# THE PHARMACEUTICAL SECTOR IN IRELAND

## A HEALTH CHECK ON STRENGTHS, RISKS AND ECONOMIC IMPACT

By Dermot O'Leary, Chief Economist, Goodbody

- Strong track record of hosting multinational value chains
- Sector makes a large contribution to exports, taxes and employment
- US policy risks persist despite tariffs being averted

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Irish Pharmaceutical Healthcare Association

# Pharma in Ireland

Irish Economy

## A Health Check on Strengths, Risks & Economic Impact

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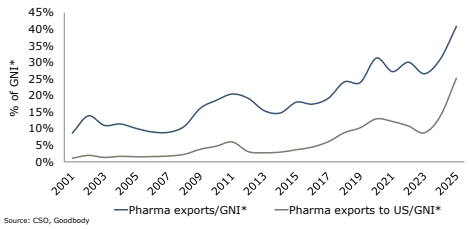
### Pharma central to Ireland's FDI-led growth model

The pharmaceutical sector sits at the heart of Ireland's long-standing strategy of attracting major global multinationals for investment, jobs and economic progress. This strategy has been sustained across governments for decades, providing pivotal policy stability. The sector is materially more important to Ireland than other EU states. In 2025, pharma exports amounted to €139bn, representing 53% of all goods exports and 41% of GNI*. Around 75K workers are employed in pharma manufacturing and related activities (28K in manufacturing), placing Ireland among Europe's most pharma-intensive economies. The sector also delivers important fiscal benefits, paying over 15% of corporation tax in 2024, with total tax contributions exceeding €6bn in 2023 (7% of total) and growing.

**Pharma exports reach a record high in 2025 due to US surge**

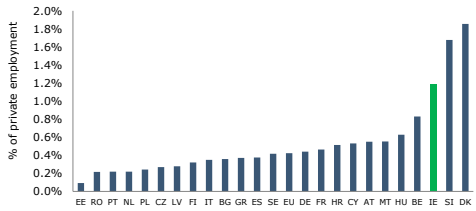



Source: CSO, Goodbody

### A mature, high-value cluster with a regional dimension

Over more than five decades Ireland has evolved from small-molecule production host to a world-class biologics and advanced-therapeutics hub. Ireland now hosts operations of the top 15 global pharma companies and has the highest number of FDA-registered sites per capita in Europe, with a concentration in the South-West and South-East. Ireland's competitive edge continues to rest on talent and R&D support, but domestic infrastructure constraints (housing, water, electricity) are a threat to competitiveness. The short-term outlook for corporate tax revenues is positive and should be diverted to addressing these issues.

**Pharma manufacturing employment as a % of total**

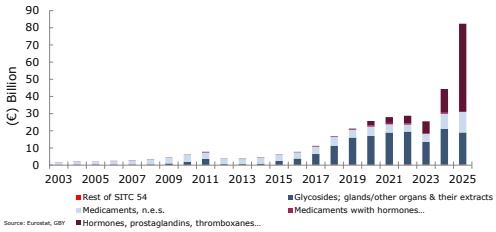



Source: Eurostat

### Trade policy uncertainty and GLP-1 behind recent export surge

Over 60% of Irish pharma exports went to the US in 2025, with the top three markets exceeding at 80%. Exports surged partly due to front-running ahead of US trade announcements, but the structural driver is the explosive rise of GLP-1 drugs. Ireland's exports of hormone-based components to the US nearly quadrupled, representing ~20% of all Irish goods exports in 2025.

**Growth in US pharma exports led by uptick in hormone products**




Source: Eurostat, GBY

### Policy uncertainty remains, but focus on domestic priorities

US policy has turned more protectionist, yet the worst risks have not materialised: pharmaceuticals have again been exempted from the proposed 10% global tariff. Sixteen of seventeen major pharma companies have signed US agreements granting them a three-year moratorium on any pharma tariffs. However, pricing pressures are intensifying via the "Most Favored Nation" (MFN) process and a push for domestic production. The latter provides a medium-term risk for Ireland. Ireland must guard its current strengths managing geopolitical shifts. Its long standing-relationship with the US put it in a good position to do so. Priorities include safeguarding tax competitiveness, ensuring infrastructure keeps pace with capacity, and pushing hard at EU level for faster regulation, stronger R&D funding and more venture investment. With global demand for biologics and GLP-1s set to expand, Ireland is well positioned if policymakers move decisively to reduce concentration risks and reinforce the sector's long-term foundations.

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## Executive Summary

### Pharma is central to Ireland's FDI-led growth model

- The pharmaceutical sector sits at the heart of Ireland's long-standing strategy of attracting major global multinationals. This strategy has been sustained across governments for decades, providing important (and scarce) policy stability. Foreign firms now account for roughly half of national gross value added and employment associated with IDA-supported firms is equivalent to one-fifth of the workforce once indirect jobs are included. Wages paid by foreign enterprises have nearly tripled over the past decade. The success has relied on a competitive offering in labour quality, tax (level and stability), market access to the EU and supportive policies for R&D.
- The pharmaceutical sector is materially more important to the Irish economy than to that of most EU member states. Exports of medicinal and pharmaceutical products reached an estimated €139bn in 2025, representing more than half of all goods exports and 41% of GNI*. The United States is the key destination, accounting for roughly one-quarter of national income through pharmaceutical exports alone. Employment in the sector is substantial. According to the CSO, around 75,000 people work in pharmaceutical manufacturing and related activities. Of these, 28K are employed in manufacturing, placing Ireland among the highest-intensity pharma employers in Europe (behind Denmark and Slovenia). The sector also delivers large volumes of corporation tax, contributing around 15% of receipts in 2024 (and considerably more when adjusted for treasury operations). When including income taxes, PRSI, USC and VAT, the sector contributed roughly €6bn in 2023. Evidence suggests this share grew further in 2024 and 2025 in conjunction with the boom in pharma exports.
- Value-added estimates, while constrained by data suppression, indicate that pharma accounts for roughly 2.5–3.0% of GNI* (Fitzgerald 2025), double its share a decade ago. Combined with spillover effects on domestic firms, the sector remains one of Ireland's most productive contributors.

### Evolution of the sector in Ireland

- Ireland's pharmaceutical industry has roots stretching back more than five decades, beginning with small-molecule and active ingredient plants established during the shift from protectionism to export-led growth in the 1960s and 1970s. The sector expanded in the 1980s with the emergence of biotechnology and grew significantly in the 1990s and 2000s as Ireland positioned itself as a hub for biologics, vaccines and high-value manufacturing. The 2010s saw the maturing of the biologics ecosystem, supported by investments such as the National Institute for Bioprocessing Research and Training (NIBRT). Ireland now hosts operations of each of the world's top fifteen pharmaceutical companies. Activities cover small-molecule production, large-scale biologics, pharmaceutical services, and the fast-growing field of advanced therapeutics including cell, gene and RNA-based medicines.
- Ireland has the highest number of FDA-registered drug-manufacturing sites per capita in Europe. These facilities are heavily concentrated in the South-West and South-East, reinforcing Ireland's regional development objectives. The density of FDA-approved sites demonstrates Ireland's importance within global pharmaceutical supply chains.

