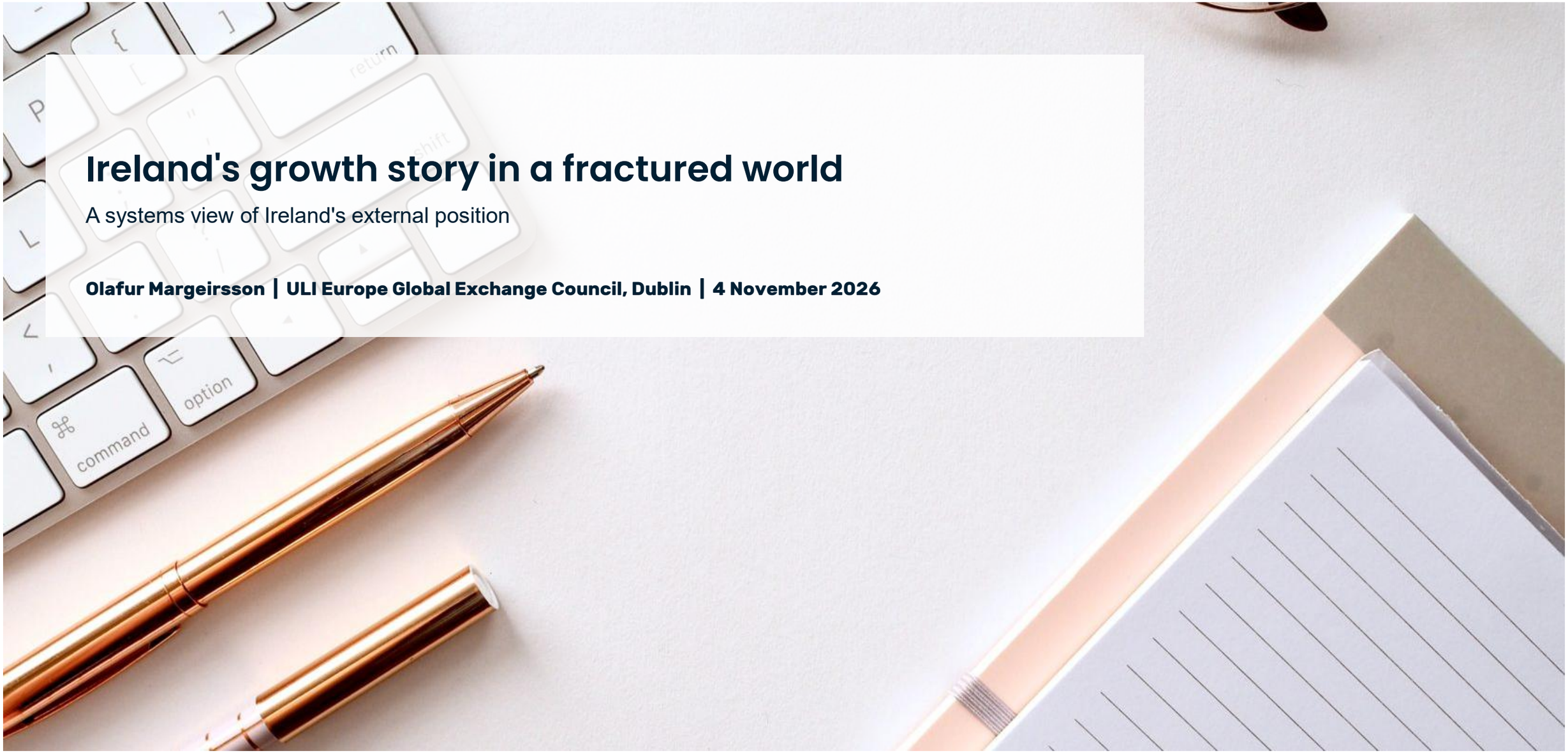
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Ireland's growth story in a fractured world

A systems view of Ireland's external position

Olafur Margeirsson | ULI Europe Global Exchange Council, Dublin | 4 November 2026

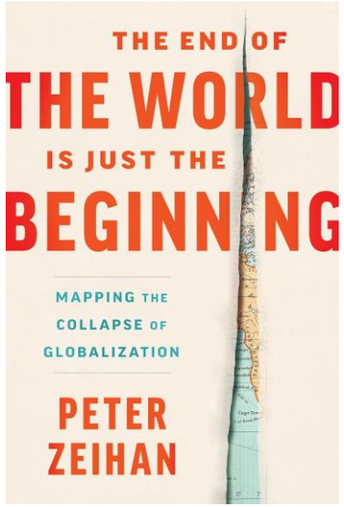
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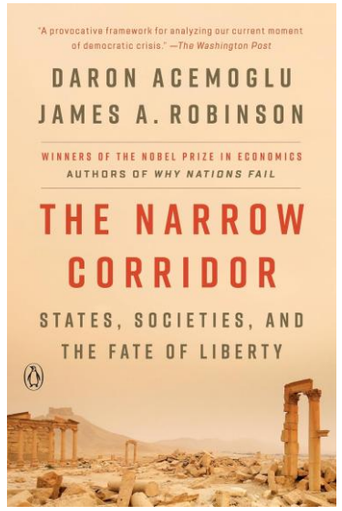
Ireland's growth is the output of a system

