Delivering Nationally, Competing Globally

From Strong Foundations to the Next Chapter of Transatlantic Growth

BUDGET 2027 SUBMISSION

AMERICAN CHAMBER of COMMERCE IRELAND

Executive Summary

Ireland has a core role to play in the global economy as a key bridge between the EU and the US. Ireland also stands as a destination of choice for inward investment, and for people, and their families, to live and work. At a time when competitiveness is more important than ever, it is essential that Ireland delivers important investments and utilises smart policy levers to ensure Ireland remains an attractive location for business and talent in the years and decades ahead.

In Budget 2026, many positive decisions, which AmCham had advocated for, were taken. These include:

- The increase in the R&D tax credit from 30% to 35%.
- The commitment to updating and enhancing the rules relating to the participation exemption by expanding the geographic scope of the exemption to include jurisdictions where non-refundable withholding taxes apply and providing for a number of technical amendments to improve the operation of the relief.
- The provision of funding for Uisce Éireann to continue to build essential capacity to support new housing developments and to increase the resilience and sustainability of water supply, and to EirGrid and ESB to bolster grid maintenance and development.
- The commitment to investing in digital health including the HSE Health App, National Share Care Record, and Virtual Wards, following AmCham's calls for a fully digitalised healthcare system to bring care closer to the patient.
- The commitment to progressing key infrastructure projects.
- The announcement of funding for infrastructure projects under the Department of Further and Higher Education, Research, Innovation and Science, including the development and operation of 11 technological university facilities covering 70,000 square meters and supporting STEM and related disciplines, in line with AmCham's advocacy to enhance investment in Ireland's higher education institutional infrastructure to ensure it meets the needs of the education sector.
- The provision of funding for the recruitment of an additional 70 civil servants to work in critically important areas, such as cyber security, where AmCham had outlined the importance of investment and resourcing for cyber security.

However, as we look to Budget 2027, it is vital that Government build upon this progress to ensure Ireland is best placed to attract inward investment and support Irish companies in scaling into the future. Further, given the global battle for talent, it is essential that Ireland continues to work to enhance its value proposition for people, and their families, to ensure we retain and expand the highly educated talent pool which serves as Ireland's greatest competitive advantage.

In the IMD 2026 World Competitiveness Ranking, Ireland is positioned as the seventh most competitive country in the world, having placed second in 2023. Additionally, in terms of infrastructure, Ireland is actually placed in 19th position, and for basic infrastructure specifically, Ireland ranked 43rd in the world. This highlights the importance of delivery to address competitiveness challenges and enhance Ireland's position as a competitive economy for business growth and investment, both in terms of FDI and indigenous industry.

Many of the measures which can enhance Ireland's competitiveness on the global stage are within Ireland's own control. As such, providing the capacity for future growth by delivering progress and advancements with regard to energy, infrastructure, A.I., digital and cyber security, research and development, and talent and skills will be pivotal in ensuring Ireland remains at the forefront of investment and innovation into the future. By maintaining a pro-business ecosystem, and working with industry, Ireland can ensure it retains and enhances its role within the global operations of multinational businesses, whilst also supporting indigenous businesses in building and enhancing their presence on the global stage.

Key Recommendations

Infrastructure

p. 08

- Continuing funding and policy efforts to realise Government's ambition of delivering 300,000 homes by 2030.
- Providing adequate funding to Uisce Éireann to support it in meeting the needs of the population in 2027, approximately €2.2bn, and on a multi-annual basis to support the delivery of on-going projects.
- Following the passage of the Dublin Airport (Passenger Cap) Bill, ensuring Dublin Airport has the capacity to support future growth, including enhanced business and investment links to key markets and secure supply chains.
- Advancing the delivery of key transport infrastructure projects including MetroLink, DART+ and Luas Cork.

Energy System

p. 13

- Providing for a clearly defined funding stream for electricity grid improvements.
- Developing a clear long-term strategy to position Ireland as a net energy exporter, with clearly defined, progressive targets.
- Advancing legislative measures to support the development of wind and solar energy, given their importance in insulating Ireland from international energy shocks and reduce Ireland's reliance on energy importation.
- Developing green hydrogen and battery storage capabilities to increase investor confidence in Ireland's energy system.
- Continuing investment in the roll-out of district heating to build on progress thus far and further reduce heat emissions.

Digital Infrastructure

p. 14

- Delivering a digital-first approach for public services which are being introduced or enhanced.
- Actively pursuing the development of A.I. Centres of Excellence, A.I. regulatory sandboxes, and A.I. stakeholder engagement mechanisms.
- Providing continued, multi-annual funding for the National Cyber Security Centre, both in terms of resourcing for its duties and personnel numbers.
- Ensuring security of existing and future subsea cables given their importance to the transatlantic economy.

Innovation Ecosystem

p. 18

- Enhancing the R&D tax credit with regard to related party subcontracting costs and agency staff.
- Fostering greater collaboration between industry, academia, and researchers, with measures to enhance and support collaboration programmes and initiatives.
- Reducing the administrative burden and providing simpler eligibility rules with clearer documentation and guidance in terms of RD&I funding opportunities.
- Enhancing Ireland as a location for clinical research.

Tax Environment

p. 21

- Advancing the simplification of Ireland's tax code.
- Expanding the R&D regime to recognise that IP owners work globally to develop and enhance IP.
- Addressing the personal tax burden on employees to support talent attraction and retention in Ireland.
- Introducing standalone Digitalisation and Decarbonisation Tax Credits, each at a rate of 35%.
- Introducing a simplified, elective interest deductibility regime to replace Ireland's current fragmented system and enhance competitiveness for US investment.
- Work to establish a new permanent bilateral agreement between Ireland, the UK and Northern Ireland with the aim of exempting cross-border workers from dual taxation.
- Providing for tax incentives regarding engagement with a Savings and Investment Account. Creating a frictionless process to open a Savings and Investment Account.

Talent Pipeline

p. 28

- Accelerating the utilisation of National Training Fund resources to address skills gaps, and enhance upskilling and reskilling in core skills areas.
- Prioritising measures to support the development and uptake of upskilling and reskilling programmes, and micro-credentials.
- Enhancing digital and A.I. skills in primary and secondary education to enhance digital literacy and skills across the population.
- Continuing the development of apprenticeship programmes, and to work in cooperation with industry to identify and address skills gaps, and advance pathways into strategic roles.

