



PHARMACEUTICAL IRELAND

Focused on a Healthy Future



## WHY IRELAND SHOULD BE YOUR LOCATION OF CHOICE

*The country of choice for scientific investment*



A business sector within IBEC | the Irish Business and Employers Confederation

[www.ibec.ie](http://www.ibec.ie)



PHARMACHEMICAL IRELAND  
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What is PharmaChemical Ireland?

PharmaChemical Ireland is the leading representative body for the pharmaceutical and chemical manufacturing sectors in Ireland. A major business association within the Irish Business and Employers Confederation (IBEC), PharmaChemical Ireland has access to IBEC's core support and research facilities, and has a full-time executive staff. We represent the manufacturers and distributors of pharmaceutical products and ingredients, and general chemical materials. Our membership is composed of leading global corporations and indigenous Irish companies. Nine of the top ten pharmaceutical corporations in the world have manufacturing plants in Ireland.

PharmaChemical Ireland is committed to providing an environment that is conducive to the continued success of the Irish pharmaceutical and chemical sectors. We achieve this through representation to central government, local authorities, and relevant state agencies. We liaise regularly with the Environmental Protection Agency (EPA), the Health and Safety Authority (HSA), the Industrial Development Agency (IDA), FÁS (the National Training Authority), the Irish Medicines Board (IMB), Science Foundation Ireland (SFI), Enterprise Ireland (EI) and Forfás. We also represent industry to the European institutions through our affiliation to the Irish Business Bureau and the European Chemical Industry Council (CEPIC).



PharmaChemical Ireland is a business sector within IBEC | the Irish Business and Employers Confederation

[www.ibec.ie](http://www.ibec.ie)  
[www.pharmaceuticalireland.ie](http://www.pharmaceuticalireland.ie)

“Since the 1980s the total stock of foreign direct investment in Ireland in 2002 reached €157 billion, the highest in the world in per capita terms after Hong Kong. Throughout this period, the foreign-owned sector was a major contributor to growth in outputs, exports and employment. Foreign-owned companies also exercised a significant multiplier effect, with positive effects on the indigenous sector in terms of employment creation, skills development and quality improvements.”

*Ahead of the Curve:* Enterprise Strategy Group

## CHAIRPERSON'S STATEMENT



Julie O'Neill  
Chairperson

Since the early 1990s, Ireland has experienced a period of massive economic growth. A proactive Government enterprise policy, targeting high-value sectors such as pharmaceuticals and chemicals, has attracted massive investment from across the globe.

Many of the world's largest multinationals now have major operations in the country, benefiting from a favourable tax regime, a highly-skilled workforce and easy access to European markets.

Ireland is now a recognised world leader in the area of pharmaceutical and chemical manufacturing. The Irish pharma-chemical industry exported products worth €41.7 billion in 2006 and employs 24,500 people, 50% of whom hold a third-level qualification.

Ireland has been, and remains, extremely attractive to the foreign investor for many unique reasons. State agencies such as the Industrial Development Agency (IDA Ireland), Enterprise Ireland and, latterly, Science Foundation Ireland, which funds R&D, all work to support industry and ensure that companies are given the support they need.

Ireland has long been recognised for its favourable tax regime, with corporation tax still as low as 12.5%. In addition, the Irish education system is widely regarded as one of the best in the world, and the young, educated workforce is a key resource for companies located here; over 50% of school leavers go on to pursue a third-level qualification.

With its proven track record and established local expertise, Ireland is a uniquely favourable location for the pharma-chemical industry.

*Julie O'Neill, General Manager, Gilead Sciences Limited  
and Chairperson, PharmaChemical Ireland*

## DIRECTOR'S STATEMENT



Matt Moran  
Director

PharmaChemical Ireland is made up of a team of dedicated staff that continuously works to develop the scientific industry in Ireland through close co-operation with representatives from industry, academia, state agencies and the Government.

With a large array of working groups, made up of representatives from its member companies, PharmaChemical Ireland works tirelessly to ensure that the needs of the industry are met and that their concerns are addressed.

Through the work of PharmaChemical Ireland and all its member companies, we have helped to make Ireland one of the world's leading locations for pharmaceutical and chemical manufacturing. With large capital investments planned, there has never been a better time to invest here.

The purpose of this book is to promote Ireland as the country of choice for scientific investment. It highlights the many reasons why this country is unparalleled as a location in which to invest, for both pharmaceutical and chemical companies.

