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Inward FDI in Ireland and its policy context

by
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Ireland has one of the highest ratios of inward foreign direct investment (IFDI) stock to gross domestic product (GDP) among the OECD countries. The surge in IFDI from the 1990s onwards is regarded as one of the factors that contributed to the "Celtic Tiger" era of rapid economic growth, rising living standards and full employment. However, stocks of IFDI fell in four of the six years from 2004 to 2009, largely due to outflows of capital from foreign affiliates in Ireland to their parent companies abroad. More recent data show an increase in IFDI stock in 2009, which continued into the first quarter of 2010. This rise is in large part due to the scale of reinvested earnings on the part of foreign affiliates in Ireland and the growing success in attracting knowledge intensive investment, while the lowering of the cost base since the advent of the crisis in Ireland has enhanced its attractiveness as an investment location. Changes in business taxation that have taken effect in 2010 have been designed to improve Ireland's attractiveness to knowledge intensive industries and as a location for company regional headquarters. The Irish Government is committed to maintaining the low rate of corporate taxation of 12.5%. While the current crisis has had the paradoxical effect of increasing Ireland's attractiveness as a location for FDI, future FDI prospects will also be enhanced by Ireland demonstrating a capacity to overcome its present difficulties.

Trends and developments

Country-level developments

Since the opening up of Ireland's economy in the 1960s, Ireland has embraced FDI as an integral part of its strategy of economic development. Its efforts to attract such investment have been highly successful. According to the OECD Factbook 2010, the country has the fifth highest ratio

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of IFDI stock to GDP among the OECD countries, and the highest ratio of employment in foreign affiliates in the manufacturing and services sectors.[1] The impact of IFDI on Ireland's economy is highly significant, with foreign owned firms accounting for just under 90% of the country's exports in 2008 and 73% of business expenditures on research and development (R&D) in 2007.[2]

The country's inward FDI stock grew by just over 50% between 2000 and 2009 (annex table 1). Ireland's ratio of IFDI stock to GDP increased sharply in the later years of the 1990s and into the early years of the past decade, peaking in 2002 at 149%. Since 2003, the ratio has turned downward, with the exceptions of 2007 and 2009, when it rose again. For 2009, the ratio stood at 85% (annex table 1).[3]

Over the period 1997-1999, the average value of annual FDI inflows was US$ 9.7 billion, while over the period 2007-2009, it was US$ 9.9 billion (annex table 2).[3] A notable feature of Ireland's IFDI position is that, over the time period 2004-2009, net inflows were negative in four out of that six-year period. This indicates that inter-affiliate loan advances and repayments from Ireland-based foreign affiliates exceeded inward equity flows and reinvested earnings. This phenomenon may be partly explained by changes in the US tax code reducing taxes on repatriated profits from affiliates abroad. Following the American Jobs Creation Act of 2004 that taxed foreign profits at a rate of 5.25% compared to the regular rate of 35%, over 800 US corporations repatriated US$ 362 billion in foreign profits.[4] These were paid by their foreign affiliates as dividends. Of that amount, US$ 312 billion were deemed to be eligible for the tax break, giving those companies total tax deductions of US$ 265 billion claimed from 2004 through 2006. Almost a third of the amount repatriated was accounted for by companies in the pharmaceutical and medical manufacturing sectors, both heavily invested in Ireland. In the case of Ireland's chemicals sector (which includes pharmaceuticals at the level of secondary data aggregation considered), the IFDI stock fell from US$ 66 billion in 2003 to US$ 16 billion in 2006 (annex table 3). Given that Ireland was found to be world's most profitable foreign location for US companies in 2002,[5] it would be surprising if payment of dividends by US affiliates to their parent firms did not play a role in the reduction in Ireland's IFDI stock over the period 2004 to 2006. The rate of return on investment for US FDI in Ireland continues to be one of the highest in the world, exceeded only by that in Hungary in 2009.[6] It is also important to note that Irish data on FDI usually differentiate between FDI coming into Dublin's International Financial Services Centre (IFSC) and non-IFSC FDI. IFSC FDI is associated with financial intermediation by international banks, and is very different in terms of the effect on the local economy than traditional FDI; it is also volatile in its year-to-year movements (annex table 3). This volatility contributes to the fluctuations in Ireland's overall IFDI position.