Delivering Nationally,
Competing Globally

Taking the necessary action now – grasping the opportunities of the future

President's Foreword

In an ever-changing global environment, competitiveness is more important than ever. For Ireland to continue to attract investment and support business growth, delivery on strategic priorities is vital.

Ireland has had much success over past decades in attracting inward investment. To ensure Ireland is best placed to attract future waves of investment, the Government must move at pace to deliver key investments and modernise essential services to bolster investor confidence and enhance Ireland's attractiveness as a place to live and work.

In our Budget 2027 submission entitled 'Delivering Nationally, Competing Globally', the American Chamber of Commerce Ireland (AmCham) sets out our priorities to ensure Ireland remains an attractive location, at the heart of the European Union, for US investment. AmCham has outlined the smart investments and policy decisions that will be essential to ensure Ireland can harness the opportunities of the future and support the country's attractiveness for business and innovation in A.I., financial services, life sciences and other key sectors.

Ireland has strong foundations upon which to build its future economy and society. With over 1,000 US operations in Ireland, directly employing 245,000 people, and indirectly supporting a further 175,000 jobs in our domestic economy, huge potential exists to deliver an economy focused on innovation and research. In this regard, Ireland must work to position itself at the vanguard of future global technological changes. This would offer huge societal benefits also, in terms of how core services are delivered, from healthcare and immigration to education and social supports. Taking the necessary action now to realise Ireland's potential and ambition will support our citizens and residents in grasping the opportunities of the future, developing the skills required to succeed in an ever-changing work environment, and to invest in their future as Ireland faces waves of demographic change in the decades to come.

The announcement of Budget 2027 falls in the midst of Ireland's Presidency of the Council of the European Union, and in the year where we mark the 250th anniversary of the founding of the United States. In Budget 2027, Ireland has the opportunity to showcase its commitment to the transatlantic relationship and to showcase to our international partners how domestic measures to support the transatlantic relationship can continue to bring both economic and societal benefits.

Utilising this opportunity also provides Ireland with a platform to voice the importance of a balanced regulatory environment to support innovation and competitiveness on the European stage. It represents an opportunity for Ireland to showcase its support for the open-market economic model, and for ensuring both Ireland and Europe remain preeminent destinations for talent and US investment in the years and decades ahead.

With smart policy decisions, and key investments, Ireland can enhance its attractiveness on the global stage for inward investment, better support the growth of indigenous business, and ensure people are empowered with the skills required to succeed as the pace of technological change continues to accelerate. Through the delivery of infrastructure, investments, and key incentives, Ireland can position itself as a leader in innovation, and cement its reputation as a partner for business, subsequently attracting continued investment in the years to come. To achieve this, Ireland must act now, provide clear timelines for the delivery of vital initiatives, and showcase its commitment to meeting these goals to realise its future potential.

Mark Cockerill

Mark Cockerill, AmCham President 2026

Delivering the ***Infrastructure*** to Compete Globally

Addressing Ireland's infrastructure deficit is of paramount importance in delivering the capacity for business growth and future investment. Infrastructure, whether it be the energy grid, water and wastewater infrastructure, transport links, or housing, is an essential enabler to future economic development, and to supporting talent in our local communities.

The Accelerating Infrastructure Report and Action Plan has outlined key barriers to delivery, and while implementation of key recommendations is underway, a continued prioritisation of action in this regard is essential in ensuring Ireland has a strong value proposition for investment and growth into the future. Further, the full implementation of the Planning and Development Act 2024, provides a basis to alleviate delays within the planning system and prioritise the delivery of critical infrastructure across, energy, housing, transport and more. It is important that continued support and reviews of the operation of the planning system remain a priority for Government.

Transport

In addressing Ireland's infrastructure gap, the delivery of transport infrastructure and enhanced connectivity will be pivotal in supporting continued economic development. In this regard, transport infrastructure is a key economic enabler, supporting people travelling to work, the transit of goods, and the resilience of supply chains.

In terms of transport infrastructure, the delivery of key road projects is vital in terms of supporting sustainable transport solutions, allowing for greater business connectivity, supporting measures to address congestion, and opening up lands to support measures to address other key infrastructure challenges, including housing delivery. This must also be accompanied by the delivery of public transport commitments. Such commitments are essential in supporting people and talent in travelling to and from their places of work and education, and in supporting wider society with connections to local communities across the country.

AMCHAM RECOMMENDS

- Ensuring the timely delivery of MetroLink without undue delay given its importance in supporting the diversification of public transport options and providing a vital link to Dublin Airport.
- Advancing the delivery of the Luas Cork to develop greater transport options in Cork City.
- Delivering DART+ projects to meet the demands of a growing population.
- Developing long-term inter-regional connectivity strategies that utilise existing and future road networks to connect major economic hubs with one another, notably Cork, Limerick and Galway.
- Ensuring that critical transport projects are subject to defined project KPI milestones and delivery dates are clear, achievable and reliable.
- Delivering greater pedestrian and cycle infrastructure in high density areas, including, for example, new pedestrian access across the River Liffey, to enhance connectivity and support for local businesses.
- Prioritising the implementation of reforms contained within the Accelerating Infrastructure Report and Action Plan, including the provision of clearly defined delivery timelines and improved coordination across approval and regulatory processes for nationally strategic and critical infrastructure projects.
- Providing ringfenced, multi-annual funding to accelerate the implementation of reforms contained within the Accelerating Infrastructure Report and Action Plan.

Air Connectivity

Ireland's global connectivity is vital to support business links, access to markets across the world, and to support inward investment. In this regard, it is essential that capacity constraints at Dublin Airport are addressed to support growth in passenger numbers. Further, the inclusion of Shannon Airport in the Regional Airports Programme is welcome as a means to supporting Ireland's national and regional connectivity. However, it is important that funding for Ireland's regional airports, through this programme, is strengthened to drive greater connectivity for Ireland's regions, and to support operations, the development of security infrastructure, and the successful implementation of sustainability measures.

