# Ireland’s role as a financial hub for fossil fuel investments draws scrutiny



Ireland’s Role as a Financial Hub for Fossil Fuel Investments Draws Scrutiny

Ireland has emerged as a significant conduit for fossil fuel investments on a global scale, with over €31 billion channelled through the country according to a recent report by Trócaire and ActionAid Ireland. This revelation spotlights the Republic’s substantial but often overlooked involvement in financing enterprises that contribute broadly to climate change beyond its borders.

The report titled "Hidden Truth: Ireland's role in the global fossil fuel industry," published in mid-2024, details how prominent financial institutions using Ireland for fossil fuel investments include BlackRock, with €18.9 billion; State Street, €4.4 billion; and Credit Agricole, €2.1 billion. These figures position Ireland as a key global centre facilitating fossil fuel investment.

Alarmingly, subsidiaries of multinational financial institutions based in Ireland were responsible for generating 72.5 million tonnes of CO₂ emissions in 2023—an amount 10.5 million tonnes higher than the entire national emissions of Ireland and tenfold the emissions of Sierra Leone.

Karol Balfe, chief executive of ActionAid Ireland, described the findings as "shocking," emphasising that although Ireland lacks a domestic fossil fuel industry, it plays a decisive role in the global climate emergency by acting as a tax-friendly financial gateway for highly polluting industries. Speaking to the Irish Examiner, Balfe stated, "There is no credible path to climate safety if financial flows to fossil fuels, including those channelled through Ireland, are not shut down. This means direct regulation of financial institutions, requiring them to adopt and implement transition plans aligned with the Paris Agreement."

The report ranks Ireland 14th globally for fossil fuel investments by location of investment managers, surpassing fossil fuel-producing nations such as Brazil, Kuwait, and Russia. It highlights that 91% of the €31.76 billion held in June 2024 by Irish-based subsidiaries of investment companies is invested in firms engaged in fossil fuel expansion.

Critics warn that Ireland’s strategy of aggressively attracting foreign direct investment (FDI) without sufficient environmental regulation could drive further climate risks. The report calls on the Irish Government to prohibit investments in fossil fuel expansion by Irish companies and multinational subsidiaries and to enforce investor adherence to climate transition plans compatible with limiting global warming to 1.5°C.

Siobhán Curran, head of policy and advocacy at Trócaire, voiced concerns about the disproportionate impact of the climate crisis on vulnerable nations, particularly those with minimal responsibility for historic carbon emissions. "Ireland is facilitating the reckless pursuit of profit by financial institutions and corporations, who continue to pursue further expansion of oil and gas in spite of all the warnings and at the expense of the planet," she said.

Curran added that the global north accounts for 92% of excess global carbon dioxide emissions, whereas the global south is responsible for only 8%. The carbon footprint created by these financial investment flows, she noted, exceeds Ireland’s annual emissions, severely undermining the country’s efforts to reduce its carbon output. Curran also pointed to ongoing challenges posed by the weakening of EU corporate sustainability regulations due to corporate lobbying.

Among the fossil fuel companies receiving the largest investment from asset managers based in Ireland is ExxonMobil, which reported profits of €33.63 billion in 2023. This profit figure surpasses the GDP of several African countries including Botswana and Namibia, highlighting the scale and influence involved.

The Irish Examiner is reporting these developments amid growing calls from campaigners and environmental advocates for urgent regulatory reforms to address Ireland’s significant but frequently obscured participation in financing fossil fuel expansion worldwide.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.irishtimes.com/business/2023/09/04/investment-firms-with-irish-subsidiaries-pump-57bn-into-fossil-fuels-since-paris-climate-deal/> - This article reports that investment firms with Irish subsidiaries have invested €5.7 billion in fossil fuels since the Paris climate agreement of 2015, highlighting Ireland's role as a significant channel for global investment in fossil fuels and industrial agriculture.
* <https://www.irishexaminer.com/news/arid-41218009.html> - The article discusses how Ireland is seen as a 'significant channel' for investment in fossil fuels, with €5.7 billion worth of bonds and shares in climate-harming activities held in the country, as reported by ActionAid.
* <https://actionaid.ie/ireland-a-channel-for-climate-harming-investment/> - ActionAid Ireland's report reveals that Ireland is a significant channel for global institutional investment in fossil fuels and industrial agriculture, with funds registered here holding €5.7 billion in bonds and shares in climate-harming activities in the Global South.
* <https://extinctionrebellionireland.com/extinction-rebellion-ireland-articles-and-blogs/2024/5/14/xri-holds-fossil-fuel-funders-to-account> - This article describes a protest by Extinction Rebellion Ireland targeting the Irish Funds Industry Association, which includes members like BlackRock and State Street, highlighting their significant investments in fossil fuels.
* <https://www.friendsoftheearth.ie/news/friends-of-the-earth-action-aid-and-trocaire-welcomes-the-su/> - Friends of the Earth, ActionAid, and Trócaire welcome the support from the Dáil to shift away from fossil fuel investments, emphasizing the need to strengthen the Fossil Fuel Divestment Act 2018 to ensure it is entirely fossil fuel-free.
* <https://www.oireachtas.ie/en/debates/debate/dail/2023-12-13/8/> - A motion in the Dáil Éireann calls for increased fossil fuel divestment, referencing research by ActionAid showing that European banks have provided $327 billion of financing to fossil fuel and agribusiness activities in the global south since the Paris Agreement, with €6.2 billion from Irish financial institutions.
* <https://news.google.com/rss/articles/CBMiY0FVX3lxTE5mRU9nLWZTc0dzWThLY3BTb04za2d4cjNzWjBqYURzbno4Z3JwMFhzdFhxWTUtbW04ZmYwSFE5MGE4QnNwcGZVXzJzY05hYW1fb3FscHg0WnV6OGg1UEptY2FlNA?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data