And the larger systems it sits in are changing their rules

- Ireland's growth engine sits inside the EU, which sits inside a global order built after 1945
- That order is changing its rules on trade, tax, security and energy
- Behaviour follows structure: the growth story will change too, but with a delay
- Whether for better or worse depends on Ireland's own structure: its buffers, its loops and where it chooses to push







Systems within systems



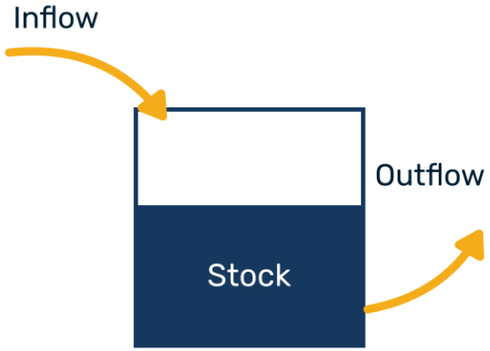
Source: Macro Real Estate

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Thinking in systems: structure drives behaviour

Four ideas from Donella Meadows that we need for the next 15 minutes

Stocks and flows



What has built up: plants, people, homes, know-how. It changes only through its flows, so it changes slowly.

Ireland: multinational plants and the people in them

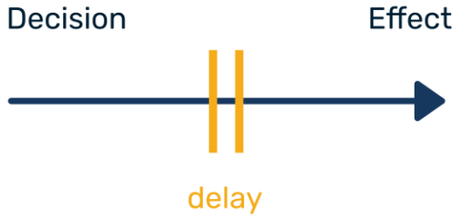
Feedback loops



Reinforcing loops (R) amplify: success breeds success. Balancing loops (B) push back: shortages bite.

Ireland: FDI attracts FDI; housing costs push back

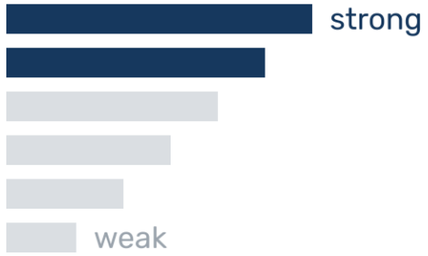
Delays



Effects arrive with a lag. Investment decided years ago produces today, so data describe the past system.

Ireland: export front-loading in 2025, then the hangover

Leverage points



Some places to push matter far more than others: taxes at the bottom; rules, goals and paradigms at the top.

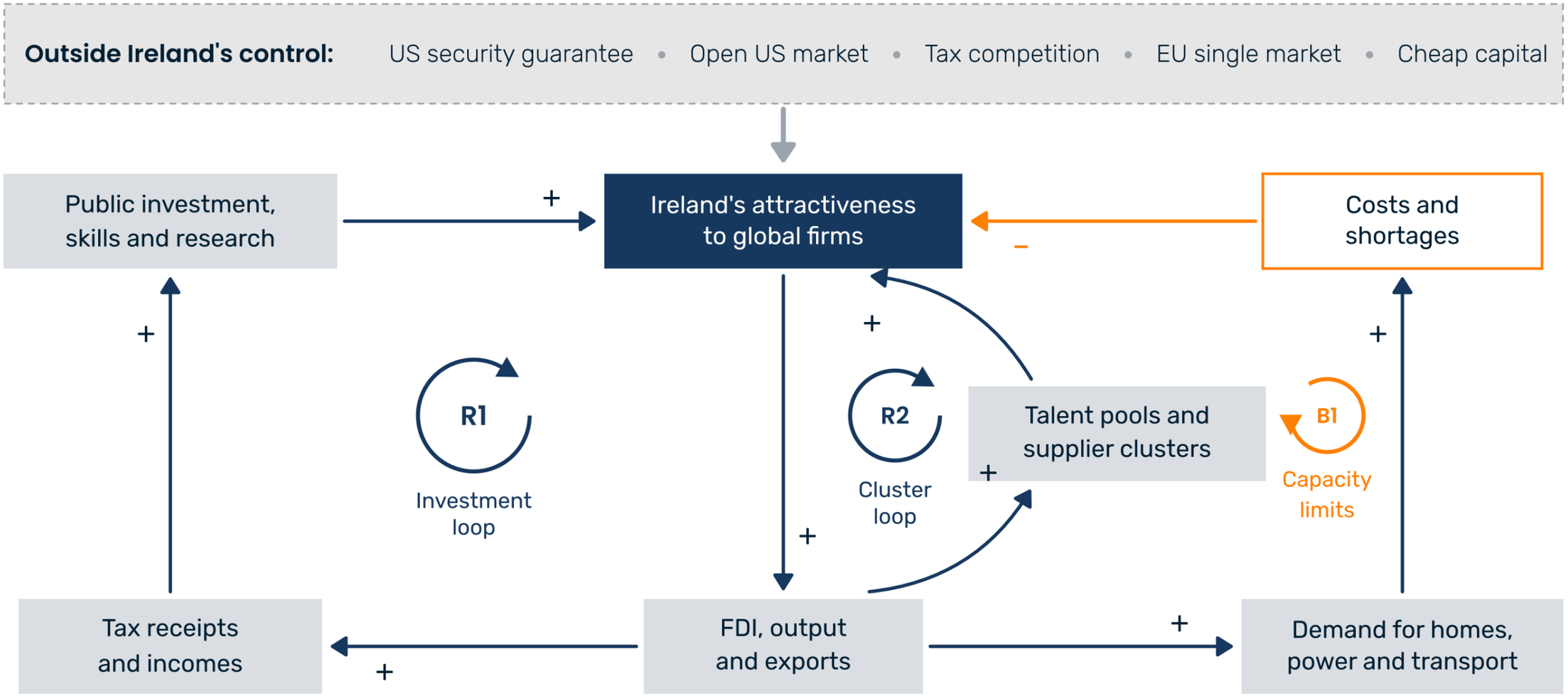
Ireland: the tax rate is a weak lever, zoning rules a strong one