In enabling connectivity and advancing sustainability, the availability of sustainable aviation fuel is paramount. However, given global fuel pressures and security of supply concerns, it is essential that action is taken to ensure the supply of sustainable aviation fuel is protected and strengthened. In this regard, measures at European level to increase sustainable aviation fuel blending to 20% by 2035, and further to 70% by 2050 will be challenging, given that production capacity within the EU is projected to have a shortfall of almost 10 million tonnes when compared to expected demand.

The European Commission's decision to apply trade defence measures to sustainable aviation fuel coming from the US, this raises concerns with regard to security of supply to meet industry and consumer demand and in relation to policy coherence across competing policy objectives.

In achieving the EU's goals with regard to sustainable aviation fuel, and to ensure security of supply, it is important that the application of duties is reversed to support business, enhance the EU's competitiveness, avoid adverse impacts on investor confidence, and advance sustainability goals.

AMCHAM RECOMMENDS

- Following the passage of the Dublin Airport (Passenger Cap) Bill, ensuring Dublin Airport has the capacity to support future growth, including enhanced business and investment links to key markets and secure supply chains.
- Increasing the funding allocation for the Regional Airports Programme to support connectivity and growth, security and safety, and sustainability measures, and further support balanced regional development.
- Ensuring the enhancement and utilisation of regional airports remains a priority for Government.
- Developing distinct strategies, alongside key stakeholders, to enhance the connectivity of Ireland's regional airports, in particular, Cork Airport, Kerry Airport, Knock Airport, and Shannon Airport, which are key economic drivers in the respective regions and vehicles to unlock greater investment.
- Prioritising engagement with EU partners to reverse measures which increase duties and create barriers to the import of sustainable aviation fuel from the US through an appropriate review process. This should include the forthcoming expiry review process.
- Ensuring that strategies and roadmaps to enhance air connectivity are developed with in-built KPIs, clear funding mechanisms, and fixed timelines, to provide certainty, and ensure timely delivery of critical projects.

Housing

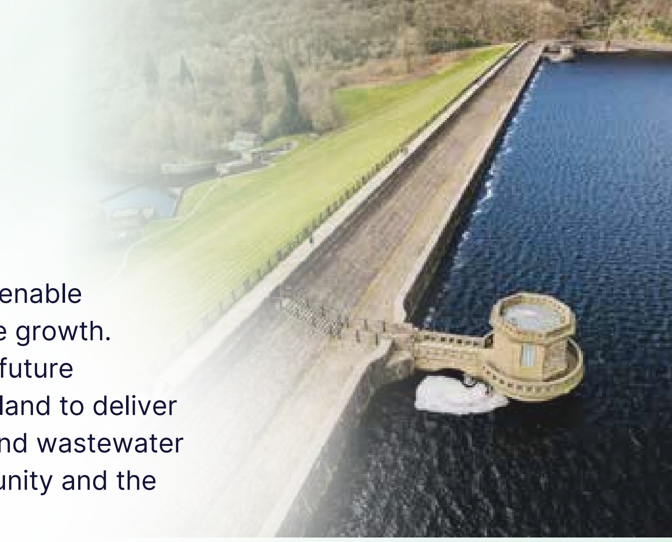
Housing availability is essential in supporting foreign direct investment, indigenous business growth, and in supporting talent. In AmCham's FDI Insights Surveys of its members, housing is consistently identified amongst the top issues for Ireland to overcome to support companies in expanding their Irish operations.

In supporting a growing population, and ensuring Ireland can provide for increased skills needs, housing targets must be viewed as a baseline, and minimum target to achieve.

AMCHAM RECOMMENDS

- Continuing funding and policy efforts to realise Government's ambition of delivering 300,000 homes by 2030.
- A continued focus should be placed on delivering different types of homes to meet the needs of the population in both the private purchase and the rental markets.
- Examining new and innovative means of delivering housing solutions to ensure the most effective and efficient means of delivering are utilised.
- Conducting regular reviews of the share of housing types delivered within the market, namely social housing, cost rental, and private purchase, with a view to ensuring that the delivery of housing reflects the necessary balance to support the population and support economic growth.

Water & Wastewater



The delivery of water and wastewater infrastructure is vital to enable the provision of capacity for current needs, and Ireland's future growth. Such critical infrastructure projects will be integral to Ireland's future attractiveness for inward investment and are necessary for Ireland to deliver on housing and infrastructure in the years ahead. Vital water and wastewater projects must be delivered to enable both the business community and the general population access to high quality water services.

AMCHAM RECOMMENDS

- Progressing the delivery of Uisce Éireann's Water Supply Project Eastern & Midlands Region and the Greater Dublin Drainage Project.
- Providing adequate funding to Uisce Éireann to support it in meeting the needs of the population in 2027, approximately €2.2bn, and on a multi-annual basis to support the delivery of on-going projects.
- Delivering adequate funding to provide for water services up to 2030, with additional ringfenced funding being provided to Uisce Éireann, to deliver the necessary water and wastewater capacity.

Regional Development

With an increasing population and ever-growing demand on existing infrastructure across society, it is crucial that Ireland continues to significantly invest in national and regional infrastructure projects that will unlock future growth, productivity and competitiveness, and ensure that infrastructure delivers for the whole of society.

Indeed, 480 US companies have operations in regional locations in Ireland, directly employing 122,000 people, and indirectly supporting a further 97,000 jobs. As such it is essential to support balanced regional development, both to ensure the attractiveness of the regions for FDI, and for talent to live and work.

The successful implementation and delivery of projects contained within the National Development Plan, and key regional investments, will be important in ensuring that greater clarity and certainty is provided to maintain and grow Ireland's position as a destination for investment and business expansion.

AMCHAM RECOMMENDS

- Providing the necessary investment and implementation support for the All-Island Strategic Rail Review.

South:

- Delivering the Cork Commuter Rail Programme, with the Railway Order expected by the end of 2026 or in the first quarter of 2027, ensuring the advancement of the programme, with clear KPIs to measure progress until completion.
- Continuing the implementation of the Cork Metropolitan Area Transport Strategy.
- Advancing the Cork Northern Distributor Road, with the provision of necessary funding for all stages up to completion of the project.
- Delivering the M28 Cork to Ringaskiddy motorway.
- Advancing Luas Cork.
- Delivering on the commitment to relocate the Port of Cork to Ringaskiddy.
- Ensuring the delivery of greater levels of cost rental building projects to unlock increased FDI and SME growth.

