. Supporting the physical and digital connectivity of Ireland's regions is paramount to delivering balanced regional development, and ensuring our regions remain attractive locations for both people to live and work and for businesses to invest.

In supporting balanced regional development, AmCham continues to advocate for:

- + **South/MidWest:** Delivery of the Cork Northern Distributor Road, the Cork Commuter Rail Programme, and Luas Cork, delivery of the M20 between Cork and Limerick, implementation of the Cork Metropolitan Area Transport Strategy.
- + **West:** Reconsideration of the development of the Galway ring-road and establish a sustainable public transport solution for Galway with a particular focus on access to Parkmore Industrial Zone.
- + **North-West:** Development of the A5 route between Derry and Dublin, to ensure regional and international connectivity.
- + The delivery of balanced air connectivity to support Ireland's regional airports, including Cork, Donegal, Kerry, Knock and Shannon.

Ensuring the widespread availability and utilisation of high-speed broadband connections across all regions is vital in supporting balanced economic development. Therefore, prioritising the delivery of the National Broadband Plan remains essential. Currently, 232,000 premises have the option to connect to high-speed fibre broadband under the National Broadband Plan. However, only 75,000 premises have taken advantage of these connections. Given that existing copper-based services will be phased out in the years ahead, consideration should be given to encouraging people to utilise these connections. Encouraging the use of high-speed broadband connections will support the on-going digitalisation of Ireland's regions. In this regard, it may be beneficial to consider treating internet access similarly to other essential services for VAT purposes. This could further accelerate the transition to high-speed broadband and enhance digital connectivity nationwide.

In this context, AmCham advocates for:

- + The acceleration of the rollout of the National Broadband Plan.
- + The introduction of measures to support the uptake of high-speed fibre broadband delivered under the Plan including treating internet access in the same manner as other essential services for VAT purposes.



Healthcare

As Ireland's population continues to grow, and as attracting and retaining talent becomes ever more paramount, it is essential that the transformation of Ireland's healthcare system remains a priority. Supporting the Irish healthcare system in bringing healthcare closer to the patient, and in enhancing its focus on preventative health, will yield significant long-term benefits to the population, and make a real change to many peoples' lives. As we look to the future, Ireland must prepare to view healthcare as a digital service and become an early adopter of pioneering healthcare innovations.

Furthermore, as AmCham has previously outlined, Ireland's size and the presence of global healthcare and MedTech leaders make it an ideal testbed for the rollout of new healthcare technologies and innovations.

To support healthcare for Ireland's future, AmCham recommends:

- + A focus on attracting and retaining world-class clinicians as a matter of priority.
- + The recruitment of the necessary staff levels within the healthcare system to address growing demands.
- + An emphasis on locating more clinical research in Ireland to support the development of new treatments and innovations in Ireland.
- + The development of greater capacity in Ireland's healthcare system to cater for current and future needs.
- + The development and integration of a fully digitalised healthcare system, where all health systems are linked digitally to provide greater efficiencies and enhanced patient outcomes.
- + A focus on bringing care closer to the patient, with greater emphasis on preventative behaviours to support long-term health.
- + The provision of an annual dedicated budget for new medicines, to support innovation, to enable an uninterrupted supply of medicines and to provide for the approval and reimbursement of such medicines to deliver the best possible outcomes for patients.



Powering Ireland's Competitive Edge



In looking to Ireland's future, in order to ensure competitiveness on the global stage, Ireland must leverage its potential in sustainability, whilst ensuring capacity for future growth is provided in terms of energy supply and water and wastewater infrastructure.

Sustainability

Facilitating measures to enhance Ireland's journey to net zero will be central to ensuring Ireland maintains and grows its competitive edge. In reaching its goals of a 51% reduction in greenhouse gas (GHG) emissions by 2030 and carbon neutrality by 2050, the acceleration of efforts is necessary.¹ Indeed, in January 2024, the Environmental Protection Agency (EPA) published its first Climate Change Assessment (ICCA) which noted that current policies are not sufficient for Ireland to meet its carbon targets.² An AmCham member survey found that 42% have committed to reaching carbon neutrality by 2030, with this rising to 64% aiming to reach this goal by 2040.