As a result of these negative flows, Ireland's IFDI stock fell from a high of US$ 223 billion in 2003 to a level of US$ 193 billion in 2009. A further notable feature of the country's FDI flows

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[1] OECD, *OECD Factbook 2010: Economic, Environmental and Social Statistics* (Paris: OECD, 2010), pp. 79 and 83, available at: www.oecd.org.
[2] Forfas Annual Competitiveness Report, available at: www.forfas.ie/media/NCC100723-acr_bip_2010.pdf.
[3] UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/.
[4] *New York Times*, June 24, 2008.
[5] Martin Sullivan, "Data show dramatic shift of profits to tax havens," *Tax Notes*, September 13, 2004, pp. 1190–1200.
[6] Forfas Annual Competitiveness Report, op. cit.

is the extent to which these have benefited from reinvested earnings in recent years. Ireland continues to perform very well in terms of attracting IFDI. Ireland was ranked eleventh out of 141 countries in UNCTAD's 2009 inward FDI performance index.[7] The National Irish Bank/fDi Intelligence Inward Investment Performance Monitor reported that Ireland attracted 0.7% of global FDI flows (based on the number of projects won, capital investment and the number of jobs created) in 2009 – a proportion larger than its 0.3% share of global GDP.[8] Likewise, Ireland's share of IFDI among the EU-27 was almost 6.9% – well in excess of its 1% share of the EU economy.[9] The Irish Industrial Development Authority (IDA) - the state agency responsible for attracting FDI to Ireland - had already in the first half of 2010 secured 63 new investments, of which 20 were from companies setting up operations in Ireland for the first time, 22 were expansion investments from existing client companies and 21 of the investments were in R&D.[10] IDA attributes this success to a number of factors, both external and internal. These include the growth in the US technology sector, growing trends in clean technology, an improvement in Ireland's competitiveness, currency movements, and the overall global FDI recovery, combined with Ireland's excellent corporate tax regime,[11] talent, track record,[12] and technology capability.

Unlike in the 1980s and 1990s, Ireland is no longer a low-cost location. This was starkly demonstrated in early 2009 with the decision by Dell to close its manufacturing operations in Ireland while retaining its higher value functions. With its educated and flexible labor force, Ireland has increasingly attracted higher value-added, knowledge-intensive activities that are in many cases research and development and innovation (R&D&I)-driven.[13] For example, in 2008, 43% of FDI investments supported by the IDA were in R&D. This shift in the nature of FDI from being lower-value, employment-intensive to being more higher-value knowledge-intensive is the result of a deliberately evolving strategy on the part of the Government and its agencies that involves the scanning of the horizons of enterprise and the focusing on, and securing FDI in, new technologies, innovative business models and new markets. These developments are mirrored in the data for FDI stock: the share of manufacturing in the FDI stock has fallen from 45% in 2003 to 39% in 2008, while that of the services sector rose from 56% to 61% (annex table 3). Within the services sector, the finance and insurance industries and other business activities have tended to account for the bulk of IFDI stock. Along with the availability of an educated workforce, low taxation, light touch regulation, and ease and speed of doing business have been major factors in attracting IFDI in the financial sector. Such investment has mostly

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[7] UNCTAD, *World Investment Report 2010: Investing in a Low-Carbon Economy* (Geneva: United Nations, 2010), Country Fact Sheet: Ireland, p. 2.
[8] National Irish Bank, *Press release*, February 24, 2010.
[9] UNCTAD, op. cit., p. 167, annex table 1.
[10] Revealed by the Minister for Enterprise, Trade and Innovation, Batt O'Keeffe, TD, Ireland, at a media briefing at IDA headquarters in Dublin, on July 14, 2010. *Irish Examiner*, July 15, 2010.
[11] Ireland is committed to maintaining its 12.5% corporation tax rate; the corporation tax system is simple and transparent, and income taxes are relatively low. More information on taxes is available at: www.revenue.ie.
[12] Ireland is ranked third in Europe (seventh in the world) by the World Bank in terms of ease of doing business (World Bank, *Doing Business 2010*, available at: www.doingbusiness.org). Ease of paying taxes and starting a business, as well as investor protection, are some areas in which Ireland scores especially high.
[13] R&D&I is defined to include the setting up of a dedicated center to support either corporate research or an innovation agenda, through a stand-alone facility in Ireland, an investment in R&D&I that is co-dependent on a substantial collaborative engagement with an Irish or international academic institution and/or with a MNE or indigenous Irish company, R&D&I done at a manufacturing or service delivery site that improves the manufacturing or service delivery process, or R&D&I investments through which the outputs will be developed and produced in Ireland for export markets.

encompassed such activities as funds administration, treasury management, asset financing, and shared services and other back-office activities that have largely been unscathed by the crisis. However, since Ireland also served as a center for "shadow banking" a number of players have exited since the onset of the crisis. The other impact of the crisis on the financial sector from the perspective of IFDI has been the recent exit of some foreign players from the domestic banking sector, such as HBOS and BNP Paribas Fortis.