As director of PharmaChemical Ireland, I trust that you will find this book both useful and interesting. I hope I will have the opportunity to work with you in the future, here in Ireland.

*Matt Moran, Director, PharmaChemical Ireland, IBEC*

“ With over 3,000 people employed in Dublin, Kildare, Limerick and Sligo, Wyeth has a strong and committed presence in Ireland. We believe Ireland is an ideal location for business due to manufacturing and operational excellence, the calibre of our employees and the world-class scientific research in Irish universities, hospitals and research centres.”

*Matt Corcoran, Managing Director, Wyeth Biotech*

Ireland's identification of the pharmaceutical sector as a key area for inward investment has resulted in a pool of world-class pharmaceutical personnel. Access to highly-trained pharmaceutical and biopharmaceutical experts across industry activities including lab work, product research, testing, validation and production are business drivers for Wyeth's continued investment in Ireland.

The focus on biotechnology by Science Foundation Ireland, the ability to work with third-level educational institutions and grant/tax credit support by the Irish Government are central components of the supportive environment in Ireland. Wyeth recently completed a 4,000 sq metre expansion of the development facility at its Grange Castle biotech campus, which employs over 80 scientists. Another development facility is currently under construction at Wyeth's pharmaceutical plant in Co. Kildare. Wyeth continues to look at Ireland as an attractive place to do business and a location for further investment.



**Wyeth**<sup>®</sup>



“ Innovative, responsive, high-calibre people are at the core of Pfizer’s relationship with Ireland. From the scientists, engineers and technicians that work for us, to the government agencies, academic institutions, and partners that supply us, the experience is one of quality, can-do, business interactions. I never cease to be impressed with the remarkable number of technologically and scientifically-competent people who I meet there.”

*Nat Ricciardi, President of Pfizer Global Manufacturing*

Pfizer Ireland Pharmaceuticals began its manufacturing operations in Ireland in 1969 when it opened its first plant in Ringaskiddy. The strength and depth of the pharmaceutical industry in Ireland has moved hand in hand with Pfizer’s success story here, and today Pfizer has expanded its presence in Ireland, employing over 1,800 people. A pro-business political environment, a skilled and educated workforce, international transport links and an excellent and clean environment in which our people are proud to live and work underpin that success.

Quality is synonymous with our business and Ireland’s strategic role in Pfizer’s manufacturing network includes leading the Innovation and New Technology Introduction for the manufacture of API, Sterile and bulk tablet products. Since 1998, capital investment by Pfizer in Ireland has been greater than \$1.6 billion, including a \$250m expansion of its Dublin Sterile Plant, and a \$120m investment to create a centre of excellence for API in Cork. Cork has also been identified as the proposed location for a \$200m small-scale biologics facility to support research activities and deliver Phase 3 clinical supplies and initial product supply for new monoclonal antibody products.

# 1. INTRODUCTION: INDUSTRIAL PRESENCE IN IRELAND – ECONOMIC CONTRIBUTION



The Irish pharmaceutical and chemical industry makes a significant contribution to the Irish economy. The sector directly employs over 24,500 people, with a similar number employed indirectly. More than 50% of the industry's workforce are university graduates. In 2006, the sector contributed over €41.7 billion in exported products, accounting for over 43% of the national total. In the same year, imports of pharmaceuticals and chemicals totalled €8 billion, resulting in value added of €33.7 billion. (Central Statistics Office)

Ireland remains the location of choice for the manufacture of pharmaceutical and chemical products. The American bio-pharmaceutical company Centocor is establishing key new operations in Cork with an investment of €650m. Additionally, a number of established pharmaceutical companies are engaged in significant investment plans to increase capacity and upgrade their facilities. US-based company, Eli Lilly is due to expand its operations at its Kinsale plant in Cork, through the construction of a new biopharmaceutical facility.

By 2015, it is forecast that 50% of all drugs will be derived from biotechnology. Ireland must remain the location of choice for biotechnology investment in order to maintain the momentum of the sector's development to date. Cutting edge products and state of the art facilities not only attract new investment, but protect and enhance existing industry. Wyeth Biopharma and Genzyme Ltd. are examples of this, and the IDA is actively seeking to attract further biotechnology-based enterprises.

- ▶ The pharmaceutical and chemical industry is Ireland's most valuable sector. The industry has exports of over €41 billion per annum, and is dominated by US companies.
- ▶ Of the top 20 companies worldwide, 16 are now based in Ireland. It is seen as a very stable sector and most plants are global leaders in quality.