Multiple policy areas fall under the umbrella of sustainability, and sustainability should be a core consideration across all government departments moving forward. Accelerated action, collaboration, and ambition are critical in advancing climate action effectively.

There should be particular emphasis on delivering sustainable infrastructure and implementing green energy solutions.

Accelerating initiatives to support Ireland's journey to carbon neutrality not only contributes to sustainability but also enhances Ireland's competitive edge in areas that extend beyond sustainability.

In accelerating sustainability measures to enhance Ireland's competitive edge, AmCham recommends:

- + The acceleration of renewable energy development, particularly offshore wind, wave, solar and green hydrogen.
- + The provision of specific timelines and further details in relation to how the target of 5.7TWh of biomethane will be reached by 2030.
- + The acceleration of progress on the action points outlined within Government's Hydrogen Strategy.

¹ Government of Ireland, Climate Action Plan 2024: <https://www.gov.ie/en/publication/79659-climate-action-plan-2024/>.

² Environmental Protection Agency: <https://www.epa.ie/news-releases/news-releases-2023/irelandprojected-to-fall-well-short-of-climate-targets-says-epa.php>.

- + The assessment of future infrastructure projects with a view to the decarbonisation of the energy sector in a responsible and sustainable manner.
- + The assessment of green finance and sustainable investment in Ireland in terms of its competitiveness.
- + A continued focus on the importance of behavioural change to advance climate action, with consistent and clear messaging at the core of communications campaigns.
- + The provision of strategic investments and loans to facilitate and support near-shoring of waste management infrastructure on the island, particularly for materials which are currently exported overseas and where a case can be made, with funding, to move that process closer to the point of collection.
- + The publication of a roadmap towards the decarbonisation of industry.

Energy

Ireland's potential to generate renewable energy represents one of the greatest opportunities for Ireland to strengthen its competitive edge. Ireland has one of the best offshore wind resources in Europe, and therefore a huge potential for renewable energy production. Indeed, with the right policies and infrastructure in place Ireland can become a net exporter of renewable energy. However, addressing near-term energy needs and ensuring security of supply are critical priorities in the short-term. To maintain Ireland's desirability as a location for inward investment in the short-term, it is essential to provide certainty regarding energy security, cost, and the capacity to cater for future growth.

Ireland is home to some of the largest and most advanced manufacturing facilities in the world across many sectors, including automotive technology, biopharmaceuticals, data centre investments, food and beverage, medical technologies, and semiconductors. These facilities are at the heart of global supply chains, with significant global impacts; for instance, four out of every five medical stents are manufactured in Ireland. Given the importance of these facilities, many operate on a 24/7 basis. Operations such as these are most likely to have stable and predictable energy needs, whereby any increase in energy demand is well foreseen and can be planned for. Providing security of supply for these operations is of the utmost importance in ensuring Ireland retains a competitive edge as destination for advanced manufacturing facilities.

The development of indigenous renewable energy in Ireland through offshore wind development, hydrogen production, and biomethane production will be important in enhancing the security and affordability of Ireland's energy supply. Further, accessing affordable and sustainable energy is key for businesses; however, compared to many competitor jurisdictions, the cost of entering corporate power purchase agreements in Ireland is much higher and must be addressed. Energy security is critical to attracting investment, catering for population growth, and aiding in the digital transition. Additionally, Ireland's ambitions regarding renewable energy should not be limited by the current technology. Rather, it is important that Ireland's ambitions acknowledge the capabilities that will emerge in the years ahead as we progress towards a carbon-neutral, sustainable, and greener economy.





Ireland has one of the best offshore wind resources in Europe, and therefore a huge potential for renewable energy production.

