



Targeting FDI

Shane Cassells talks to Joan O'Connor and Ron Saake, two international tax experts from Deloitte which provides expert advice to leading global companies and has played a key role in attracting inward investment to Ireland.

Change is not always a good thing, especially if it has devastating impacts on the profitability of your company.

The last six years has seen an enormous amount of change take place on a global level in the world of business, finance and foreign direct investment.

However, amidst all of this chaos there can be consistent forces that reassure investors and help steady economic outlooks.

One such force is the business advisory firm Deloitte who continue to provide financial and investment advice to the biggest players on the world stage.

The role of Deloitte Ireland in securing economic investment from the US and in particular Silicon Valley into this country has proved highly influential.

Two of Deloitte's senior international tax partners, from either side of the Atlantic, spoke to Silicon Valley Global about the role the company plays in helping assist such investment and addressing the challenges that exist for Ireland in this regard going into the future.

Joan O'Connor, a senior international tax partner with Deloitte Ireland, has over

25 years international tax experience in Dublin and London covering a wide range of industries including technology, life sciences, telecoms, media and energy.

Ron Saake, an international tax expert with Deloitte US in San Francisco and San Jose, works with both public and private companies in structuring new international operations and in optimizing ongoing operations.

Maintaining Competitiveness

From Saake's point of view there is still a huge degree of interest in Ireland as a base for investment but he warns that there is a significant amount of work to be done in training and development to ensure a competitive edge is retained.

"There is no doubt that the FDI package is attracted by the tax benefits but I think that it is also important to stress that Ireland has always had a reputation of being a place where it is easy to do business," muses Saake.

"It is important that such an impression is maintained.

"Perhaps the biggest threat to investment



Ron Saake

in Ireland though is the perceived lack of talent coming through at a top management level".

"A lot of companies in the area of research and development are looking for a base for their European Headquarters and it is essential that a good pool of talented people in the upper management echelons

exits to service their needs”.

“There is a lot of pressure within the tax community and more business executives are seeing the benefit of moving support functions to countries such as India. So it is essential that Ireland differentiates itself by being able to offer qualities in the area of management skills.”

It is a stance supported by his colleague Joan O’Connor who touches on the point that Deloitte in Ireland regularly informs government departments about the need for investing in certain areas in order to continue to avail of FDI opportunities.

“In the areas of life science, technical and social media there is no doubt that there is continuing investment happening in Ireland,” remarks O’Connor.

“The challenge for Ireland is to see this investment grow and enhance. Part of that challenge is also to be more competitive and ensuring we have the skilled talent that can service the needs of these international investors.

“In terms of skill there is a global shortage of top class engineers and it is crucial that we have the graduates available for those businesses which require engineers and which wish to invest in Ireland.

“I firmly believe that there is a very good package on offer to foreign investors from grant aid, tax packages and there are talented people. We do need to make sure though that the pool of talent at an upper management level is also enhanced and continues to grow, whether it is the pool of senior level C suite management, senior legal counsels or indeed specific engineering talent.

“There has been a lot of focus on our tax strategy and principles in 2013. Equally what is vitally important is that everything is done to ensure that the operating and living environment and infrastructure for doing business in Ireland, which in turn creates employment, is protected and developed”.

“Obviously as our corporate tax rate of 12.5% is low by global standards, we remain very competitive.”

Developing Trends

In the area of informing government about the changing trends that inform where FDI occurs within Europe the team at Deloitte have been on top of their game as O’Connor explains.



Joan O’Connor

“There is no doubt that the FDI package is attracted by the tax benefits but I think that it is also important to stress that Ireland has always had a reputation of being a place where it is easy to do business,”

“We would be actively engaged with the Secretary General in the Department of Finance, John Moran and his officials, on this issue and issues related to talent.

“The Departments are very conscious of the issues we have raised in respect of the overall environment for doing business and ensuring that there is an adequate supply of top level management.”

Both O’Connor and Saake believe that a key sector for advancement exists in the whole area of social media.

Saake is keen to stress that the opportunities for Ireland are massive and that

the amount of expansion yet to happen from the main bases in Silicon Valley is huge.

“Obviously in the area of manufacturing IT products the trend we have seen is that there is a move away from European cities and that is understandable because it is hard to compete against South East Asia,” reflects Saake.

“But there are huge opportunities for advancement and job creation in the whole area of social media and cloud computing.

“There are senior firms with special requirements in the area of IT infrastructure maintenance and a need for people to manage that.

“Historically Ireland is a very stable environment in which to do business and as I have already said the tax dimension is an important component of that”.

“There are other factors though involved in why FDI investment comes to Ireland and the cluster effect is undoubtedly one of them”.

Silicon Valley

“People think that Silicon Valley is mature and that there is no more global expansion going to happen. That could not be further from the truth and there are some amazing things happening”.

“They are looking towards expansion in the whole area of e-commerce and what Ireland needs to do is to be focussed on the opportunities that exist.”

O’Connor concurs with this and also points to the global reach and vast industry expertise which distinguishes the service offered by Deloitte.

“What Dublin has been able to do, especially in the area of technology and social media, is to attract a number of high profile FDI companies that have been drawn to this country,” notes O’Connor.

“The cluster effect, which Ron speaks about, is a key part of attracting even more investment to these shores. It is essential though that we are able to offer the very highest level of management”.

“Our global reach and industry expertise means Deloitte is ideally placed to assist our clients and those considering investing in Ireland for the first time.”

With such insight and expertise at the team at Deloitte the multinational corporations who continue to choose Ireland as a strategic European base are sure to receive the best advice on both sides of the Atlantic.