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# Microsoft Ireland Empowering Ireland's Economy and Society



# Microsoft Ireland

## Empowering Ireland's Economy and Society

### ECONOMIC IMPACT

**€4.9bn\***

added to Ireland's economy last year



**€40bn\***

contributed to Ireland's economy in the past decade

**6,400+**

employees across Microsoft, LinkedIn and Activision Blizzard King in Ireland



**20,000+**

jobs sustained through direct, indirect and induced employment



**€1.8bn**

in R&D activities since 2014



**676**

patent applications filed since 2008

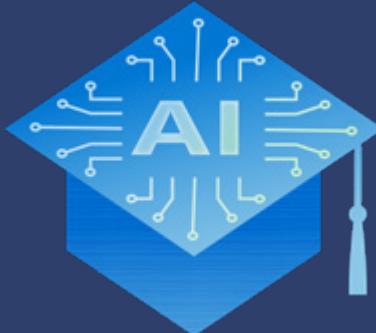
**890+**

Irish start-ups supported

## SOCIETAL IMPACT

# 500,000+

students gained digital and AI skills  
through Microsoft Dream Space™ since 2018



# 850,000+

people empowered through skills training



# €137m

in philanthropic grants  
over four decades



# €120m

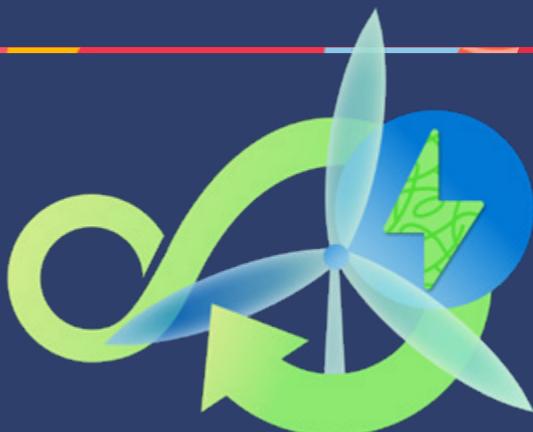
donated to good  
causes over 40 years

# 940,000+

hours volunteering since 1985

# 1GW investment

in renewable energy capacity with  
500MW already operational





# Executive Summary

## Introduction and Background

Indecon International Economic and Strategic Consultants ('Indecon') is a leading firm of research economists. This independent report is prepared by Indecon for Microsoft and represents an evidence-based analysis of the economic and societal impacts of Microsoft's operations in Ireland.

## Microsoft in Ireland

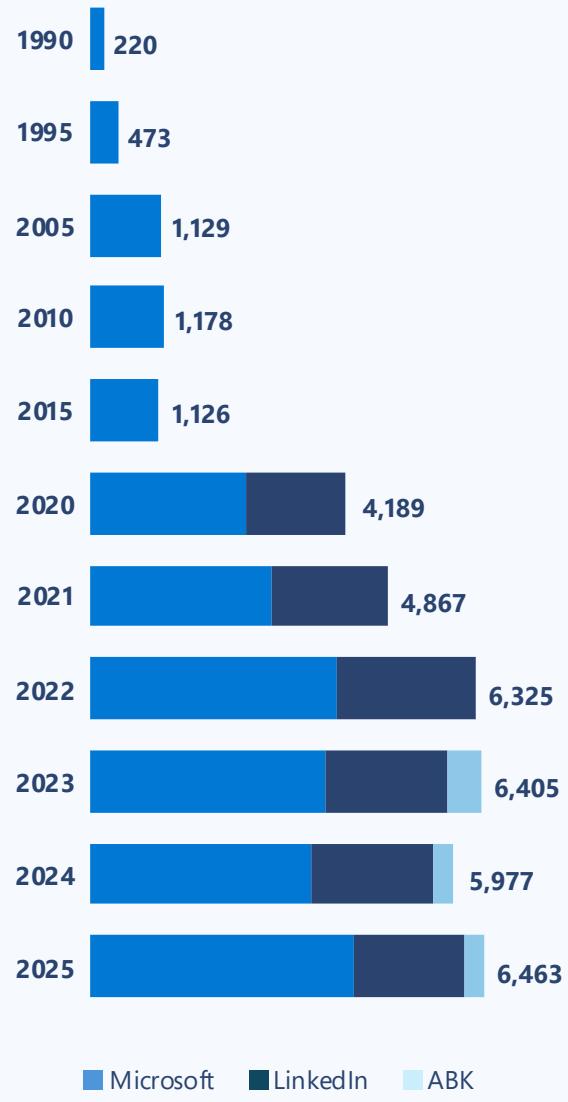
On September 3rd, 1985, Microsoft first invested in Ireland as a base to serve European, Middle Eastern and African (EMEA) regional markets. Since that initial investment, which created a European operations centre, Microsoft has expanded its economic footprint through a series of additional investments and has increased employment more than twenty-fold over the period. The opening of the European Operations Centre (now global) was followed by the establishment of the European Development Centre. This brought engineering and research and development activity to Ireland. Further substantial investments were made in data centres and the establishment of additional economic mandates for Irish operations.