Source: Meadows (2008), Thinking in Systems; Meadows (1999), Leverage Points, Macro Real Estate

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Ireland's growth engine is a loop fed from outside

Two reinforcing loops, one balancing loop. And some inputs Ireland does not control.



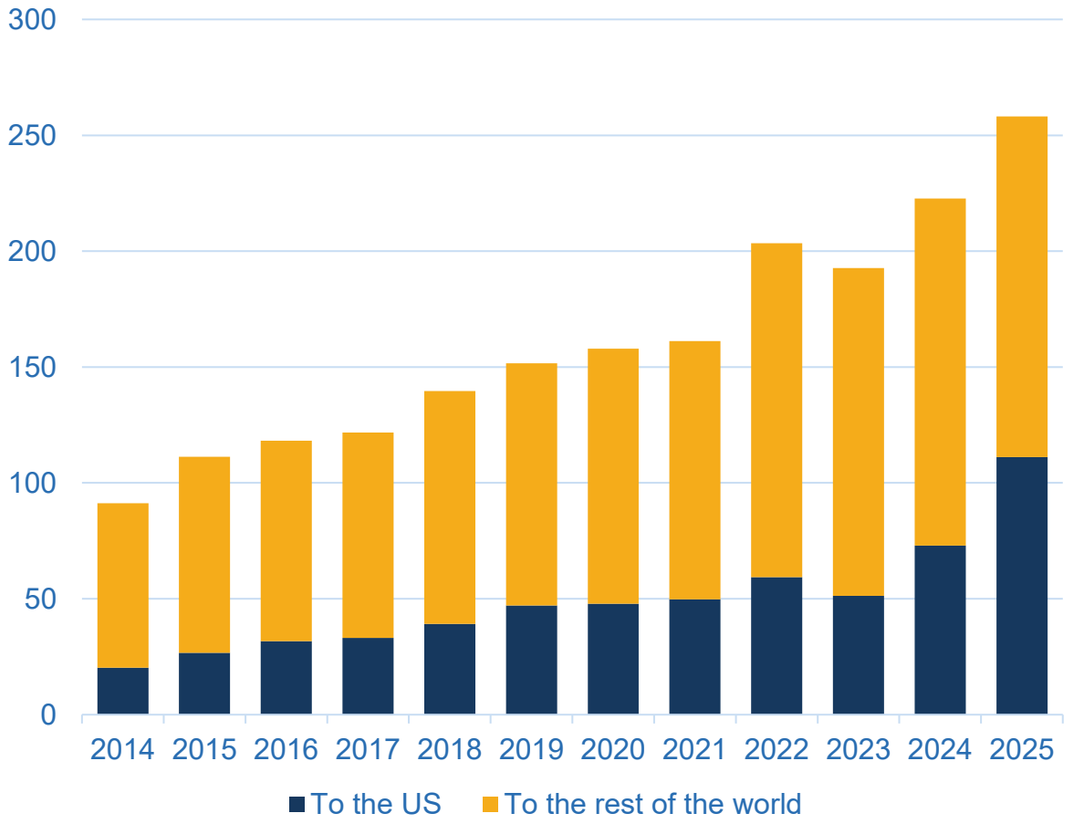
Source: Macro Real Estate, after Meadows (2008)

