



CORPORATE AND COMMERCIAL

7 Reasons Northern Irish Businesses Should Invest in ROI

by **Jonathan Braden**

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Northern Ireland has a vibrant culture with a rich history, a highly educated population, and a growing business landscape. As businesses in Northern Ireland seek opportunities for expansion into the European Union, opening a branch in the Republic of Ireland has become an increasingly attractive option.

Here are seven reasons to assist in considering establishing a presence in the Republic of Ireland.

1. Corporate Tax Rate

As well as having an international reputation for being business friendly, the Republic of Ireland has a 12.5% corporate tax rate, which is significantly lower than the 25% corporate tax rate in the UK.

2. Access to a Larger Market

One of the primary reasons for businesses from Northern Ireland to open a branch in the Republic of Ireland is the immediate access to a significantly larger market. The population in the Republic of Ireland is over five million people, nearly three times that of Northern Ireland. This is a much larger base of potential customers, which can provide new opportunities for growth and an increase in sales.

3. Economic Stability

The Republic of Ireland has established itself as a stable and robust economy, attracting foreign investment and encouraging a competitive business environment. Northern Irish businesses can benefit from this economic stability -- reducing the risks associated with expansion and cultivating an environment conducive to business growth.

4. Trade Agreements and EU Access

Membership of the European Union, grants businesses established in the Republic of Ireland the ability to enjoy all the benefits of EU trade agreements, offering easier access to a broader range of international markets. This advantage can be particularly valuable for businesses involved in industries such as manufacturing, tech or services.

5. Proximity and Connectivity

The geographical proximity of Northern Ireland and the Republic of Ireland is a significant advantage. A well-developed transportation network facilitates the movement of goods and services between them. This not only reduces logistics costs but also streamlines operations for businesses.

6. Support from IDA Ireland

IDA Ireland, is the Irish government agency responsible for stimulating, supporting and developing foreign

direct investment in Ireland. The IDA offers a range of grants, funding, and advisory services to enable Northern Ireland businesses to establish in the Republic. Some of the support options include:

- **Investment Support Grants:** These grants help support investments financially. Through a €100m annual grant program, the IDA provides grants to foreign investors in order to maximise the impact of foreign companies seeking to expand in Ireland.
- **Research and Development and Innovation Support:** The IDA offers a wide range of supports, including tax incentives and collaborative funding, to help RD&I in the Republic of Ireland.
- **Training and Upskilling:** Grants are available for in-house bespoke training and management mentoring aimed at enabling foreign companies to evolve the business functions at their Irish site and enhance the Irish leadership team's strategic potential.
- **Sustainability Grants:** The IDA will cover a percentage of costs for foreign companies looking to 'go green' by adopting sustainable practices which enhance environmental performance. Those looking to innovate and develop new products or technologies can engage with Enterprise Ireland for grants to fund research and development.
- **Strategic Consultancy Grants:** To help businesses with strategic planning, consultancy grants are available to support the development of robust business strategies.

By taking advantage of these grants and support services, Northern Irish businesses can significantly reduce the financial burden of expanding into the Republic of Ireland while gaining access to a wealth of knowledge and expertise.

7. Similar Corporate Structures

Another advantage for Northern Irish businesses expanding into the Republic of Ireland is the familiarity of the legal and regulatory systems. They share a similar corporate legal system, making the transition for businesses relatively seamless in terms of forming a company and complying with local laws and regulations. Whether its regarding contract law, intellectual property, or employment regulations, the consistent legal framework eases the burden of navigating new territory for Northern Irish businesses expanding south of the border.

Expanding a business into the Republic of Ireland can be a strategic move for Northern Irish companies looking to grow and access new markets. With a larger consumer base, economic stability, trade advantages, proximity, and the support of the IDA and Enterprise Ireland, the reasons to make this transition are compelling.

If you would like more information of expanding your business into the Republic of Ireland please contact Jonathan Braden at jbraden@lkshields.ie.

About the Author



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