Arising from its substantial investments and the growth of its Irish base, Microsoft's portfolio of companies in Ireland has seen its employee headcount in Ireland increase to over 6,400 FTEs. The organisation has developed its economic footprint in Ireland to encompass R&D, engineering, cloud services, and EMEA sales, as well as support functions, including financial, human resources and legal services, operations and logistics. This footprint includes:

- **Global Operations Centre** – operating under **Microsoft Ireland Operations Ltd (MIOL)**
- **European Development Centre** – operating under **Microsoft Ireland Research (MIR)**
- Additional Microsoft entities: *Microsoft RL Unlimited* and *Microsoft Global Finance (MGF)*
- *LinkedIn* and *Activision Blizzard King (ABK)*

For clarity, this report provides a holistic view of Microsoft's employee footprint in Ireland by combining results for Microsoft Ireland Operations Ltd, Microsoft Ireland Research, Microsoft RL Unlimited, Microsoft Global Finance, LinkedIn, and Activision Blizzard King under the umbrella term "**Microsoft in Ireland**".

## Total Employee Numbers Microsoft Ireland 1990-2025



Note: These figures include LinkedIn and ABK FTEs  
Source: Microsoft



**1,600+**  
employees in R&D roles

**€1.8bn**  
in R&D activities since 2014

## Research and Innovation

Research and innovation are fundamental to economic growth. Investment in research and development supports higher value-added products and services, and greater efficiency. This in turn supports increased national productivity, which is a key determinant of a country's long-term growth performance.

Over the period 2014-2025, Microsoft has invested over €1.7 billion in R&D in Ireland. Indecon estimates indicate that Microsoft's R&D expenditure in Ireland has accounted for around €1 in every €22 spent by foreign firms in Ireland on R&D in recent years, making it one of the largest investors in R&D activity in the State.

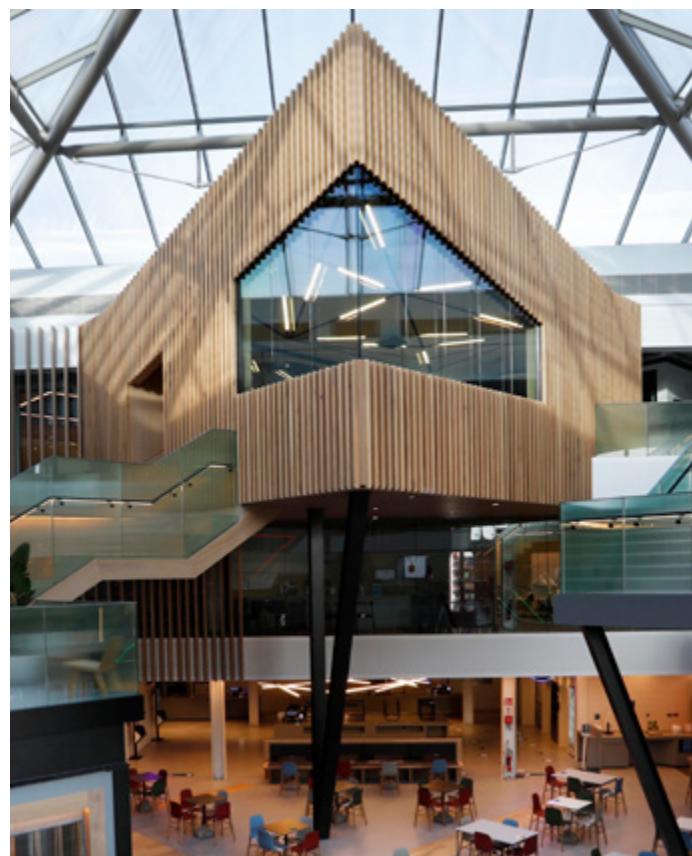
Engineering at Microsoft Ireland has evolved from its early focus on localisation and linguistic engineering for products like Office and Windows to driving innovation across the full technical stack — from core feature development to infrastructure engineering and security. Today, Microsoft's engineering headcount in Ireland is currently over 1,600 employees who develop, launch, and support products and services across Microsoft's ecosystem. In Dublin, Microsoft's engineers contribute across the full software engineering lifecycle from designing and developing applications to deploying and maintaining them. Their expertise spans core software engineering, Azure networking and infrastructure, identity management, and product and programme management. Complementing these fundamentals are roles in design and site reliability engineering, service engineering, and applied data science. Microsoft also drives innovation in artificial intelligence, including generative AI, and strengthens security through advanced threat intelligence.