In enhancing Ireland's energy infrastructure, AmCham continues to recommend:

- + The urgent acceleration and expansion of the investment in the energy grid to provide sufficient capacity levels to cater for current and future power needs, providing security of supply for both current and future investment and growth.
- + The introduction of increased electrical import capacities for large industrial users and the facilitation of those users with variable rather than fixed import capacities.
- + The increased cross-border sharing of electricity and enhanced interconnection.
- + The introduction of measures to allow multisite customers with onsite renewable generation, and demand side flexibility, to trade energy at no cost across the grid between sites. At present, companies who are producing surplus renewable energy are selling this to the grid cheaply, and then buying it back again at other sites with no renewable element included.
- + The introduction of measures to facilitate off-grid private infrastructure development utilising private wires.

Water & Wastewater

The delivery of increased water and wastewater capacity is pivotal in providing for future growth in Ireland, both in terms of housing and in FDI investment. Projections indicate that by 2044, the Eastern and Midlands regions of Ireland will require a 34% increase in water supply compared to current levels. Additionally, sustained growth in these and other regions will require significantly greater enhancements in wastewater infrastructure capacity.

In supporting the development of water, wastewater and critical infrastructure to strengthen Ireland's competitiveness, AmCham recommends:

- + The delivery of increased investment in critical infrastructure to address existing challenges and ensure sufficient capacity is put in place to cater for future growth, with KPIs to measure progress against.
- + The delivery of the Water Supply Project Eastern and Midlands Region and the Greater Dublin Drainage Project.

Skilling Ireland's Competitive Edge



In terms of skilling Ireland's competitive edge, providing supports for our education system, enhancing apprenticeships, increasing digitalisation of our visa and permits system, and examining how best we can make our taxation and benefits systems attractive in retaining and attracting talent will be essential.

Skills & Education

Ireland's educated, diverse, and international workforce represents one of the country's greatest areas of competitiveness. The continuous development of key skills will be essential in ensuring Ireland remains a foremost location for FDI investment into the future. As such, skills-based education, investment in third-level institutions, and the broadening of apprenticeship avenues will be essential. Furthermore, as skills needs evolve, a continued focus on micro-credentials and lifelong learning will be pivotal in maintaining Ireland's reputation for having a skilled and productive workforce.

AmCham members consistently rank talent attraction and skills shortages amongst the greatest challenges for Ireland to overcome to remain an attractive destination for innovation and growth. An AmCham member survey highlighted the greatest skills gaps for members as being in engineering, data and digital, and machine learning and A.I.. However, these areas also represent some of the greatest opportunities for Ireland's future growth and competitiveness. With the correct actions to address skills gaps, Ireland will be best placed to cater for the skills needs of industry into the future, ensuring it remains a destination of choice for investment and growth.

Further, the National Training Fund, with a surplus of approximately €1.5 billion, should be leveraged to support measures to address skills gaps, upskill workers, and promote lifelong learning.

In enhancing Ireland's education and skills base, AmCham recommends:

- + The attraction and retention of world-class researchers and educators into Ireland's tertiary education system to support industry-academia collaboration and talent development.
- + The on-going mapping of skills needs to inform and support the development of skills to match the pace of innovation and change within industry.
- + The expansion of the range of apprenticeships available, with a particular focus on areas where the greatest skills gaps exist, including digital and A.I., engineering, advanced manufacturing, supply chain management, and cybersecurity.
- + Continued engagement with European partners to further inform the advancements of the apprenticeship model in Ireland.





- + A continued focus on upskilling and lifelong learning.
- + The utilisation of a proportion of the surplus of the National Training Fund to support upskilling to address the skills gaps.
- + Bolstering the focus on STEM topics in primary and secondary education, enhancing the development of key skills for the future, including coding, mathematics, and the sciences, with a particular focus on closing the gender gap in STEM.

Visas & Permits

Attracting international talent to Ireland will be important in supporting Ireland's workforce into the future, with the diversity of Ireland's talent pool being a key element of its attractiveness. Ireland's visa and permit system provides the country's first impression to talent moving here, and it is essential that this first impression is positive. As such, streamlining and increasing the digitalisation of the visa and permit system in a 'one-stop-shop' style would greatly support international talent in moving to Ireland.

Ireland has the **4th most international workforce** in the European Union

In enhancing Ireland's visa and permit system, AmCham recommends:

- + The development of a digitalised solution to meet the employment permit and visa needs of those choosing to relocate to Ireland to study and work.
- + The provision of clarity in relation to visas for PhD researchers and their families to support researchers in entering the workforce in Ireland following completion of their PhD, programmes to successfully integrate high skilled researchers into the national workforce.

