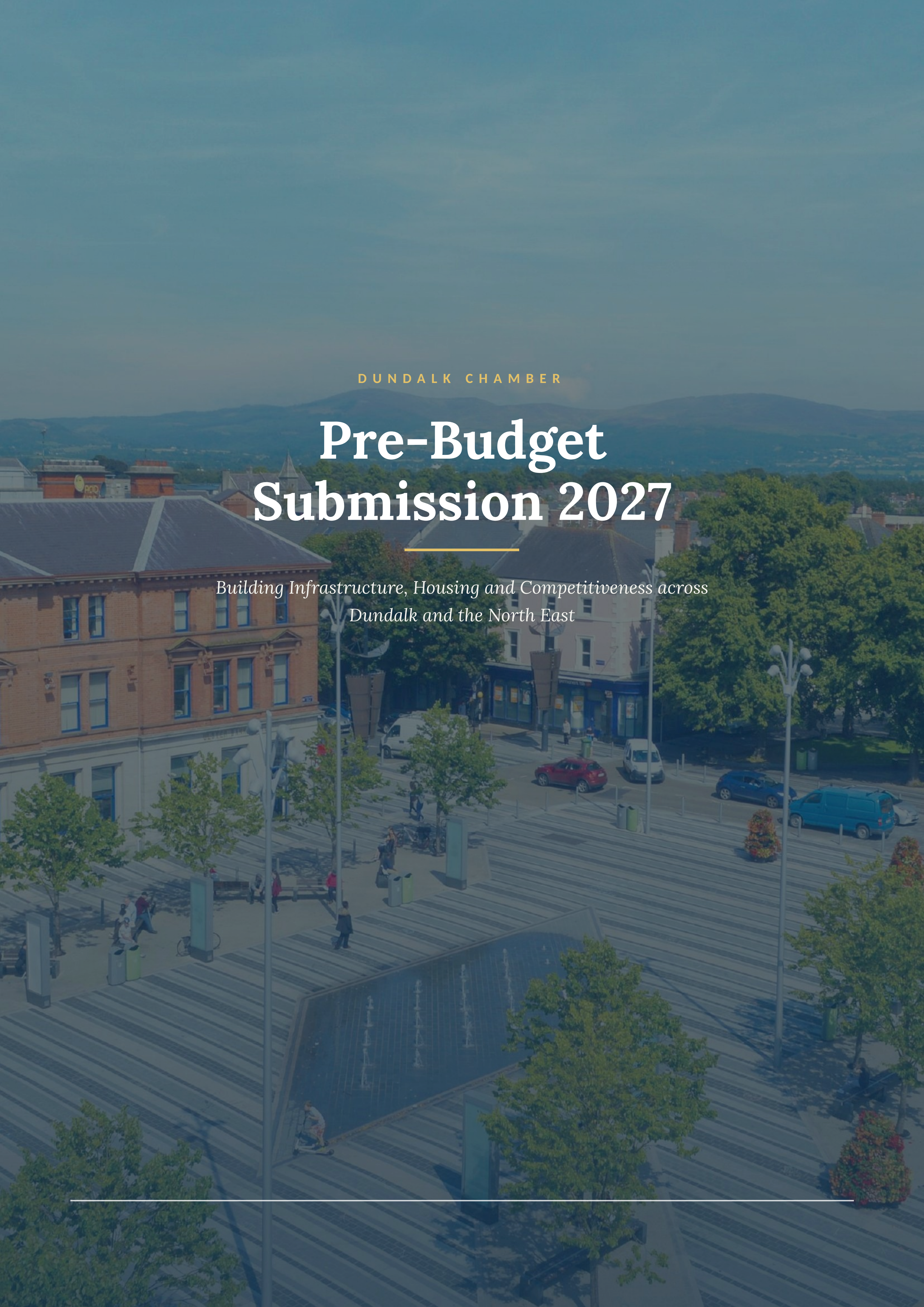


DUNDALK CHAMBER

Pre-Budget Submission 2027

Building Infrastructure, Housing and Competitiveness across Dundalk and the North East

FOREWORD

Foreword

Budget 2027 arrives at a defining moment for our national economy. While Ireland demonstrates broad resilience, regional enterprise faces escalating operational costs, infrastructure deficits, and growing international trade uncertainty.

For Dundalk and its surrounding areas, addressing the barriers within our own control should become the central priority of Government policy.

Dundalk occupies a unique position on the island of Ireland. Designated as a primary regional growth hub under Project Ireland 2040 and situated at the midpoint of the Dublin-Belfast M1 Economic Corridor, our town possesses the spatial capability, enterprise base, and talent pipeline to relieve severe development pressures on the Greater Dublin Area.

Supported by biopharma and advanced manufacturing clusters, a thriving SME sector, and the educational leadership of Dundalk Institute of Technology (DkIT) which is soon to become a University, Dundalk's economic potential is significant.

However throughout our engagements with our membership over the past year, it is clear that we need targeted investment in enabling infrastructure to sustain growth and maintain regional competitiveness.