“ Novartis chose Ireland for a number of reasons, such as the support of the IDA, availability of land for industrial development purposes, labour availability and education levels within the Irish workforce, as well as opportunities to develop links with local universities and colleges. Thanks to the focus of our workforce on developing truly reliable and robust processes and driving improved ways of working, we believe we will continue to bring value to the Novartis global organisation.”

*John Alexander, Managing Director, Novartis Ringaskiddy Ltd.*

Novartis Ringaskiddy Ltd. is one of four manufacturing sites within Novartis chemical operations worldwide. A production site since 1994, the Ringaskiddy facility employs over 500 people and has been designated a launch site for some of the most promising drug substances coming off the Novartis drug development pipeline.

Novartis (then Sandoz) chose Ireland as a place of investment for a number of reasons, such as the support of the IDA, labour availability and the education of the workforce. Other factors included the cost of labour, accessibility, infrastructure and low corporation tax. At the time the company had only one major production base for drug substances.

The choice of Ringaskiddy as a launch site for revolutionary drugs such as the anti-cancer drug, Glivec, has proved fully justified thanks to the professionalism, teamwork and determination of the workforce at Novartis Ringaskiddy Limited.



## 2. A KNOWLEDGE-BASED ECONOMY

At primary school level, the introduction of science into the curriculum is a recent and significant development. From an early age, children are introduced to basic scientific concepts and methodologies, such as observation of experiments and deductive reasoning.

At second level, almost 90% of students study science to Junior Certificate level. At Leaving Certificate level, approximately 60% of students study at least one of the three science subjects. The Irish Government intends to increase this number to 80% by 2013.

At third level, 1,100 science graduates are supplied to the industry each year, on average. This includes 330 technicians. In the IT sector, approximately 8,500 graduates enter the workforce annually, including 3,700 technicians. Government policy encourages further training of the existing workforce, particularly for those seeking third-level qualifications at technician or degree level.

Table 1: Education levels in European countries



Source: IDA Vital Statistics 2006

- ▶ Numbers employed in the sector have risen dramatically in recent years, and now stand at nearly 25,000.
- ▶ Science education and research has been identified by the Irish Government as a key to future growth. Ireland will double PhD numbers by 2013, with an R&D budget of €2.4 billion.



“As a key manufacturing and support location we intend to support our customer needs and continue to build our very strong brand. We will incrementally add capacity to meet the industry growth need and avail of any suitable opportunity to add to our ability to provide solutions to our customer base.”

*William G. Walter, Chairman, President and Chief Executive Officer,  
FMC Corporation*

FMC BioPolymer, Cork is part of the Speciality Chemical Group of FMC Corporation. Established as a greenfield site in 1977, additional capital investments were made at regular intervals to upgrade capacity and broaden the product range. The site is a key talent provider for other parts of the corporation and supports global customer service and IT from its base in Cork.

There has been and remains a positive business climate in Ireland. The Government's policies on tax, education and regulation have been stable, consistent and attractive; the general business climate and attitude of people is positive. The pool of suitably-educated and experienced people has grown to meet the emerging business needs. With a good university and several third-level colleges in the region, Cork can supply and tailor quality graduates that increasingly drive the innovation necessary to remain in business and compete globally.

### 3. IRELAND'S PRODUCTIVITY



#### R&D

World-class research and world-class people are at the heart of the national system of innovation. Significant investment has been pumped into Irish research in recent years. While the most recent figures available show that Ireland is slightly below the EU average in terms of numbers of PhD graduates produced, this is a rising figure and will exceed the EU average within the next few years. The Irish Government has targeted a doubling of PhD students by 2013.

Ireland is ranked second in a survey of 61 countries on productivity. (The IMD World Competitiveness Report 2006)

ICT and pharmaceutical manufacturing accounts for more than 30% of the total value added or net output of the Irish economy. (*Productivity: Ireland's Economic Imperative*, Paul Tansey, 2005)

Ireland receives nearly one-third of total US investment going to the EU. Due largely to its close trading ties with the US, Ireland is the world's largest exporter per capita. High-technology products and services account for nearly one-third of Ireland's exports.

- ▶ Ireland is 9% above the European average in producing third-level science graduates.
- ▶ Of all foreign direct investment into Europe:
  - 31% of all healthcare investment;
  - 12% of all ICT investment;
  - 41% of all software investment;
  - 25% of pan-European contact centres;
  - 34% of pan-European shared services;
  - 8% of all R&D centres located in Ireland.