Mid-West:

- Upgrading the N/M20 between Cork and Limerick, in conjunction with the development of a strategy to deliver motorway connectivity.
- Progressing the N19 upgrade.
- Delivering the Shannon Airport Rail Link and enhanced public transport links to Shannon Airport.

West:

- Delivery of the Galway ring-road, following the granting of approval for the project by An Coimisiún Pleanála in April.
- Delivering greater sustainable public transport solutions for Galway, with a particular focus on access to Parkmore Industrial Zone, building on the extension of the 409 bus route to include two new stops in Parkmore Industrial Estate.

North-West:

- Advancing the upgrade of the A5 route between Derry and Dublin, to ensure regional and international connectivity.
- Ensuring services commence this year on the Derry-Dublin airlink.

Delivering the *Energy System* to Compete Globally

Ireland's energy system is a key facilitator of inward investment in Ireland, and an essential enabler of further growth and expansion by companies with a presence in Ireland. As such, in delivering a future where Ireland remains competitive for foreign direct investment, it is vital that Ireland's energy infrastructure has the capacity to cater for the current and future needs of business.

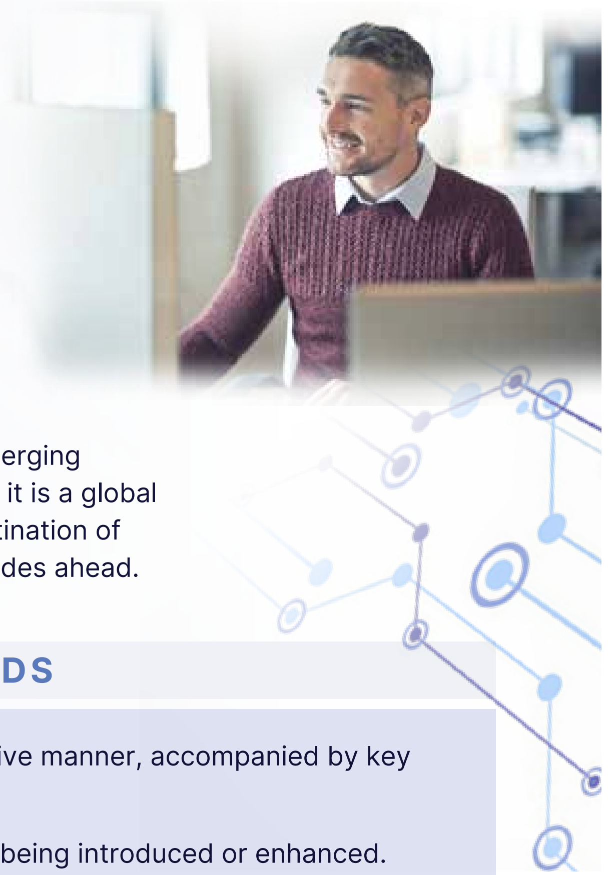
In powering Ireland's future, significant potential exists with regard to renewable energy. With strategic investments, and key policy decisions, Ireland can reduce barriers to the delivery of renewable energy, reduce the cost of energy, and facilitate a vibrant and dynamic energy system that drives sustainable economic growth. Such action would also make real progress towards Ireland's aim to become energy self-sufficient, and subsequently to become an exporter of renewable energy solutions.

Further, in terms of Ireland's energy grid, modernisation is essential to develop a robust and sustainable approach to security of supply. This will be key in supporting inward investment into the future given the needs of business to forecast energy supply which can cater for the growth of their Irish operations. Additionally, electricity costs, and expenditures including grid connection fees, in Ireland rank significantly higher than other European jurisdictions. Addressing these high costs will be important in ensuring Ireland continues to compete globally for investment.

AMCHAM RECOMMENDS

- Modernising and improving the electricity grid, building on the Budget 2026 funding to EirGrid and ESB, to support continued investment in the grid, and the delivery of a sustainable electricity grid.
- Providing for a clearly defined funding stream for electricity grid improvements.
- Enhancing existing electricity grid capacity to avoid energy opportunity costs.
- Developing a clear long-term strategy to position Ireland as a net energy exporter, with clearly defined, progressive targets.
- Advancing legislative measures to support the development of wind and solar energy, given their importance in insulating Ireland from international energy shocks and reducing Ireland's reliance on energy importation.
- Developing green hydrogen and battery storage capabilities to increase investor confidence in Ireland's energy system.
- Continued investment in the roll-out of district heating to build on progress thus far and further reduce heat emissions.
- Enabling the development of private wire networks by multi-site businesses to allow for the distribution of renewable energy to operations across Ireland.
- Supporting the utilisation of existing grid infrastructure for future private wire networks to redistribute excess renewable energy to the national grid.

Delivering the ***Digital Infrastructure*** to Compete Globally



Ireland plays a crucial role as a digital regulatory hub within the European Union. This role, in combination with the fact that Ireland is home to the European headquarters of many global industry leaders, provides Ireland with significant opportunity to be a global leader in A.I., cyber security, data and digital.

Indeed, 9 of the top 10 US technology and software companies operate in Ireland alongside 15 of the top 30 global semiconductor companies. As such, Ireland must ensure it is committed to delivering an economy and society where A.I. and digital literacy are commonplace. Further, Ireland must deliver an ecosystem which supports the development and adoption of innovative and emerging technologies, services and products. In doing so, Ireland can ensure it is a global leader at the forefront of technological change, and therefore a destination of choice for companies in the technology space in the years and decades ahead.

AMCHAM RECOMMENDS

- Advancing the digitalisation of public services in a comprehensive manner, accompanied by key performance indicators to measure progress.
- Delivering a digital-first approach for public services which are being introduced or enhanced.
- Protecting and enhancing Ireland's position as a digital regulatory hub within the EU.
- Utilising Ireland's voice in the European Union to advance simplification of the digital rulebook.
- Enhancing digital skills and literacy, digital capacity, and related funding, with an independent assessment to support business and talent in key sectors, including data, digital and financial services.
- Developing a clear roadmap to facilitate a referendum to ratify the Agreement on a Unified Patent Court, backed by adequate resources to communicate this issue with the wider population.