### Education, R&D tax environment and infrastructure key to a competitive offering

- Location decisions across the biopharmaceutical value chain vary, but common drivers include tax competitiveness, production costs, skills, R&D capability, digital infrastructure, political stability and market proximity. In recent years, digital capacity and geopolitical resilience have become even more important criteria for global investors.

- Ireland's workforce quality is one of its strongest attributes. It has among the highest levels of tertiary attainment in the OECD and the highest concentration of STEM graduates in the EU. However, demand for specialist roles is expected to outpace domestic supply, creating a reliance on international talent and the need to refocus resources on higher education.
- Ireland's R&D environment has strengthened considerably. Total R&D spending is now above the EU average relative to national income, with business R&D among the highest in the bloc. The R&D tax credit - raised to 35% in *Budget 2026* - remains one of the most competitive globally. Given the competition for mobile production, policymakers must ensure that it remains so.
- The main threat to Irish competitiveness is infrastructure. High energy prices, grid capacity limitations, and the need for expanded water and waste-treatment infrastructure pose risks and are important for the pharmaceutical sector. Addressing these bottlenecks will be essential to sustaining investment.

## Ireland's pharmaceutical trade – concentration and the GLP-1 effect

- Ireland's pharmaceutical exports are unusually concentrated, with the United States accounting for over 60% of exports in 2025 and the top three destinations representing 80%. Pharma made up 54% of all goods exports in 2025, with two major drivers behind the surge: (i) Trade policy risk in the United States, which prompted exporters to accelerate shipments ahead of potential tariff announcements, creating large spikes in monthly export flows; (ii) The rapid rise in US demand for GLP-1 weight loss and diabetes drugs, whose active pharmaceutical ingredients (API) and intermediates are produced in Ireland. Exports of "hormone" related intermediates to the US nearly quadrupled in 2025 and alone represented about 20% of total Irish goods exports.
- Given the expected structural growth in demand for pharmaceuticals in the coming years, Ireland has the opportunity to use its expertise and long track record to diversify its export markets, reducing the concentration that has developed on the US in recent years.

## Implications of US policy for the pharmaceutical sector in Ireland

- The US has recently shifted towards a more protectionist stance, but pharmaceutical imports have been exempted from proposed global tariffs under the 2025 EU–US framework as well as under an announced "global" tariff of 10% following the US Supreme Court decision to declare tariffs illegal under IEEPA. However, uncertainty remains given that a separate national-security investigation (Section 232) into pharmaceutical imports remains open.
- The US administration has focused on reducing domestic drug prices through "Most Favoured Nation" (MFN) pricing rules and direct agreements with major pharmaceutical companies. Sixteen of the seventeen identified companies have now signed agreements, which typically include a three-year moratorium on pharmaceutical tariffs, commitments to large capital investments in the United States, and participation in a new federal direct-to-consumer drug-pricing platform.
- While many of these investment announcements may restate or repackage existing capex plans, the political momentum behind onshoring and price reductions remains strong, representing a structural policy risk for Ireland, given its high concentration of exports to the US.
- Pharmaceuticals' equity performance over the past year has closely followed US policy developments. Initial announcements on tariffs and MFN pricing triggered declines in share prices, while subsequent clarity and the absence of tariffs in late 2025 supported a sustained recovery. Most large-cap pharmaceutical companies have outperformed their domestic equity benchmarks, reflecting improving visibility on policy direction and ongoing strength in core therapeutic markets, including obesity and metabolic medicine. Earnings forecasts remain robust, though medium-term risks tied to US pricing policy remain.

## The future direction of the sector

- At EU level, pharmaceuticals remain a strategic sector with a significant external trade surplus. Despite this, European firms have lost market share in biologics, orphan medicines and advanced therapies, with the United States and China increasing their dominance. Ireland's manufacturing-focused role, particularly in high-value biologics and sterile injectables, has allowed it to avoid many of the competitiveness issues tied to early-stage drug discovery, where EU companies have generally fallen behind.
- IDA Ireland's 2025-29 strategy centres on reinforcing Ireland's leadership in biopharma manufacturing, expanding R&D intensity, and supporting sustainable and energy-efficient production. Key areas of focus include advanced biologics, cell and gene therapies, AI-enabled drug design, and deeper industry-academia collaboration.
- Reform priorities highlighted for Europe include increasing public R&D investment, strengthening the venture-capital ecosystem for early-stage biopharma, and streamlining regulatory and pricing pathways to improve market attractiveness.
- Ireland's pharmaceutical sector is a cornerstone of the national economy and a core component of global pharmaceutical supply chains. The 2025 surge in exports demonstrates the opportunities associated with Ireland's deep integration with US pharmaceutical value chains but also underscores the risks of concentrated market exposure.
- Maintaining Ireland's competitive position will require continued investment in talent, R&D incentives and critical infrastructure, alongside active engagement with EU-level reforms to support innovation and regulatory efficiency. The global trajectory for biologics, GLP-1 medicines and advanced therapeutics remains favourable, and Ireland is well placed to build on its leadership position, provided strategic investments and policy certainty are maintained.