To date, virtually all of Ireland's IFDI stock has emanated from the developed world, with the major economies of the European Union (Netherlands, UK, Germany, Italy, France), along with Luxembourg and Switzerland, accounting for the total emanating from Europe (83% in 2008); the United States and Canada (and to a much lesser extent Japan) accounted for most of the remainder (16% in 2008) (annex table 4). However, it should be noted that the data in annex table 4 only correspond with the immediate investment source country; it does not necessarily equate to the ultimate investment source country. Some 1,000 multinational enterprises (MNEs),[14] of which some 60% are from the US,[15] have chosen Ireland as their European base. A key issue that arises in relation to IFDI is its sustainability. One indicator of FDI sustainability of foreign affiliates is the extent to which they are successful in attracting further investment in the form of new mandates. In a recent survey[16] of MNEs in Ireland, three out of four foreign affiliates stated that they had tried (or were currently trying) to secure new mandates. Sixty percent of those affiliates that had vied for new mandates had secured them.

The corporate players

Ireland has been successful in attracting investment in information and communications technology (ICT), life sciences, financial services, and globally traded business, including digital media, engineering, consumer brands, and international services. This is the result of a strategy that has focused on the three key areas of high-value manufacturing, global business services and R&D&I.[17] Ireland now hosts affiliates from many of the leading global companies (annex table 5) and hosts operations from 8 out of the top 10 ICT companies, 8 out of the top 10 pharmaceutical companies and 15 of the top 20 medical devices companies.[18]

The number of M&A sales peaked at 76 in 2007, declining to 41 in 2009.[19] However, the value of such sales peaked in 2001.[20] Even in 2008, which recorded the highest sales value since 2001, they were only about a third of the 2001 value. The largest deal in 2009 was the acquisition of a 18.46% share by Johnson and Johnson in Elan in the pharmaceutical sector, valued at US$ 0.8 billion, while in 2008 the largest deal was the acquisition of Airtricity by Scottish and Southern Energy for US$ 2 billion in the renewable energy sector (annex table 6). After a reduction in the number of greenfield FDI projects from 192 in 2005, the number rose again during the past two years, with 176 such projects in 2009.[21] The evidence to date suggests that a high level of

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[14] IDA Ireland, *Guide to Tax in Ireland, 2010*, available at: www.idaireland.com/news-media/publications/library-publications/ida-ireland-publications/IDA%20Tax%20Brochure%202010.pdf.
[15] US Government, Department of Commerce, "Doing business in Ireland, 2010", available at: www.buyusa.gov/ireland/en/irelandcountrycommercialguide2010.pdf
[16] Irish Management Institute, *Survey of MNCs in Ireland* (Dublin: Irish Management Institute, 2009).
[17] IDA Ireland*, Horizon 2020 IDA Ireland Strategy* (Dublin: IDA, 2010).
[18] IDA Ireland, available at: www.idaireland.com/news-media/press-releases/tanaiste-launches-ida-ire/.
[19] UNCTAD, *World Investment Report 2010*, op. cit., annex table 10.
[20] UNCTAD, *World Investment Report 2010*, op. cit., annex table 9.
[21] UNCTAD, *World Investment Report 2010*, op. cit., annex table 18.

activity will be sustained in 2010. Major corporate players in such industries as renewable energy, software and information technology, pharmaceuticals, and medical devices invested in greenfield projects in recent years (annex table 7).

