IEA Submission: Pre-Budget 2027 Recommendations

Irish Exporters Association submission to the Department of Finance and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

CC. Minister for Foreign Affairs and Trade, Minister for Minister for Enterprise, Tourism and Employment, Minister for Transport, Minister for Agriculture, Food and the Marine, Minister of State with responsibility for International and Road Transport, Logistics, Rail and Ports,

Executive Summary

Ireland's export-led economy remains one of the country's greatest strengths. It has delivered employment, investment, tax revenues and international influence well beyond what might be expected from an economy of Ireland's size.

However, the environment facing exporters has changed fundamentally. Geopolitical instability, protectionism, supply-chain disruption, energy volatility, regulatory complexity and intense competition for talent and investment are now structural features of international trade.

Ireland must now respond to a dual concentration challenge.

First, Ireland's export performance is increasingly concentrated by market, sector and ownership. The United States, pharmaceuticals, ICT, and multinational activity are central to headline performance. These are major national strengths, but they also expose Ireland to volatility when global trade conditions change.

Second, the Exchequer has become increasingly reliant on corporation tax receipts generated by a relatively small number of multinational enterprises. Ireland must protect its FDI model, but it must also build a broader base of larger internationally successful Irish-owned companies capable of generating sustainable export earnings, employment and tax revenues.

Budget 2027 should therefore mark the beginning of a more ambitious national effort to strengthen export resilience, diversify markets, improve competitiveness and deliberately support the creation of Irish-headquartered Global Champions.

The Irish Exporters Association recommends a coordinated programme focused on two linked objectives: reducing exposure to external shocks and building the scale, capacity and ambition of indigenous enterprise.

This submission calls for:

- A €1 billion 1bn multi-annual Global Export Resilience and Diversification Fund from 2027;
- The Irish Strategic Investment Fund to establish a dedicated €1bn multi-annual Super Scale-Up Capital Programme from 2027;

- Clear national targets to grow indigenous exports in priority diversification markets and the European Union;
- A stronger international footprint for Enterprise Ireland and relevant sectoral agencies;
- A state-backed Export Credit Insurance scheme to reduce structural disadvantages faced by Irish exporters in international tenders;
- A National Global Champions Initiative to help Irish-owned companies super-scale internationally;
- Tax and capital measures that reward entrepreneurship, ownership, succession, founder retention and reinvestment;
- Personal tax, productivity, digitalisation, innovation and talent measures to strengthen Ireland's competitiveness;
- Housing measures that treat housing delivery as a productive-capacity and export competitiveness priority.
- Measures to reduce energy and business costs, including alternative funding for non-energy pass-through charges on electricity bills.

The Irish Exporters Association

The Irish Exporters Association (IEA) is the leading independent representative body and voice for exporters based in Ireland. The organisation represents exporters and supply chain operators across the country and works at regional, national, and European levels, advocating for a regulatory and legislative framework that supports, drives, and fosters Irish exports.

The IEA represents the whole spectrum of companies within the export industry including SME's who are beginning to think about exporting for the first time right through to global multinational companies who are already extensively exporting from Ireland as well as the providers of key services to the sector – in particular the transport, logistics and supply chain services sectors. The IEA is the connecting force for Irish exporters, providing practical knowledge and support across the Island of Ireland and in foreign markets.

Introduction

Ireland's export performance has been central to national economic success for more than half a century. Successive generations of Irish exporters have demonstrated remarkable resilience, innovation and ambition in international markets.

Yet the assumptions that have underpinned global trade for the last three decades are changing rapidly.

Global supply chains are becoming more fragmented. Geopolitical tensions are increasing. Competition for investment is intensifying. International trade routes have become more vulnerable to disruption. The cost of doing business continues to rise.

At the same time, Ireland's export profile has become increasingly concentrated in a small number of markets and sectors.

The Irish Exporters Association believes that Budget 2027 should respond to these challenges by focusing on ambition, resilience, diversification, competitiveness and internationalisation.

The objective should be clear:

To build a stronger, more resilient and more diversified export economy while supporting the emergence of a new generation of Irish-owned international market champions capable of generating sustainable export earnings, employment and tax revenues for decades to come.

Recommendations.

1. Global Export Resilience and Diversification

Establish a Global Export Resilience and Diversification multi-annual Fund

"Building on the Government's 2025 Action Plan on Market Diversification, the Irish Exporters Association believes that Ireland should adopt a more targeted and ambitious priority-market approach, with particular focus on India, ASEAN, the Gulf, Japan, South Korea, Canada, Australia and New Zealand, selected African economies and Mercosur countries."