As a result, our Pre-Budget Submission sets out clear recommendations focused on four key pillars:

- Critical Infrastructure & Utility Capacity: Resolving immediate local constraints, most urgently regional wastewater treatment capacity, energy, transport and grid capacity.
- Housing & Town Centre Regeneration: Budget 2027 should prioritise housing delivery and ensure the removal of barriers that continue to block more compact and investment ready development.
- Cross-Border Trade & The All-Island Economy: Utilising the Shared Island Fund to remove the regulatory and tax impediments for cross-border and remote workers operating between Louth, Northern Ireland, and the broader M1 Corridor.
- Cost of Doing Business & Retaining Talent: Protecting business margins, particularly across hospitality, tourism, and retail, while strengthening skills and supporting families to ensure Dundalk remains a destination for investment.

By delivering the infrastructure, housing, and policy certainty set out in this document, the Government can ensure Dundalk continues to serve as a thriving engine of trade, innovation, and community right in the heart of the M1 Corridor, the economic engine of the island of Ireland.

Hanna McDonnell
President Dundalk Chamber

John McGahon
Dundalk Chamber CEO

Contents

OVERVIEW

Executive Summary

Dundalk Chamber calls on Government to prioritise four strategic areas in Budget 2027 that will unlock growth, strengthen competitiveness and support long term economic prosperity across Dundalk, the North East and an All Island basis.

Critical Infrastructure:

Infrastructure remains the single greatest enabler of economic growth in Dundalk. To support business expansion, attract investment and maximise opportunities, Government must:

- Accelerate delivery of the Dundalk Wastewater Treatment facility
- Continued strategic investment in hourly rail between Dublin and Belfast
- Invest in critical electricity and grid infrastructure
- Support the development of strategic employment lands

Housing and Town Centre Regeneration

- Increase the length of County Development Plans from five to ten years, thus allowing more land to be zoned for development.
- Introduce increased targeted measures for over the shop conversions
- Extend the Living City Initiative on a Long Term basis until 2040
- Introduce a legislative framework for Compulsory Sales Orders (CSOs) to encourage appropriate development of residential zoned sites.

Making Dundalk a competitive place to do business.

Our members continue to face increasing pressure from rising employment costs, labour shortages, regulatory burdens and growing operational expenses.

Insights from our Budget Submission survey indicate that rising costs, particularly energy, insurance and materials, remain amongst the most pressing issues facing businesses.

- Introduce targeted measures to reduce the cost of doing business.
- Remove barriers to workforce participation and labour market activation.
- Simplify regulation and reduce administrative burdens on SMEs.
- Support enterprise competitiveness, productivity and growth

Building Dundalk's Future Economy:

If we want to ensure Dundalk's long term economic success, Government must demonstrate a willingness to support entrepreneurs, scale indigenous businesses, and foster innovation.

- Ensure DkIT's transition to university status remains on the agreed legislative timeline
- Invest in entrepreneurship, business scaling and innovation.
- Strengthen workforce skills, leadership capability and lifelong learning
- Improve access to growth capital and enterprise supports.

01

CHAPTER ONE

Critical Infrastructure

Resolving immediate local constraints in water, wastewater, energy, transport and grid capacity.

Critical Infrastructure

“50% of our Pre-Budget Survey respondents identified transport networks, roads and public transport as the biggest infrastructural bottleneck to their growth, with a further 16% citing grid capacity and electricity connection delays.”

Businesses across Dundalk and the surrounding region are increasingly identifying water, wastewater and electricity capacity as barriers to growth and investment. These infrastructure constraints are already limiting housing delivery, commercial development and industrial expansion.

If these issues are not effectively dealt with, our local economy will become severely constrained.

Therefore, Government should consider the following recommendations.

- Introduce a multi-annual funding model for water and wastewater infrastructure to provide long-term certainty for planning and delivery.
- Prioritise investment in strategic energy infrastructure, grid resilience to strengthen energy security, support economic growth and ensure continuity of supply.
- Accelerate electricity grid reinforcement and strategic energy infrastructure to support housing delivery, industrial growth, offshore renewable energy and the development of energy-intensive investment opportunities across Dundalk and the North East.
- Establish a dedicated Infrastructure Division within the Department of Public Expenditure to actively monitor, enforce, and fast-track National Development Plan (NDP) allocations.
- Continue to review the RZLT to effectively achieve land activation while increasing the rate of rollout of water, wastewater, sustainable energy and other necessary services to enable greater land activation and prevent blockages at planning stage.

02

CHAPTER TWO

Housing

Accelerating delivery and removing barriers to compact, investment-ready development.

Housing

"50% of our Pre-Budget Survey reported that housing supply was having a moderate impact on their ability to recruit employees, with 57% reporting a moderate-to-critical impact overall."

Despite an acceleration in house building in recent years, housing is still one of the most pressing issues for employees and employers alike in Dundalk.