Effects of the current global crisis

After falling sharply in 2008 and 2009, the Irish real GDP returned to growth in the first quarter of 2010, due to an impressive export performance. Ireland's GDP expanded by 2.2% relative to that of the fourth quarter of 2009, while exports grew by 6.9%. However, although exports continued their impressive growth in the second quarter, GDP declined by 1.2%. Paradoxically, Ireland's economic decline has had the effect of making it more attractive as a location for FDI. The European Commission forecasts that the cumulative fall in Irish unit labor costs will be 9% in the period 2008-2011.[22] Relative to the EU average, this represents an improvement of 13 percentage points. While Ireland's economy contracted sharply in the past two years, it still retains many of the gains that it attained from the Celtic Tiger era, such as infrastructure and human capital. For example, Ireland has advanced from twenty-ninth on the UN Human Development Index in 1990 to fifth position, ahead of countries such as The Netherlands, Sweden, France, Switzerland, and the US in 2009. These gains taken together with the greatly reduced cost of operating in Ireland as a result of the recession should continue to ensure Ireland's attractiveness as a destination for FDI. However, given the openness of the Irish economy and the extent of its integration into the world economy, future prospects for IFDI will also be tempered by the outlook for the global economy. While tax increases are likely as a means of reducing the increased government budget deficit arising from the current crisis, there is a consensus among political parties and policy makers that Ireland's current rate of low corporate taxation must be maintained regardless of the current fiscal pressures.

The policy scene

Ireland has long used its tax system as a means of attracting FDI. Some recent changes in the business taxation system have been designed to enhance the country's attractiveness as a location for a range of knowledge-based activities and as a location for regional headquarters, by offering a scheme of tax relief for capital expenditure on intangible assets.[23] Irish tax legislation contains important measures to drive the development of Ireland as a hub for companies engaged in the ownership and development of intellectual property (IP)[24] assets.[25] Other recent changes include an increase in the R&D tax credit and the introduction of a payable credit and improvement in the tax benefits offered to senior executives and highly skilled workers who relocate to Ireland to work there for a period of time.[26]

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[22] European Economy Forecast - Spring 2010 (Luxembourg, European Economy 2/2010), p. 87, available at: http://ec.europa.eu/economy_finance/publications/european_economy/2010/pdf/ee-2010-2_en.pdf.

[23] Department of Finance, Ireland, *Budget 2010: Financial Statement*, published 9th December 2009, available at: www.budget.gov.ie.

[24] IP is broadly defined and includes the acquisition of, or the license to use, patents, designs, inventions, trademarks, brands, copyrights, know how, and goodwill directly attributable to such IP.

[25] Ireland was ranked seventh out of 24 in the Global Intellectual Property Index in 2009 (Taylor Wessing Global Intellectual Property Index 2009, available at: www.taylorwessing.com/ipindex/). This was the first year Ireland was included in the index which assesses 24 leading economies for protection and enforcement of patents, trademarks, copyright and domain names.

[26] Department of Finance, Ireland, op.cit.

Ireland is among the world's most competitive locations for R&D investment, according to a recent study[27] that evaluated the cost of global R&D initiatives after tax and other cost incentives in 20 countries. Ireland had an effective tax rate of 1%, making it the second most competitive of the countries evaluated. Grant aid and R&D credit can reduce the cost of investment by up to 60% of the investment costs for firms that chose to set up and establish in Ireland to carry out R&D&I.[28]

Recent legislation has been designed to enable Ireland to compete as a location with other established European holding company locations.[29] As a result, Ireland has started to emerge as an onshore location for MNEs establishing regional or global headquarters to manage the profits, functions and shareholdings associated with their international businesses. While the country offers tax advantages for holding companies, it is not, unlike some other destinations, seen as a tax haven, thus increasing the attractiveness of Ireland as a sustainable location.

Ireland has introduced new rules about transfer pricing to fall in line with OECD regulations, for both domestic and cross border transactions that will be in effect from January 1, 2011.[30] It is expected that these rules will align Ireland with best international practices, position Ireland better in intervening on behalf of companies where other jurisdictions adopt transfer pricing positions that do not accord with the arm's length principle and also enhance Ireland's capacity to influence the direction of future developments in relation to transfer pricing in international taxation.

Ireland has signed comprehensive double taxation agreements (DTTs) with 56 countries, of which 48 are in effect and the remainder awaits ratification.[31] These agreements allow for the elimination or mitigation of double taxation. Two new tax agreements with Macedonia and Malta came into effect January 1, 2010. Ireland has only one bilateral investment treaty; it was signed in 1997 with the Czech Republic. With the Lisbon Treaty having entered into force on December 1, 2009, the EU, rather than individual member states like Ireland is now responsible for the negotiating of international investment treaties.[32]

