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Post-Brexit Britain will gun for Irish business

David Chance

BRITAIN could cut business taxes and regulation dramatically in a post-Brexit environment and compete directly with the State for foreign investment, business leaders have warned.

Ireland has "made hay" during the two years in which Britain has tortured itself over Brexit, but once the wait is over, London will come gunning for corporate balance sheets in the same way as former UK Chancellor of the Exchequer George Osborne once did.

"The tournament has been on and Brexit has interrupted

it," Danny McCoy, CEO of Ibec told the business lobby's leadership conference yesterday.

In the wake of the financial crisis, the State has ridden a wave of investment that has helped increase gross domestic product by 55pc since 2012 and seen a surge of company payments into the exchequer.

"I think there is no doubt that we are going to see Brit-

ain compete on a different level," said Michael Jackson, managing partner at international law firm Matheson.

"Even within the EU, Britain was one of our main competitors for foreign direct investment."

Ireland's low corporate tax rate has attracted many of the top American multinationals to invest here, in some cases to take advantage of profit shifting.

In order for the State to compete for new business and continued investment, Ibec – which represents 70pc of the country's employers – called on the government to invest the revenue from the surge in

company taxes in infrastructure.

Mr McCoy said that corporate tax receipts had outstripped government projections by €14.3bn since 2015.

"The proceeds should be set aside for more ambitious ongoing capital investment and for the next economic slowdown so that Ireland has the resources to invest in critical infrastructure and productive investment even when budgetary arithmetic is difficult," Mr McCoy said.

The State ran a budget surplus in 2018 for the first time since the financial crisis, despite large overspends on health.

'We are going to see Britain compete on a different level'

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and Danny
McCoy, CEO,
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