



Impacts on IRELAND

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Why is Ireland the tiger?

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Why is Ireland called
the Celtic tiger?

WHOA!

01

INTRODUCTION

Theory first

Introduction



1980's and 1990's

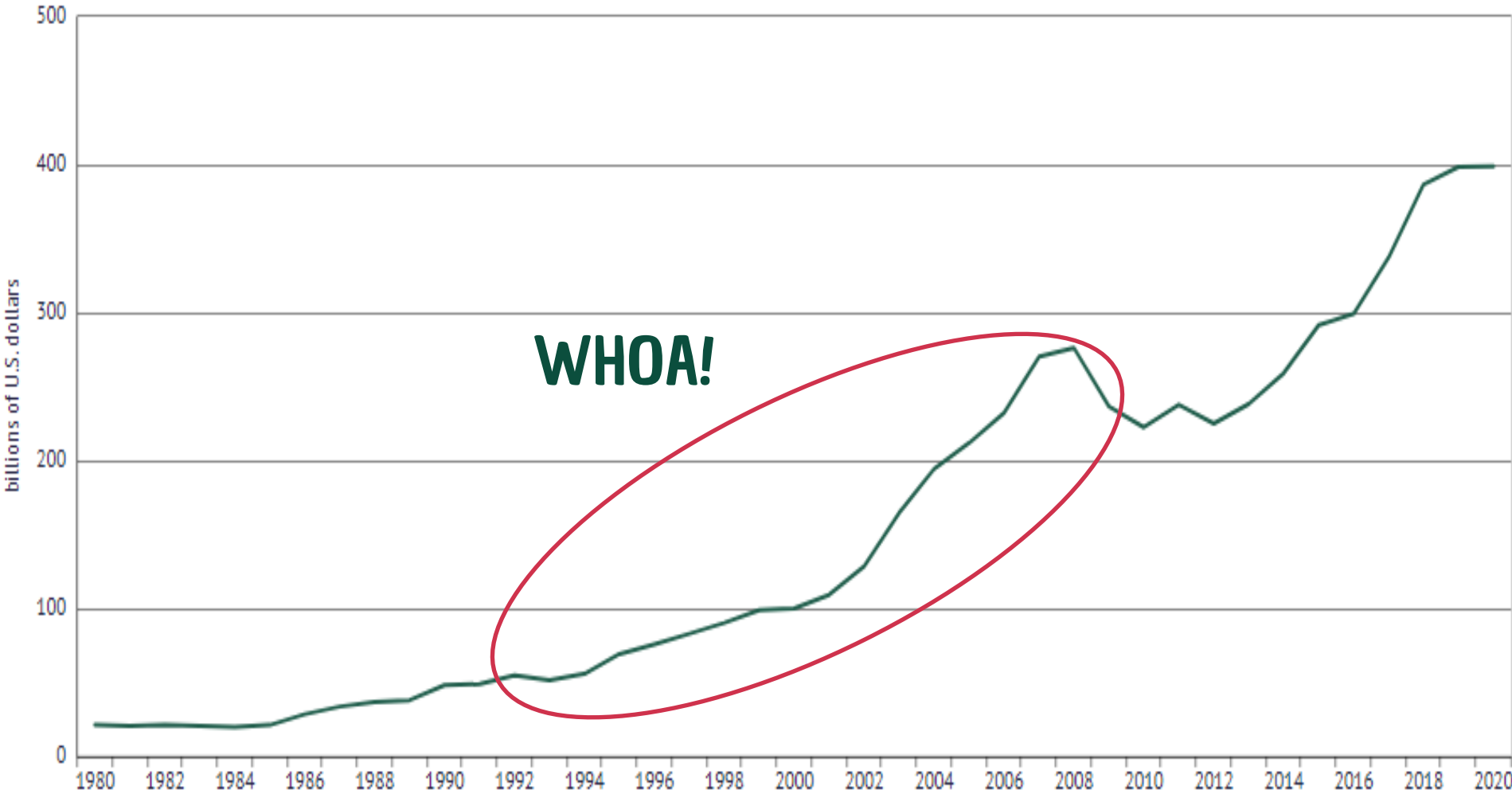
The Irish economy in the 1980's through the 1990's was steadily increasing, to become one of the world's most rapidly growing. During this time of economic boom people from around the world began to move back to their ancestral roots in Ireland for employment. (Bromund, 2011)



The Peak

The Irish economy was at its peak during the period between 1997-2007; and was thus named the "Celtic Tiger." Ireland moved from being one of the poorest countries in Europe to one of the richest in only a matter of years. (Dorgan, 2006)

Bromund, Theodore, and J.D. Foster, Ph. D. "President Obama Visits the Irish Financial Crisis." The Heritage Foundation. Last modified May 20, 2011. <http://www.heritage.org/research/reports/2011/05/president-obama-visits-the-irish-financial-crisis>
Dorgan, Sean. "How Ireland Became the Celtic Tiger." The Heritage Foundation. Last modified June 23, 2006. <http://www.heritage.org/research/reports/2006/06/how-ireland-became-the-celtic-tiger>



The Irish economy was named the Celtic Tiger, because the tiger was a reference to strong economies in Asia; while the celtic part comes from Ireland being a celtic nation.