Outlook

Ireland's IFDI strategy is based on its position as one of the most innovative economies in the world - a hub of innovation, R&D and high-end manufacturing and intellectual property opportunities. Recent trends suggest that Ireland should continue to attract R&D investments. In 2009, there was a 10% increase in the number of R&D&I investments compared to 2008. R&D&I investments accounted for 49% of all investments in 2009. [33] The PricewaterhouseCoopers (PwC) 2010 CEO Pulse Survey of Ireland-based CEOs of foreign

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[27] Mazars, *Review* of *Global R&D Tax Incentives* (Dublin: Mazars, 2010), available at: www.mazars.ie.
[28] Deloitte & Touche, *Ireland as a Knowledge Economy* (Dublin: Deloitte and Touche, 2010), available at: www.deloitte.com/ie.
[29] Originally signaled in Department of Enterprise, Trade and Employment submission to Commission on Taxation, available at: www.commissionontaxation.ie/submissions/Government%20Depts%20-%20Political%20Parties//F01%20-%20Dept.%20Enterprise,%20Trade%20&%20Employment.doc,May 23, 2008.
[30] Revenue Commissioners, Ireland, available at: www.revenue.ie/en/practitioner/law/finance-bill-2010/transfer-pricing.pdf.
[31] IDA Ireland, *2010 Guide to Tax in Ireland* (Dublin: IDA, 2010).
[32] Selen Sarisoy Guerin, *Do the European Union's bilateral investment treaties matter? The way forward after Lisbon*,„CEPS Working Document No. 333, July 2010.
[33] IDA Ireland, available at: www.idaireland.com

affiliates conducted at the end of May 2010 found that a quarter more of MNE CEOs are considering additional investment in Ireland compared to last year.[34] In addition, Ireland is making a concerted effort to attract IFDI from the fast growing emerging markets, to benefit from the rapidly growing levels of outward FDI from these economies.

Additional readings

Barry, Frank and Adele Bergin, “Ireland’s inward FDI over the recession and beyond”, *IIIS Discussion Paper*, No. 321 (Trinity College Dublin: March 2010).

Buckley, Peter J. and Frances Ruane, “Foreign direct investment in Ireland: policy implications for emerging economies,” *The World Economy*, vol. 29, no. 11 (2006), pp. 1611-1628.

Grimes, Seamus, “Ireland's emergence as a centre for internationally traded services,” *Regional Studies*, vol. 40, no. 9 (December 2006), pp. 1041-1054.

McSharry, Ray and Padraic White, *The Making of the Celtic Tiger: The Inside Story of Ireland's Boom Economy* (Cork: Mercier, 2000).

Rios-Morales, Ruth and Louis Brennan, “Ireland's innovative governmental policies promoting internationalisation,” *Research in International Business and Finance*, vol. 23, no. 2 (2009), pp. 157-168.

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The Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

[34] PwC, *PwC Pulse 2010: What CEOs are Saying* (Dublin: PricewaterhouseCoopers, July 2010).

Statistical annex

Annex table 1. Ireland: Inward FDI stock 2000, 2008, 2009

(US$ billion)

Economy	2000	2008	2009
Ireland	127	168	193
IFDI stock as a percentage of GDP	132	62	85
Memorandum: comparator economies			
Belgium	n.a.	671	830
Netherlands	243	638	596
Singapore	110	326	343
UK	438	980	1125

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi.

Annex table 2. Ireland: Inward FDI flows, 2000-2009

(US$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ireland	25	9	29	22	-10	-31	-5	24	-20	24
Memorandum: comparator economies										
Belgium	n.a.	n.a.	16	33	43	34	58	118	109	33
Netherlands	63	51	25	21	4	47	7	115	-7	26
Singapore	16	15	6	11	21	15	29	35	10	16
UK	118	52	24	16	55	176	156	186	91	45

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi.

Annex table 3. Ireland: distribution of inward FDI stock, by economic sector and industry, 2003-2008

(US$ billion)

Sector/industry	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
All sectors/industries	222	207	163	156	193	163
Primary						
Agriculture, farming, fishing and forestry	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mining	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Secondary						
Manufacturing	98	89	82	45	65	63
Textiles, wearing apparel, wood, publishing and printing	14	7	8	7	12	10
Food products	5	6	5	5	6	4
Chemical products	66	60	54	16	n.a.	1
Office machinery and computers	4	4	4	4	3	4
Metal and mechanical products	0.6	0.7	1	0.4	1.2	1.2
Motor vehicles and other transport equipments	0.1	0.2	0.2	0.3	0.4	0.4
Radio, TV, communication equipments	3	4	4 .8	5	4	3.9
Services						
Total services	124	117	80	110	127	99
Transports, storage and communication	2	2	1	3	4	2
Financial intermediation	110	104	64	88	108	62
Financial intermediation, except insurance and pension funding	87	76	38	53	67	33
Monetary intermediation	24	29	31	38	55	49
Activities auxiliary to financial intermediation	3	4	3	3	1	1
Other financial intermediation	63	46	6	14	12	-15
Insurance	20	24	21	31	38	26
Computer activities	1	1	1	1	5	4
Business and management consultancies	0.2	0.7	1	1	1	3
Other business activities	n.a.	n.a.	4	5	n.a.	20