The diversity of Ireland's talent pool is a key element of its attractiveness.



Personal Taxation

Personal taxation plays a significant role in ensuring Ireland's competitiveness on the global stage. The future of inward investment will be as much about where people want to live as where businesses wish to locate. Addressing the high personal taxation burden is important in attracting and retaining key talent in Ireland, which will support greater inward investment into the country.

In enhancing Ireland's personal tax system and Ireland's competitive edge for talent, AmCham recommends:

- + A reassessment of tax rates and thresholds and a reduction of the tax burden on employees.
- + A commitment to not increase the personal taxation burden in medium to long term tax planning. This will allow companies to provide security to prospective talent for the medium to long term.
- + That the personal tax regime for in-demand individuals should be made more attractive to encourage talent to move to Ireland. The protection and enhancement of competitive personal tax policies designed to attract key in-demand individuals is needed to encourage talent to move to Ireland.
- + The reduction of the marginal income tax rates and the thresholds at which they apply to encourage and retain a talented work force in Ireland.
- + The simplification of the small benefit exemption to remove the limit on the number of benefits that can be taken in a year.

Further, when examining benefit-in-kind, it is important to support talent in availing of employer-paid health benefits to support long-term health. It has been identified that thousands of workers who are eligible for benefits, for instance dental benefits, and their dependents do not avail of these employer-paid benefits as a result of the benefit being treated as taxable income. As such, examining measures to support talent and their dependents in availing of such benefits will support the enhancement of quality of life, and support their health in the longer-term also. This would be of particular importance in supporting those on lower incomes in our economy and represents a change which could have a significant impact in enhancing Ireland's competitive edge for talent.

When examining additional benefits, AmCham recommends:

- + The examination of benefit in kind for employees and/or their dependents to support the attractiveness in supporting talent attraction and retention and support long-term health goals through consideration of treating such key benefits as non-taxable income up to a threshold of €300 per person.
- + The adaptation of auto-enrolment for pensions to ensure employees are not disadvantaged having missed out on superior pension benefits where these are offered by their employer's scheme, to support the utilisation of such schemes where they are available by the employee, and to prevent additional administrative burdens being placed on business.

Other taxation measures

Share Based Remuneration

Enhancements to the share-based remuneration environment could foster greater competitiveness in attracting and retaining key talent, whilst also reducing administrative complexities supporting business in ensuring compliance.

In this context, AmCham recommends:

- + An increase to the maximum tax-free annual amount which can be invested in Approved Profit-Sharing Schemes from the current €12,700.
- + The extension of the current income tax exemption for Approved Profit-Sharing Schemes to include USC and employee PRSI.
- + The maintaining of the employer PRSI exemption in its current form for all share-based remuneration with no annual cap.
- + The extension of the benefits of tax qualification to non-qualified schemes, fostering inclusivity without increasing the administrative burden for companies.
- + The streamlining of regulatory reporting requirements, especially for companies not issuing qualified shares, to reduce the administrative burden on businesses.
- + The consolidation of tax benefits for both forms of share schemes, simplifying compliance-related activities while maintaining periodic audits to ensure rule adherence.

Standard Fund Threshold

The evaluation of the competitiveness of the Standard Fund Threshold for pensions could enhance Ireland's appeal as a desirable place to live and work for talent. The Standard Fund Threshold, with appropriate adjustments, has the potential to provide a competitive pension system.

In advancing Ireland's competitive edge in this context, AmCham recommends:

- + **The strategic reassessment of the Standard Fund Threshold, informed by global benchmarking, to improve Ireland's current offering and in particular the revision of the Standard Fund Threshold limit of €2 million to enhance Ireland's position as a destination of choice for FDI and for talent to live and work. related activities while maintaining periodic audits to ensure rule adherence.**

Ireland's Competent Authority

As Pillar 2 implementation rolls out across OECD jurisdictions, AmCham members are anticipating an increase in tax audit activity and requests for Mutual Agreement Procedures and Advance Pricing Agreements.