As of May 2026 CSO data shows that the median house price in Dundalk is €341,250, meanwhile DAFT.ie report for 2026 Q1 shows the average rent for a two bed house is €2,129 an increase of 8.5% on 2025.

The Government has recognised the scale of Ireland's housing need through its revised National Planning Framework. Therefore, Budget 2027 must prioritise measures that accelerate housing delivery, remove barriers to development and invest in the enabling infrastructure, including water, wastewater, transport and energy networks, needed to unlock sustainable residential growth.

- Increase investment in the judicial review process to mitigate delays and improve competitiveness.
- Introduce a legislative framework for Compulsory Sales Orders (CSOs) to encourage appropriate development of residential zoned sites.
- Expand and strengthen the Vacant Property Refurbishment Grant and the Living Above the Shop Grant, including improved accessibility and advisory supports, to bring more vacant and underutilised town centre and upper floor space into residential use.
- Reduce VAT on the supply of new residential housing from 13.5% to 9%.
- Provide tax depreciation of 4% per annum for apartment developments and explore accelerated capital allowances over seven years for Build to Rent (BTR) and Private Rental Sector (PRS).
- The Government should expand the success of the Developer-Led Wastewater Initiative by replicating its co-funding and delivery framework across other key utility and infrastructure sectors, directly advancing the execution goals of the Accelerating Infrastructure Action Plan.

03

CHAPTER THREE

Cost of Doing Business & Retention of Talent

Protecting business margins and building a sustainable, skilled talent pipeline.

Cost of Doing Business & Retention of Talent

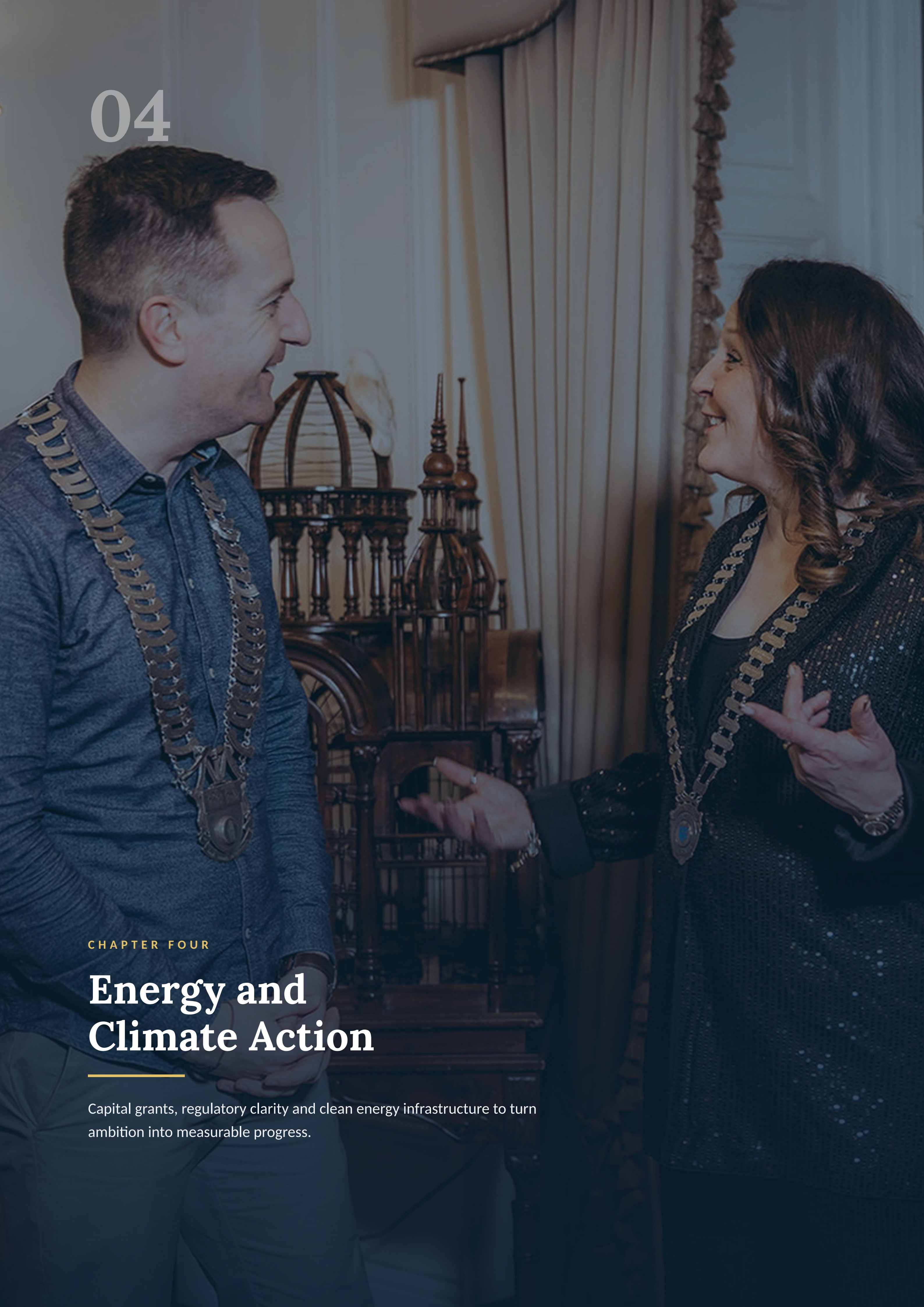
“A combined 70% of our Pre-Budget Respondents have said the cost of doing business has either made them pause recruitment plans or pass on the cost to consumers”

