News Release
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Irish Software Landscape Report
“Entrepreneurs as well as jobs could be lured overseas” - IVCA

Monday, 14th July, 2014: Welcoming the report John Flynn, chairman, Irish Venture Capital Association said that the software industry in Ireland had reached a tipping point.

“Thanks in large part to Government policy the indigenous software sector is one of the leading sectors aiding the country’s recovery. However, the tax environment for investors, entrepreneurs and employees has become increasingly uncompetitive compared with the UK and the US.”

He said that the skills shortage referred to in the study was not just an Irish but a global phenomenon. “The unfortunate fact is that high marginal tax rates in Ireland are making it difficult to attract and retain scarce human resources and are working against the excellent ecosystem which has been developed over the past few years.”

He added that recent increases in Capital Gains Tax were a serious disincentive to indigenous entrepreneurs.

“The big danger is that not only jobs but entrepreneurs could be lured overseas.”

He said that the Irish Government had made a significant commitment to making venture capital available, especially for start ups through Enterprise Ireland and Pillar Bank backed VC funds.

“The report highlights a potential investment deficit especially for established growing firms. This has been recognised and whilst Enterprise Ireland and ISIF have programmes in place to tackle this issue, we need to find innovative ways to encourage further investment by pension funds and high net worth individuals.”

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Press queries to:
Ronnie Simpson, Simpson Financial & Technology PR,
Tel: 086 855 9410 or 01-260 5300; Email: ronnie@simpsonftpr.ie

About the IVCA
The Irish Venture Capital Association is the representative organisation for venture capital firms in Ireland. In the last ten years Irish VCs have invested €1.0bn into Irish SMEs and have leveraged in an additional €1.0bn from international VCs through syndicated deals.