In advance of the first GloBE Information Returns in 2026, AmCham is advocating for:

- + **A step-up in the resourcing of Ireland's Competent Authority to ensure that taxpayers will be adequately supported in resolving cases where double taxation may arise in advance of the first GloBE Information Returns in 2026.**

Participation Exemption for Foreign Dividends

A territorial tax system will align Ireland with international best practices and put it on a level playing field with other competitive jurisdictions. As businesses increasingly seek global opportunities, this alignment ensures that Ireland remains a competitive location for inward investment. Ireland stands to resolve the current competitive disadvantage by implementing a participation exemption and transitioning to a territorial system of taxation.

AmCham therefore recommends:

- + **The introduction of a participation exemption for foreign dividends on 1 January 2025.**
- + **The provision of a clear timeline for the implementation of a branch exemption.**



Enhancing Ireland's Competitive Edge through RD&I



Ireland has the potential to become a distinguished centre for research excellence on the global stage. Its thriving ecosystem of multinational companies, indigenous enterprise networks, and its strategic position as a gateway between the United States and the European Union provide a solid foundation for enhancing Ireland's research environment. Ireland's commitment to fostering a culture of research and innovation through strategic government initiatives and investments amplifies its potential. Of particular importance will be attracting and retaining PhD talent and enhancing the R&D tax credit system.

The research ecosystem in Ireland is at a crucial juncture, requiring a comprehensive and strategic approach to foster collaboration and innovation among research institutions, universities, businesses, and government. Access to well-maintained research infrastructure and alignment between funding opportunities and research priorities are pivotal factors in strengthening Ireland's ability to provide a vibrant research ecosystem that positively impacts Irish society and industry.

Currently, there are challenges in creating collaborative research projects. Notably, there are different KPIs for research institutes, universities, and the requirements of businesses. It is imperative that government take measures to incentivise research initiatives that cater to the interests and needs of all relevant stakeholders, fostering a more cohesive research ecosystem.

In supporting research as a means of bolstering Ireland's competitive edge, AmCham recommends:

- + Measures to deliver an enhanced national research ecosystem, making Ireland the destination of choice in the EU for industry to place integral research functions and establishing Ireland as a centre for research excellence on the global stage.
- + The provision of a comprehensive multi-annual investment plan for research infrastructure, collaboration between academia and industry and the development of cutting-edge technologies.
- + The delivery of a best-in-class strategy for digital manufacturing, to include a focus on deep collaboration between research centres and industry.
- + The improvement of the feedback mechanism for companies applying for Disruptive Technologies Innovation Fund (DTIF) funding, providing feedback to all applicants. This transparency will encourage continued submissions by US MNCs.



Attracting & Retaining PhD Talent

Approximately 550 to 600 PhD students complete their studies in Ireland annually. There is a pressing need for an increased pool of researchers across all sectors in Ireland, which necessitates the development of a greater number of PhD students. While industry is willing to support PhD programmes, significant challenges exist in attracting students. A crucial concern raised is that, at present, pursuing a PhD may not be considered a competitive option for graduates compared to opportunities available in the private sector. There is a need to bolster the attractiveness of doctoral programs and bridge the gap between academia and the private sector, facilitating the seamless transition of highly skilled graduates into research and development roles. Sustaining a robust and dynamic research ecosystem is contingent on addressing the challenges surrounding PhD programmes. By making these programmes more appealing and competitive in comparison to private-sector opportunities, Ireland can not only retain its top talent but also attract the best international talent.

In this context, AmCham recommends:

- + The implementation of initiatives to attract and support more students pursuing doctoral studies, aiming to increase the annual output of PhD graduates beyond the current 550 to 600.
- + The raising of the stipend for PhD researchers to a minimum of €24,000 per year to attract and retain top talent.
- + That Government work cross-departmentally to alleviate the challenges faced by early career researchers, including access to affordable housing and childcare services.
- + The expansion of programmes that facilitate collaboration among stakeholders, especially MNCs, to foster research partnerships and invest in university talent pipelines.