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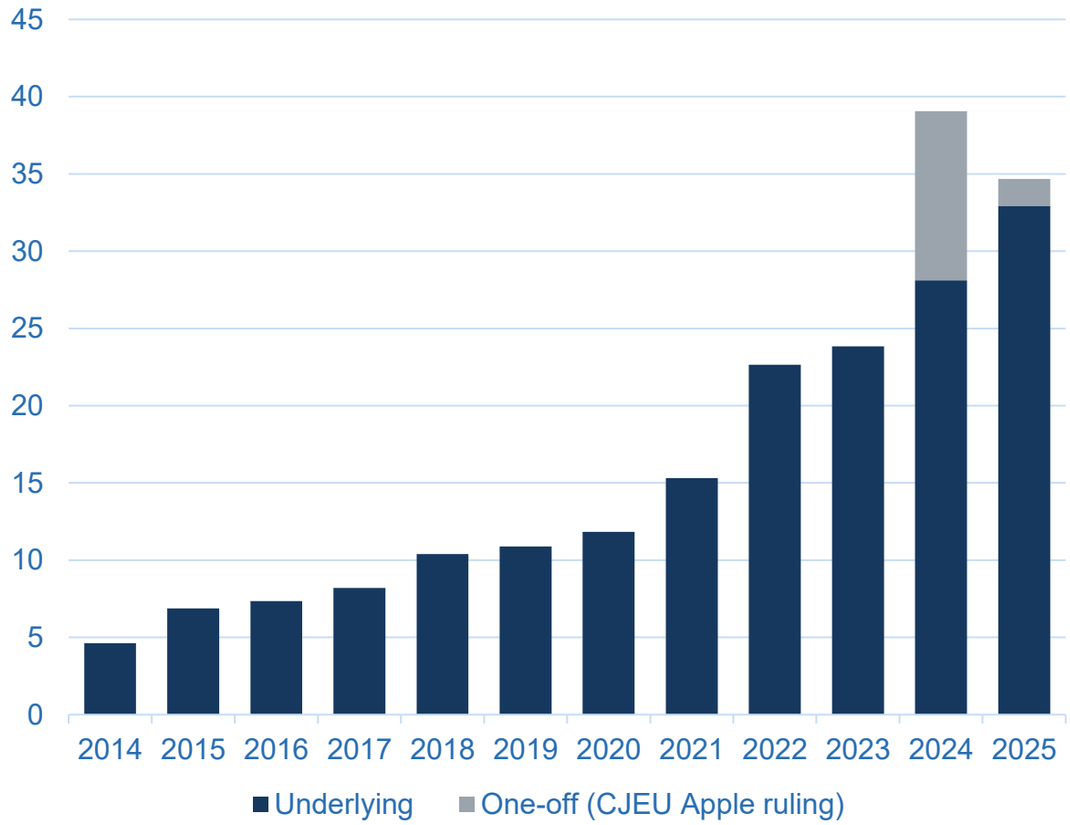
The engine works but it is concentrated

Top 10 groups paid 59% of corporation tax in 2025; foreign-owned firms paid 87%

Goods exports by destination, EUR bn



Net corporation tax receipts, EUR bn



Note: one-off receipts follow the 2024 CJEU ruling in the Apple state aid case. Source: Eurostat (Comext), Revenue Commissioners, Macro Real Estate

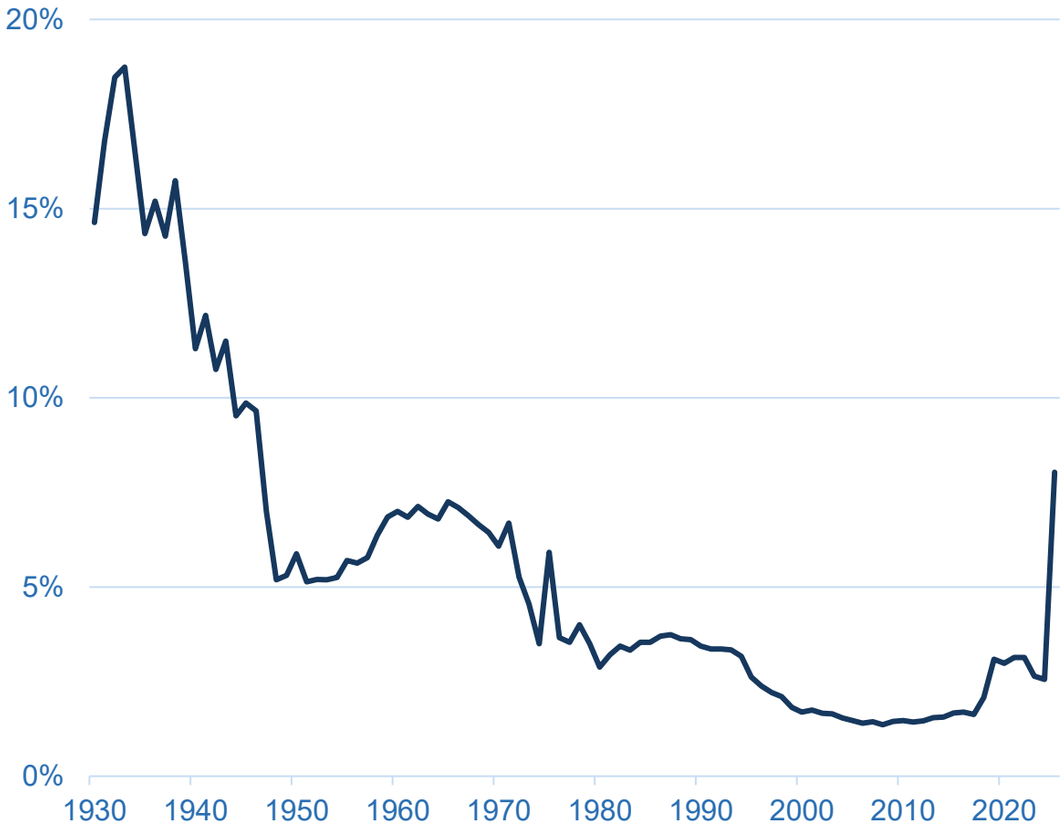
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The order that fed the engine is fracturing