Source: OECD.*Stat Extracts*, available at: http//:stats.oecd.org.

Annex table 4. Ireland: geographical distribution of inward FDI stock, 2003-2008

(US$ billion)

Region/economy	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
World	222	207	163	156	193	163
Developed economies						
Europe	170	171	131	128	128	136
European Union	149	154	129	122	117	128
Austria	0.1	0.6	0.2	0.2	0.4	0.5
Belgium	-0.1	2.4	-0.1	-0.6	-1.3	6.6
Cyprus	n.a.	0.8	1.4	0.5	0.4	0.6
Czech Republic	-0.0	-0.1	-0.6	n.a.	-0.9	-0.7
Denmark	0.1	-0.4	-1	-0.5	-1	-0.1
Finland	0.1	.-8	-1	n.a.	-1	0.2
France	2	3	6	8	6	3
Germany	10	7	1	4	4	6
Italy	6	6	6	7	8	8
Luxembourg	21	33	34	46	42	35
Netherlands	71	70	65	37	48	42
Poland	-0.2	-0.2	n.a.	0.0	-0.2	-0.2
Portugal	0.5	0.8	1.6	1.9	1.7	1.3
Slovakia	-0.0	-0.0	-0.1	n.a.	n.a.	-0.1
Spain	-0.9	-0.9	-2	-2	-6	-0.2
Sweden	3.8	-0.6	-0.2	5.2	3.5	6.9
UK	34	31	20	15	11	16
Other European economies						
Isle of Man	0.4	-0.6	-2.1	2.7	1.3	n.a.
Jersey	n.a.	6.8	-0.2	-0.8	0.8	-1
Norway	0.1	0.7	0.2	0.1	0.4	-0.1
Switzerland	6	7	4	5	7	7
Turkey	0.1	0.1	-0.0	0.1	n.a.	n.a.
Other developed economies						
Australia	-0.7	-0.5	-0.7	0.2	-0.0	-0.2
Canada	8.7	n.a.	6.1	10.9	17	12
Japan	-0.4	1.8	3.6	3.5	1.5	1.1
New Zealand	0.0	-0.0	0.0	0.1	-0.2	-0.1
USA	30.2	14.5	13.8	7.6	29	12.3
Developing and transition economies						
China	-0.2	0.3	0.1	0.2	0.3	0.2
Hong Kong (China)	0.2	n.a	n.a.	-0.9	-0.9	-0.4
India	0.0	-	-0.1	-0.1	-0.1	-0.1
Indonesia	-0.0	-0.0	n.a.	n.a	0.0	0.0
Mexico	-1	-0.5	0.2	-0.2	-0.1	-0.3
Republic of Korea	-0.1	-0.7	-1	-2	-2	n.a.
Russian Federation	-0.0	-0.0	-0.0	-0.1	0.6	0.1
Singapore	1	1	-0.2	-0.2	0.1	0.5
Unspecified destination	-2	-2	-0.5	-3	-0.4	-10

Source: OECD.*Stat Extracts*, available at: http//:stats.oecd.org.

Annex table 5. Ireland: Principal foreign affiliates in Ireland, ranked by turnover, 2009

(US$ billion)

Rank	Name	Turnover	Industry
1	Dell	15	Manufacturer and sales of computer systems
2	Microsoft Ireland operations	13	Software manufacturer/distributions
3	Google Ireland	8	Internet search operator
4	BSC Int. Holdings Ltd (Boston Scientific)	5	Manufacturer of medical devices/ healthcare
5	Oracle Emea Ltd	5	Software manufacturer/sales
6	Tesco Ireland	3 [a]	Supermarket retail and petrol stations
7	Aryzta	4	Bakery products
8	ConocoPhillips Ireland Ltd	3	Mineral oil refining
9	Western Union International	2	Money transfer
10	Pfizer Global Supply	2	Wholesale of pharmaceutical goods
11	Forest Laboratories Holdings Ltd	2	Manufacture of basic pharmaceutical products
12	Apple Computer	2 [a, b]	Computer supply/R&D Centre
13	Diageo Ireland	2.2-2.5 [a]	Alcoholic beverages production/sales/distribution
14	Adobe Software Trading Co. Ltd	2	Software consultancy and supply

Source: *The Irish Times* Top 1000 Companies Magazine, June 30, 2010.