The R&D tax credit has provided the opportunity for Ireland to showcase the additional factors that make it an attractive location for FDI.

R&D Tax Credit

Investments in research functions hold significant value and can have profound positive effects on Ireland's economy and the overall research ecosystem. The R&D tax credit has provided the opportunity for Ireland to showcase the additional factors that make it an attractive location for FDI, including the highly skilled talent pool and the ease of doing business. The increase of the R&D tax credit from 25% to 30% in Budget 2024 was essential in maintaining the value of this incentive, especially in the context of Pillar 2 rules. Without the R&D tax credit, it would be increasingly difficult to attract key high-value investments to Ireland. AmCham believes that it is essential for the tax credit to remain competitive and adaptable to align with Ireland's aspiration of becoming a global research leader. This will enhance Ireland's competitive edge as a destination for inward investment and support the growth of its research ecosystem.

In this context, AmCham recommends:

- + The expansion of the scope of qualifying fields for the R&D tax credit, to include A.I., data analytics, digitalisation, emerging technologies in the field of advanced/digital manufacturing, and carbon neutrality to support the advancement of climate action.
- + Where the Irish company is the principal intellectual property owner, consideration should be given to allowing all, or a portion, of the affiliate spend in the qualifying expenditure for the R&D tax credit.
- + Further, in ensuring the R&D tax credit remains attractive in an ever-changing world, consideration should be given to expanding the definition of 'qualifying spend' to take account of related party R&D expenditure where the Irish entity is the IP owner bearing the economic risk associated with such expenditure.
- + To enhance greater collaboration between FDI and indigenous business in Ireland on R&D activities, the removal or an increase in the limits of outsourcing contained within the R&D tax credit would have benefits in spurring greater collaboration and ensuring greater impact within the wider R&D ecosystem.
- + The provision of greater certainty and faster timelines in the R&D tax credit process to support business.

Ireland's Competitive Edge in the Digital World



Huge opportunity exists for Ireland to enhance its competitive edge in relation to data, digital, A.I., and cyber. Ireland now plays a key role as a crucial digital regulatory hub within the European Union, and the regulatory expertise developed within Ireland has been greatly enhanced by the presence of many US MNCs.

In an ever-digitising world, the functions taking place in Ireland are becoming subject to increasingly complex regulation. This complexity arises from an evolving regulatory system that focuses on adapting to new and emerging technologies, solutions, products, and services. As such, providing consistent, balanced, and responsible regulation with certainty for business while fostering innovation is vital to showcase success as a regulatory hub.

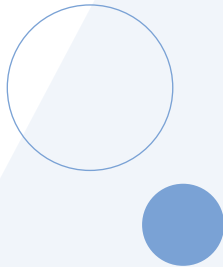
Given the scale of opportunity which exists in digital, and building on the Government's National Digital Strategy, AmCham recommends:

- + The provision of multi-annual funding to accelerate the delivery of the National Digital Strategy, with ringfenced funding in place. Significant opportunity exists in this context to make a substantial impact, with a focus on cybersecurity, digital literacy, and emerging technologies including generative A.I. and immersive technology.
- + The development of a programme for SMEs focused on the development of A.I. skills and supports for SMEs in adopting A.I. tools.
- + The development of regulatory sandboxes to support innovation, particularly in A.I.
- + The provision of adequate resourcing for regulatory bodies, and particularly for the competent authorities designated to oversee the implementation of A.I. regulation.
- + The provision of investment in digital skills development and digital literacy to drive innovation in, and the adoption of emerging technologies, which will support talent taking opportunities in high-potential areas.
- + The embedding of a focus on digital literacy in primary and secondary-level education, with a particular emphasis on building digital skills, and ensuring safety online.



