



Our Ref: 18572/24

8th May 2024

Ms. Neasa Hourigan T.D.
Dáil Éireann
Leinster House
Kildare Street
Dublin 2

Dear Neasa,

I refer to Parliamentary Question 18572/24 for answer on 25th April 2024:

“To ask the Minister for Enterprise, Trade and Employment the total expenditure in the form of grants or relief given to multinational corporations for research and innovation in each of the years 2020 to 2023; and if he will make a statement on the matter.”

My response indicated that additional time would be needed to obtain the requested information, which is now set out below.

IDA Ireland offers a range of supports to promote research, development, and innovation (RD&I) activity amongst its multinational client base in Ireland including financial supports for product, process or services RD&I projects; assistance for exploratory work ahead of longer-term RD&I programmes; stimulation grants to assist companies not involved in RD&I activities to investigate the potential for an RD&I project and financial incentives to carry out collaborative projects with third-level institutes and industrial partners. RD&I is the largest proportion of IDA's grant funding programme.

IDA Ireland regards transformation as critical to delivering and sustaining future economic impact. This focus on transformation holds firm as IDA Ireland looks to the future to continue delivering Irish economic impact. Transformation will support IDA client companies - both

existing and new - as they build competitiveness, grow, and further embed themselves in Ireland and will underpin Ireland's platform for ongoing economic development and position the country for future growth. In this regard, IDA provided over €78m in RD&I funding to multinational client companies in 2023, with in excess of €1.4 billion committed by IDA clients on research and innovation projects during the year.

The total amount of RD&I Grant funding paid to multinational client companies for the years 2020 to 2023 inclusive is set out in Table 1 below.

Table 1 IDA RD&I Grants

	2020	2021	2022	2023
IDA Ireland RD&I Grants	€68.309m	€67.144m	€75.177m	€78.122m

The Disruptive Technologies Innovation Fund (DTIF), which is managed by my Department and administered by Enterprise Ireland, is another significant initiative in developing Ireland's innovation ecosystem. It aims at driving collaboration between Ireland's world-class research base and industry and facilitating enterprises to compete directly for funding in support of the development and deployment of disruptive and innovative technologies. Expenditure to IDA client companies and Enterprise Ireland Large Companies under the Fund in the years from 2020 to 2023 is set out in Tables 2 and 3 below.

Table 2 Disruptive Technologies Innovation Fund Payments by Enterprise Ireland to IDA Clients

	2020	2021	2022	2023
DTIF payments to IDA Clients	€0.191m	€1.073m	€1.409m	€2.566m

Table 3 Disruptive Technologies Innovation Fund Payments by Enterprise Ireland to Large Client Companies*

	2020	2021	2022	2023
DTIF payments to EI Large Companies	€0.215m	€0.030m	€0.142m	€0.616m

*Large companies have sales in excess of €50 million per annum, or a balance sheet valued at over €43 million, and have over 250 employees. They typically have a presence in two or more countries and are included to ensure the response is comprehensive.

Enterprise Ireland also provides a number of other RD&I supports which benefit Multinational Companies and Large EI Clients. Total payments in this regard is set out in Table 4.

Table 4 RD&I Payments by Enterprise Ireland to Large Client Companies and IDA Clients

R&I Payment from EI to IDA Ireland Clients and Large Companies	2020	2021	2022	2023
IDA Ireland Client	€2.319m	€1.673m	€1.221m	€0.532m
EI Client – Large Companies	€7.301m	€6.352m	€4.728m	€4.437m
Total	€9.620m	€8.025m	€5.949m	€4.969m

The R & D tax credit, administered by Revenue, is also a valuable incentive for multinational companies engaging in research and development activities. The increase in the rate of the credit from 25% to 30% as part of the Budget 2024 package will ensure that the net benefit of the tax credit is maintained for companies that are subject to the new 15% minimum effective tax rate, in accordance with Pillar 2 of the OECD Base Erosion and Profit Shifting (BEPS) process. In practice, this refers to entities with a turnover greater than €750m annually.

It will also provide a real increase in the value of the credit to companies outside the scope of the new Pillar 2 rules and so will be particularly beneficial to SMEs. The first-year payment threshold of the R&D Tax Credit will also increase from €25,000 to €50,000, which will alleviate cashflow concerns for SMEs engaging in R&D.

I trust this is of assistance to you.

Yours sincerely,



Peter Burke T.D.

Minister for Enterprise, Trade and Employment