We take Zeihan's direction, not his doom

- Peter Zeihan: after 1945 the US guaranteed the sea lanes and opened its market. Globalisation was built on this bargain.
- Two drivers of its end: a US less willing to pay for it, and ageing populations that save and invest less
  - Less secure international trade
  - Capital gets scarcer and dearer
- Zeihan's critics call his forecasts overconfident (and fairly so), but the direction shows in the data
  - US tariffs in 2025 were the highest since the 1940s, and their legal basis has changed twice since February 2026
  - Russia's invasion into Europe broke the peace dividend and forced Europe to a) find other energy sources and b) rearm herself

US customs duties, % of goods imports



Source: BEA via FRED, Yale Budget Lab, European Commission, Zeihan (2022), Gmeiner (2023), Smith (2023), Macro Real Estate

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Every external input to the engine is shifting

None of them is broken, but all are dearer, more conditional or less certain

Input	What the old order provided	What the fractured world offers
Trade	Open access to the US market	US tariffs at a 1940s level; up to 100% on some patented drugs, with a 15% cap for the EU
Tax	Rates free to compete	15% global minimum; US groups accommodated by the 'side-by-side' deal (January 2026)
Security	US umbrella; Ireland neutral, spending 0.2% of GDP on defence	Europe re-arms (EU average 2.1% of GDP); key transatlantic data cables run through or near Irish waters. Can Ireland defend them?
Energy	Gas imported cheaply through the UK	Wars and energy insecurity: UK gas prices almost doubled from December 2025 to March 2026; Ireland has no gas storage

Source: Yale Budget Lab, Irish Times, OECD, Department of Defence, Irish Examiner, RTÉ, Mason Hayes & Curran, Macro Real Estate

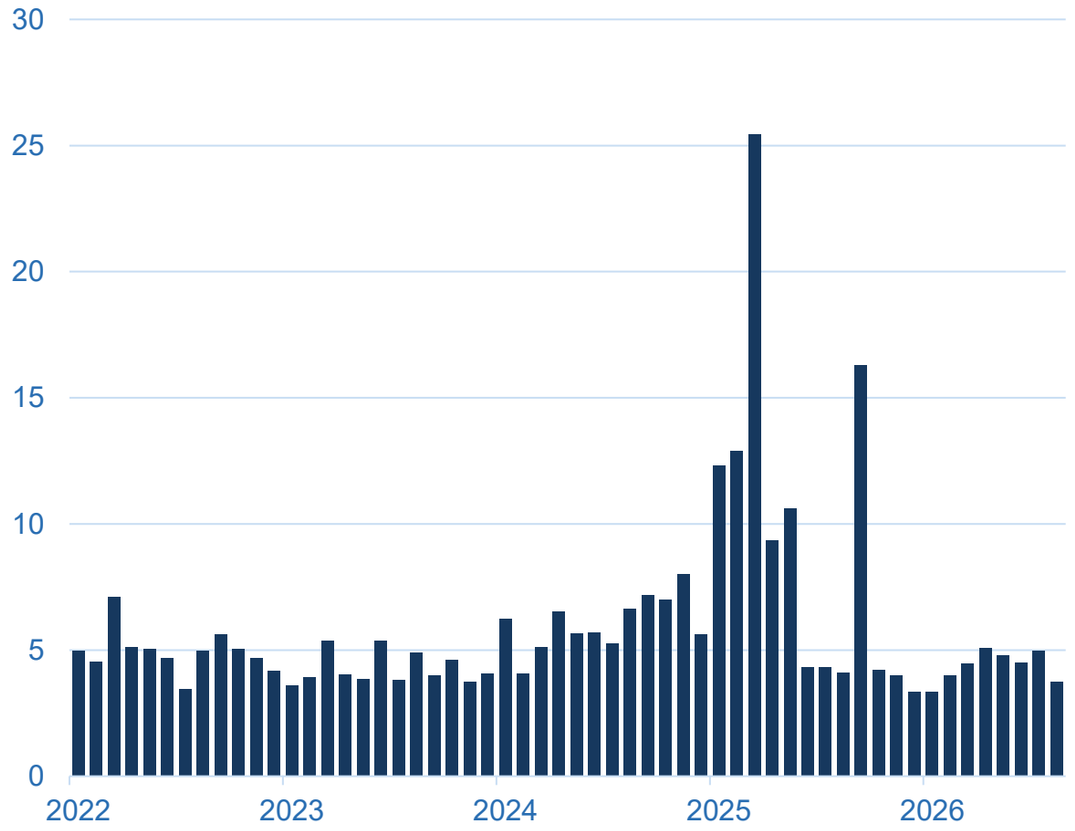
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Today's data describe yesterday's system

Stocks change slowly, and flows change first. So watch the flows to understand the direction of the system.