Microsoft Ireland Research plays a pivotal role in developing and advancing a wide portfolio of products and services — including Microsoft 365, Dynamics 365, Copilot Studio, and the Xbox gaming franchise. Alongside feature innovation, Microsoft's teams strengthen the foundations of Microsoft platforms through security and identity management, compliance releases, and continuous platform and infrastructure enhancements. This includes delivering critical updates to core engineering systems such as Microsoft Azure and Windows, ensuring resilience, scalability, and ongoing optimisation.

**Key metrics for the impact of Microsoft's R&D activities in Ireland since 2008:**

	<b>676 patent applications</b>		<b>549 patents granted</b>		<b>89 new products developed &amp; launched</b>
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The expenditure on R&D by Microsoft Ireland between 2019 and 2025 has the potential to result in approximately €339m<sup>1</sup> in wider economic benefits to the Irish economy.



<sup>1</sup> In net present value terms.



# 892

Start-ups directly supported

# 559

Irish based suppliers

## Impact on Irish Enterprise

### Supplier Network

Microsoft's direct expenditures in the Irish economy support an ecosystem of domestic enterprise. Microsoft's spending allows these companies to grow and expand and, in a number of cases, to develop their sales in export markets. Since 2020 alone, Microsoft Ireland has utilised the services of 559 Irish-based suppliers to support their ongoing operations. These firms provide services ranging from professional services, technical services, contracting services, marketing, events management, and a range of wider services in support of Microsoft's ongoing operations.

Indecon's modelling estimates that Microsoft has directly supported over 5,000 jobs in their supplier base in 2025. When considering Microsoft's spending on the development of data centres in Ireland, Indecon's modelling estimates that this has supported an additional 5,000 jobs on an annual basis in the construction sector between 2021 and 2025.

**"The company's enduring presence here has been central to establishing Ireland as a premier destination for technological investment and innovation. As its commitment to Ireland holds steadfast, Microsoft's ongoing investment in Ireland's digital infrastructure is certain to drive new waves of innovation, growth and high value employment."**

– Michael Lohan, CEO of IDA Ireland

### Partners

Microsoft Ireland has relationships with over 500 registered partners and resellers in Ireland, spanning sectors such as healthcare, finance, education, and public services. The network includes global consultancies (e.g., EY Ireland, recently named Microsoft Partner of the Year 2025) and indigenous firms, enabling digital transformation across enterprises and SMEs. Microsoft's relationship with these partner organisations is an important driver of the growth and viability of these partners.