 **BASF**

The Chemical Company

“ BASF has been a supplier to the pharmaceutical industry in Ireland for many decades. While we do not manufacture in Ireland, we are committed to our customers and strive to deliver not only quality products but also first-class support and technical advice. The recent appointment in BASF Ireland of a business development manager, focussing on the pharmaceutical industry, is proof of our belief in the strength of the industry in Ireland.”

*Torben Berlin Jensen, Managing Director, BASF Business Centre, Europe North*

BASF is the world's leading chemical company. Its portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas.

BASF Ireland Limited has been operating since the late 1950s and over the years has developed successful business with the chemical and pharmaceutical industry, delivering quality product, technical advice and service. Although BASF does not have a manufacturing operation in Ireland, it views Ireland as an important market for its products and gives total support and commitment to all its customers, many of whom are also BASF's customers globally.

## 4. INCENTIVES TO FOREIGN INVESTORS



### Available skilled workforce

In the area of IT, the supply of graduates has consistently met the demands of the industry over the past number of years. The start up of an IT investment fund greatly benefited the quality of graduates and has promoted student retention in the IT market. The Irish pharmaceutical industry has grown exponentially in the past number of years. With the investments of Centacor and Wyeth, two of the world's leading pharmaceutical companies, this growth will continue for the foreseeable future. This can be directly attributed to the highly-skilled workforce the country produces.

Table 2: Global competitiveness

1	Luxembourg	63,609
2	Norway	40,005
3	US	39,498
4	Ireland	37,663
5	Iceland	33,269
6	Denmark	33,089
7	Canada	32,921
8	Switzerland	31,690
9	Austria	31,406
10	Hong Kong SAR	30,558

World Economic Forum: *Global Competitiveness Report 2005-2006*  
(The IMD World Competitiveness Report 2006)

- ▶ The corporate tax rate in Ireland is 12.5%, one of the lowest in the world. This low tax rate, competitive operating costs and availability of highly-skilled labour continue to provide investors with a uniquely high return on their investment.



“ Locating in Ireland enables Henkel to optimise its extensive manufacturing efficiencies. Henkel remains committed to the region which encourages the location of new manufacturing business opportunities and the increasing expansion and continued development of its strong research and development facilities.”

*Liam Murphy, President, Henkel UK and Ireland*

Founded in 1876, Henkel has, during the 130 years that followed, acquired several companies such as Loctite, Schwarzkopf and Dial, and has become a leader in the areas of adhesives technologies, home care and personal care, operating in approximately 125 countries with approximately 52,000 employees worldwide.

In 1966 the first sealants and adhesives manufacturing facility was set up at Ballyfermot by the Intercontinental Chemical Company, a subsidiary of International Sealants and Adhesives. It included R&D capability, all on a 1.3 acre site, manufacturing bulk anaerobic products for sale and distribution in Europe.

Ireland offers Henkel many facets to undertaking effective business in the region. Demographically, its young, skilled and available workforce offers a rich supply of well-trained, technical people at all educational standard levels.

## 4. INCENTIVES TO FOREIGN INVESTORS

### Low corporation tax

One of the main drivers in attracting investment to Ireland has been the low rate of corporation tax.

The current dispensation allows international manufacturing companies to benefit from a 10% corporation tax rate, which will increase up to 12.5% after 2010.

At 12.5%, Ireland has one of the lowest corporation tax rates in the world.

Table 3: Corporation tax rates



Source: *IMD Competitiveness Yearbook 2007*

Table 4: Employers' social security contributions



Source: *Taxing Wages 2005-2006, OECD, 2007*

- ▶ The Irish Government's economic policies are directed towards the creation of a stable economic environment that is supportive of business needs. Ireland's economic growth rates in recent years have consistently been among the highest of the OECD countries.



**TEMMLER IRELAND**

“Ireland has a very well-educated, hardworking, flexible workforce with a ‘can-do’ attitude and a pride that often results in the Irish operation excelling in a corporate environment. The workforce, together with low taxation, financial incentives and grants, and access to profitable key markets, makes it the number one choice for doing business.”

*Peter Quane, Managing Director, Temmler Ireland Ltd.*

Part of the Temmler Group, one of the largest pharmaceutical contract manufacturers in Europe, Temmler Ireland is based in Killorglin, County Kerry.

In operation since 1972, Temmler Ireland specialises in large-scale contract manufacturing of multiple-unit dosage forms, particularly modified-release pellets. The plant also has decades of expertise in the extraction and spraydrying of natural plant extract. Investment to date is in excess of €100m in today’s value.