- Firms shipped ahead of US tariffs in early 2025: EUR 25.4bn of exports to the US in March 2025 alone
- The flow has since fallen back: EUR 4.4bn a month in January–August 2026, against EUR 5.6bn in the same months of 2024
- The stocks still look strong: 312,400 people work in IDA client firms. Last year's flows were strong too: underlying corporation tax up 17%, a record 323 IDA investments
- The signal will come from the flows: where the next plants, labs and headquarters are decided

Irish goods exports to the US, EUR bn per month



Source: Eurostat (Comext), Department of Finance via Irish Times, IDA Ireland, Macro Real Estate

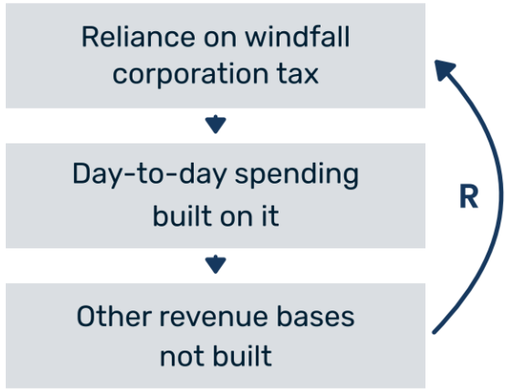
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Four traps Ireland must avoid

Three built like Meadows' system traps, one of our own

Addiction to windfalls

Meadows: shifting the burden



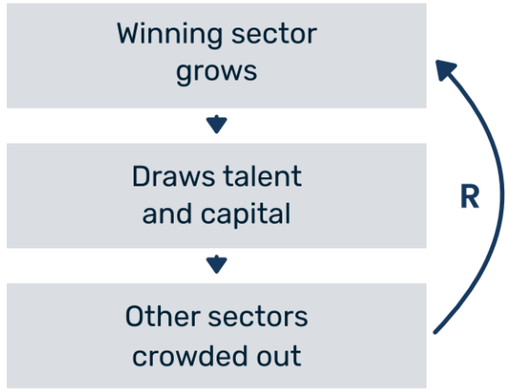
59%

of corporation tax paid by the top 10 groups (2025)

Plans save only EUR 1 in 6 of it over 2026–30

Success to the successful

Meadows: competitive exclusion



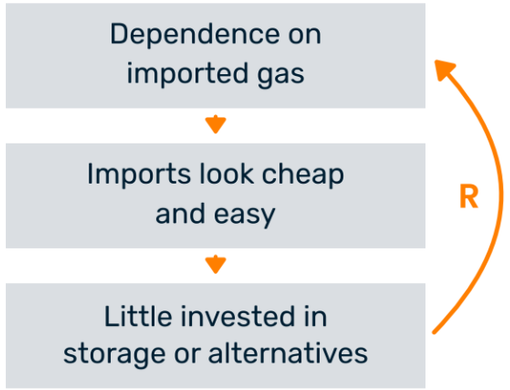
53.2%

of goods exports were pharmaceuticals (2025)

42.9% of goods exports went to the US (2025)

Thin energy buffers

Meadows: shifting the burden



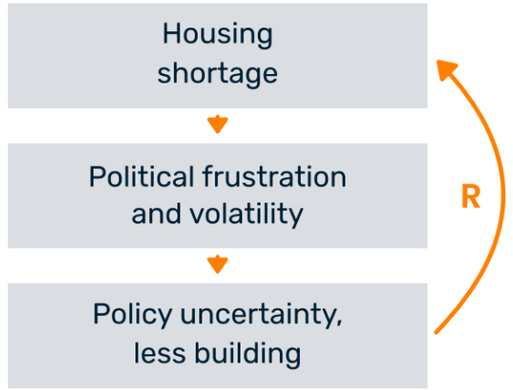
86%

of Irish gas was imported in Q1 2026, all via Britain

No domestic gas storage; data centres use 23% of power

Housing shortage, political strain

Our addition: a vicious loop



212–256k

homes short (Housing Commission, 2024)

Top issue for 28% of voters in the 2024 election

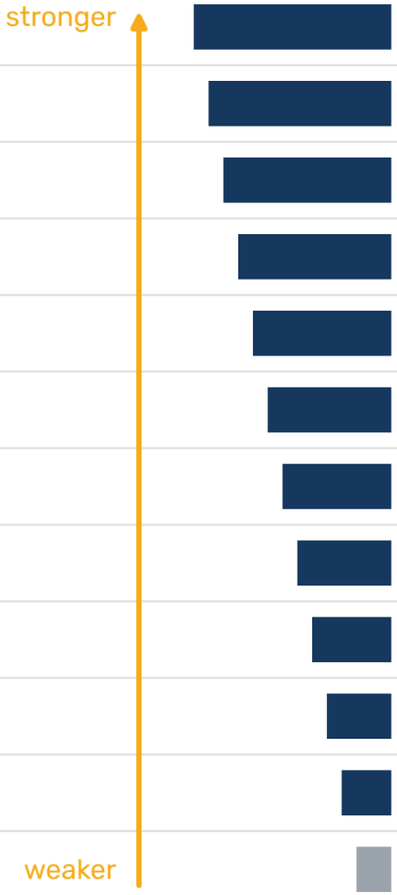
Source: Revenue Commissioners, Irish Fiscal Advisory Council (June 2026), CSO, Mason Hayes & Curran, Housing Commission, Ipsos B&A exit poll, Macro Real Estate