### Start-Ups

Between 2019 and 2025 Microsoft has supported 892 start-ups in Ireland. Microsoft's support to Irish start-ups has been expanding in recent years with 272 firms receiving support in 2024 alone. Microsoft for Startups (former Founders Hub) supports Irish start-ups by enabling them to:

- **Build fast:** discover scalable AI tools that help cut costs and future-proof their businesses
- **Scale smart:** deploy with peace of mind with a cloud designed for enterprise-ready scale and security
- **Sell more:** boost go-to-market success with access to the Microsoft global network of customers

**"Microsoft is now a trailblazer for US FDI in Ireland and has grown from strength to strength, built on leadership, innovation and talent."**

- Paul Sweetman,  
CEO, American Chamber of Commerce



# €300bn +

Microsoft leads the way in building Ireland's AI Future, contributing to the potential €300bn+ expansion of the Irish economy from AI by 2035

## Microsoft and the role of AI in the Irish economy

Maximising the positive economic impacts of AI requires collaboration across the AI ecosystem. Microsoft is one of the major supporters of this ecosystem, supplying:

- **Infrastructure:** Cloud data centres and advanced chips that power AI innovations.
- **Platforms:** Scalable models and data integration systems that enable applications designed to encourage transformation and innovation.
- **Applications:** AI tools that increase productivity and transform workflows.

Microsoft, as one of the global leaders in AI innovation, has positioned itself to take a major leadership role in Ireland's AI adoption in the coming years. Research estimates that AI will contribute in excess of €250 billion to the Irish economy by 2035, with the potential for a further €60 billion if the potential of AI is maximised.<sup>2</sup>

Microsoft's investments and operations in Ireland support the infrastructure and accessibility of AI, strengthening cloud and AI capabilities to provide equitable access for businesses, governments, and start-ups, expanding access to AI through tools like Copilot, Azure AI, and tailored solutions for specific sectors.

Microsoft's position as the global leader in workplace software solutions has enabled it to provide unparalleled access to AI tools to workers in Ireland and across the globe. Microsoft 365 Copilot integrates large language models with organisational data from Microsoft 365 apps to boost efficiency and productivity. Azure AI provides powerful machine learning and analytics capabilities that allow businesses to extract richer insights from their data and make evidence-based decisions.

2 "The AI Economy in Ireland 2025: Trends, Impact & Opportunity", Trinity Centre for Digital Business and Analytics in collaboration with Microsoft Ireland. <https://www.tcd.ie/media/tcd/business/pdfs/research/Microsoft-Report.pdf>





# 1GW

investment in renewable  
energy capacity

# 100%

of our global electricity consumption to be matched  
with renewable energy purchases by the end of 2025

## Sustainability

Globally, Microsoft has set ambitious sustainability goals which aim, by 2030, for Microsoft to be:



Carbon negative



Water positive



Zero waste

By 2050, Microsoft aims to remove the same amount of carbon from the environment as has been emitted by Microsoft operationally since its founding in 1975. Microsoft Ireland supports these commitments via:

- Commitment to zero waste - Microsoft's Dublin datacentres and Leopardstown Campus have both received zero waste certifications.
- A Microsoft Circular Centre in Ireland processes up to 3,000 servers per month, contributing to Microsoft's global goal of reusing or recycling 90%+ of end-of-life assets.

- Microsoft's datacentre facilities in Ireland use direct evaporative cooling (DEC), which consumes less than 5% of the water used by traditional systems.

Microsoft is committed to covering all energy consumption of its datacentre campuses in Ireland with 100% carbon-free electricity purchases. This is part of Microsoft's global goal to match 100% of its electricity consumption with renewable energy purchases by 2025 and to become carbon negative by 2030.

Microsoft has entered into multi-year Corporate Power Purchase Agreements (CPPAs) with several renewable energy developers, related to the development of more than 1 gigawatt of onshore wind and solar energy projects across Ireland.

Several of these projects, amounting to over 500 megawatts of nameplate capacity, are already in operation and injecting green electrons into the Irish grid. The operating portfolio is made up of approximately two-thirds solar and one-third onshore wind assets.





**€12m +**

invested in Dream Space™ education hubs and future ready skilling

**500,000 +**

students gained digital and AI skills through Microsoft Dream Space™ since 2018

## Role in Education Sector and Skills Development

As part of its ambition to skill up Ireland, Microsoft has invested in a range of educational and digital skills programmes and initiatives in Ireland that together aim to empower every person – irrespective of age, backgrounds or experiences – with the skills to participate fully in Ireland's digital economy. These include ICT literacy and employment-focused initiatives for disadvantaged young people, to wider education and digital skills programmes.