## 1. Pharma central to Ireland's wider successful FDI strategy

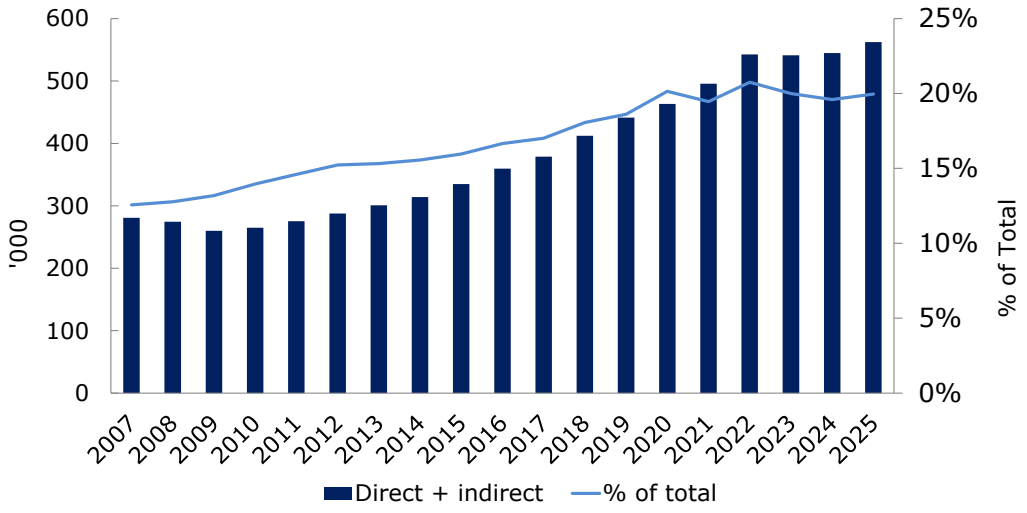
The growth in importance of the pharmaceutical sector to the Irish economy must be seen in the wider context of the success of attracting large-scale, globally significant multinationals to Ireland over recent decades. This strategy has been followed by successive governments and continues to be supported by all of the mainstream political parties in Ireland. This political and policy continuity has been key to ongoing flow of FDI into Ireland.

Due to the globalised nature of supply chains, quantifying the scale of importance of the multinational sector to the Irish economy has a number of complications. However, the following statistics give an indication of the large role that multinational investment plays.

1. **Half of Gross Value Add (GVA)[1] comes from foreign-owned entities** – Out of Ireland's total GVA of €536bn in 2024, 48% came from foreign-owned entities. This share has doubled over the past decade, with a particularly large move in 2015 (due to shifts in MNC ownership and IP).

2. IDA Ireland has been crucial to Ireland's success in attracting multinationals over decades. It periodically sets out its strategic strategy, based upon changing themes and technologies, as well as the evolving attributes of the Irish economy. It publishes a number of metrics in its Annual Reports, but a crucial indicator is the jobs created by IDA-supported companies. In 2025, there were 312,400 employed in IDA-supported companies. Allowing for a multiplier of 0.8 (0.8 indirect jobs per directly employed person), this equates to 562K people, or **20% of total employment in the State**. This represents a record share and is up from 13% in 2009.

**20% of the workforce (direct & indirect) supported by FDI in Ireland**

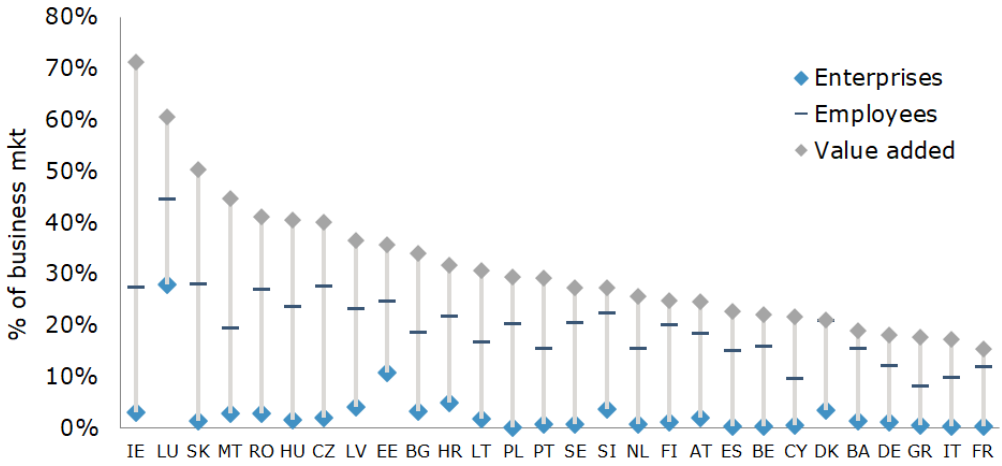



Source: IDA Ireland, Goodbody *figures represent direct employment in IDA-supported companies plus indirect employment (0.8 multiplier assumption

[1] Total Gross Value Added (GVA) is typically defined as output minus intermediate inputs (the core component of GDP)

3. In the *business* economy (i.e. excluding the public sector), it is estimated that **Ireland has the highest share of GVA (>70%) from foreign-owned companies** in the European Union[2]. This compares to an EU median of 28%. Ireland also has among the highest share of workers in foreign-controlled enterprises in the EU. These measures are illustrated in the following chart:

**Role of foreign-controlled enterprises across Europe**




Source: Eurostat

4. Irish statistics are often distorted by multinational impacts. In particular, the large role played by depreciation (consumption of fixed assets) over the past decade has necessitated the use of alternative metrics to analyse the Irish economy such as GNI*[3]. Fitzgerald (2023) outlines an analysis that shows **foreign firms accounted for 29% of Net National Product (NNP) in 2021, up from 22% in 2013**. The paper attributes around half of the growth in the Irish economy over the 2013-2021 period was to the foreign multi-national sector.

5. Within the non-financial sector (NFC), CSO data show that **wages paid by foreign corporations rose from €16bn in 2014 to €44bn in 2024** and now accounts for 43% of the wages paid by the NFC sector overall.

[2] Due to distortions in the data from the large number of multinationals in Ireland, the CSO and Eurostat use adjusted classifications, (such as 'foreign-owned MNE-dominated sectors' and foreign-controlled enterprise metrics), to more accurately reflect Ireland's economic structure.

[3] Modified Gross National Income (GNI*) is the adjusted national income measure used in Ireland to account for the high presence of multinationals. It removes the distortions caused by multinational profit-shifting, (e.g. movement of intellectual property and the aircraft leasing sector), allowing the underlying domestic economy to be more accurately assessed.

## 2. How significant is the pharmaceutical sector to Ireland?

Assessing the importance of the pharmaceutical sector to the Irish economy can be completed in a number of ways:

1. Exports
2. Employment
3. Taxes
4. Value added

### 1. Exports

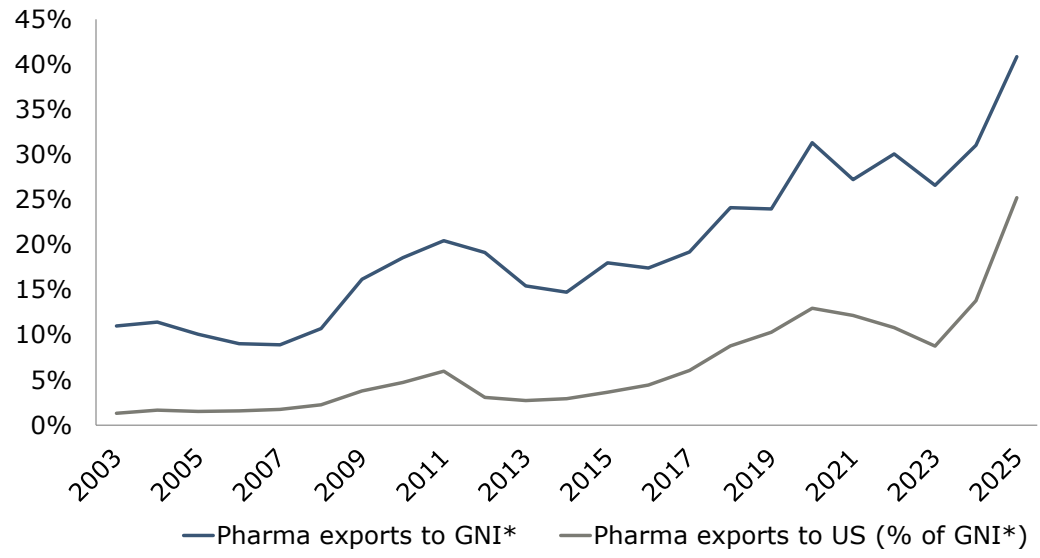
Trade data provides the richest source of information on the scale of activity in the pharmaceutical sector in Ireland, its output and the destination of sales from the sector. Section 7 of this report goes into great depth on trade data from Ireland, the EU and the US. On a high-level, we can show the growth in exports from the sector and its contribution to the Irish economy below.

The wider category in the CSO data is defined as "Chemicals and Related Products" (SITC 5). This category accounted for 68% of goods exports from Ireland in 2025. To better define the output from the pharmaceutical sector, we use a narrower category – Medicinal & Pharmaceutical Products (SITC 54) - in the chart below (*see Section 7 for full analysis*). This is also the area (which we will term "Pharma") that has seen the most significant growth over the past decade.

Highlighting the dramatic rise that has occurred in the Irish pharmaceutical industry, pharma's share of goods exports has surged nearly nineteen-fold since 2000. In 2025, exports of '*Medicinal and Pharmaceutical Products*' amounted to €139bn, up from €22bn a decade ago. In 2025, this category represented 53% of Irish goods exports (up from 45% in 2024) due to a surge in hormone-related pharma exports.

The chart below shows pharmaceutical exports as a percentage of GNI* since 2000. We estimate that pharma exports accounted for a record 41% of GNI* in 2025, with exports of pharma to the US accounting for a record 25% of GNI*.

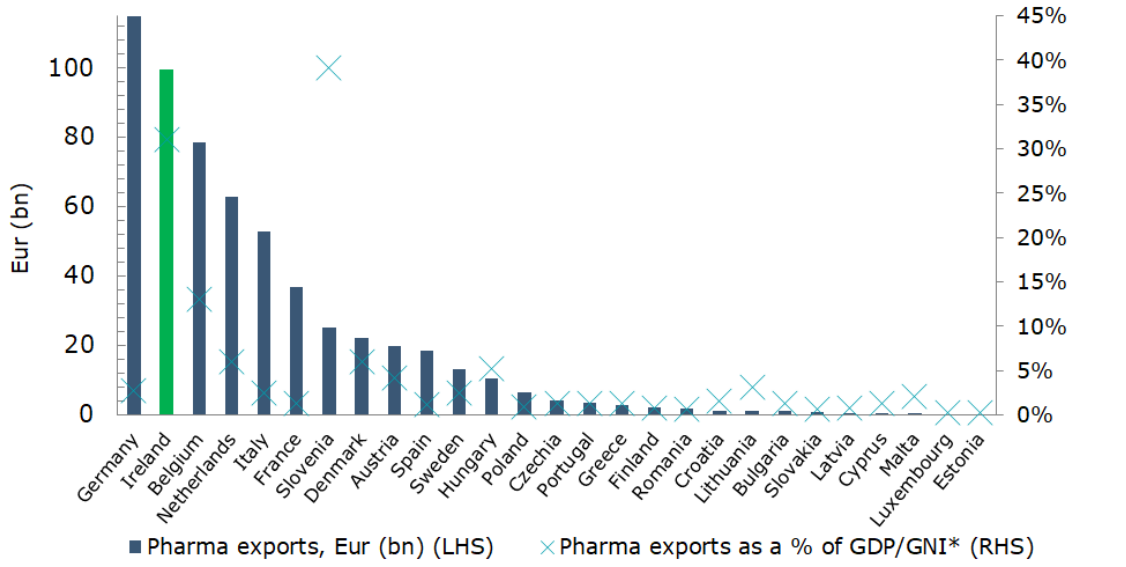
**Pharma exports from Ireland are at a record high**




Source: CSO, Goodbody

Ireland is a very large exporter of pharmaceuticals in both absolute and relative terms. In Europe, Ireland (€100bn) was the second largest exporter of pharmaceuticals behind Germany (€115bn) in 2024, followed by Belgium (€79bn) and the Netherlands (€63bn). Relative to the size of the economy (GNI* for Ireland, GDP for the rest of the EU, Ireland (31%) was also the second largest pharma exporter behind Slovenia (39%) in 2024.

**Ireland was EU's 2nd largest pharmaceutical exporter in absolute & relative terms in 2024**




Source: Eurostat, Goodbody

## 2. Employment

There is a range of estimates for the numbers of workers in the pharmaceutical sector in Ireland, with each differing due to definitional and sampling considerations.

**Various estimates of pharmaceutical employment in Ireland**

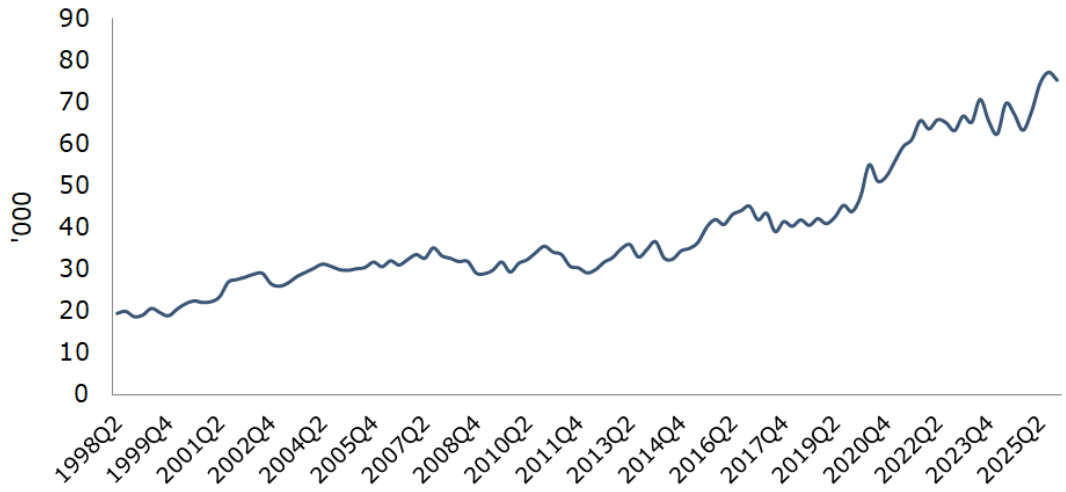
| Description | Date | Number | Source |
|---|---|---|---|
| Basic Pharma products & Preparations | Q4 2025 | 75,200 | CSO |
| Pharmaceutical industry | 2023 | 50,000 | EFPIA |
| Pharmaceutical & vaccine manufacturing | 2026 | 31,657 | Getreskilled.com |
| Manufacture of basic pharma products & preparations | 2023 | 28,175 | Eurostat |