“38% of our Pre-Budget survey identified direct grant funding for digitalisation as the most effective support, with 30% calling for the National Training Fund to be unlocked for digital and tech training.”

A competitive regional economy depends on a strong talent pipeline. Dundalk and its surrounding region's success depends on a robust, sustainable talent pool, from work-ready graduates to highly skilled international talent. As a result, Government should consider the following.

- Increase the annual Small Benefit Exemption limit from €1,500 to €2,000.
- Extend the Key Employee Engagement Programme (KEEP) beyond 2030 and conduct further reviews and reforms to simplify the programme and ensure its accessibility and user friendliness. Fixed penalties should be in place for administrative failures.
- Reduce the Capital Gains Tax rate of 33% for non-passive investment. Additionally, increase the lifetime limit to €1.5 million in qualifying capital gains under Entrepreneur's Relief.
- Introduce an SME Competitiveness Test for new legislation and regulation
- Increase funding to expand, research and market apprenticeship programmes across targeted industries and sectors, with a specific focus on STEM.
- Reduce Universal Social Charge rates by 50% in Budget 2027 and publish a roadmap for full abolition thereafter.

- Reform Local Authority Funding to Ease Commercial Rate Pressures. Government must initiate a comprehensive review of local authority funding models to reduce structural over-reliance on commercial rates. Establishing alternative, sustainable revenue sources will ensure local councils are adequately funded to deliver vital services without placing an unsustainable cost burden on local businesses.
- Establish a targeted Draught Keg Tax Credit of €20 per 50-litre keg (capped at €20,000 per pub annually) for independent publicans. By tying support directly to on-premises draught sales, Government can deliver targeted, measurable cost-of-doing-business relief to traditional rural and community pubs while excluding off-trade and large corporate retailers.
- Publish and deliver a fully funded, time-bound roadmap to implement the Cost of Business Advisory Forum recommendations. Establish clear accountability and regular public reporting to ensure tangible cost relief for Irish enterprises.
- Budget 2027 must go beyond current targets to deliver a more ambitious drawdown of the accumulated National Training Fund surplus. These resources should be directly channelled into employer-led, in-company training and apprenticeships targeting key deficit areas like AI, digitalisation, green skills, and construction. Embedding employer input into funding decisions will ensure the workforce stays agile and capable of delivering critical national housing and infrastructure goals.



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CHAPTER FOUR

Energy and Climate Action

Capital grants, regulatory clarity and clean energy infrastructure to turn ambition into measurable progress.

Energy and Climate Action

“61% of our Dundalk Chamber Pre-Budget survey respondents said that high upfront capital costs for retrofitting and installing renewable energy is the single biggest barrier towards decarbonisation”

The transition to a low-carbon economy represents the single greatest structural shift for local enterprise in a generation. Businesses across Dundalk and the M1 Corridor are eager to lead on climate action, but Government must make it as simple and as financially viable as possible. Therefore, Budget 2027 must provide the capital grants, regulatory clarity, and clean energy infrastructure to turn that ambition into measurable progress.

REDUCING UP FRONT CAPITAL COSTS

- Introduce targeted zero-interest green capital loans and expanded matching grants to offset high upfront capital costs, accelerating the adoption of commercial retrofits and renewable energy installations for regional enterprises.
- Introduce 100% first-year accelerated capital allowances and tax credits for commercial renewable energy technology and retrofits, enabling businesses to immediately offset high upfront equipment costs against taxable profits.
- Establish a dedicated Regional Decarbonisation Fund offering a combination of non-repayable capital vouchers and low-cost micro-finance to help local businesses bridge the initial funding gap for clean energy investments.
- Expand SEAI commercial grant schemes to cover up to 50% of total installation costs for solar, heat pump, and energy-efficiency upgrades, removing financial barriers for SMEs transitioning to low-carbon operations.

PORTS AND OFFSHORE WIND

- Publish National Ports Policy that aligns directly with Ireland's offshore wind ambitions and recognises the strategic role ports along our northeast coast. Equipping strategically located ports like Dundalk, Drogheda, Greenore and Warrenpoint with lay-down, assembly, and logistics capabilities will be critical to supporting major Irish Sea offshore wind developments
- We recommend that the Government prioritise Dundalk Bay within the national offshore wind framework (Designated Maritime Area Plan - DMAP), leveraging its shallow marine topography for lower-cost installation and capitalising on its strategic proximity to efficiently deliver offshore wind energy to consumers across both the Republic of Ireland and Northern Ireland markets.