Artificial Intelligence

Significant opportunity exists for Ireland to be a global leader in A.I. and the upcoming A.I. Summit in October provides the platform for Ireland to showcase its competitiveness and commitment in this regard. A.I. has the potential to dramatically change the development of businesses, the provision of services, and the prioritisation of skills. Ireland must be at the vanguard of these changes.

The A.I. sector is characterised by competition and fast-paced technological evolution. Success in placing Ireland to the forefront of A.I. development will require a policy and regulatory landscape which supports innovation. Ensuring the goals of the national Digital and A.I. Strategy, 'Digital Ireland – Connecting our People, Securing our Future', are delivered will be key in ensuring Ireland is best placed to be a global leader in A.I. and a preeminent location for investment and business growth in this space.

Looking to the experience of AmCham members, in AmCham's most recent FDI Insights Survey, of respondents who said their organisation was facing a skills gap in Ireland, 32% identified that gap as being in A.I. and machine learning. Ireland must take action to address these skills gaps and develop an ecosystem which balances A.I. development with appropriate safeguards and practical regulations. In doing so, Ireland can ensure it is to the forefront of A.I. innovation, therefore securing key investments, accelerating productivity and driving global impact from our island nation.

AMCHAM RECOMMENDS

- Actively pursuing the enhancement and development of A.I. RD&I supports and research facilities, A.I. Centres of Excellence, A.I. regulatory sandboxes, and A.I. stakeholder engagement mechanisms, working with industry to develop a world-leading A.I. ecosystem.
- Enabling timely access to National Training Fund (NTF) supports and ensure that investment under the NTF is reflective of the immediate scale and necessity for reskilling and life-long learning required for an A.I.-driven future.
- Providing increased funding to universities that will enable A.I. skills and learning across all disciplines, providing for a future-equipped graduate talent pool to meet the skills demand within the A.I. driven economy.
- Utilising the opportunity presented by the upcoming International A.I. Summit to demonstrate Ireland's competitiveness in this field, particularly in terms of A.I. adoption.
- Establishing the National A.I. Office with appropriate funding from Government and a focus on enabling innovation and competitiveness.
- Ensuring that, when established, the National A.I. Office has the resources to conduct regular engagement with key stakeholders, with universities and research institutions playing a central and formative role in shaping its approach alongside industry.
- Developing greater supports for start-up funding is much needed to allow business to grow at scale, resulting in expanding indigenous businesses, greater economic activity and job growth.
- Developing and publishing an A.I. talent and skills strategy to include an ambitious upskilling and reskilling programme, which keeps pace with digitalisation. This should be done in conjunction with the establishment and operation of the National Skills Observatory and the A.I. Observatory.

Cyber Security

Cyber security is a prerequisite to advancing digitalisation and A.I. adoption. In an increasingly digital world, the threat surface for cyber-attacks continues to accelerate at pace, and therefore cyber security is vital to ensure the protection of both people and business, and Ireland’s reputation as an investment location.

Cyber-attacks can have significant adverse impacts on individuals, families, communities, and critical infrastructure. As such, it is essential that Ireland has the highest standards of cyber protection in place to protect key services and infrastructure, and to protect Ireland’s investment proposition now, and in the years and decades ahead.

AMCHAM RECOMMENDS

- Ensuring security of existing and future subsea cables given their importance to the transatlantic economy.
- Providing continued, multi-annual funding for the National Cyber Security Centre, both in terms of resourcing for its duties and personnel numbers.
- Ensuring cyber security is treated as a ‘whole of Government’ issue and that Government works with industry (many of whom can provide solutions) to develop world-leading cyber defence systems.
- Continuing to support SMEs to improve their cyber security, which will be increasingly important with advancing digitalisation and A.I. adoption.
- Expanding targeted grant and tax support schemes to assist SMEs in strengthening cyber security resilience and digital readiness.
- Developing a dedicated unit within the NCSC to mitigate cyber security risks to Ireland’s energy supply.

Delivering the ***Innovation Ecosystem*** to Compete Globally

Huge opportunity exists for Ireland to position itself to the forefront of European research, development and innovation. With the foundations of a highly educated and skilled talent pool, impactful industry clusters, and the significant presence of leading US companies, Ireland can position itself at the vanguard of global RD&I. In order to achieve this, Ireland must be strategic in domestic policy decisions and investment choices, whilst acting to reduce and remove barriers to RD&I at the European level.

In enabling Ireland to realise its ambition to be a European innovation hub, it is vital that Ireland delivers an ecosystem which supports industry-academia collaboration, develops the necessary research skills, including through an increase in PhD graduates, and provides clear IP frameworks and competitive taxation incentives. In doing so, Ireland can enhance its leadership on RD&I in key fields, including in A.I., life sciences, and digital manufacturing, further increasing its attractiveness for investment and growth in these sectors.

AMCHAM RECOMMENDS

- Enhancing the R&D tax credit with regard to related party subcontracting costs and agency staff (further outlined in the next section).
- Introducing standalone Digitalisation and Decarbonisation Tax Credits (further outlined in the next section).
- Implementing measures to attract and support more students in pursuing doctoral studies to increase the number of PhD graduates on an annual basis.
- Implementing measures to alleviate challenges faced by early career researchers, including those related to cost-of-living such as childcare and housing.
- Supporting PhD programmes with measures including industry co-funding incentives, increased stipends, and clearer IP ownership structures.
- Fostering greater collaboration between industry, academia, and researchers, with measures to enhance and support collaboration programmes and initiatives.
- Reviewing the upper limits on Special Assignee Relief Programme (SARP) so to encourage experts and leaders to relocate to Ireland with key skills and knowledge which would enable us to compete at the international level.