The Government's Action Plan on Market Diversification has established an important framework for reducing export concentration risk. However, the scale of geopolitical and economic uncertainty now requires a more ambitious response.

The Irish Exporters Association recommends the establishment of a €1 billion Global Export Resilience and Diversification multi-annual Fund to support exporters in reducing concentration risk, developing new markets and strengthening supply-chain resilience.

The Fund should support increased and broader:

- Export credit and insurance supports.
- Market entry and development;
- Regulatory and compliance costs;
- Product localisation;
- Overseas representation;
- Strategic market intelligence;
- Supply-chain diversification;
- Alternative sourcing strategies;
- Regional warehousing and logistics solutions;
- Export risk management;
- Emergency exporter support mechanisms during major disruptions
- Strategic export risk monitoring;
- Supply-chain resilience planning;

Strategic Market Prioritisation Framework

Government support should focus on markets that meet the following criteria:

- High economic growth potential;
- Growing middle-class demand;
- Trade openness and ease of market access;
- Limited current Irish export penetration;
- Ability to reduce export concentration risk;
- Presence of comprehensive EU trade agreements or advanced trade negotiations.
- Adjacency and springboarding opportunities, where exporters can use an existing presence in a nearby or similar market to make entry into a new market easier, faster and less costly.

Priority Markets

Whilst the IEA recognises the Government's 2025 Action Plan on Market Diversification, the Irish Exporters Association believes that a greater level of ambition is urgently required to mitigate the concentration risk of our exports.

Priority Diversification Markets

- India
- ASEAN
- GCC
- Japan
- South Korea
- Canada
- Australia and New Zealand
- Selected African economies
- Mercosur countries

European Union Market Opportunity

While export diversification beyond traditional markets is essential, the European Union remains Ireland's largest and most accessible trading bloc. Greater efforts should be made to increase indigenous exports within the Single Market by addressing barriers to scale, improving market intelligence, and supporting firms to expand their presence across EU member states.

Deepening export penetration within the EU offers a significant opportunity to diversify growth while benefiting from regulatory alignment, established trade frameworks and lower market-entry costs.

This diversification agenda should complement, rather than displace, continued strategic focus on Ireland's key established markets in the United Kingdom, European Union and United States, which will remain central to export performance, scale and resilience.

Strengthening Enterprise Ireland's International Footprint & Remit

To support export diversification and internationalisation, Government should significantly increase funding for Enterprise Ireland's overseas network.

The objective should be to strategically increase Enterprise Ireland's in-market resources, capabilities and assets across all priority markets by 2030. In markets where Enterprise Ireland does not currently maintain a permanent presence, Government should commit to establishing an office by 2030 where justified by export potential, strategic importance and adjacency. Covering multiple markets successfully from one country is unrealistic and leads to the result that no market (other than the situational market) is effectively supported.

A stronger overseas footprint will provide Irish exporters with enhanced market intelligence, business development support, regulatory guidance and access to local networks.

Export Credit Insurance

Government should establish a state-backed Export Credit Insurance Agency (ECA) to help Irish exporters compete on more equal terms with overseas competitors that already benefit from the backing of national Export Credit Agencies.

The state has long prevaricated on such an ECA to the detriment of the State and its exporters at a strategic and tactical level. It is no longer acceptable that we keep our heads in the sand and hope that the demand for an ECA will simply go away if nobody is talking about it.

The less well-understood issue is not simply insurance against non-payment. **It is the competitive advantage that state-backed credit insurance gives to exporters in international tenders and market entry.** In many markets, exporters are competing not only on price, quality and service, but also on the strength of the financial package and risk protection they can offer to the buyer. Companies supported by state-backed Export Credit Agencies can reduce commercial and political risk, unlock more attractive financing terms, give buyers greater confidence, and pursue opportunities in higher-growth markets that may be too risky for unsupported competitors. In the absence of a comparable Irish mechanism, Irish exporters can face a structural disadvantage when bidding for major contracts or diversifying into new markets, even where their underlying product or service is highly competitive.

National Targets

The Government should establish clear national objectives, using 2025 as the baseline year, to:

- Establish a multi-annual €1 billion Global Export Resilience and Diversification Fund from 2027 to support market entry, export resilience, supply-chain diversification and international growth.

- Increase indigenous exports to priority non-traditional markets by 15% by 2030 and by a further 35% by 2035.
- Increase exports by Irish-owned enterprises to the European Union by 15% by 2030 and by a further 35% by 2035, recognising the under-utilised scale opportunity of the Single Market.
- Increase the number of Irish-owned exporters actively trading across the priority diversification markets by 25% by 2035.
- Increase Enterprise Ireland's in-market resources and overseas capacity by 50% by 2030, ensuring permanent or dedicated coverage in each priority diversification market, with corresponding consideration for Bord Bia and BIM resources where sectoral export opportunities require additional in-market support.
- Establish a state-backed Export Credit Insurance scheme by 2030 at the latest, enabling Irish exporters to compete on more equal terms with overseas competitors supported by national Export Credit Agencies.