- Offshore wind is key to improving our energy supply security and to reducing our emissions. Adequate resourcing of Government agencies including An Bord Pleanála, the National Parks and Wildlife Service, the Commission for Regulation of Utilities, EirGrid and the Department of Environment, Climate and Communications is necessary to expedite the delivery of our offshore wind resources.

HYDROGEN

- Continued port investment is crucial to delivering hydrogen support on Ireland's renewable energy targets and to realising the benefits and spin-off job creation from the development of our offshore wind resources.
- Government must establish a clear regulatory framework and allocate adequate funding across state agencies to deliver the National Hydrogen Strategy. Ahead of the planned 2027 rollout, Budget 2027 must specifically reserve sufficient resourcing to support the upcoming nationwide hydrogen innovation fund.

SOLAR

- Reform Capital Acquisitions Tax (CAT) on Agricultural Relief rules. To meet Ireland's 8GW solar target by 2030, Government must remove the current 50% land-use cap for solar panels.

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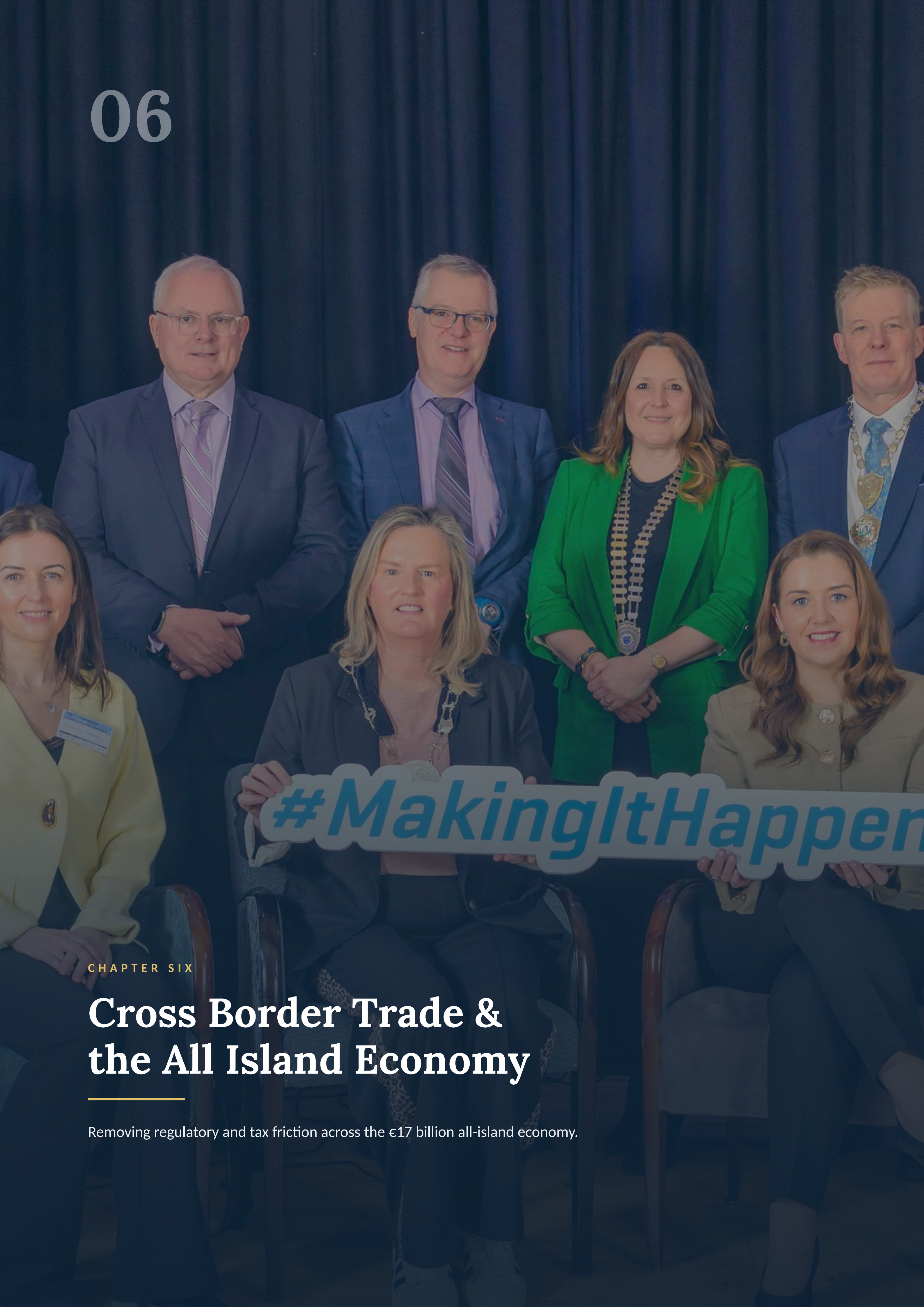
CHAPTER FIVE

Family and Childcare

Supporting families and workforce participation through sustainable childcare and family leave reform.