Further, AmCham continues to advocate for:

- + The delivery of comprehensive and coordinated digitalisation of public services accompanied by an action plan with KPIs and key milestone investments necessary to facilitate the strategy.
- + The implementation of a public-cloud first policy requiring public sector bodies to first consider public cloud, before any other options, when upgrading or introducing a new service.
- + A continued focus on strongly advocating for the protection of the 'country of origin' principle at EU level.
- + The development of an awareness-building campaign by Government and public bodies aimed towards other EU countries and focused on the strength of Ireland's decision-making and judicial systems as foundations for Ireland's regulatory system to European and international partners.
- + The leveraging of industry expertise based in Ireland to inform technical consideration of future regulation at EU level, informed by the experience of Irish regulators.
- + The commissioning of an independent assessment of the skills, competencies, digital capacity and related funding required to deliver on Ireland's ambition as a key regulatory hub within the EU, in key areas such as financial services and data/digital (in line with the National Digital Strategy).
- + The development of proactive positions on key files under consideration at EU level, particularly in the areas of A.I., cyber, data, digital and advanced/digital manufacturing.



Providing consistent, balanced, and responsible regulation with certainty for business while fostering innovation is vital to showcase success as a regulatory hub.

Cybersecurity

International information sharing in relation to cybersecurity is paramount. Cybersecurity challenges traverse borders, and companies and individuals work across national boundaries on a daily basis. Given the global connections which take place each day, it does not make sense to pursue cybersecurity in a vacuum, or in the absence of international engagement. As AmCham outlined in its paper 'The Strongest Link in the Chain: Ireland's Global Cybersecurity Leadership': *"Cybersecurity is a global, interdependent ecosystem which has no land or sea borders. This cybersecurity ecosystem is in itself a global supply chain and, as is widely known, a chain is only as good as its weakest link."* Cybersecurity will be key to underpinning Ireland's competitive edge in the digital sphere.

In the context of cybersecurity to protect Ireland's competitive edge, AmCham recommends:

- + The adequate investment and resourcing is provided to the National Cyber Security Centre (NCSC), the Commission for Communications Regulation (ComReg) and all other regulators and relevant bodies to ensure cyber competencies are to the fore as each regulated service increasingly becomes a digital service.
- + A continued focus on keeping current commitments under review and adapting to emerging and malicious threats and challenges to protect critical national digital services and systems.
- + A focus on ensuring the resourcing of the NCSC includes experts from backgrounds directly linked to cybersecurity, including law enforcement, incident response and diplomacy, with additional resourcing from backgrounds including behavioural sciences, geopolitics and psychology.
- + The implementations of talent retention measures for the NCSC and key cyber personal in relevant bodies to ensure they are resilient against the attrition of staff from vital roles.
- + The consideration of using a proportion of the National Training Fund surplus to fund relevant cyber research and innovation programmes.
- + The implementation of mechanisms to measure Ireland's progress in maintaining best practice, and the formalisation of benchmarking Ireland against global best practice standards for cyber. Ireland must be able to adapt as expectations alter in future years.
- + A continued focus on the deepening and strengthening of international relationships and collaborations on cybersecurity at governmental, agency and public body levels to leverage, and learn from the expertise and experiences of Ireland's partners.
- + The provision of the necessary training to key bodies to adequately manage cybersecurity. For example, the training and equipping of Gardaí and the judicial infrastructure to effectively detect and prosecute cybercrime.
- + The development of awareness raising campaigns and direct engagement with companies of all sizes, but particularly within indigenous SMEs in relation to the laws and regulations coming down the line, similar to the work that the NCSC has done with its quick reference guide for NIS2.



The American Chamber of Commerce Ireland (AmCham)



AmCham is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment. In many cases, the Ireland operations represent global HQ or EMEA hubs for certain aspects of their business.

Connecting with Purpose

Through our virtual/attended events, webinars, and roundtable discussions our networks support deep collaboration and peer-to-peer learning in a trusted environment. Through AmCham, our members get to have meaningful, value-creating interactions with their peers. We use best in class technology to ensure that our members can get a first-class networking experience.

Advocacy with Purpose

AmCham membership gives companies a powerful voice as part of what is recognised as one of the most influential business groups in the country. We are recognised as a trusted, credible and authoritative voice at the most senior level with Government and decision-makers in Ireland, Brussels, and Washington DC.

Leadership Development with Purpose

Our leadership development programmes support individual growth within our member companies. These highly sought-after programmes operate virtually and in-person.