[a] Estimated accounts.
[b] Estimated based on global turnover divided by global employees multiplied by Irish employees.

Annex table 6. Ireland: main M&A deals, by inward investing firm, 2007-2009

Year	Acquiring company	Home economy	Target Company	Target industry	Transaction value (US$ billion)	Shares acquired (%)
2009	Johnson & Johnson	USA	Elan Corp PLC	Pharmaceuticals	0.8	18.46
2009	Endesa SA	Spain	Electricity Supply Board-Power	Energy Supply	0.7	20
2009	Biovail Corp	Canada	Cambridge Laboratories	Chemicals	0.2	100
2009	Carbon Acquisition Co	UK	EcoSecurities Group PLC	Financial services	0.1	100
2009	Star Energy Group PLC	UK	Marathon Oil Ireland Ltd	Oil &gas	0.1	100
2009	MasterCard Inc	USA	Orbiscom Ltd	Business support	0.1	n.a.
2009	Popolare Vita SpA	Italy	The Lawrence Life Assurance Co	Financial services	0.03	100
2009	OASiS Group PLC SPV	USA	OASiS Group PLC	Business services	0.03	60
2009	Celsa Steel (UK) Ltd	UK	BRC McMahon Reinforcements Ltd	Building & construction	0.014	50
2009	Capita Group PLC	UK	Capmark Services Ireland Ltd	Financial services	0.013	100
2009	ISS Holding A/S	Denmark	Chubb Sec Personnel Ireland	Security services	0.005	100
2009	Genetix Group PLC	UK	SlidePath Ltd	Data management	0.004	100
2009	Corneal Laser Centre Ltd	UK	Eye Laser Ireland	Medical technology	0.004	100
2009	Norsat International Inc	Canada	Bluemoon 4G Ltd	Telecommunication services	0.003	100
2009	Sagem Securite SA	France	CardBASE Technologies Ltd	Business support	0.003	100
2008	Scottish & Southern Energy PLC	UK	Airtricity Holdings Ltd	Renewable energy	2	100
2008	Capital Research & Mgmt Co Ltd	USA	Kingspan Group PLC	Building & construction	0.1	6
2008	EAG Inc	USA	EAG Ltd	surface and materials analysis	0.1	100
2008	Investor Group	UK	Noonan Services Group Ltd	Facility services	0.1	100
2008	Dreamport Ltd	UK	NTR PLC	Renewable energy	0.1	39.6
2008	Investor Group	UK	Glanbia Meats Ireland	Food market	0.05	100
2008	Investor Group	Libya	Circle Oil Plc	Oil &gas	0.05	45.27
2008	Oxford Aviation Academy Ltd	UK	Parc Aviation Ltd	Personnel solutions & technical support	0.04	100
2008	DiaSorin SpA	Italy	Biotrin International	Diagnostics	0.03	100
2008	Amdocs Ltd	Guernsey	Changing Worlds Ltd	Digital service provider	0.03	100
2008	QUALCOMM Inc	USA	Xiam Technologies Ltd	Software	0.03	100