Source: Various as per table

The most comprehensive historical series of employment is the detailed breakdown from the Labour Force Survey (LFS). The chart on the next page shows the level of employment in the Basic pharmaceutical products and preparations category (NACE 21), matching most closely the definitions used in the trade data. This shows that there were 75,200 workers in the sector as of Q4 2025 (+19% yoy, amounting to 2.7% of the Irish workforce. Over the past two years, employment in the pharma sector (+15.0%) has grown by more than three times the rest of the labour market (+4.4%).

This series is likely a broad estimate of those who work for pharmaceutical companies in Ireland, including a range of different roles. The data from Eurostat and Getreskilled.com provide an estimate of those employed in pharmaceutical manufacturing, while the EFPIA estimate of 50,000 is provided by its affiliate organisation IPHA.

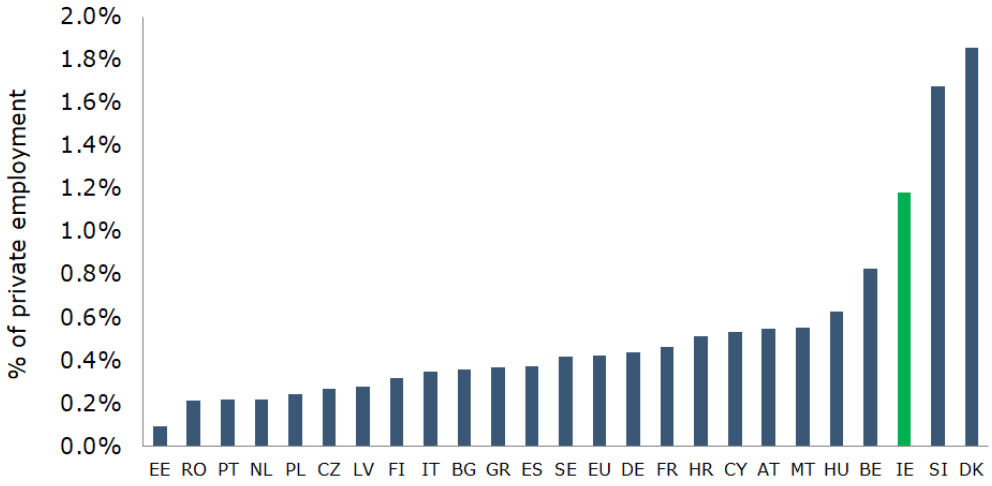
**Employment in pharma in Ireland**




Source: CSO *Basic pharmaceutical products and preparations (NACE 21)

Eurostat data allow us to compare the importance of the sector to employment in the economy overall. While the Eurostat data appears to use a narrower definition of pharmaceutical manufacturing employment, it does allow us to compare relative importance across the bloc. On this basis, only Denmark and Slovenia have a higher share of employment in pharma than Ireland.

**Pharma manufacturing employment relative to total private sector employment**

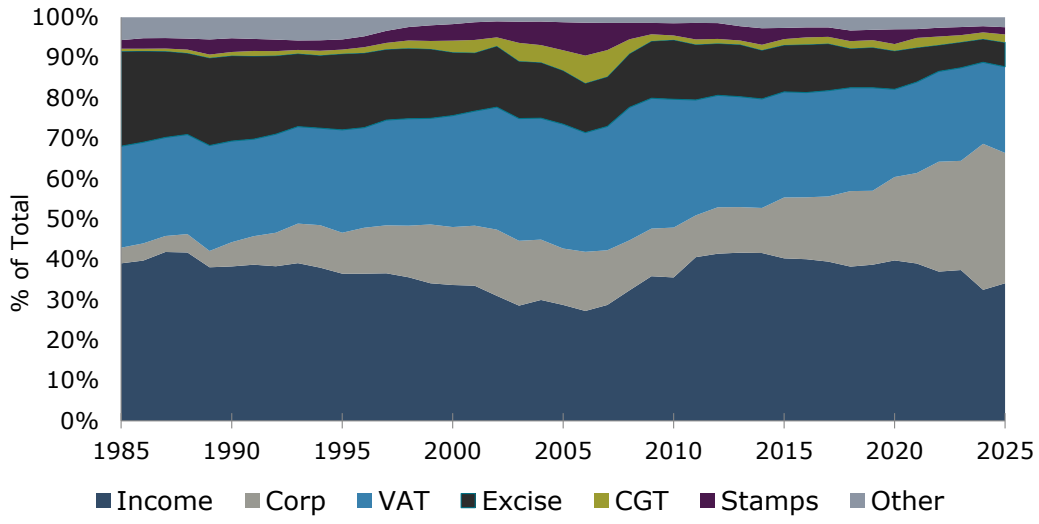



Source: Eurostat

## 3. Taxes

Along with the wider multinational sector, the pharmaceutical sector makes a very large contribution to tax revenues in Ireland. The starkest contribution is through corporate taxes, which have represented a growing share of total tax revenues over recent years due to the multinational sector. For 2025, underlying corporate tax revenues (i.e. excluding receipts from the ruling by the CJEU) amounted to almost €33bn, accounting for over 31% of total tax receipts in Ireland. That share is expected to grow further in 2026, particularly due to the increase in the tax rate charged on large companies from 12.5% to 15%, as well as higher profits in large companies.