European RD&I Funding

Collaboration with like-minded partners will be key in supporting Ireland's ambition to be an innovation hub within the European Union. As part of this, it is necessary to address barriers to European funding avenues. Such action will not only support Ireland's competitiveness, but the European Union's competitiveness as a whole. This is more important now than ever given the speed at which innovative products and services move from concept to market. Ireland must utilise its voice to ensure barriers to RD&I are reduced, and that both Ireland and the European Union can foster a stronger ecosystem based on collaboration between academia, indigenous business, and multinational companies.

AMCHAM RECOMMENDS

- Enhancing national coordination and communication around upcoming Horizon Europe work programmes and stakeholder consultations.
- Ensuring Ireland is 'FP10-ready' by delivering a more coordinated national pre-clearance and advisory mechanism that streamlines domestic steps while ensuring timely preparation for mandatory EU-level State Aid assessments. Ensuring calls under FP10 are open to collaboration with trusted international partners, including companies headquartered in like-minded countries such as the US, to participate in research and innovation initiatives, and that barriers to participation are reduced.
- Reducing the administrative burden and providing simpler eligibility rules with clearer documentation and guidance in terms of RD&I funding opportunities, including through funding streams such as Horizon Europe.
- Ensuring greater coherence between climate, digital, health and policies that increase and grow national competitiveness strategies in line with future FP10 funding.

Life Sciences

Life sciences form a core pillar of Ireland's economy, driving innovation, supporting high-skilled employment and attracting inward investment. Ireland's life science sector has bolstered Ireland as a location of manufacturing excellence, and supports STEM employment and research investment. To ensure Ireland remains a leading destination for investment in this sector, Ireland must grasp emerging opportunities, advance the digitalisation of the healthcare system, and enhance the country's attractiveness as a location for clinical trials.

AMCHAM RECOMMENDS

- Enhancing Ireland as a location for clinical research.
- Advancing a fully digitalised healthcare system to bring care closer to the patient and enhance patient outcomes.
- Championing the importance of a strong IP environment at European level.
- Providing an annual dedicated budget for new medicines with a view to supporting innovation and delivering an uninterrupted supply of medicines, providing for the approval and reimbursement of such medicines to deliver the best possible outcomes for patients.
- Designing, governing, resourcing, and operating the medicines pricing and reimbursement system to ensure compliance with statutory timelines for decision-making on reimbursement of new medicines.
- Enhancing the R&D tax credit for end-to-end products.

Delivering the ***Tax and Finance Environment*** to Compete Globally

In AmCham's most recent FDI Insights Survey of members, cost competitiveness was ranked as the number one issue by respondents when asked to identify the most important challenges for Ireland to overcome for their company to expand here. As a small, open economy, Ireland has been very successful in attracting foreign direct investment, while fostering an ecosystem to support business growth and indigenous industry. However, it is more important than ever, given the global battle for investment and talent, that Ireland ensures its offering is competitive to continue to attract investment and support business into the future.

While the attraction of inward investment is multi-faceted, Ireland's taxation regime is a key component of the country's value proposition. Ireland must be cognisant of the investments and enhancements competitor jurisdictions are making with regard to tax incentives and their taxation systems. Ireland must also work to enhance its offering to ensure it is competitive on the global stage. Coupled with modernisation of the tax code, significant opportunity exists for Ireland to remain a preeminent destination for inward investment, for business growth, and for increased R&D activities into the future.

Personal Taxation

In AmCham's most recent FDI Insights Survey of members, the availability of a highly skilled and educated talent pool was identified as Ireland's greatest competitive advantage. However, talent availability was also identified by respondents as the greatest risk in terms of business growth and investment over the next five years. As such, it is essential that Ireland has a strong value proposition to support talent attraction and retention, and personal taxation has an important role to play in this regard.

When deciding where to locate operations or specific business functions, the availability of talent is a foremost consideration for business. As such, ensuring Ireland is an attractive location for talent is essential. Therefore, action to address the high personal tax burden would be beneficial in supporting people, ensuring Ireland remains attractive for talent, and would support Ireland in securing future foreign direct investment.

AMCHAM RECOMMENDS

- Addressing the personal tax burden on employees to support talent attraction and retention in Ireland through a reduction in the marginal income tax rates and the thresholds at which they apply. Examining benefit-in-kind measures with a view to enhancing the uptake and utilisation of employer-paid benefits.

Tax Code Simplification

Ireland can enhance its competitiveness as a location for investment with simplification of its tax code. Measures to reduce the administrative and compliance burden would be beneficial in this regard. Given the increasingly competitive global environment for investment, it is essential that tax code simplification is advanced to ensure Ireland's tax code meets the needs, and reflects the realities of modern-day business.

AMCHAM RECOMMENDS

- Advancing the simplification of Ireland's tax code.

Acquisition of Intangible Assets

In terms of attracting inward investment, Ireland's IP regime forms an integral part of Ireland's value proposition. However, in a practical sense, the ring-fencing rules dilute the effectiveness of the relief for business. The current rules regarding ring-fencing are restrictive for business and do not align with the commercial realities of acquiring IP, particularly in relation to the business risk. Further, ensuring Ireland's IP regime is attractive for business can promote investment and activity in research and development, supporting Ireland's goal of being a preeminent location for RD&I. Indeed, there can be significant interaction between this relief and investment in R&D in Ireland by business. For example, as AmCham has outlined in previous advocacy on this issue, if the acquired intangible asset is at an early stage in the R&D lifecycle, then the company would likely need to continue to develop the asset until any resulting product can be launched.

Given the restrictive nature of Ireland's IP regime, Ireland may lose out on IP being brought to Ireland, and the related investment and activity in favour of jurisdictions who have comparable corporate tax rules, but where similar restrictions do not exist. The removal of this restriction would enhance Ireland's competitiveness for inward investment, and increase Ireland's attractiveness in terms of acquiring IP. Additionally, action to address the restrictive nature of the ringfencing provision within Ireland's IP regime should be accompanied by measures to remove the compliance and IT reporting complexities which would support the ease of doing business in Ireland.

AMCHAM RECOMMENDS

- Removing the separate trade restrictions in the acquisition of intangible assets rules under S.291A.
- Removing restrictions on the use of excess IP allowances forward and treat them consistently with regular trading losses.