While the plant’s location was considered to be remote by some commentators, the company has always been able to recruit the requisite skilled personnel and to manage logistical issues with ease. It is Temmler’s strategy to position itself as a dependable, competitive, key manufacturer of quality multi-unit dosage forms for the Temmler Group.



## 4. INCENTIVES TO FOREIGN INVESTORS



PHARMACEUTICAL IRELAND  
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### Significant life science cluster

Ireland has long been established as a global hub for pharmaceutical manufacturing. The industry first began manufacturing here in the 1960s. The sector grew at such a rate that today, 13 of the world's top 15 pharmaceutical companies have manufacturing plants in Ireland.

### Track record – FDA compliance

Ireland's pharmaceutical sector has an extraordinarily good track record in terms of compliance with statutory and quality regulations. The US Food and Drug Administration (FDA) consistently rates Irish manufacturers positively in terms of GMP compliance. Typically, inspections by the FDA rate Irish facilities extremely highly. No warning letters have been issued to any Irish facility by regulatory agencies over the past 10 years.

### Political stability

Ireland is renowned for being politically stable and consistently pro-enterprise. The Government has established a number of state agencies to attract and support business in Ireland, such as the IDA and EI.

- ▶ Ireland's robust legal system and sophisticated infrastructure makes it an ideal location for the exploitation and protection of intellectual property.



“ More than 40 percent of Gilead’s product revenues are from international sales, and we are continuing to see significant growth in this important region... Gilead’s Ireland-based employees and operations are a critical part of our ability to deliver therapies to patients in need.”

*Anthony D. Caracciolo, Senior Vice President, Manufacturing and Operations*

Gilead Sciences is a biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. The company’s mission is to advance the care of patients suffering from life-threatening diseases worldwide.

Gilead Sciences Limited in Ireland supports manufacturing, packaging and distribution of Gilead’s products. Along with handling distribution of Gilead medications in Europe, importantly, the Ireland team also distributes HIV medications to developing-world countries from its site. These products, made available through the company’s Access Program, are available at significantly reduced prices in 97 resource-limited countries where the HIV epidemic has hit the hardest.

## 4. INCENTIVES TO FOREIGN INVESTORS



PHARMACEUTICAL IRELAND  
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### Expatriate ease

Ireland has a reputation as a welcoming country. Foreign visitors and those who move to Ireland usually experience a warm welcome. It is generally found that foreign employees integrate well into the local Irish workforce, and enjoy their time in Ireland.

### Industry and academic collaboration

Interaction between industry and the academic institutions is extremely strong in Ireland. The Irish Government has identified the need for strong links between the two groups, and it is common to find company employees sitting on university boards and acting as external examiners. Enterprise Ireland offers generous grants to fund industry and academic collaborative research.

### Site availability

Ireland, in general, is not overly industrial, and hence, there is an abundance of green sites available. The Government has identified core regions for industrial development. As the capital city, Dublin is a major hub for industry, with numerous custom-built industrial estates. Cork follows as a close second. However, industry plants are located throughout the country, with local authorities always welcoming new investment to their jurisdiction.

- ▶ Significant investments have been made in Ireland's infrastructure. Major schemes currently underway will result in 201km of improved road access, including 129.5km of motorway and dual carriageway.



The Eli Lilly logo, featuring the word "Lilly" in a red, cursive script font, set against a light blue rounded rectangular background.

“ Lilly made an important decision more than 25 years ago – our decision to invest in Ireland – that continues to pay dividends in many forms. Our manufacturing facilities in Kinsale are highly productive and reliable – fully competitive with the best in the world. Ireland is an indispensable source of talent for us, including engineers and scientists who have taken on global leadership roles within the company. Our relationships with regulators, planning authorities, and community leaders at both the national and regional levels are models of true collaboration, mutual respect and learning. Therefore, we continue to invest in Ireland – and to benefit constantly from the returns.”

*John C. Lechleiter, Ph.D.  
President and Chief Operating Officer, Eli Lilly and Company*

Eli Lilly S.A. (Irish Branch) is a pharmaceutical manufacturing plant located close to the historic town of Kinsale at Dunderrow, Co. Cork. Production commenced at our facility in 1981 and today we employ 450 people in the manufacture of a range of pharmaceutical products. Investment to date at the Kinsale plant is in excess of €1 billion with ongoing investments of approximately €100m per annum in upgrading and expanding its facilities.

