The Transformation of Ireland and Foreign Direct Investment

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EVP, IDA Ireland

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Agenda

• IDA Strategy – Horizon 2020 - Transformation Agenda

• Evolution and Future of FDI

• How IDA has changed

• Impact of FDI on Ireland’s Transformation

• Some Company Transformation Examples

• The Future
10 Steps of Transformation

1. Drive Company Transformation
2. Win Employment – Intensive Services FDI
3. Win New Forms of FDI
4. Drive Regional Economic Development
5. Attract Investors from New High-Growth Areas
6. Win Business from Emerging Companies
7. Build Brand Ireland Abroad and Online
8. Embrace Open Innovation
9. Strengthen Ireland’s Value Proposition
10. Partner with Team Ireland
Evolution and Future of FDI

*Illustrative examples only

Key Interventions:
- 1970s
- 1980s
- 1990s
- 2000s
- 2010s

Future Focus:
- Financial Services
- Islamic Finance, Financial Technology, Green Finance
- Convergence
- Connected Health
- Cloud Computing
- Analytics
- Big Data
- Business Intelligence

Activity:
- Manufacturing
- Life Sciences
- Software
- Financial Services
- R&D
- Internet

Horizon 2020: The European Strategy
How IDA has changed

The Young Europeans

Knowledge is in our Nature

The Irish Mind.
New thinking is not about the dollars you invest.

It's about the people you invest in.

IDA IRELAND

idaireland.com/innovation
facebook. found a space for people who think in a certain way.

It's called Ireland.

IDA IRELAND

idaireland.com/innovation
What Makes Ireland Great

IRELAND Innovation comes naturally
IDA Ireland 2013 Global Reach
FDI Impact Drives Transformation

IDA client companies contributed:

- €122 billion in estimated exports
- €19 billion to the Irish economy, including corporation tax

Two thirds Business Expenditure on R&D

€7.3 billion in payroll

A wide range of Industry sectors is located in Ireland.

8 out of 10 Global ICT corporations

9 out of 10 Global Pharmaceutical corporations

3 out of 5 Top Games companies

17 out of 25 Global Medical Device companies

10 Top “Born on the Internet” companies

More than 50% Of the world’s leading Financial Services Firms
**Apple**

**1980**
- Established in Cork to manufacture Apple Mac PC

**1990’s**
- Develops into multifunctional manufacturing and services site for EMEA.
- C.3,000+ people

**Today**

**Shared Services activities include:**
- Supply chain management for Apple with activities in order management, logistics, placing and distribution
- Provision of back office accounting support

**Languages:** French, Dutch, Swedish, Finnish, German, Italian, Spanish.

**European Markets Served:**
- UK, Ireland,
- France, Belgium, Norway, Sweden, Denmark, Finland, Italy, and Spain.

**Customer Support Centre activities include:**
- Technical Support and Customer Care
- Specialises in the provision of high-end technical support in IT hardware and software
- Marketing and direct service for repairs
- The support centre also includes telesales and online customer support

**Languages:** English, French, Swedish, Danish, Finnish, Norwegian, Italian, Spanish, German

**European Countries Served:**
- Switzerland, France, Germany, Italy, Spain, Norway, Finland, Denmark, Sweden, Belgium, Luxembourg, Poland, Hungary, Netherlands

**Manufacturing – Key Function**

**Ireland Benefits Apple:**
- Favourable labour market
- Strong ICT and engineering professionals
- Corporate tax rate
- Access to innovative and progressive management
- Access to EMEA

**2012 - Announced 500 person expansion in Cork**

**IRELAND** Innovation comes naturally
Operations in Ireland include:
- Manufacturing
- Distribution
- Research & Development
- Sales & Marketing
- Treasury

Initially Established in Limerick 1977
Upgraded from a 6” to 8” fab 2010
1,200 people (Limerick), 40 people (Cork) Today

Limerick based team (450 engineers) involved in:
- IC layout
- Analog design
- Digital/ASIC design
- System Design
- Product/Test Engineering
- Semiconductor Process Technology

Research & Development in Ireland:
- The Irish R&D team has sole responsibility within Analog for the global design, manufacture and supply of value added high voltage, mixed signal CMOS products.
- Brings to market an average of 80 new products each year

"The Irish perform exceptionally well in this team environment; it's where our natural ability to communicate and get on well with people comes into its own"
Bill Hunt, Design Engineer Fellow, Analog Devices BV, Limerick.