R&D Tax Credits

AmCham acknowledges the increase in the R&D tax credit to 35% in Budget 2026, which was a welcome measure. Building upon this, as part of Budget 2027, it is essential to further enhance the R&D tax credit, to ensure that it caters for the reality of the modern business environment and is a competitive incentive on the global stage. In this regard, it is essential that Government particularly look to making improvements to the R&D tax credit regime relating to group subcontracted R&D.

From an operational perspective, flexibility is often required by businesses when engaged in R&D in terms of outsourcing elements of certain projects. The realities of modern-day R&D mean that, due to constraints including capacity, skills, or more advanced facilities in other jurisdictions, certain activities may not be completed in-house. Therefore, it would be beneficial for companies to enhance this vital incentive to ensure related party subcontracting costs qualify for the tax credit, and that externally provided worker costs (agency staff) supporting R&D projects qualify for relief directly and are not included in the calculation of the existing 15% R&D outsourcing restriction. Furthermore, the knowledge economy should also be supported around the value of IP in Ireland. The focus should not solely be on Irish based employees but should recognise the increase in value of IP located in Ireland because of ongoing R&D, wherever it is undertaken. If the benefit of the IP investment flows back to Ireland, this should be supported with an expanded R&D tax credit regime.

AMCHAM RECOMMENDS

- Enhancing the R&D tax credit regime to allow related party subcontracting costs to qualify for tax credits, potentially subject to a 100% cap of internal R&D spend.
- Significantly improving the subcontracting threshold for third party subcontracted R&D.
- Removing the need to include externally provided workers (agency staff) in the calculation of the subcontracting threshold.
- Expanding the R&D regime to recognise that IP owners work globally to develop and enhance IP.
- Expanding the R&D tax credit to extend eligibility to A.I. and Quantum Computing projects.

Digitalisation & Decarbonisation Tax Credits

Recognising the importance of supporting innovation, AmCham reiterates its call for the introduction of standalone digitalisation and decarbonisation tax credits. The introduction of such incentives at the same rate as the R&D tax credit would support businesses with regard to investment and innovation in digital and sustainable initiatives. This would further advance the adoption of advanced technologies in A.I., carbon reduction, cyber security and digitalisation, energy efficiency, and green technologies. Further, these incentives would support Ireland as a globally competitive location for investment in a manner which aligns with Ireland's climate and innovation goals.

AMCHAM RECOMMENDS

- Introducing standalone digitalisation and decarbonisation tax credits, each at a rate of 35%, to support businesses investing in advanced digital technologies and in carbon-reduction initiatives, ensuring Ireland remains globally competitive and aligned with its innovation and climate objectives.

Tax Treatment of Interest

In ensuring Ireland remains a competitive location for businesses to operate in, and for inward investment, it is essential that the interest regime is reformed and simplified. However, current proposals regarding the treatment of interest would bring unnecessary complexity and have a counterproductive impact in terms of competitiveness.

With regard to the tax treatment of interest, it is important to recognise the protective measures that have been introduced as a result of various EU Directives, which remove the need for further specific anti-avoidance measures, avoiding increased complexity within the system.

It is of the utmost importance that meaningful reform is delivered with regard to Ireland's interest regime to reduce complexity within the system. As such, simplification of the rules must be the foremost priority, alongside the streamlining of the tax system to ensure Ireland is competitive for investment into the future.

AMCHAM RECOMMENDS

- Introducing a simplified, elective interest deductibility regime to replace Ireland's current fragmented system and enhance competitiveness for US investment.
- Providing a timeframe for the completion of the review and implementation of legislative change.

Savings and Investment Account

The introduction of a Savings and Investment Account (SIA) for citizens and residents of Ireland would mark a significant change to how personal savings are managed. With over €170 billion in estimated savings held in deposit accounts, the advent of an SIA would allow individuals to grow their personal wealth and provide an overall benefit to the Irish economy.

It is vital that as this scheme is developed, clear communication and engagement campaigns are conducted to ensure high take-up rates across the public, which will be key to the long-term success of the scheme. Moreover, barriers to entry should be limited, with processes to open an account clear and lacking undue administrative burdens.

Further, once an SIA has been opened, mechanisms to provide clear information to individuals should be readily available. The development of a portal in which individuals can access their information, tailor their risk appetite and monitor their investment performance will provide for greater engagement. In tandem with the Government's National Financial Literacy Strategy, there will be a need to develop ongoing efforts to enhance financial literacy across the general population. This will increase confidence in the scheme and allow for greater use.

The Government should also consider incentivising measures to ensure strong take-up of the SIA. This includes the absence of punitive taxes seen in other types of funds.

AMCHAM RECOMMENDS

- Establishing Savings and Investment Accounts in conjunction with comprehensive media and educational campaigns to support strong take-up .
- Developing mechanisms to provide maximum clarity for end-users in terms of investment levels, performance and information.
- Enhancing the National Financial Literacy Strategy to encourage greater understanding of, and engagement with, the SIA.
- Providing for tax incentives regarding engagement with a Savings and Investment Account.
- Creating a frictionless process to open a Savings and Investment Account.
- Eliminating punitive taxes relating to investments made through a Savings and Investment Account.
- Increasing investment opportunities to support indigenous businesses to grow at scale, and subsequently expand into other markets.

Supporting the Cross-Border Talent Pool

With regard to the talent pool in the Border region, those living in one jurisdiction and working in another, often face dual taxation obligations as income tax is typically paid in the jurisdiction of the employer but individuals must also declare their income in their jurisdiction of residence each year. This has significant ramifications for workers. For example, PRSI contributions are paid in the jurisdiction of employment, therefore impacting eligibility for supports such as maternity or illness benefits. Exporting these entitlements to their home jurisdiction is complex and often involves a lack of clarity within the process.

Further, workers engaging in remote work from Northern Ireland are excluded from Irish Government supports such as grant aid or R&D tax credits. This barrier disincentivises flexible working arrangements and is counter to the aims of developing an all-island economy.

Similarly, this presents employers with administrative challenges across the two jurisdictions including managing payroll, different tax regimes, and reporting processes. This complexity has resulted in reduced opportunities for flexible or hybrid working, talent opportunity restrictions, and a chilling effect on investment.