2. Accelerating the Internationalisation of Irish Enterprise

Creating Ireland's Next Generation of Global Market Champions

Ireland has been highly successful in attracting and retaining world-leading foreign direct investment, and that success must continue to be protected. However, the next phase of trade and enterprise policy must place much greater emphasis on super-scaling Irish-owned exporters with the ambition to become global organisations.

Ireland is strong at creating start-ups and supporting early to mid-stage growth. The challenge now is to help more of those firms move from promising companies and medium-sized exporters into large and very large international dominant businesses.

The objective should be clear: more Irish-owned companies exporting, more exporters in more markets, and more Irish-headquartered businesses super-scaling into Global Champions. This is not about choosing between FDI and indigenous enterprise; it is about building a more balanced and resilient export economy rooted in sustainable export earnings, high-quality employment, regional activity and sustainable long-term tax revenues.

Agency-supported exports across food, drink, seafood, technology, services and manufacturing are significant, but indigenous exporters remain a comparatively small share of Ireland's overall export performance. Growing that share is essential to reducing concentration risk including and significantly in our corporation tax take and strengthening the long-term resilience of Ireland's export model.

The Irish Exporters Association therefore recommends the establishment of a National Global Champions Initiative to support the scaling of Irish-headquartered companies with the ambition and potential to become significant international businesses. We should be aiming to have companies with turnover of €1bn annually.

A Global Champions Initiative

Budget 2027 should establish a dedicated, multi-annual initiative focused on helping Irish-owned companies super-scale internationally, retain strategic value in Ireland and develop into globally competitive players.

This initiative should support companies at different stages of the international scaling journey, including firms with the potential to exceed revenues of **€100 million, €250 million, €500 million and ultimately €1 billion**. The purpose should not simply be to increase the number of exporters, but to build a stronger pipeline of very large Irish-headquartered firms capable of competing, acquiring, investing and leading in global markets.

The initiative should provide targeted support for:

- Scale-up capital and late-stage growth finance;

- International acquisitions
- Overseas set-up investment;
- Overseas market establishment;
- Strategic partnerships and joint ventures;
- International management capability at specific regional;
- Senior leadership development for super-scaling;
- Supply-chain diversification;
- IPO's
- Export credit, insurance and risk-management supports;
- Retention of headquarters, strategic decision-making, intellectual property, innovation and high-value employment in Ireland;
- Creation and capture of increased Corporation Tax at home.

Ireland should be much more ambitious about the type and scale of companies it wants to create. A stronger indigenous enterprise base with much larger sized organisation requires firms that are not only exporting from Ireland, but building international footprints, acquiring capability abroad, embedding themselves in key markets, exporting from there, and competing for major contracts on a global basis.

Strategic Scale-Up Capital

Access to appropriate scale-up capital remains one of the most important barriers to the creation of Irish-owned Global Champions. Ireland has a strong start-up to small ecosystem, but too many promising companies reach a point where their next phase of growth requires deeper capital pools, international acquisition finance, or risk-sharing mechanisms that are not readily available at home.

The Irish Strategic Investment Fund should therefore establish a dedicated €1bn Multi-Annual Super Scale-Up Capital Programme focused on indigenous enterprises with significant international growth potential. This programme should co-invest alongside private capital and should be designed to address the scale-up funding gap facing firms that are too advanced for early-stage supports but not yet large enough to access international capital on optimal terms.

The programme should prioritise companies that retain their headquarters, strategic decision-making, R&D, intellectual property and a meaningful level of high-value activity in Ireland. The aim should be to ensure that when Irish companies scale internationally, the long-term economic dividend remains anchored in Ireland.

Cultural Shift and Founder Liquidity

Achieving this ambition will require a significant cultural shift across entrepreneurs, Enterprise Ireland and the State. Entrepreneurs should be encouraged to think beyond early exit, domestic scale or modest international expansion, and instead build companies with the ambition to become large, durable, globally dominant, Irish-headquartered global businesses. Enterprise Ireland should move from supporting market entry and incremental export growth to also actively identifying, backing and challenging companies with the potential to super-scale. The State must treat the creation of indigenous Global Champions as a national economic objective, with the same seriousness and long-term commitment that has underpinned Ireland’s success in attracting FDI.