Family and Childcare

- The Government should allocate increased, multi-annual core funding in Budget 2027 targeted at early learning and childcare providers, particularly small and medium-sized enterprises, to meet rising operational costs, safeguard sector viability, improve staff retention, and expand capacity to support workforce participation and economic competitiveness.
- Government should conduct a comprehensive review of maternity, paternity, parent's, and parental leave schemes to address structural barriers to uptake, promote shared parenting responsibilities, and support workforce retention.
- To align Ireland with EU standards and reduce the financial penalty of parenthood, Government should replace the flat-rate Maternity Benefit (€299/week) with a wage-proportional model paying 70% of gross previous earnings for the 26-week statutory period. This scheme should maintain a statutory minimum floor of €299/week to protect low-income earners, alongside a reasonable weekly cap to ensure fiscal sustainability. This reform will eliminate financial barriers to leave uptake and significantly improve post-maternity female workforce retention.
- Establish a Public Childcare System to Enable Workforce Participation. To eliminate childcare costs as a primary barrier to female employment, Government should commit an additional €300m in Budget 2027 to build a publicly delivered early childhood care model. This must cap out-of-pocket family childcare fees at €200 per month while ring-fencing funding to improve early years educators' pay, stabilising the workforce and enabling women to re-enter and remain in employment.
- Fund Targeted Women's Health Supports to Prevent Career Exits. To prevent premature health-related career dropouts and sustain female talent across all career stages, Government should fund workplace-aligned health initiatives in Budget 2027. Key actions must include expanding Specialist Menopause Clinics, subsidising HRT primary care consultations, and broadening state-funded IVF access—ensuring women receive the health support needed to stay and progress in the workforce.



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CHAPTER SIX

Cross Border Trade & the All Island Economy

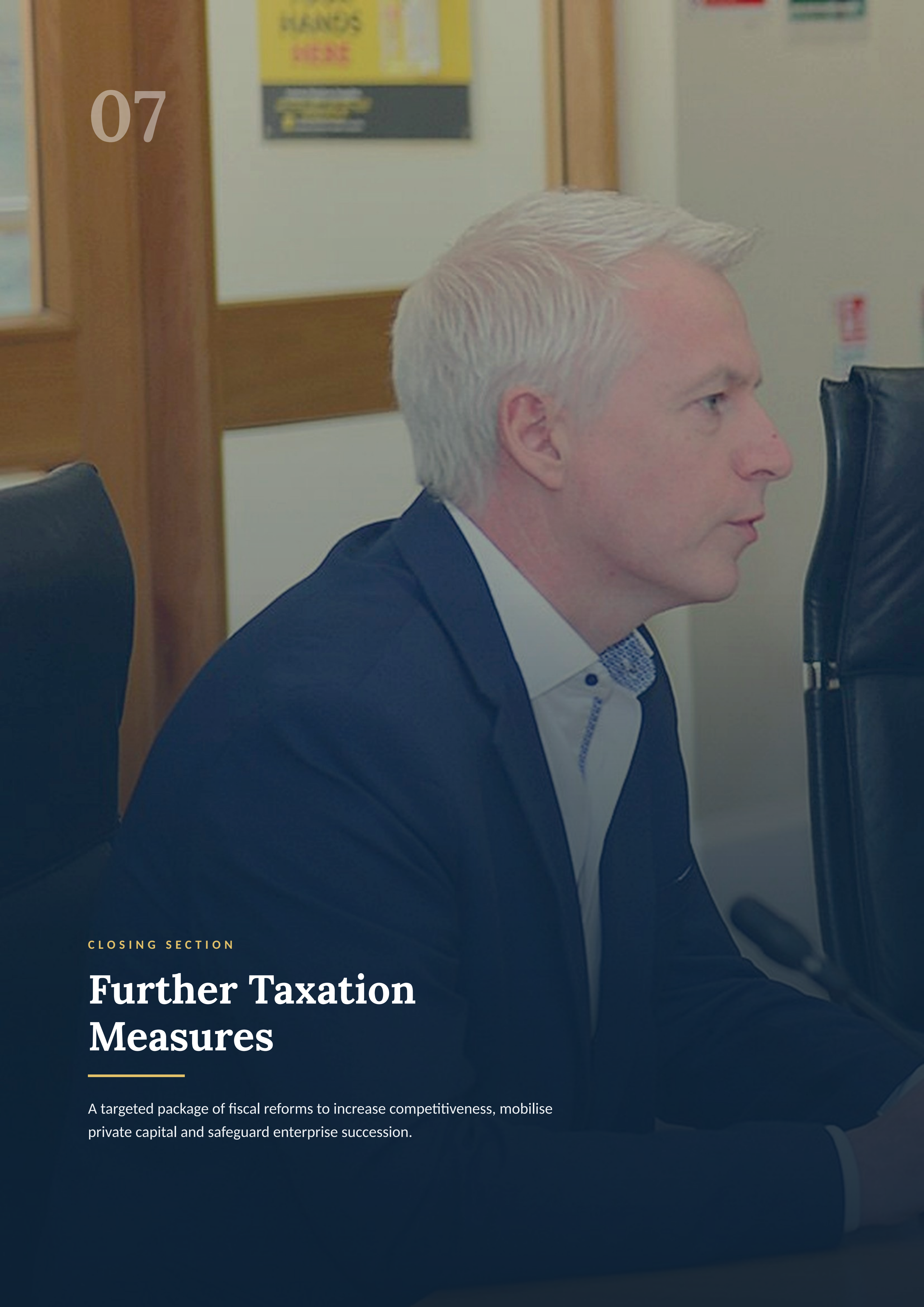
Removing regulatory and tax friction across the €17 billion all-island economy.

