

## With Brexit we hope to see more companies from India set up a footprint in Ireland

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**To encourage more investments into Ireland by foreign-owned companies, Martin D. Shanahan, CEO of IDA Ireland was in India during the first week of June by meeting companies in Mumbai, New Delhi and Bangalore.**



Ireland has an impeccable track record for attracting Foreign Direct Investment for over 65 years, helping Ireland's economy beat global trends. IDA's track record speaks for itself, as its partnership approach has led to increased investment, expansion and diversification of client activities.

As Ireland's inward promotion agency, IDA Ireland partners with established companies, both large and small, working with them every step of the way to achieve a smooth, fast and successful set-up of their operations in Ireland. To encourage more investments into Ireland by foreign-owned companies, Martin D. Shanahan, CEO of IDA Ireland was in India during the first week of June by meeting companies in Mumbai, New Delhi and Bangalore. During his visit to Bangalore, he spoke with BioSpectrum about the current status of pharma/ biotech industry in Ireland and role of Ireland after Brexit. Excerpts of the interview-

### **What is the current status of pharmaceutical industry in Ireland?**

Ireland is the No 1 European location for international bio-pharmaceutical investments. The FDI life sciences sector contributes Euro 57 bn in annual exports. The industry has seen a significant number of companies moving up the value chain in recent years with 10 new bio-pharma facilities dedicated to the manufacturing of therapeutic proteins or vaccines.

The international research-based bio-pharmaceutical industry has invested over €10 billion in the last 10 years in Ireland. The sector provides jobs to 60,000 employees. Home to 40 FDA approved pharma and 20 biotech sites, Ireland has 120 pharmaceutical operations. Nine of the top 10 world's pharmaceuticals companies are in Ireland. Besides we have 13 of the world's top 15 medical technology companies operating from Ireland.

The Irish pharmaceutical sector is highly advanced incorporating the latest technology, state of the art equipment and strict quality control procedures. Recent years have also seen the rise of international companies setting up research centres throughout Ireland, as well as engaging in joint research projects with Irish universities. Ireland's pharmaceutical industry offers a wide range of products and services, from research and development for new medicines to the manufacturing and marketing of new medicines for humans and animals.

Ireland has collaborative clusters in Pharmaceuticals, Biotechnology, Medical Sciences, and Diagnostics, which have been a key element behind the remarkable growth of the sector. Research institutes, universities, and corporates work in partnership in Ireland. The government has also invested in Centres of Excellence and Research institutes across the island. To cite an example, funded by IDA Ireland, NIBRT is world class COE that provide education and training for the biologics industry and facilitating innovation and delivery from concept to product development. They boast an interesting mix of clients that include the US FDA, Pfizer, GSK, Merck, Janssen, Reliance Lifesciences, Waters and Agilent.

Lastly, I would like to mention Ireland's exemplary compliance record with regulatory agencies, including IMB, FDA and EMA. They work closely with companies to achieve trouble-free compliance. Certification agencies in Ireland operate in accordance with European and global standard procedures.

### **What about the biotechnology industry in Ireland?**

The Biopharmaceutical industry in Ireland has made a capital investment of approximately €10 billion in new facilities, most of which has come in the last 10 years. Some of the companies that have recently invested in the Biotech sector in Ireland include GE Healthcare, Shire, Grifols, Alexion, Bristol-Myers Squibb, Lilly, Regeneron, Mylan amongst others.

### **What kind of incentives Ireland provides to the companies who are into innovation?**

Innovation forms an important part of operations of a majority of our companies. The government continues to encourage the building of this knowledge economy. Corporate tax rate in Ireland is 12.5%. For companies involved in R&D activities, Ireland offers R&D grants and R&D tax credits of 25% on all qualifying R&D activities at their Irish facilities. In 2015, an OECD compliant Knowledge Development Box was introduced which provides for a corporate tax rate of 6.25% on revenues earned from qualifying R&D activities. There's even a Section that provides for an exemption from stamp duty for acquisition of intellectual property (as defined).

### **Ireland is home to many global pharma/ biotech companies. What about the Indian companies?**

We have Wockhardt from India which had acquired Pinewood Laboratories in 2006. Besides, Sahajanand Medical Technologies (SMT), an Indian developer and manufacturer of minimally invasive coronary stent systems supplying to around 60 countries in Europe, Asia, MENA and Latin America, established its European headquarters and a state-of-the-art Research, Development and Innovation Centre in Galway in Ireland, last year. With Brexit we hope to see more pharma companies from India set up a footprint in Ireland to service the European markets.

### **How do you see opportunities for Indian companies after Brexit?**

Europe is a prime target for Indian companies especially in the technology, business services and life sciences sectors where a mature market offers opportunities for growth. Ireland is home to a number of India's largest and best known global companies. Over 40 Indian companies have set up in Ireland to leverage Ireland as their gateway to Europe and markets beyond.

Many Indian pharma companies have a footprint in the UK from which they service the EU market. Due to Brexit, most of these will look to have a presence in an EU jurisdiction. Being an English speaking nation, following the Common Law system with a vast network of Double Taxation treaties and a thriving sector eco-system; Ireland is emerging as a favoured location for most of these companies. The IDA Ireland team are in discussion with a number of such companies.

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