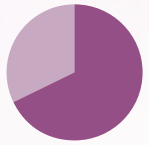
AMCHAM RECOMMENDS

- Provide clear guidelines for businesses and employees engaged in cross-border work.
- Establish mechanisms that facilitate residents of both jurisdictions to export their PRSI contributions to their jurisdiction of residence in a clear and simplified process.
- Work to establish a new permanent bilateral agreement between Ireland, the UK and Northern Ireland with the aim of exempting cross-border workers from dual taxation.

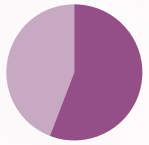
Delivering the ***Talent Pipeline*** to Compete Globally

The availability of educated and highly skilled talent remains Ireland's greatest competitive advantage, as identified by respondents to AmCham's FDI Insights Survey, with 100% of respondents saying that the availability of talent in this regard is important in maintaining FDI employment in Ireland. However, 56% of respondents stated that they are facing skills shortages in Ireland, particularly in machine learning and A.I. and in engineering. Respondents have also highlighted that continued access to this talent pool also represents one of the greatest risks for investment in the next five years.

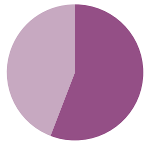
The positive impact of measures to support talent is evident through AmCham's most recent FDI Insights Survey. When asked **how the capability of their workforce has evolved over the last five years,** respondents said:

68%


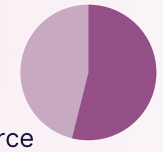
there is now **greater digital and A.I. capability**

56%


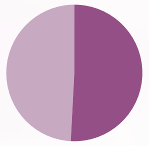
identified the **expansion of their workforce into high-value or more complex function**

56%


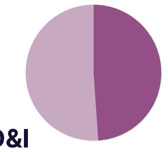
they now had **broader international responsibilities**

54%


their workforce had **improved managerial and operational excellence**

51%


they now had **increased leadership depth**

49%


stronger RD&I capability

Building upon this, it is essential that Ireland redoubles its work to ensure that Ireland's talent pool remains its greatest competitive advantage into the future. In doing so, it is essential that Ireland works to address the skills gaps, advance skills-based education and apprenticeships, deliver investment in third-level institutions, and further lifelong learning and micro-credentials. The National Training Fund holds a significant surplus, and while the National Training Fund (Amendment) Act 2025 supports the unlocking of €1.5bn from the National Training Fund up to 2030, the utilisation of this funding to address skills gaps, and support upskilling and reskilling must be accelerated given the importance of talent and skills to Ireland's economic growth. Smart policy decisions, coupled with key investments, will not only support talent, but also ensure Ireland is best placed to attract future investment.

AMCHAM RECOMMENDS

- Accelerating the utilisation of National Training Fund resources to address skills gaps, and enhance upskilling and reskilling in core skills areas.
- Prioritising measures to support the development and uptake of upskilling and reskilling programmes, and micro-credentials.
- Enhancing investment in higher education institutions to ensure the required educational infrastructure is in place to support the development of Ireland's highly educated and skilled talent pool.
- Enhancing measures to attract and retain world-class researchers and educators to Ireland's tertiary education system.
- Supporting greater collaboration between education providers, academia and industry to strengthen STEM education and talent development.
- Identifying emerging talent demand areas through on-going skills mapping to ensure Ireland is best placed to drive innovation and attract key investments.
- Increasing the focus on STEM studies in primary and secondary education, alongside continued measures to close the gender gap in STEM.
- Enhancing digital and A.I. skills in primary and secondary education to enhance digital literacy and skills across the population.
- Continuing the development of apprenticeship programmes, and strengthening partnerships between education providers and industry to identify and address skills gaps, advance pathways into strategic roles, and support greater industry engagement within teacher education and professional development.
- Ensuring continued data and implementation reviews are carried out in relation to apprenticeships to maintain consistent apprenticeship programme results.
- Provide for an increase in the number of PhD candidates, through targeted supports, in conjunction with universities and educational institutes.

Immigration Pathways

The attraction and retention of international talent has a key role to play in terms of Ireland's attractiveness for inward investment. Given the importance of international talent in supporting Ireland's economic growth, it is important that barriers for people and their families in moving to Ireland are addressed. This will be key to maintaining a skilled talent pipeline for Ireland and attracting FDI into the future. While there has been positive progress in several areas in the business-migration system in recent years, a continued focus by Government on streamlining services will be an important factor in delivering a modern, efficient and accessible system that provides certainty for employees and employers alike.

AMCHAM RECOMMENDS

- Providing greater consistency in timelines for entry and business visas to support Ireland's attractiveness for key talent.
- Addressing waiting times for family reunification, which can run up to two years, as this can have a negative impact in terms of attracting and retaining talent.
- Introducing an IRP renewal grace period that extends for the duration of a renewal application and provides for flexibility in the event of processing delays.
- Prioritising the continued development of a future-focused, skills-based migration system that addresses skill gaps and shortages.
- Continuing to develop, and implement, the Single Permit Directive to streamline the business migration system, along with clear and published milestones for operationalisation.
- Facilitating the inclusion of migration as part of the Digitalisation of Life Events.
- Introducing a 'Trusted-Entity Self-Certification' scheme to alleviate processing times and increase talent acquisition efficiency.
- Developing and implementing an expedited Business and Employment Visa service for high demand sectors as a matter of priority and, in the longer term, rolling this out generally so that Ireland aligns with other countries in terms of having a Visa expedite service.

AmCham ***FDI Insights*** at a Glance

Infrastructure

27%

say **housing** remains the **biggest challenge** to expansion.

Talent

56%

are experiencing **skills gaps**

Competitiveness

33%

identify **cost competitiveness** as Ireland's greatest **challenge.**

Growth

9 in 10

expect to **increase or maintain employee numbers** over the next 12 months

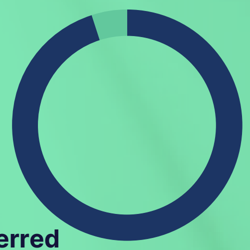
A.I.

32%

report A.I. and machine learning **skills shortages.**

Location

95%



would still choose **Ireland as the preferred location** for their organisation's initial European investment.

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