Cross Border Trade and the All Island Economy

There are currently tax and regulatory barriers that threaten the growth of the €17 billion all-island economy. Outdated double taxation frameworks and post-Brexit administrative hurdles are placing an unsustainable compliance burden on businesses operating across Ireland and Northern Ireland. Rules regarding dual payrolls, permanent establishment risks, and uncoordinated work permits restrict hybrid working and increase regional skills shortages.

By modernising bilateral taxation agreements and establishing joint mechanisms for workforce mobility, government can remove unnecessary friction for cross-border workers and employers alike. Therefore, Government should consider the following:

- Modernise the UK–Ireland Double Taxation Convention to establish clear thresholds for remote and hybrid cross-border workers. Updating these rules will relieve companies of burdensome dual-payroll administration and eliminate accidental permanent establishment risks for businesses operating across Ireland and Northern Ireland.
- Formally launch a Joint UK–Irish Inter-Governmental Forum on Cross-Border Trade & Employment focused on removing administrative, regulatory, and tax barriers. This forum will expedite practical solutions for seamless all-island trade and workforce mobility.
- Introduce an All-Island Work Visa for International Talent, providing flexible work rights for non-UK and non-Irish nationals and allowing border-region businesses to tap into broader talent pools and address critical skills deficits without jurisdictional friction.
- Publish Comprehensive Guidance and Administrative Relief for Cross-Border Employers to immediately lower administrative overhead for SMEs operating along border regions.
- To unlock the region's full domestic and international potential, the Government and national tourism bodies should prioritise capital investment and resource allocation to develop the Boyne Valley and Mournes/Gullion/Cooley tourism corridor. The region can leverage flagship infrastructure like the Narrow Water Bridge, its prime proximity to three international airports, and world-class assets spanning UNESCO sites, historic landmarks, and scenic landscapes.
- To strengthen the All-Island economy post-Brexit, the Government, in coordination with London and Stormont, should establish mutual tax incentive recognition between Ireland's Employment Investment Incentive Scheme (EIIS) and equivalent UK schemes, enabling cross-border equity investment between businesses and residents across Northern Ireland and the Republic of Ireland.
- The Government should formally recognise the M1 Corridor and the Dublin-Belfast Economic Corridor (DBEC) as core strategic platforms for balanced cross-border growth, backing this recognition by allocating target funding through the Shared Island Fund, Peace Plus, and infrastructure mechanisms to support continued integrated planning across the Dundalk-Newry-Drogheda urban triangle.



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CLOSING SECTION

Further Taxation Measures

A targeted package of fiscal reforms to increase competitiveness, mobilise private capital and safeguard enterprise succession.

Further Taxation Measures

"53% of our Dundalk Chamber Pre-Budget survey respondents said that reducing the headline standard Capital Gains Tax rate would be the most critical tax reform for their business."

A targeted package of fiscal and tax reforms designed to increase competitiveness, mobilise private capital, and safeguard enterprise succession. By modernising capital taxes and streamlining compliance rules, these proposals seek to reduce operational friction and unlock strategic investment across domestic sectors.

- Reduce the standard headline Capital Gains Tax (CGT) rate to unlock private capital, drive asset transactions, and support domestic business growth. Lowering the rate from 33% will realign Ireland with international benchmarks, encouraging investors to enterprise-reinvest while boosting Exchequer revenue through increased market activity.
- Reform Relevant Contracts Tax (RCT) compliance rules for non-resident directors to reduce administrative friction and create operational certainty for construction companies.
- The Government should double tax relief on financial donations made to registered sports clubs to incentivise private investment in grass-roots athletics, driving enhanced community, youth, and public health outcomes nationwide.
- Government should increase Capital Acquisitions Tax (CAT) tax-free group thresholds by 20% to account for asset value growth and ease the tax burden on family successions.
- Government should support broad-based personal tax relief by increasing personal tax credits and widening the standard 20% rate band in upcoming budgets.
- The Government should modernise Capital Gains Tax (CGT) Retirement Relief to safeguard domestic enterprise and family succession by tapering the six-to-twelve-year clawback period, exempting valid subsequent intergenerational family transfers from triggering historical tax clawbacks, and updating CAT/CGT offset provisions to accommodate clawbacks occurring beyond the standard four-year refund claim limit.
- The Government should enhance non-taxable employee transport benefits to manage living costs and support sustainable travel by updating and expanding the TaxSaver Commuter Ticket Scheme and applying the reduced VAT rate to bicycles, cargo bikes, and electric bicycles.