A further shift is needed around founder liquidity. If Ireland wants entrepreneurs to build long-term Irish-headquartered Global Champions, founders must have credible ways to take some money out of their businesses without being forced into a full sale or early exit. Structured secondary share sales, founder liquidity facilities, partial buybacks, long-term investment funds and tax treatment that rewards continued ownership and reinvestment would help make staying the course financially rational. Ireland should not unintentionally push founders towards selling too early simply because there is no practical route to realise some value while continuing to build the business.

Internationalisation Supports

Enterprise Ireland should be resourced to establish a dedicated **Global Internationalisation Programme** for companies with the potential to become Global Champions.

This programme should go beyond traditional market-entry support and provide tailored assistance for:

- International acquisitions & set ups;
- Strategic partnerships and joint ventures;
- Overseas market presence;
- Regional management capability;
- Leadership development for Super-Scaling;
- Supply-chain diversification;
- Late-stage capital and export risk management;
- Strategic market establishment.
- Domestic headquarters transformation

The objective should be to help Irish companies become significant international businesses, some of them globally dominant, while retaining their economic roots, employment and value added in Ireland.

National Scaling and Global Champion Targets

- The Irish Strategic Investment Fund to establish a dedicated €1bn multi-annual Super Scale-Up Capital Programme from 2027;

By 2035, Ireland should seek to:

- Double the number of Irish-headquartered companies with revenues exceeding **€100 million**;

- Double the number of Irish-headquartered companies with revenues exceeding **€250 million**;
- Double the number of Irish-headquartered companies with revenues exceeding **€500 million**;
- Build a stronger pipeline of Irish-owned companies capable of exceeding **€1 billion** in global revenues.

Why Global Champions Matter

The creation of Irish-owned Global Champions would deliver benefits far beyond individual company growth. It would strengthen Ireland's export resilience, broaden the enterprise tax base, deepen regional economic development, create high-quality employment, support innovation, and reduce the country's exposure to concentration risk.

A larger cohort of Irish-owned international businesses would also strengthen Ireland's economic sovereignty. In an environment where trade is becoming more political, supply chains more fragmented and competition more intense, Ireland needs companies that can operate confidently across markets while retaining their strategic centre of gravity at home.

The aim is not to replace Ireland's successful FDI model. It is to complement it with a more ambitious indigenous enterprise strategy. Ireland's next stage of export success should be built on both pillars: continued success in attracting world-class multinational investment, and a new generation of Irish-headquartered Global Champions capable of competing at scale and dominance in the world's most important markets.

Budget 2027 should therefore mark the beginning of a new national commitment to internationalisation, scale and indigenous enterprise ambition. If Ireland invests now in the super-scaling of Irish-owned exporters, it can build a broader, more resilient and more sustainable export economy for the decades ahead.

3. Entrepreneurship, Capital and Ownership

If Ireland is serious about creating Irish-owned Global Champions, it must reward the people who take the risks required to build them. The tax system should encourage founders, investors, family businesses and employees to retain ownership, reinvest capital, support succession and scale companies from Ireland rather than selling too early or growing elsewhere.

The Irish Exporters Association recommends:

- Reducing Capital Gains Tax to 20%;
- Reducing Capital Acquisitions Tax to 20%;
- Doubling the Entrepreneur Relief lifetime limit to €3 million with a view to achieving €5million by 2030;
- Extending Start-Up Relief beyond 2026;
- Reforming and simplifying KEEP;
- Extending of SARP to Irish indigenous businesses:
- Supporting wider employee ownership.

Together, these measures would improve capital mobility, support succession and founder retention, widen employee participation and increase the recycling of private capital into Irish-owned companies with the potential to become international market champions.

4. Cost of Business

Implement the Recommendations of the Cost of Business Advisory Forum

Competitiveness remains one of the most significant challenges facing exporters.

The Irish Exporters Association calls for the rapid publication and implementation of the recommendations of the Cost of Business Advisory Forum including, and with the potential for a severe energy price shock ahead of the winter very high, supports for exporters, business in general and the public may be needed.

Cost of Energy.
Removing all or part of "pass through charges" from electricity bills by using an alternative funding approach.
As domestic business costs continue to rise, Ireland must manage the competitiveness factors within its control. Energy is now a major pressure point, and large energy users are under particular strain, especially those competing internationally on tight or non-existent margins. Members with overseas plants or sister facilities report that Irish electricity prices are at least 1.5 times higher than in comparable markets, and in some cases three to five times higher.
Up to 45% of members' electricity bills is made up of non-energy "pass-through" charges, including the PSO Levy, network charges, imperfection charges, capacity charges, taxes and other charges, and renewable premiums.