Launched in 2018, **Dream Space™** is a research-based education experience for students and teachers to enhance their STEM and AI skills alongside crucial social-emotional skills such as empathy, creativity, ethical decision making and collaboration. The programme aims to encourage young people, regardless of socio-demographics, to engage in STEM education and shift

perceptions about the role technology can play in shaping their career choices. To date, the company has invested more than €12 million in the development of its education hubs and programme delivery across the island of Ireland, virtually, on-demand and in-person. To date, over 500,000 students have participated in Dream Space™ programmes.

The award-winning **STEM Passport for Inclusion** is an initiative led by Prof. Katriona O'Sullivan at Maynooth University in partnership with Microsoft, the programme's lead and founding partner. Funded by Microsoft Ireland, Research Ireland and the Department of Education, as well as by many industry and education partners, STEM Passport is providing a unique pathway for thousands of students from under-served backgrounds to progress to third level education by earning a Level 6 STEM qualification, work experience opportunities, and mentoring from inspiring industry role models.





## Engagement with the Higher Education Sector

Microsoft is also deeply engaged with the Irish higher education sector via initiatives including:

- **Digital Policy Programme** - An education programme hosted and delivered by UCD in partnership with Microsoft with the goal of building digital policy capability, and to support Ireland's contribution to becoming a 'Digital Leader' in Europe.
- **Trinity Quantum Alliance** - Microsoft has partnered with Trinity College Dublin to accelerate advancements in quantum tech and train new leaders in this field. Microsoft funds PhD students working on cutting-edge quantum research at TCD and provides scholarships for students studying for the MSc in Quantum Science and Technology.
- **PhD Sponsorship** - Microsoft also collaborates with the Research Ireland Centres by sponsoring PhD placements in key areas including Machine Learning, Data Science and Digitally Enhanced Reality. Microsoft has collaborated with Research Ireland's Centres for Research Training to support over 80 PhD students.
- In 2020, Microsoft partnered with Dublin City University (DCU) to sponsor postdoctoral research in game-based learning, resulting in four significant peer-reviewed publications on applying game-based learning to STEM education. Building on this collaboration, DCU and Microsoft have now launched a new PhD research project focused on generative artificial

intelligence (GenAI) and assessment. This industry-funded doctoral programme aims to explore how emerging AI technologies can transform educational assessment practices, enhancing authenticity, efficiency, and fairness in learning evaluation.

- **Mentoring Partnerships & Internships** - Microsoft has operated long-term mentoring partnerships with several Irish universities. Over 700 students have been mentored by Microsoft employees over the last decade.

## Wider Skills Development

Outside engagement with the higher education sector, Microsoft also supports skills development in Ireland via a range of other programmes including:

- **The AI National Skills Initiative (AINSI)** - a global programme designed to scale AI education and workforce development across twenty priority countries, including Ireland. Microsoft is offering a series of courses in artificial intelligence aimed at upskilling current and future workers within the Irish economy, equipping them with relevant AI skills. In 2025, AINSI programmes trained 36,476 and certified 2,654 participants.
- **ETB Partnerships** - Microsoft has partnerships with a number of education and training boards (ETBs) in Ireland to support digital skills, cloud computing, and career pathways. Since 2019, nearly 130,000 people have participated in the Student AI/STEM Certification Programme via ETBs.



**€137m**

in philanthropic grants over four decades

## Philanthropic Activities and Impact on Local Communities

Microsoft has an impact on local communities in Ireland through its programme of philanthropic activities, donations and volunteering. Between 2019 and 2025, Microsoft supported 113 philanthropic projects across 59 different organisations in Ireland. These organisations provide vital services in areas including supports for children and young people, suicide prevention, hospice services, mental health services, and other community activities.

Over the past 40 years Microsoft has donated an estimated €137m worth of software, services, financial grants and employee time to non-profit organisations and community groups throughout Ireland. These supports have assisted over 3,000 organisations. This support is designed to ensure that the NGO sector secures the benefits of digital transformation.

Microsoft's philanthropic activities extend to employee donations and volunteering. Over this period, including matched funding from Microsoft, employees have donated nearly €120m to good causes. Additionally, employees have volunteered for a total of more than 940,000 hours.