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EVIDENCE BASE

What Our Members Told Us

The recommendations in this submission are grounded in the Dundalk Chamber Budget 2027 Business & Economic Survey, completed by Dundalk Chamber member businesses across ten questions covering costs, housing, infrastructure, skills and taxation.

35%
name housing supply as the single most critical policy issue for Budget 2027

70%
have paused recruitment or passed rising costs on to consumers

61%
cite up-front capital cost as the biggest barrier to decarbonisation

53%
want the headline Capital Gains Tax rate reduced

COST PRESSURES

Primary cost pressures on viability and growth

Energy and utility costs	42%
Regulatory compliance and admin	21%
Commercial rent and rates	21%
Wages and auto-enrolment	14%
Supply chain and materials	9%

INFRASTRUCTURE

Biggest infrastructural bottleneck to growth

Transport, roads and public transport	50%
Commercial and industrial property	25%
Grid capacity and connection delays	16%
Broadband and digital infrastructure	8%

HOUSING

Impact of housing supply on recruitment and retention

Moderate impact	50%
No noticeable impact	42%
Critical impact	7%

DECARBONISATION

Biggest barrier to investing in sustainability

High up-front capital costs	61%
Complex or slow grant process	30%
Lack of internal expertise	7%

POLICY PRIORITY

The one issue Government should focus on

Housing — supply and barriers	35%
Fiscal policy and debt reduction	28%
Public services	21%
Infrastructure	14%

DIGITAL AND INNOVATION

Most effective support for adopting technology

Direct grant funding for digitalisation	38%
Simplified R&D credit for SMEs	30%
Unlock the National Training Fund	30%

Source: Dundalk Chamber Budget 2027 Business & Economic Survey. Percentages are rounded and may not total 100.

OUR TEAM

Dundalk Chamber Board of Directors

Hanna McDonnell

PRESIDENT

Hanna is a Fractional CMO who runs her own consultancy firm helping small and medium businesses scale through sharp positioning and high-impact marketing strategies. As President, she draws on her international experience in market intelligence, communications, and strategic marketing.

President@Dundalk.ie

Joanne Lavelle

VICE PRESIDENT

Joanne is a second-generation owner of Michael Lavelle Estate Agents, where she also leads Ireland's largest real estate YouTube channel. As Vice President, she draws on her broad expertise as a property professional, media presenter, mediator, and community activist.

VicePresident@Dundalk.ie

Thomas McDonagh

TREASURER

As Treasurer and promoter for the Dundalk Chamber Skillnet, Thomas brings extensive financial, governance, and commercial experience to supporting Dundalk's business community. He is also a Director with UHY Farrelly Dawe White Limited.

Treasurer@Dundalk.ie

Paddy Malone

PRO

Paddy is a Chartered Accountant and tax specialist in succession planning and Capital Gains. Former DkIT Chair and Government board advisor, he led Chamber initiatives including the M1 Corridor, Budget Breakfast, and NDP2040.

Pro@Dundalk.ie

Pat McCormick

EX OFFICIO

Pat is Head of Department for Engineering Trades and Civil Engineering at DkIT. Coming from a family business long associated with Dundalk, he served two terms as President of Dundalk Chamber between 2018 and 2020 and again in 2023.

Pat@Dundalk.ie

Francis Murphy

DIRECTOR

Francis is Sales Manager at Stratum, bringing 20 years of experience across logistics, supply chain, and manufacturing in Ireland and the UK. He specialises in sales development, operations, general management, and bringing new products to market.

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OUR TEAM

Dundalk Chamber Executive Team

John McGahon

CHIEF EXECUTIVE OFFICER

John leads Dundalk Chamber's strategic direction and represents the interests of the business community. He oversees advocacy, stakeholder engagement, and the Chamber's policy priorities at regional and national level.

CEO@Dundalk.ie

Karolina Kavaliauskiene

FINANCE MANAGER

Karolina has primary responsibility for accounts management in Dundalk Chamber alongside her role as the Skillnet Network Training Co-ordinator. She was recently appointed as an advisor to Cross Border Partnership Employment Services.

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Kim Hearty

WEBMASTER

Kim has served in several key roles, including Accounts Administrator and Export Services Administrator handling export documentation, before taking over as Webmaster in 2024. In her current role, she oversees the development and ongoing maintenance of the organisation's online presence.

Kim@Dundalk.ie

DUNDALK CHAMBER

Pre-Budget Submission 2027

Dundalk, Co. Louth, Ireland