**Event: Future of Ireland – Why Universities matter for FDI?**

* Ladies and gentlemen, Good morning I am delighted to join you for this morning’s Future of Ireland event. Today, we're here to have a candid conversation about the role of universities in shaping Ireland's future and attracting Foreign Direct Investment (FDI).
* Ireland has long been known for its high-quality education system and skilled workforce, making it an attractive destination for investors. But as the world changes rapidly, we need to ensure that our universities remain relevant and our workforce competitive.
* Throughout my remarks, I will be discussing practical strategies to strengthen the link between academia and industry, foster innovation, and equip our workforce with the skills needed to thrive in a rapidly evolving economy.

**FDI Landscape**

* The last few years have indeed presented unprecedented challenges globally, from Brexit to the Covid-19 pandemic, geopolitical uncertainties, changes in corporate tax rates, focus on renewed industrial policies, inflationary pressures, and supply chain disruptions. More recently, the tragic events in both Ukraine and in Gaza have added another layer of complexity to the global landscape. At IDA Ireland, we remain vigilant, working closely with our partners to assess the impacts and provide support where necessary. Despite these challenges, our consistently positive annual results reaffirm Ireland's resilience and attractiveness for investment.
* Ireland, ranking 7th in Europe for announced projects, continues to play a pivotal role in this landscape.
* Embracing transformation will be key to Ireland's sustained success, particularly in the context of the Government's White Paper on Enterprise, which outlines a vision for enterprise policy until 2030. IDA Ireland is actively collaborating with the Department of Enterprise, Trade, and Employment to ensure the full implementation of this vision.
* At a fundamental level Ireland’s value proposition for FDI continues to focus on the strengths that make Ireland globally competitive.
* Stable economic & political environment
* Enhanced focus on sustainability and a green recovery
* 70+ year track record of attracting MNCs
* **Highly educated, youngest population in Europe**
* Consistent pro-business policies
* Unwavering commitment to EU membership
* IDA as a strategic partner for MNCs future growth
* Leading industry & innovation clusters
* It is important to remember that Ireland’s existing base of foreign direct investment is a core national asset that we must continue to nurture and develop.
* Exports by multinational companies (MNC’s), a key factor to Ireland’s economic performance, grew to €315.5bn, approximately 70% of total national exports in 2022.
* Beyond expenditure in the Irish economy, IDA Ireland clients make a considerable contribution to the public finances. Sectors dominated by IDA Ireland client companies account for an estimated 70% of corporation tax receipts and also make a significant contribution to income tax receipts.
* In a world marked by uncertainty, resilience becomes our greatest asset. As Ireland stands at the crossroads of geopolitical shifts, technological advancements, and global challenges, we must not only weather the storm but harness the winds of change to sail towards new opportunities.

**IDA Ireland Results:**

We had another very strong year in 2023 despite the prevailing global headwinds.

Investment Impact:

* In 2023, Ireland secured a total of **248 investments**, marking an increase of 2.5% compared to 2022. These investments are not just numbers; they are **catalysts for progress**, and will lead to the creation of 19,000 new jobs across the country.
* A third of investments won, **83, were greenfield or first-time investments.**

Impressive Corporate Landscape:

* Ireland boasts over 1,800 IDA client companies, a testament to a mature, stable, and resilient foreign direct investment (FDI) sector. For the second consecutive year, these companies directly employ more than 300,000 individuals, **showcasing the enduring strength of Ireland's business environment.**

Vibrant Regional Performance:

* Looking beyond the bustling streets of Dublin, I am very proud to say that our regional success continues to shine in 2023. Out of the 248 investments secured this year, a remarkable 54% (132) are located outside of Dublin. This strong regional performance reflects a commitment to fostering economic growth and opportunity across the island.
* **So where does education lie in all of this**? Well the truth is - the convergence of education and business is not merely a partnership; it's a catalyst for transformation. It's where ideas are born, knowledge is applied, and breakthroughs are made.
* In the nexus of education and business lies the key to unlocking the full potential of our society. It's where theory meets practice, aspiration meets opportunity, and innovation meets impact

**So that brings me on to two fundamental points of reflection -**

1. On the role of universities in supporting the national effort to attract FDI?
2. How do we rank in terms of the positioning of Ireland as an attractive location in respect of talent and RD&I?