— JACK, 2010

Jack, Ian. "Ireland: The Rise & the Crash." Review of Ship of Fools: How Stupidity and Corruption Sank the Celtic Tiger, by Fintan O'Toole. The New York Review of Books. 2010. <http://www.nybooks.com/articles/archives/2010/nov/11/ireland-rise-crash/?pagination=false>

Employment

In only of span of fifteen years (1990-2005) the employment rate in Ireland went from 1.1 million to 1.9 million. Irelands' trading market began to expanded internationally; which attracted many people to Ireland for work. (Dorgan, 2006)



02



CASE STUDIES

What is
interesting,
unusual or
unique about
Ireland.



LOCATED IN IRELAND

9 of the
top 10

global ICT companies*

8 of the
top 10

gaming companies*

8 of the
top 10

global pharmaceutical
companies*

6 of the
top 7

diagnostics companies*

15 of the
top 20

medical device companies*

50%

of world's leading financial
services firms*

Source: Education in Ireland

WHYYYYY??

Ireland's taxation system is distinctive for its low headline rate of corporation tax at 12.5% (for trading income), which is half the OECD average of 24.9%. (Jahnsen, 2017)



Ireland's Corporate Tax System has seen Ireland labelled a tax haven, and in June 2018, academics estimated that Ireland was the largest global tax haven. (Rubin, 2018)

03

ANALYSE



APPLE, what have
you done?





APPLE IN IRELAND

Ireland

APPLE in Ireland and the globalization.



Apple

The Tug-of-War of 13 Billion Euros: Apple's Tax Row



1991

1st Sweetheart Deal. A tax ruling was agreed upon. This alleged preferential treatment to Apple.

2007

2nd Sweetheart Deal. The same year when iPhone was released. The deal stayed in place until 2015.

1980

Apple, lead by Steve Jobs, begins operations in Ireland. Announced investment of £7M and create 700 jobs. Opens a manufacturing unit in Cork with 60 employees.



2013

Offshore investigations revealed Apple had paid less than 2% tax in Ireland for several years.

2014

EU opens a formal investigation into Apple's tax deal with Ireland. The Commission announced 'illegal state aid'.

2015

Apple changes the residency of its Irish subsidiaries to comply with new tax laws.



2016

Enter: Margrethe Vestager; Orders Ireland to claw back €13 billion worth of unpaid taxes. A special deal with Ireland allowed Apple to pay 50 cents for every 1 million of profit.



2019

Apple's appeal is heard in a Luxembourg court. Ireland's reputation on the line.

2020

Apple wins the landmark court case. EU's 2nd highest court in Luxembourg ruled 'the Commission could not prove that the Irish gov't had given the U.S. tech giant a tax-advantage'.

In fact, the tax treatment in Ireland enabled Apple to avoid taxation on almost all profits generated by sales of Apple products in the entire EU Single Market. This is due to Apple's decision to record all sales in Ireland rather than in the countries where the products were sold.

– Margrethe Vestager, "State aid: Ireland gave illegal tax benefits to Apple worth up to €13 billion", 30 August 2016.



How the government could spend 13 000 000 000 EUR?.

Build 20 new hospitals.

(new children hospital is estimate to cost 650m EUR)

01

02

Build another extension to the Luas – tram system

Estimate cost 368m EUR

Boost supply of social housing

Government's 5.5 b EUR Action Plan could be almost tripled

03



Information from IRISH TIMES graphics.