				development		
2008	Barclays Capital	UK	Mainstream Renewable Power Ltd	Renewable energy	0.02	14.6
2008	Penninn hf	Iceland	Insomnia Coffee Co	Food & beverages	0.02	100
2008	Intersnack Knabbergebaeck	Germany	Largo Food Exports Ltd	Food	0.02	15
2008	Charles Taylor Consulting PLC	UK	Santam Europe Ltd	Financial services	0.018	100
2007	Hypo Real Estate Holding AG	Germany	DEPFA Bk PLC	Banking services	7	100
2007	Britvic PLC	UK	C&C Group-Soft Drinks Business	Beverage	0.3	100
2007	Cardpoint PLC	UK	Alphyra Group PLC	Electronic solution services	0.3	100
2007	Telekom Austria AG	Austria	e Tel Group Ltd-6 Subsidiaries	Telecom	0.1	100
2007	Munich Re	Germany	Allfinanz	Business Processing Solution	0.06	100
2007	Credit Suisse Group	Switzerland	EcoSecurities Group PLC	Carbon finance expertise	0.05	9.9
2007	Level 3 Communications Inc	USA	Servecast	Internet broadcasting	0.04	100
2007	White Young Green PLC	UK	PH McCarthy Consulting	Building & construction	0.03	100
2007	Societa Cattolica di Assicurazioni SCRL	Italy	Vicenza Life Ltd	Financial services	0.03	50
2007	WeDo Consulting-Sistemas	Portugal	CAPE Technologies Ltd	Telecom software	0.02	100
2007	DataCash Group PLC	UK	EuroCommerce Call Centre	Business support	0.01	100
2007	G4S PLC	UK	Omada Fire & Security Group	Security services	0.01	100
2007	Computershare Ltd	Australia	Datacare Software Group Ltd	Business support	0.01	100
2007	SmartConnect Holdings PTE Ltd	Philippines	Blue Ocean Wireless Ltd	Mobile communication	0.01	30
2007	Crompton Greaves Ltd	India	Microsol Holdings Ltd	Automation	0.01	100

Source: Thomson ONE Banker, Thomson Reuters.

Annex table 7. Ireland: main greenfield projects, by inward investing firm, 2007-2009

Year	Company name	Home economy	Industry	Investment/ estimated investment (US$ billion)
2009	Covanta	USA	Alternative/renewable energy	0.5
2009	Enel	Italy	Coal, oil and natural gas	0.3
2009	Green Wind Energy	Denmark	Alternative/renewable energy	0.2
2009	Scottish & Southern Energy	UK	Alternative/renewable energy	0.2
2009	Interxion	Netherlands	Communications	0.1
2009	Cable & Wireless	UK	Communications	0.1
2009	Boston Scientific	USA	Medical devices	0.1
2009	Activision Blizzard	USA	Software and IT services	0.1
2009	Takeda Pharmaceutical	Japan	Pharmaceuticals	0.1
2009	Leo Pharma	Denmark	Pharmaceuticals	0.1
2009	Hovione	Portugal	Pharmaceuticals	0.07
2009	Groupe de Recherche Servier	France	Pharmaceuticals	0.06
2009	Euro Construction Corp Ltd	UK	Real estate	0.06
2009	Intel	USA	Semiconductors	0.06
2009	Marks & Spencer	UK	Textiles	0.06
2008	Diageo	UK	Beverages	1
2008	Sosina	UK	Coal, oil and natural gas	0.5
2008	Houghton Mifflin	USA	Business services	0 .4
2008	Aldi Group	Germany	Food and tobacco	0.4
2008	Microsemi	USA	Semiconductors	0.33
2008	Coca-Cola	USA	Beverages	0.3
2008	Pfizer	USA	Biotechnology	0.2
2008	Intel	USA	Semiconductors	0.2
2008	Genzyme	USA	Pharmaceuticals	0.2
2008	Johnson & Johnson	USA	Consumer products	0.1
2008	EMC	USA	Communications	0.1
2008	Royal BAM Group	Netherlands	Real estate	0.1
2008	Millipore	USA	Medical devices	0.1
2008	Teva Pharmaceutical Industries	Israel	Pharmaceuticals	0.09
2008	EMC Instytut Medyczny	Poland	Healthcare	0.07
2008	Optical Express Group	UK	Healthcare	0.07
2007	Microsoft	USA	Software and IT services	0.05
2007	GlaxoSmithKline (GSK)	UK	Pharmaceuticals	0.03
2007	Merck & Co	USA	Pharmaceuticals	0.02
2007	Quinn Group	UK	Financial services	0.02
2007	Aldi group	Germany	Food and tobacco	0.01
2007	UCB SA	Belgium	Pharmaceuticals	0.01
2007	Baxter	USA	Medical devices	0.01
2007	Deutsche Post	Germany	Transportation	0.01
2007	Etex	Belgium	Building and construction materials	0.01
2007	New York Residence	USA	Real estate	0.008
2007	Gilead Sciences	USA	Biotechnology	0.008
2007	Equifax	USA	Financial services	0.007
2007	Regus	UK	Real estate	0.006
2007	Balcas	UK	Wood products	0.005
2007	Marks & Spencer	UK	Textiles	0.005

Source: fDi Intelligence, a service from the Financial Times Ltd.