Over the 25 years the Kinsale facility has built a strong reputation within the Eli Lilly organisation for its ability to safely manufacture and supply a range of newer-class medicines to patients worldwide. One of the most significant factors for us has been the people that work here. Many of the company’s employees are people who grew up in the locality and have worked with the company for the last 25 years. In that time they have developed deep technical expertise in manufacturing.

## 4. INCENTIVES TO FOREIGN INVESTORS

PHARMACHEMICAL IRELAND  
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### Strong local management

A major benefit of the Irish market is the wide availability of home-grown managerial talent. In fact, most of the multinational companies in Ireland are run by Irish management teams. Companies that have invested in the country have developed a trust in the judgement of their Irish management. In examining the strength of the industry, it is plain to see why.

### Project execution

Ireland has an exemplary record of getting projects finished on time and within budget. The reliability of meeting targets has recently been rewarded with investments from key players in the industry. Wyeth has just invested €1 billion in a new plant in Dublin and Centocor has decided to open a plant in Cork.

- ▶ International airports at Dublin, Shannon and Cork handle over ten million passengers and 125,000 tonnes of freight every year. Direct daily scheduled services are available from Ireland to European and North American destinations.
- ▶ Ireland has the youngest population in Europe, with 35% of the population under the age of 25 years. Demographic predictions show that Ireland will continue to have the youngest population in Europe in 2025. The unique age structure of Irish society has fuelled much of the country's recent prosperity, and encouraged Government policy to focus on education and research into the future.



genzyme

“ We began our manufacturing activities in Ireland in 2002 and have been absolutely amazed by what has been accomplished in this very young organisation. Genzyme Waterford is a very important element within the whole Genzyme family of activities, with products made here going all around the world. We have built in Waterford what is a fantastically productive organisation with a great team spirit. We don’t have the Waterford skill set anywhere else in the Corporation and we rely on it.”

*Henri A Termeer, CEO, Genzyme*

One of the world’s leading biotechnology companies, Genzyme is dedicated to making a major positive impact on the lives of people with serious diseases. Since 1981, the company has grown from a small start-up to a diversified enterprise with more than 9,000 employees in locations spanning the globe and 2006 revenues of \$3.2 billion.

With many established products and services helping patients in nearly 90 countries, Genzyme is a leader in the effort to develop and apply the most advanced technologies in the life sciences. The company’s products and services are focused on rare inherited disorders, kidney disease, orthopaedics, cancer, transplant and diagnostic testing. Genzyme’s commitment to innovation continues today with a substantial development program focused on these fields, as well as immune disease, infectious disease, and other areas of unmet medical need.

## 5. IRELAND'S REGULATORY ENVIRONMENT

According to *The Economist* Intelligence Unit Business Environment Rankings, Ireland will remain one of the most attractive business locations in the world throughout the period 2004 to 2008.

Ireland is ranked as having the fifth-least restrictive product market regulation in the OECD (OECD, *Going for Growth*, 2006).

Survey evidence from the IMD Yearbook 2006 shows that industrialists perceive Ireland to have efficient legislation that prevents unfair competition.

In particular, Ireland ranks in the top ten for:

- having political parties that understand today's economic challenges;
- adaptability of Government policy to changes in the economy;

- a regulatory framework that encourages business competitiveness;
- a consistent Government policy direction.

The 2007 Index of Economic Freedom ranks Ireland the second freest economy out of 41 countries in the European region.

Table 5: Index of Economic Freedom

Country	2007 Score	Country	2007 Score		
1	United Kingdom	81.6	22	Latvia	68.2
2	<b>Ireland</b>	<b>81.3</b>	23	Malta	67.8
3	Luxembourg	79.3	24	Portugal	66.7
4	Switzerland	79.1	25	Hungary	66.2
5	Estonia	78.1	26	France	66.1
6	Denmark	77.6	27	Slovenia	63.6
7	The Netherlands	77.1	28	Italy	63.4
8	Iceland	77.1	29	Bulgaria	62.2
9	Finland	76.5	30	Albania	61.4
10	Belgium	74.5	31	Romania	61.3
11	Germany	73.5	32	Macedonia	60.8
12	Cyprus	73.1	33	Moldova	59.5
13	Sweden	72.6	34	Turkey	59.3
14	Lithuania	72.0	35	Poland	58.8
15	Austria	71.3	36	Greece	57.6
16	Spain	70.9	37	Croatia	55.3
17	Norway	70.1	38	Bosnia and Herzegovina	54.7
18	Czech Republic	69.7	39	Russia	54.0
19	Armenia	69.4	40	Ukraine	53.3
20	Georgia	68.7	41	Belarus	47.4
21	Slovak Republic	68.4			

Source: Wall Street Journal, Heritage Foundation



“ Important factors of doing business in Ireland are high-quality labour, low corporate tax and the support of the Irish Government. The mission of the pharmaceutical industry, which is highly regulated, is to supply quality medicines for human consumption, which are competitively priced. Based on these criteria, Ireland meets the requirements, which makes it competitive with other countries. Challenges facing Ireland are high energy costs and the cost of labour but the Government is addressing these issues in a positive way. I am, therefore, convinced that Ireland will continue to be a location of choice in the future.”