**€137m in grants to 3,000+ NGOs**



**€120m donated to good causes**



**940,000+ hours of volunteering**

Between 2023 and 2025, Microsoft's philanthropic programmes have impacted over 112,000 people, provided training to 1,200 individuals, trained 105 trainers and facilitated programmes for nearly 7,000 learners in STEAM subjects.





# €40bn

contributed to Ireland's economy  
in the past decade

# 20,000

jobs sustained through direct, indirect  
and induced employment

## Direct Economic Contribution and Macroeconomic Impacts

A summary of the direct contribution of Microsoft to the Irish economy is presented in the table on the right both for 2025 and for the period from 2014 to 2025. This highlights the scale of the impact of Microsoft in terms of economic output and employment. The analysis undertaken in this report represents an assessment of the impact of Microsoft on the Irish economy over the last 12 years. The impact of Microsoft since it began operations in Ireland 40 years ago is likely significantly greater than the figures reported here. Nevertheless, the scale of Microsoft's impact in the years since 2014 is illustrative of the significant impact that Microsoft has had on the Irish economy over the last 40 years.

### Key aspects of Microsoft's contribution to the Irish economy

 6,400+ direct employment*	 13,722 jobs indirectly supported	 €4.9bn contributed to economic output**
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\* Includes employment with LinkedIn and ABK.

\*\* Economic output excludes Microsoft Ireland's tax contribution.

Expenditure	2025	2014-2025 <sup>3</sup>
Total Expenditure	€3.6bn	€28.9bn
Impact of Expenditure on Economic Output	€4.9bn	€40.1bn
Direct Expenditure on Wages and Salaries	€7.6bn	€4.5bn
Employment		
Total Employees	6,463	1,133 in 2014 – 6,463 in 2025
Total Impact on Employment of Current and Capital Expenditure (persons)	20,235	4,566 in 2014 – 20,235 in 2025

Source: Indecon analysis of data provided by Microsoft.

This table does not include taxes paid by Microsoft in Ireland – that information can be found in Microsoft's annual financial statements.

3 Fiscal year 2025 numbers based on draft financial statements to be finalised and filed in 2026.





**"The building of an internationally focused operation by Microsoft is also likely to have played a catalytic role in enhancing Ireland's reputation as a location for foreign investment, as well as supporting the development of innovative Irish-owned businesses."**

## Conclusions

Indecon's independent evaluation has examined detailed empirical evidence on the contribution of Microsoft to the development of the Irish economy. The assessment highlights how Microsoft has developed as the Irish economy has evolved, and how the organisation has acted as a leader in fostering the development of the economy over the last four decades by supporting the digitisation of Irish enterprises and public services, promoting Irish start-ups and facilitating the ongoing development of their wider supplier base in Ireland.

The evidence indicates that the evolution and transformation of Microsoft's operations has supported high levels of economic output and employment both directly and indirectly in the Irish economy. The building of an internationally focused operation by Microsoft is also likely to have played a catalytic role in enhancing Ireland's reputation as a location for foreign investment, as well as supporting the development of innovative Irish-owned businesses.

The scale and depth of Microsoft's research and development activities is reflected in the level of patents and the introduction of new products from its Irish operations, in addition to its contribution to national research and innovation as one of the largest multinational investors in R&D.

Microsoft's impact on the economy and local communities is also evident in the level of philanthropic activity supported by Microsoft via a range of educational and digital skills programmes. These include ICT literacy and employment-focused initiatives for disadvantaged young people, and wider education and digital skills programmes to encourage greater participation in Science, Technology, Engineering and Mathematics-related disciplines and careers. Through its provision and support of these learning programmes, Microsoft is playing an important role in developing Ireland's current and future talent pool, supporting Ireland's competitiveness and continued growth in the high-value added services sectors.

Microsoft has committed to expanding access to carbon-free electricity, bringing new carbon-free electricity capacity onto the grid through long-term Power Purchase Agreements (PPAs). Microsoft's commitments will support more than 1 gigawatt of onshore wind and solar energy projects across Ireland.

Finally, Microsoft's ongoing investment in R&D and innovation in Ireland, alongside its investments in data centres and cloud infrastructure, and its role in supplying AI training and tools to Irish enterprises demonstrate the important role that Microsoft will play in supporting the Irish economy in the adoption of AI and the realisation of the significant potential productivity benefits of this new technology.







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