And importantly what do we do next …

* Our people are the bedrock of Ireland's economic growth on which our competitiveness in global markets is built upon. High quality talent is one of Ireland’s key selling points. Our client base consistently talks about the criticality of skills to their business.
* In our 2022 client survey the availability and development of talent is one of the most important factor influencing the performance of their business over the next 2-3 years ( along with technological change) and is the area our clients want us to focus on as a top priority.
* In a rapidly evolving global economy, the true measure of competitiveness lies not only in the resources we possess today but in our capacity to innovate and adapt for tomorrow.
* Currently Ireland is a competitive location when it comes to talent. Third level attainment among 25–34-year-olds in Ireland is 62%, which is significantly higher than the EU average of 42%. Since 2016 there has been a 13.8% increase in Higher Education enrolments (HEA data and IDA Marketplace messages).
* We have the highest level of STEM graduates per capita in the EU among 20–29-year-olds. Over the past decade there has been steady growth in the number of graduates from IT, Science, Maths and Engineering disciplines (HEA data).
* However, in an extremely competitive FDI environment and at a time of rapid change and technological disruption we must work together to ensure that the quality of our talent pool is not just maintained but is strengthened and enhanced to become word class if we are to continue to attract inward investment.
* Our clients seek a depth of subject matter skills, but they are now also looking for a broader skillset and mindset. This is being driven by the impacts of digital transformation and decarbonisation across all areas of business, and with it the need to manage, analyse and action data to drive productivity and innovation.
* **The skills implications of this are twofold. Firstly**, educators need to develop **fundamental digital and data skills** as part of every student’s transversal skillset.
* **Secondly, the development of transversal skills** must be viewed as key to strengthening and increasing the competitiveness of our talent. Skills such as critical and innovative thinking; agility and leadership, together with curiosity and a growth mindset are required by individuals and companies to navigate and thrive in the future.
* Universities have a central role to play in cultivating both skills and mindset, but we must also recognise the importance of laying the foundations of critical thinking and innovation at post-primary and primary level.
* Recent third level programmes have demonstrated the potential to innovate and co-create future focused programmes with industry, that equip students with cutting-edge skills and industry experience.
* The University of Limerick’s Masters in Immersive Software Engineering; MTU’s REEdI (Redesigning Engineering Education in Ireland) programme and DCU Futures programme developing transversal skills, and many more funded under the HCI Pillar 3 initiative are focused on producing adaptable, creative problem solvers sought by industry.
* We must continue to resource the third level education system to innovate programme design and drive industry co-creation in this way.
* A growth mindset is one that embraces lifelong learning, the need for which has increased significantly over the past decade. Data from LinkedIn shows that globally the skills sets for jobs have changed by around 25% since 2015 and that by 2027 this is expected to double. Universities have a hugely important role in increasing participation in lifelong learning and delivering leading-edge upskilling and reskilling programmes.
* The introduction of accredited, stackable micro-credentials though the MicroCreds programme is a welcome step in making lifelong learning more accessible and industry relevant. The learners’ journey does not end with their formal education. Continuous upskilling must become a permanent feature of workforce development.
* In terms of R&D, Ireland as a country ranks 9th in the European Innovation Scoreboard 2023. However, the scoreboard highlights significant areas of weakness in public and private sector expenditure on R&D and innovation; innovation being the process by which companies create new or added value as opposed to developing new products and services.
* In 2022, IDA clients spent over €7bn on in-house R&D. Looking forward megatrends such as Industry 5.0, AI, Quantum, Advanced Therapeutics and Digital health present FDI opportunities of a scale and complexity that will require a multifaceted approach to industry-academia collaborative research and research excellence in enabling technology. There is a significant opportunity to deepen academic-industry partnerships in cutting edge research of strategic importance, and this must be supported by increased public investment in research capacity.
* There is also a need to build innovation capability and capacity across enterprise. Companies who innovate are better placed to manage uncertainty, solve challenges, and grow more sustainable, resilient operations. The skills to drive innovation are found within our universities and, as the OECD review of Ireland’s skills strategy identified, we must leverage post-graduate talent in the workforce to strengthen innovation capacity.
* In addition, Universities and government agencies must work closely together to support the spin-out of excellent research and develop the entrepreneurial capability of postgraduates. This is critical to building a vibrant RD&I ecosystem and increasing the RD&I capacity of MNCs. The SFI Centres for Research Training and ARC Hubs will support regional innovation and entrepreneurial training, and accelerate research commercialisation.
* Remaining at the cutting-edge of science and technology is critical to retaining our global competitiveness. The third level research ecosystem must continuously horizon scan for future disruptive research areas and the next generation of enabling technologies, helping to inform industry of emerging opportunities and policymakers on the capacity we need to build now if we are to produce researchers with the expertise and skills to attract the next generation of FDI.
* A final point I would make is the criticality of diversity in the workforce. Ireland is an open, welcoming, and globally focused economy and society. MNC’s are prioritising diversity in their workforce as diverse and inclusive workplaces are more innovative and agile, and have higher levels of customer satisfaction and employee engagement. The Governments Unified Tertiary System policy and the launch last year of 23 tertiary pathway programmes from further to higher education is an excellent demonstration of Ireland’s commitment to increasing access to higher education and enabling people from all backgrounds to enter rewarding careers; with industry benefiting from the perspectives and experience of a diverse talent pool.
* **In conclusion,** as we reflect on the insights shared and ideas exchanged today, I hope that one thing will be abundantly clear: the symbiotic relationship between academia and industry is not just a theoretical concept; it's a catalyst for real-world impact.
* By forging stronger ties between education and business, we can unleash a wave of innovation, drive economic growth, and equip our workforce with the skills needed to thrive in an increasingly competitive global landscape.