**Breakdown of Irish tax receipts by year**

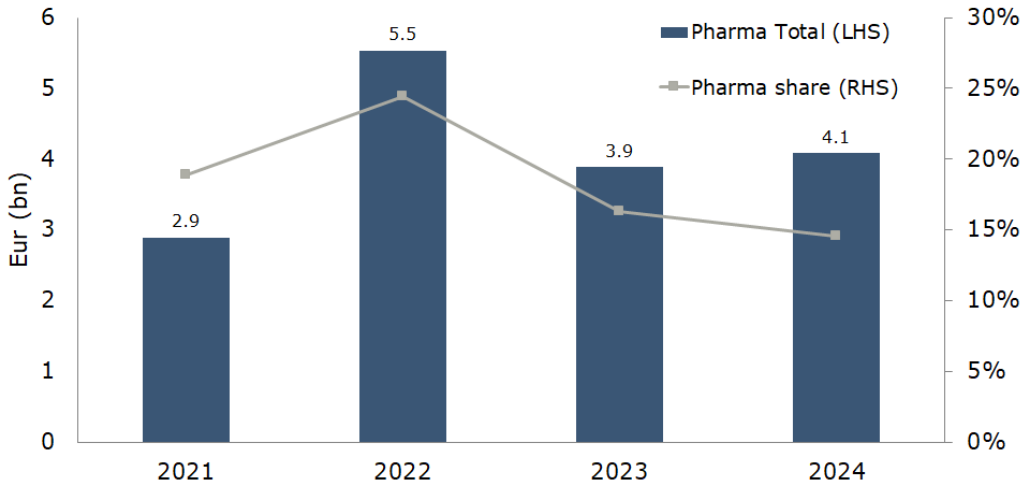



Source: DoF, Goodbody

A detailed breakdown of these corporation tax receipts is published for 2024 by the Revenue Commissioners. It shows that multinationals accounted for 88% of corporation tax receipts, with 10 company groups representing 60% of these receipts, and 46% coming from three company groups, according to recent research by the Irish Fiscal Advisory Council[4].

The share coming from the pharmaceutical sector overall peaked at 24% in 2022, likely reflecting the impact of increased revenues from COVID vaccines. At that time, the pharmaceutical sector was the biggest corporation taxpayer. For 2024, €4.1bn of corporation tax receipts were paid by the pharmaceutical sector, representing 15% of total corporation tax receipts.

**Pharma sector represents 15% of corporation tax receipts**

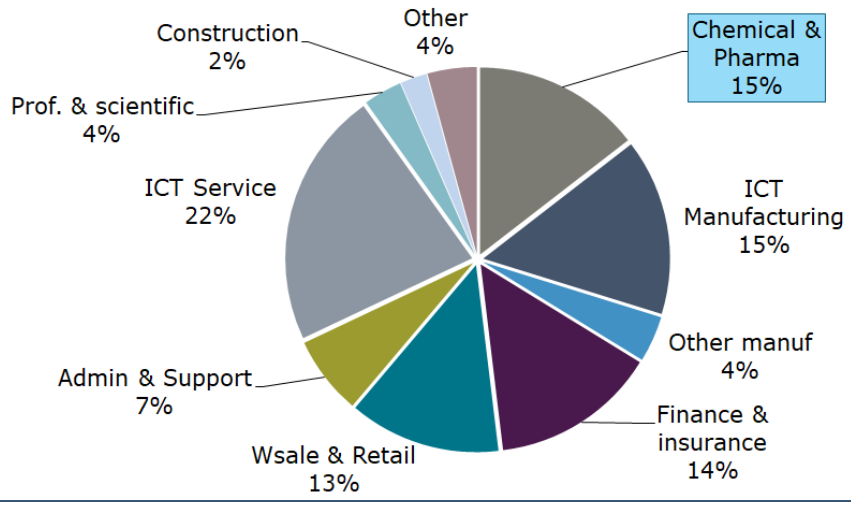



Source: Revenue

[4] https://www.fiscalcouncil.ie/more-concentration-more-risk-three-firms-account-for-almost-half-of-irelands-corporation-tax-revenues/

This makes the sector one of the biggest contributors to the corporation tax take, coming in behind ICT Services at 22% and at a similar level to ICT Manufacturing (15%). This is shown on the chart below. However, as noted by Irish Fiscal Advisory Council (IFAC), the shares in both ICT and pharma may be understated due to the treasury operations of these firms being included in a separate category – finance and insurance. The paper estimates that 75% of corporation taxes in 2023 (July 2022 – June 2023) were paid by US multinationals. Using a sectoral classification of the activities from the IRS, it is estimated that c.85% of this is paid by the ICT and manufacturing sectors. Using the shares from the Irish data, this would imply that the pharma sector accounted for **18% of total corporation taxes in 2023**.

**Corporation tax by sector - 2023**




Source: Revenue Note: a proportion of the Finance & Insurance component may be the treasury operations of other sectors

Beyond corporation tax, the pharmaceutical sector is also a significant contributor to other tax headings. This is not broken out by Revenue, but we estimate that the total tax take from the sector was c.€6bn in 2023. As laid out in the table below, this is made up of income tax, USC, Employee PRSI, Employer PRSI and VAT. This represented 7% of tax revenues in that year. Given that pharma exports have grown rapidly and employment in the sector has grown at a pace more than three times the rest of the labour market over the past two years, it is reasonable to suggest that the share of total taxes from the pharmaceutical sector is now higher than 7%.

**Estimated tax payments from the pharmaceutical sector (2023)**

| | Eur (m) | % of Total |
|---|---|---|
| Corporation Tax | 3884 | 17.0% |
| Income tax | 747 | 4.5% |
| USC | 156 | 4.7% |
| Employee PRSI | 145 | 4.5% |
| Employer PRSI | 377 | 4.7% |
| VAT | 574 | 3.9% |
| **Total** | **5,883** | **6.7%** |