*Toshiaki Miyoshi, President and CEO, Astellas Ireland Co. Ltd.*

Astellas Ireland Co. Ltd. (AICL), a subsidiary of Astellas Pharma Inc., the second-largest pharmaceutical company in Japan, has two manufacturing operations. The plant in Killorglin, Co. Kerry manufactures finished pharmaceuticals and in Mulhuddart, Co. Dublin, a range of active pharmaceutical ingredients are manufactured.

Working in an extremely high-tech industry, we have benefited immensely from having access to a very skilled Irish workforce. Irish graduates are second to none in terms of their technical knowledge and their commitment to attaining and exceeding the top international standards for our sector. From a financial perspective, we have benefited enormously from operating in a country with one of the lowest corporate tax rates in the world. A further benefit is the stable political climate which the country enjoys and, in particular, the ‘social partnership’ approach to industrial relations which has helped transform the Irish economy so hugely over the past decade.



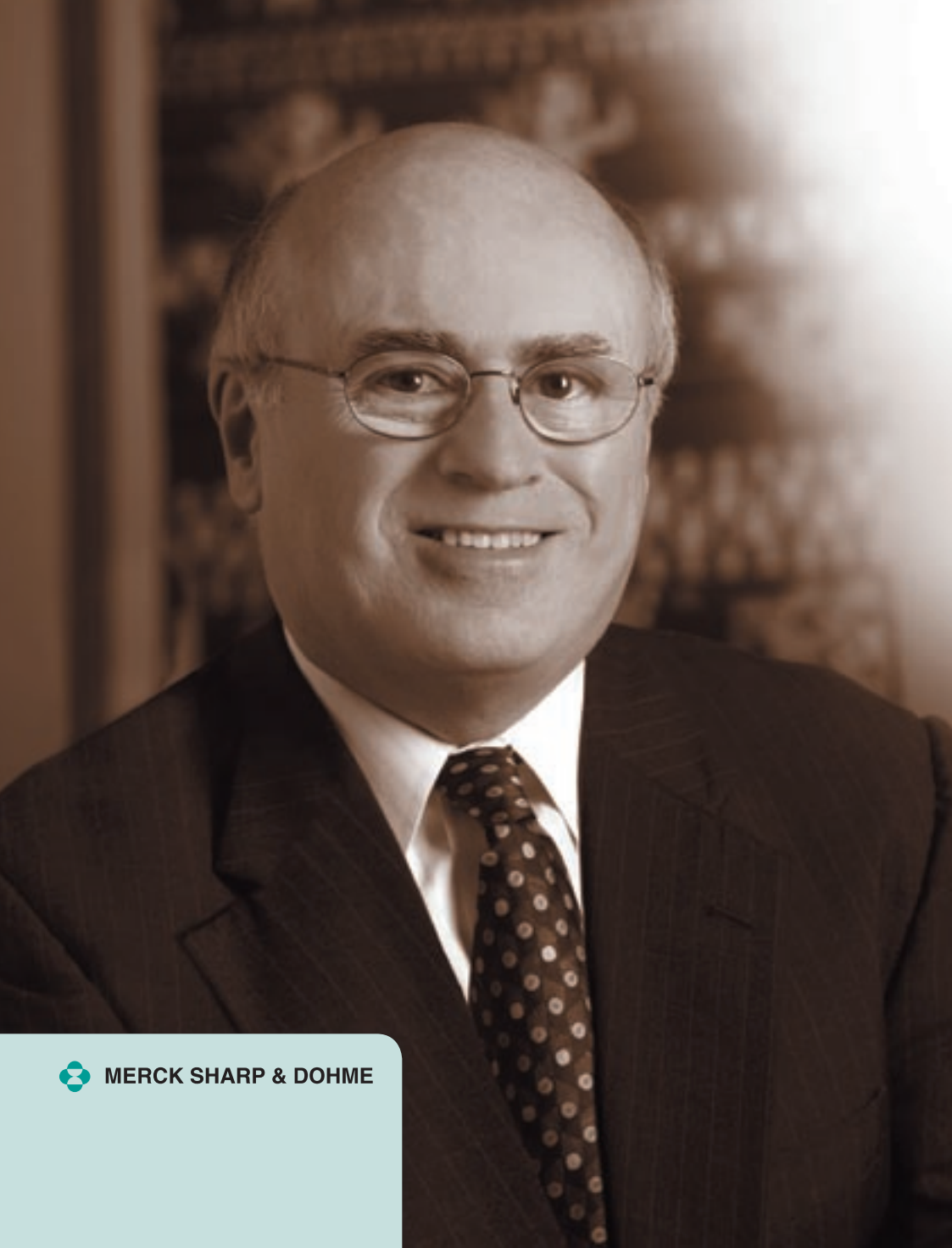
“ In the 17 years since Helsinn commenced its operations in Ireland, we have seen many changes in the country, which have contributed to the success of our business ventures there. Helsinn's business model involves effective multi-project teams of professionals and we have found that the mix of Swiss and Irish cultures gives us the results we need to be a leader in our special niche of late-stage product development and commercialisation.”