2011 - Announced €50 million investment in Research & Development

Ireland Benefits Analog Devices-
- Manufacturing Expertise
- Operational Expertise
- Workforce Initiative

IRELAND Innovation comes naturally
Intel Shannon, Co. Clare:
- Established in 2000 by acquisition of Basis Technology
- Designs advanced microprocessors for use in Communications and Storage Infrastructure, Automotive & Retail markets
- €50 million investment by Intel in Jan ‘09

Intel Manufacturing Facility, Leixlip, Co. Kildare
- Since setting up, Intel has invested over €7 billion in Ireland expanding its product range
- Largest Intel operation outside of the US
- Europe’s most advanced semiconductor manufacturing facility
- Location of 3 semiconductor wafer fabrication facilities: Fab 10, Fab 14 and Fab 24
- $500m Construction Project to upgrade Fab 10 & 14 for a new leading edge wafer fab investment

Silicon Design Research Group
- €19 million investment in silicon research, product design and test development

Innovation Open Lab – Ireland
- A research team who facilitate and engage in open research and innovation opportunities in Europe that can ultimately lead to value-driven technology solutions.
- The lab is focused on Energy & Sustainability, and Dependable Cloud & Services research
Smart Cities Technology Centre:
- Investment of €66 million announced in March 2010
- It has established world-class research programs in transportation, sustainable energy, water management, and urban information management
- The centre is the first IBM Research & Development Laboratory in the European Union

Technology / R&D Mandates include:
- Software Development Labs (Cork, Dublin & Galway)
- Deep Computing Research
- EMEA Incubation Centre
- EMEA Venture Capital Centre
- EMEA Cloud Computing Centre
- Institute of Business Value
- RFID Development and Services Centre

Shared Services Activities include:
- EMEA Supply Chain Management
- EMEA Telesales and Telemarketing
- EMEA Software Fulfilment and Distribution
- EMEA Finance and Accounting (Software)
- Global Treasury Centre
- Over 20 different languages spoken with employees from 60+ countries

Ireland Benefits IBM
- Access to a market of over 500 million people
- Strong supply of labour and skills
- Fiscal and financial benefits, including competitive corporation tax rate

2012: Global Services Integration Hub announced, creating 200+ jobs

Established in Ireland 1956
Opened Irish Technology Campus 1996
Today c.3,000+ people

Over 20 different languages spoken with employees from 60+ countries

Innovation comes naturally
Global Location Trends - IBM

- 1st in the world for inward investment by quality and value
- 1st in Europe for jobs created in Research and Development
- 1st in Europe for investment in the Pharmaceutical sector
- 2nd in Europe and fourth globally for the number of investment jobs per capita
## Evolution & Transformation of ICT in Ireland

<table>
<thead>
<tr>
<th>1980s</th>
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<th>2000s</th>
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<tbody>
<tr>
<td>- Basic assembly and test</td>
<td>- Higher level manufacturing</td>
<td>- Advanced manufacturing</td>
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<tr>
<td>- Fortress Europe</td>
<td>- Low end services</td>
<td>- Product and process development</td>
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<td>- Localisation packaging and printing</td>
<td>- Call centres</td>
<td>- RD&amp;I</td>
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<td></td>
<td>- Software development</td>
<td>- High end services</td>
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<td>- Content development</td>
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- High end services
- Content development
- Supply chain optimisation
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- Analytics & Personalisation
- Semantics
Origins of Content, Consumer & Business Services Division

1990’s
- Predominantly paper based data & Information Processing
- Non Digital Animation
- Publishing / Fulfilment

2000’s
- Teleservices & Call Centres - English only transitioning to multilingual
- Reservation Centres
- Multi discipline Shared Services
- Dot com wave

2010
- Global Business Service Centres
- Internet Services / Online Retailing
- Social Networking
- Entertainment & Games
- IP Management, Hosting & Trading

International Services
Globally Traded Business
Content, Consumer & Business Services Division

• IDA Strategy Horizon 2020 Published
• CCBS Division Established
### Key Investment Highlights

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<th>Location</th>
<th>Details</th>
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<tr>
<td>Dublin Operations Centre</td>
<td>200 jobs</td>
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<tr>
<td>Business Services Centre</td>
<td>100 jobs</td>
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<tr>
<td>IT Services and Cyber Security Management</td>
<td>112 jobs</td>
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<tr>
<td>Cork</td>
<td>200 jobs</td>
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<tr>
<td>Dundalk</td>
<td>450 jobs</td>
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<tr>
<td>Medical Device Manufacturing Waterford</td>
<td>200 jobs</td>
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<tr>
<td>Limerick</td>
<td>€100m manufacturing investment / 100 jobs</td>
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<tr>
<td>Dublin and Cork</td>
<td>$130m manufacturing investment</td>
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<td>EMEA Headquarters Dublin</td>
<td>100 jobs</td>
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<tr>
<td>Cork</td>
<td>Engineering Centre, Cork</td>
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<tr>
<td>Cork / Dublin</td>
<td>R&amp;D Centres, Cork / Dublin</td>
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<tr>
<td>Cork</td>
<td>150 jobs EMEA Technical Support Centre, Cork</td>
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<tr>
<td>Europe</td>
<td>400 jobs European Customer Management Centre</td>
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