06

Encourage people to save

The last scheme, which gave people a boost of 25% on their saving, was said to have cost 2,4b EUR

05

Abolish property tax

Apple's tax bill could cover it fo the next 26 year

04

Fast-track construction of 2,4b EUR Metro North

Not to be completed untill 2025



04

CONCLUSION



1) US-controlled firms are 25 of the top 50 and represent €317.8 billion of the €454.4 billion in total 2017 revenue (or 70%);

2) Apple alone is over 26% of the total top 50 revenue and greater than all top 50 Irish companies combined (see leprechaun economics on Apple as one-fifth of Irish GDP);

3) UK-controlled firms are 3 of the top 50 and represent €18.9 billion of the €454.4 billion in total 2017 revenue (or 4%); Shire and Experian are pre the UK transformation to a "territorial" model;

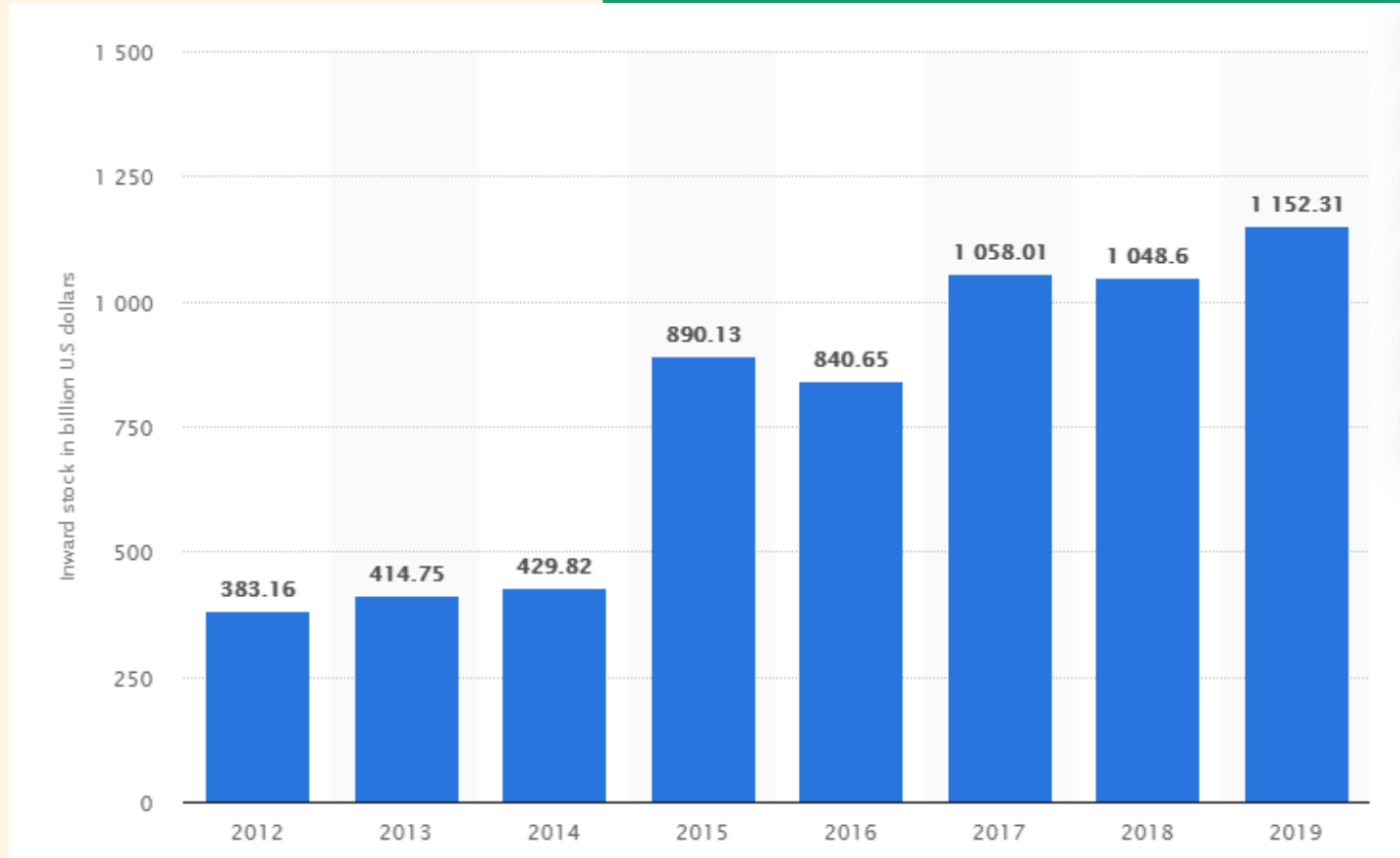
4) Irish-controlled firms are 22 of the top 50 and represent €117.7 billion of the €454.4 billion in total 2017 revenue (or 26%);

5) There are no other firms in the top 50 Irish companies from other jurisdictions.

([Ireland's Top 1000 Companies](#)". *Irish Times*. 2018.)

Foreign direct investment (FDI) inward stock in Ireland from 2012 to 2019

Source: Statista



THANKS!

Do you have any questions?

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