Recent supports such as TBESS, efficiency grants, the Ukraine Enterprise Crisis Scheme and Power Up grants have provided short-term relief, and similar supports may be needed again this winter. However, a more sustainable funding model is required for these non-energy charges. Reducing or removing them from electricity bills could significantly lower energy costs, improve competitiveness, support Irish business expansion, help FDI operations compete for investment against overseas sister plants, and protect jobs and innovation.

Recommendation:

- Publish and implement the Recommendations of the Cost of Business Advisory Forum without delay.
- Identify an alternative method for funding the 45% of non-energy charges is essential. We recommend considering a combination of Strategic Investment Funds, Public-Private Partnerships, the incorporation of advanced procurement strategies, and the implementation of stricter rules governing public procurement contract pricing.

5. Personal Taxation and Cost of Employment

Ireland's ability to export, scale and compete internationally depends on its ability to attract and retain skilled people. Personal taxation and the cost of employment must therefore be treated as export competitiveness issues. Budget 2027 should reduce fiscal drag, protect the reward for work and ensure that future labour-cost increases do not undermine scaling exporters.

Recommendations:

- Reduce the combined marginal tax rate on work from 52% to no more than 50% (inclusive of all USC) in this budget, with a commitment that no employee should pay more than 50% of their earnings inclusive of all taxes – including PRSI by 2030;
- Introduce automatic indexation of income tax bands and credits to prevent fiscal drag;
- Restore full tax credit indexation in Budget 2027;
- Review employee and employer PRSI thresholds, rates and future increases through a competitiveness lens, ensuring that any changes protect talent retention, the reward for additional work and the ability of exporters to scale employment in Ireland.

6. Innovation, Productivity and Digital Transformation

Productivity is the only sustainable answer to Ireland's high-cost operating environment. Exporters will need to adopt AI, automation, digital tools, advanced manufacturing, green technologies and stronger R&D capability if they are to compete in more complex international markets. Budget 2027 should align innovation supports with export productivity, decarbonisation and international competitiveness.

Recommendations:

- Enhance the R&D Tax Credit for qualifying green, digital and productivity-enhancing technologies, including consideration of a higher targeted rate for strategic decarbonisation, digital investment, and export-productivity investments;
- Introduce a Digital Transformation Tax Incentive for exporters investing in automation, AI, data capability and advanced digital systems;
- Expand support for the adoption of AI, automation and digital technologies by indigenous exporters;
- Strengthen industry-academic research partnerships and applied innovation projects focused on export competitiveness;
- Increase support for commercialisation, intellectual property development and the scaling of export-focused innovation.

7. Housing and Workforce Mobility

Housing is now a binding constraint on Ireland's export competitiveness. For exporters, the issue is no longer only affordability; it is the ability to recruit, retain and relocate the people needed to scale from Ireland. Housing shortages increase wage pressure, reduce workforce mobility, impact FDI attractiveness and sustainability, weaken regional enterprise development and make it harder for all exporters to expand headcount, management capability and operational functions at home.

Budget 2027 should therefore treat housing delivery as core economic infrastructure and a productive-capacity priority. Measures should be targeted at unlocking additional supply, improving the viability of higher-density development, enabling workforce mobility and ensuring that housing-related tax measures accelerate rather than delay delivery.

Recommendations:

- Exempt employer-supplied staff accommodation from BIK where the employee's annual earnings are below €50,000.
- Introduce tax relief for homes built or acquired by employers and made available to employees for rental accommodation.
- Revise the tax treatment of rental income to make residential letting more appealing and support increased housing supply.

The objective should be to make housing policy part of Ireland's competitiveness strategy. If exporters are to grow employment, attract international talent and retain activity in Ireland, housing must be delivered at scale, in the right locations and with the infrastructure required to support enterprise growth.

Conclusion

Ireland's export economy has delivered extraordinary prosperity and remains one of the country's greatest strengths. However, the next decade will be more uncertain, more competitive and more politically complex than the last.

The Irish Exporters Association believes that Ireland must now match its success in attracting world-leading FDI with a more ambitious commitment to indigenous enterprise scale. The objective should be to create more Irish-owned exporters, more Irish exporters in more markets, and more Irish-headquartered Global Champions generating sustainable export earnings, employment, innovation and tax revenues from Ireland, whilst continuing to maintain and build our levels of FDI.

We would like to thank the Minister for Finance, the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, and their officials for the opportunity to submit the recommendations of the Irish Exporters Association for Budget 2027. We remain available to work with Government and the relevant departments to support a stronger, more resilient and more diversified export economy for Ireland.

On behalf of the IEA,

Chief Executive