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The strongest levers are not the tax rate

Meadows' leverage points, with Ireland's options placed on them

Meadows' leverage points		Ireland's options
1	Transcending paradigms	Ireland has reinvented its model before: openness after 1958
2	Paradigm: the mindset	From 'low-tax gateway to the EU' to 'trusted Atlantic hinge'
3	Goals of the system	Tie FDI targets (75,000 jobs) to homes (300,000) and grid
4	Power to self-organise	Home-grown firms and research (Research Ireland, 2024)
5	Rules	Upzone as Auckland did; let older owners release equity
6	Information flows	Measure what matters: GNI* not GDP; track tax concentration
7	Reinforcing loops	Spread the cluster loop: 550 IDA investments outside Dublin
8	Balancing loops	New data centres must bring their own power (CRU, 2025)
9	Delays	Statutory planning deadlines (18–48 weeks, 2024 Act)
10	Stocks and flows	Apartments only 10.6% of homes; 14k of 400k heat pumps
11	Buffers	Savings funds (ca. EUR 18bn); strategic gas reserve
12	Parameters	Corporation tax: 15% for large groups since 2024, pinned



Source: Meadows (1999), Leverage Points; IDA Ireland; Government of Ireland; CRU; ESRI; NTMA; CSO; Law Society Gazette, Macro Real Estate

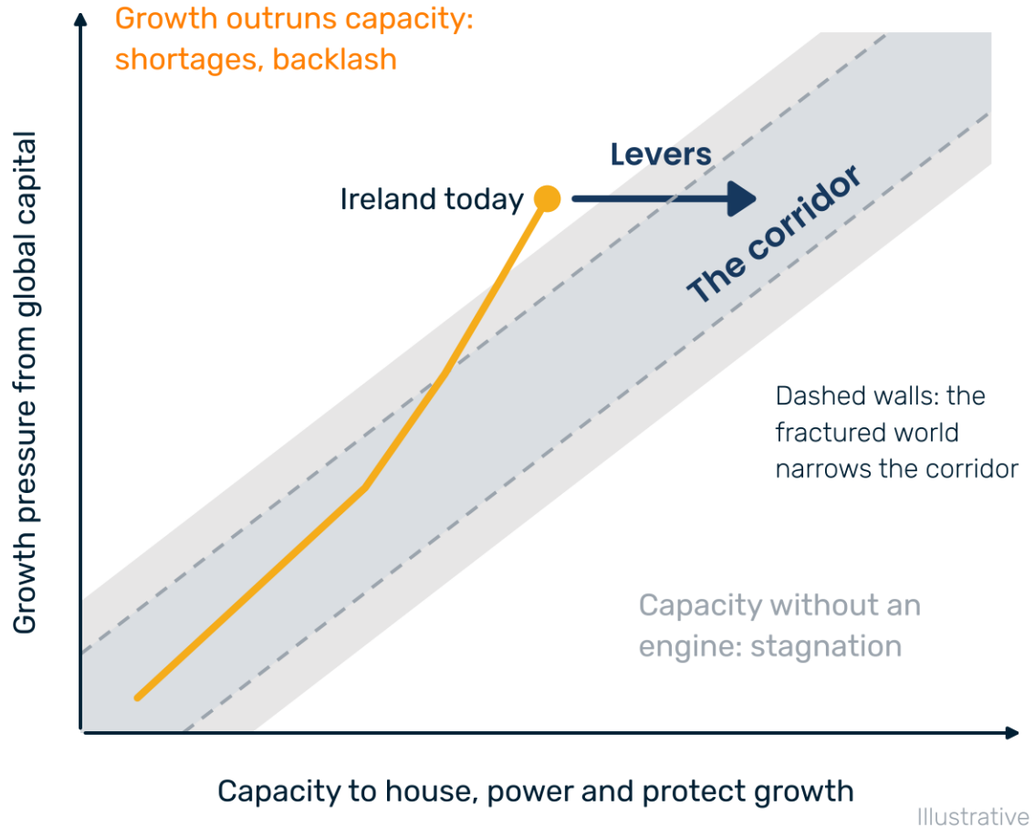
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Staying in the narrow corridor

Growth and the capacity to carry it must keep running together

- Upzone and build small, accessible homes, so older owners can downsize and release equity, easing pressure on pensions and on housing for younger generations
  - Auckland upzoned ca. three-quarters of its residential land in 2016: permits per head doubled within five years, and rents were 23% lower than otherwise after eight
- Electrify heat with heat pumps run on Irish wind: only 14,194 of the 400,000 targeted for existing homes by 2030 were installed by end-2024
- Keep banking the windfalls in buffers, not in day-to-day spending
- Be the trusted Atlantic hinge: indispensable to US firms inside the EU, and a contributor to Europe's energy and security

