

enterprise europe



Business Support on Your Doorstep

Pharmaceutical Sector in Ireland

Country facts:

Official name: Republic of Ireland
Date of establishment: 29 December 1937
EU accession: 1 January 1973
Official language: English
Time zone: GMT
Capital city: Dublin (505,739)
Neighboring countries: Northern Ireland,
Area: 68,890 km²
Population: 4.3m (2007)
Population density: 62.4/km²

Territorial division (26 regions):
Carlow, Cavan, Clare, Cork, Donegal,
Dublin, Galway, Kerry, Kildare, Kilkenny,
Laois, Leitrim, Limerick, Longford, Louth,
Mayo, Meath, Monaghan, Offaly,
Roscommon, Sligo, Tipperary, Waterford,
Westmeath, Wexford, Wicklow



Ethnic groups:

- Irish 87.4%
- Other white 7.5%
- Asian 1.3%
- Black 1.1%
- Mixed 1.1%
- Unspecified 1.6%

Economic data

Currency: EURO since 1 January 2002
Inflation: 4.2% (2008 est.)
GDP (\$ bn):
- 2007: 261.247
- 2008 Estimation: 285.018
GDP per capita (\$):
- 2007: 60,208.95
- 2008 Estimation: 64,659.90
Real GDP growth: 5.2% (2007)

Structure of GDP (2007)

Agriculture: 5%
Industry: 46%
Services: 49%
Current-account balance
(% of GDP): - 5.4 (2007)
FDI inflows (% of GDP): 0.6

Key Industries:

- steel, lead, zinc, silver, aluminum, barite, and gypsum mining processing
- food
- brewing
- textiles
- clothing
- chemicals
- pharmacology
- machinery
- rail transportation equipment
- passenger and commercial vehicles
- ship construction and refurbishment
- glass and crystal
- computer software
- tourism

Political Data

State organisation: Republic
Political system: Parliamentary
Democracy
President: Mary Mc Aleese
Prime Minister: Brian Cowen
Membership of international
organisations: EU, UN, UNESCO,
OECD, IMF, UNIDO, WHO, WTO,
INTERPOL, EMU, CE, IAEA, ICC.



The Pharmaceutical Sector in Ireland

The Pharmaceutical Sector in Ireland may be divided into four main sub-sectors:

- Primary Pharmaceuticals (Chemical)
- Secondary Pharmaceuticals (Final Dosage Form & Packaging)
- Diagnostics
- Biopharmaceuticals

Contribution to the Irish Economy

The pharmaceutical sector makes an enormous contribution to the generation of wealth in the Irish economy and has experienced significant growth in recent years as evidenced by the following statistics:

- €29.7 billion exports (40% of total manufacturing exports)
- Direct employment 17,000
- Largest payer of corporation tax

Currently thirteen (13) of the top fifteen (15) companies in the world have substantial operations in Ireland. In total there are eighty-three (83) facilities employing more than 17,000 people in Ireland. 6 out of 10 and 12 out of 25 of the world's top selling drugs are produced in Ireland.. Most of the products are manufactured for global markets.

The Pharmaceutical cluster in Ireland is supported by a sophisticated infrastructure of serviced sites, public utilities as well as specialist support companies and services.



Activities in Ireland

Many of the pharmaceutical companies in Ireland have established multiple activities in Ireland, including

- Fermentation e.g.
- Schering-Plough, Wyeth
- API e.g. Merck, Pfizer, Yamanouchi,
- Sterile Fill/Finish e.g. Genzyme, Allergan
- Formulation e.g. Wyeth, Takeda, Pfizer
- Shared Services/ Supply Chain Management e.g. Allergan, Pfizer, Novartis
- R&D/ Process Development e.g. Wyeth, GlaxoSmithKline, Bristol-Myers Squibb

Jobs in the Pharmaceutical sector

Clearly, Ireland's pharmaceutical industry is on a roll that has been steadily building momentum, having attracted 13 of the world's top 15 pharmaceutical companies to set up operations here. Year-on-year job growth in the sector has been increasing by 1,000 annually for the past five years, with 24,500 now employed directly in the industry and many more employed by its suppliers.

Expected growth

The Irish pharmaceutical sector is continuing to grow strongly and has added significantly to the country's strong economic performance in recent years. This was one of the trends in the Pharmaceutical Sector last years, but a change has come since the economic recession. 2009 won't be a very successful year and it is necessary to make sure that your company survives. It isn't known yet, how the result will look for the Pharmaceutical Sector, but expectations are that pharmaceutical companies in Ireland are continuing to grow, although the profit margin will be lower in 2009.

INVESTMENT INCENTIVES

Ireland's intellectual property laws provide companies with generous incentives to innovate. The Irish tax system offers huge support to turn brilliant ideas into the finished article. A highly competitive corporate tax rate of 12.5% is a major incentive. No tax is paid on earnings from intellectual property where the underlying R&D work was carried out in Ireland.

Ireland recently introduced a new R&D Tax Credit, designed to encourage companies to undertake new and/or additional R&D activity in Ireland. It covers wages, related overheads, plant/machinery, and buildings. Stamp duty on intellectual property rights has been abolished.

The IMD World Competitiveness Yearbook 2007 ranks the investment incentives available in Ireland to foreign investors as among the best in the world.

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Useful Links

The department of Finance
<http://www.finance.gov.ie>
IDA: Industrial Development Agency
<http://www.idaireland.com>
Pharma Careers Ireland
www.pharmacareersireland.com