*Dr Giorgio Calderari, Chief Operations Officer,  
Helsinn Healthcare SA, Lugano, Switzerland*

The employment of highly-qualified and technically-skilled employees available to the Irish market has allowed Helsinn Ireland Ltd. to develop a high-quality, customer-focused organisation with a 'can do' approach and the ability to deliver results. In addition, the competence of the staff permits the company to take on technically challenging projects at the forefront of industry developments. The availability of excellent training facilities through the universities and ITs has been a significant contributor to this achievement.



 **HELINN**



 **MERCK SHARP & DOHME**

“ Merck’s Ballydine manufacturing plant in South Tipperary has far exceeded our company’s expectations since our journey in Ireland began with the opening of this facility more than 30 years ago. The Irish Government’s emphasis on research and development – and the mission of Merck – are complementary, and our decision to invest in a new R&D and Formulation facility will further enhance our investment in Ireland.”

*Dick Clark, Chairman, President and Chief Executive Officer, Merck & Co. Inc.*

Merck Sharp & Dohme (Ireland) Ltd. has been based at its manufacturing facility at Ballydine, Co. Tipperary since 1976. Over the years, employment at the Ballydine plant has grown from 165 to 350 employees today. The success of the facility is attributable to the high-quality workforce, the favourable economic climate in Ireland and the confidence that Merck Senior Management has in its Irish workforce.

Successive governments have pursued policies that have created a favourable economic climate for investment in Ireland. This has provided the impetus for increased investment by companies like Merck. The continued and ongoing support of employees, neighbours and local public representatives and the business community have all contributed to the Ballydine success story over the past 31 years.

In November 2006 Merck Sharp & Dohme announced its intention to establish an R&D and formulation manufacturing facility at its plant in Ballydine with the support of IDA Ireland. This investment of €100m will create 120 new positions over the next three years, including approximately 60 R&D positions.



## THE IRISH BUSINESS AND EMPLOYERS CONFEDERATION (IBEC)

The Irish Business and Employers Confederation (IBEC):

- provides a wide range of services to over 7,500 member businesses and organisations from all sectors and of all sizes;
- is the umbrella body for Ireland's leading industry groups and associations;
- is the national voice of Irish business and employers.

### **IBEC Mission:**

IBEC will promote the interests of business and employers in Ireland by working to foster the continuing development of a competitive environment that encourages sustainable growth and within which, both enterprise and people can flourish.

IBEC works to shape policies and influence decision-making in a way that develops and protects members' interests and contributes to the development and maintenance of an economy that promotes enterprise and productive employment. In line with our mission and vision, we represent our members' interests to the Government, state agencies, the trade unions, other national interest groups and the general public.

People management; innovation and productivity; markets, trade and business; competitiveness; taxation; balanced regional development; small business; better government; community and social inclusion and the political environment are the key strategic issues which we have identified and on which we will work and serve our members.

IBEC offers a number of direct services: expert information and advice on issues from employment law to compliance with health and safety. We offer many opportunities for networking and our members benefit from sharing information on such concerns as human resource management (HR forums) and doing business abroad (market intelligence networks).

Through our IBEC Brussels office, we work on behalf of business and employers at European level to ensure that European policy is compatible with our own objectives for the development of the Irish economy.



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