Source: Revenue, Goodbody estimates

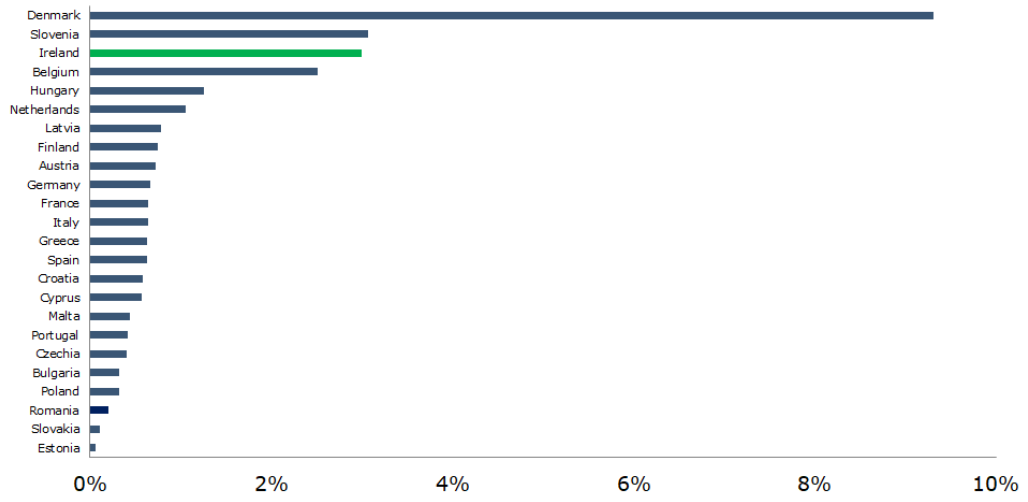
## 4. Value added

Calculating the size of the pharmaceutical sector in Ireland on a Gross Value Add (GVA) basis is complicated by the absence of data since 2014. For confidentiality reasons, the CSO has suppressed data on the sector since that point. Fitzgerald (2025) estimates the sector's contribution to GNI* using a combination of trade, employment, national accounts and tax data, putting the sector's contribution to GNI* at 2.6%. It is assumed that the contribution of the sector is made up of the wage bill plus corporation tax. However, the author recognises that the assumptions used for both average wages and corporation tax may be conservative and outlining in a 2025 research note that the "possible range for the sectoral contribution to GNI* would lie between 2.5% and 3.0% for 2024". This is double the share of a decade earlier.

Using the high-end of the ESRI estimate, the chart below compares the share of GVA from pharma relative to the rest of the EU. Denmark has seen a surge in its pharmaceutical sector over recent years, mainly due to the growth of one company and the surge in demand for GLP-1 receptor agonists (GLP-1 RAs or simply GLP-1s). Slovenia has a large generics sector where the share of GVA from the pharmaceutical sector is similar to that of Ireland.

In addition to the direct impact from wages and corporation tax, it is found that there can be productivity benefits for domestic firms who are involved in the supply chain of foreign-owned firms (Di Ubaldo et al (2018).

**Share of GVA from pharmaceutical products & preparations**




Source: Eurostat, ESRI

# 3. Evolution of the pharmaceutical sector in Ireland

## 3.1 Developments and key periods in the evolution of Irish pharma sector to date.

Ireland has a long and proven track record in the pharmaceutical sector, helping attract significant Foreign Direct Investment (FDI). As a result, it has been vital to driving Irish growth, employment and, in particular, exports. This is in no small part due to the key role played by the IDA, which has been incredibly successful in attracting world leaders in the pharmaceutical, technology, finance sectors and more.

Ireland has a long history of pharmaceutical investment by large and globally successful companies. This legacy stems from the 1960s, soon after Ireland's decision to abandon protectionist policies and shift to a strategy of export led growth through promotion of an educated and plentiful workforce, an attractive tax regime and, ultimately, access to a wider European market. These guiding principles still hold true today.

### 1960s-1970s – Opening up & Industrialisation

Against this backdrop, Ireland began attracting pharmaceutical manufacturing investment in the 1960s and 1970s, initially concentrated in small-molecule production and "fill-finish" style operations aligned with global supply chains. Early anchor plants included Pfizer in Ringaskiddy in County Cork (1969) and Merck (MSD) in Ballydine, County Tipperary (1976). These early investments helped establish Ireland as a pharmaceutical manufacturing location. The sector's early growth fit Ireland's broader strategy: attract internationally mobile capital into tradable manufacturing through a competitive offering and scale exports into larger markets, especially as Ireland became more integrated with Europe.

### 1980s – Commercial birth of biotechnology

The 1980s saw the commercial birth of biotechnology and the first wave of biologics and with it new biotech firms. Some of these companies established a physical footprint in Ireland that would be later leveraged for larger-scale investments in advanced manufacturing.

### 1990s – 2000s – the biologics boom

By the early 2000s, Ireland's pharma presence had matured into a dense multinational cluster. A defining phase came with Ireland's deliberate shift into biologics, vaccines and advanced bioprocessing. This included one of the largest biologics campuses (Wyeth) in the world at the time.

### 2010s – Biologics maturity, Digitalisation & R&D

Globally, biologics matured as the leading revenue class, while biosimilars gained traction. Companies pursued scale through large M&A, while there was increasing digitalisation across R&D and trials. In Ireland, the National Institute for Bioprocessing Research and Training (NIBRT) was opened in 2011 to deepen skills and process science for biologics manufacturing.

IDA Ireland describes how, over roughly the last quarter-century, Ireland built on its small-molecule cluster to become a leading hub for biologic medicines and vaccines, with around 25 large-scale biologics facilities now operating alongside the legacy base. This transition relied on ecosystem investments in skills and training (notably involving NIBRT), regulatory credibility and the ability to deliver complex, capital-intensive facilities to global quality standards.

Ireland is now home to operations of the biggest 15 pharmaceutical companies in the world, as shown in the following table:

**Largest global pharma companies & their presence in Ireland**

| | Company | Country of Origin | Irish operations | Irish Employees | Irish facility first opened |
|---|---|---|---|---|---|
| 1 | Eli Lilly | US | Yes | 2,500 | 1981 |
| 2 | Abbvie | US | Yes | 2,900 | 1974 |
| 3 | Roche | Switzerland | Yes | 130 | 1974 |
| 4 | Johnson & Johnson | US | Yes | 6,000 | 1935 |
| 5 | AstraZeneca | UK/Sweden | Yes | 100 | 2021 |
| 6 | MSD (Merck) | US | Yes | 3,600 | 1976 |
| 7 | Novartis | Switzerland | Yes | 900 | 1950 |
| 8 | Sanofi | France | Yes | 900 | 2001 |
| 9 | Novo Nordisk | Denmark | Yes | 470 | 2024 |
| 10 | Pfizer | US | Yes | 5,000 | 1969 |
| 11 | Amgen | US | Yes | 1,250 | 1998 |
| 12 | Bristol-Myers Squibb | US | Yes | 1,000 | 1964 |
| 13 | GSK | UK | Yes | n/a | 1981 |
| 14 | Takeda | Japan | Yes | 1,250 | 1997 |
| 15 | Gilead Sciences | US | Yes | 540 | 1999 |

Source: PharmExec.com, Company Filings, Goodbody

## Current pharmaceutical activities in Ireland

The current activities of the pharmaceutical sector in Ireland can be broken down into four areas:

### (i) Small Molecule Manufacturing

Small molecule medicines include familiar drugs such as tablets, capsules, and common prescriptions for pain, infections, or blood pressure. These medicines are created using chemical reactions, which make them easier to control and reproduce consistently. The process usually includes making the Active Pharmaceutical Ingredient (API), purifying it, and then mixing it with other ingredients to form the final medicine. As noted already, Ireland first became a major pharmaceutical centre through early investment in small-molecule and API manufacturing in the 1960s–70s. There are a number of large companies operating major API and chemical manufacturing facilities in Ireland.