The narrow corridor, applied to Ireland



Source: Acemoglu and Robinson (2019), Greenaway-McGrevy (2026), Greenaway-McGrevy and So (2026), ESRI, Macro Real Estate

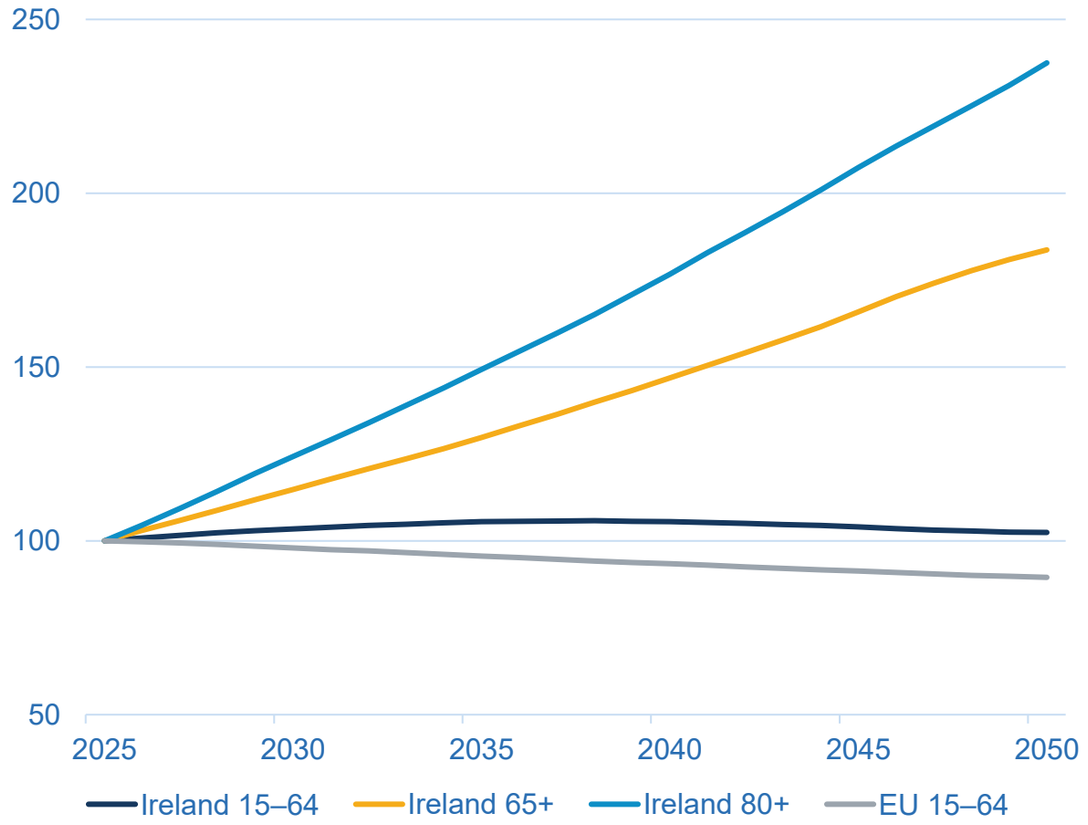
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Real estate: fewer desks, more accessible homes

Ireland's working-age population plateaus while its over-80s more than double by 2050

- Offices: Ireland's working-age population grows only 2.4% to 2050 (EU: falls 10.5%). Demand must come from new firms and office-specific productivity, not headcount
  - Dublin office vacancy is ~13.4% overall (Colliers, Q3 2026), many low-quality offices are long-term vacant
- Older people: the 65+ population rises by more than 80% by 2050
- 88% of over-65s live in under-occupied homes, yet apartments are only 10.6% of the housing stock
- The opportunity: small, accessible homes near services, office conversions, and equity release

Population by age group, index 2025 = 100



Source: Eurostat, Colliers, JLL, ESRI, Macro Real Estate

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Executive summary

Ireland's growth story will change with the system around it. Where it goes depends on where Ireland pushes.

1	**Growth comes from a system**	Ireland's engine runs on FDI, tax receipts and clusters, but much of its fuel has come from outside: US security, open trade and tax competition.
2	**That system is fracturing**	Tariffs at a 1940s level, a 15% tax floor, Europe rearming and energy insecurity. Today's strong data describe yesterday's system: watch the flows.
3	**Four traps to avoid**	Reliance on windfall corporation tax, concentration in pharma+tech and the US, thin energy buffers, and a housing shortage that strains politics.
4	**Push where the leverage is**	Not the tax rate. Rules and structure: upzoning and equity release, heat pumps on Irish wind, bigger buffers, and a role as a trusted Atlantic hinge.
5	**Real estate: fewer desks, more accessible homes**	Headcount will not carry office demand, and tenants favour Grade A. The over-80s more than double by 2050: build small, accessible homes.

Source: Macro Real Estate

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Thank you! Questions and discussion

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