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%
- 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 McAleese
- 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

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, GliasheSmithKline, Bristol-Myers Squibb

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.

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.

Useful Links

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

Publication Date: April 2009
Research: Stefan van de Korput

Members of the European Commission have no personal views on the content of any position taken by the European Commission in this document. The Commission hereby disclaims responsibility for any use that may be made of the information contained herein. The views in this publication are those of the author and do not necessarily reflect the position of the European Commission.