### (ii) Biologics Manufacturing

Biologics are medicines made from living cells and include vaccines, antibodies, and many modern treatments for cancer and autoimmune diseases. Unlike small molecules, biologics must be grown in carefully controlled environments using large reactors and highly trained specialists. After the cells produce the desired biological substance, it is purified through multiple steps to ensure safety and effectiveness. Biologics are one of the fastest-growing areas of medicine because they can target illnesses very precisely. Advances such as single-use equipment, improved purification tools, and digital monitoring systems are helping make biologics production faster, safer, and more flexible. Ireland has grown into a major global hub for biologics and now hosts around 25 large-scale biologics facilities.

### (iii) Pharmaceutical Services

Pharmaceutical services include all the activities that support the development and delivery of medicines, such as pharmacovigilance. These services can form part of large pharma companies' operations or can be provided by specialised companies such as clinical research organisations (CROs) that run clinical trials, and contract development and manufacturing organisations (CDMOs) that help produce drugs for other companies. Other service firms focus on packaging, testing, regulatory approvals, and managing global supply chains. Many companies rely on these service providers to access expert skills quickly without having to build every capability themselves.

### (iv) Advanced Therapeutics

Advanced therapeutics include cutting-edge treatments such as gene therapy, cell therapy, and RNA-based medicines. These treatments aim to fix the underlying cause of a disease, for example, by replacing a faulty gene or modifying a patient's own cells. Making these therapies is complicated and often highly personalised, requiring new types of manufacturing facilities, carefully controlled environments, and specialised expertise. These therapies are expanding rapidly worldwide because they offer potential cures for conditions that were once untreatable. The market is dominated by US and Swiss companies. Researchers and manufacturers are working to improve production methods, reduce costs, and build skilled workforces that can support this growing field. NIBRT opened a €21 million advanced-therapies research and training facility in 2024, strengthening Ireland's capacity in this area.

The following illustrates the membership of the IPHA that operates in Ireland in all of the above disciplines:

**Membership of IPHA in Ireland**


Source: IPHA

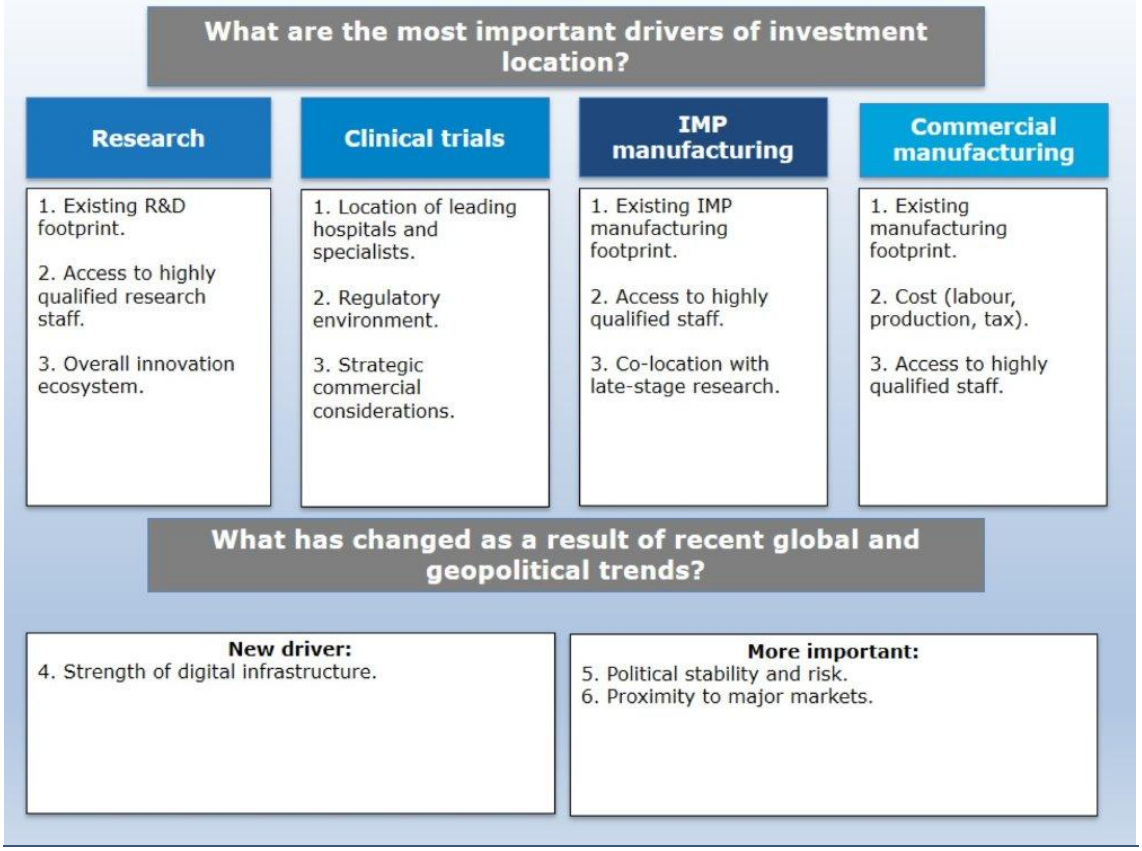
# 4. Key factors driving the location of pharmaceutical investment

## 4.1 Evidence on drivers of investment decisions

The growing importance of the pharmaceutical sector to the Irish economy has been occurring at a time when EU pharmaceutical firms have been losing market share. We discuss this in Section 6. Many of the factors leading to the loss of market share for European companies over the past decade were highlighted in a report produced in 2022 for the European Federation of Pharmaceutical Industries and Associations (EPFIA) - *Factors affecting the location of biopharmaceutical investments and implications for European policy priorities*. Its recommendations mainly focus on how Europe as a region can address some of its competitiveness issues vis-à-vis other major regions like the US and China. However, some of the findings are important in identifying priorities for domestic policymakers to ensure ongoing investment, either homegrown or via FDI.

The reports notes that the drivers within each sub-category of the biopharmaceutical sector differ substantially:

**Summary of factors driving the location of pharmaceutical investments**




Source: EFPIA, Charles River Associates

**Commercial manufacturing** – Driven by financial viability of the investment in a given location. Areas such as tax and production costs feed into this. For new therapeutic solutions, such as ATMPs, quality is also a vitally important factor, thus the availability of qualified and experienced staff is important.

**Research** – The location of talent and the strength of the cluster is important for R&D. The US and Europe has traditionally been strong here, but China has seen a large increase in this area due to its strategic commitment and funding.

**Investigational Medicinal Product (IMP) manufacturing** – More closely mirrors the drivers of research hubs. Often co-located with late-stage R&D.

**Clinical trials** – Europe has had long-term advantages in attracting clinical trial investment with its national healthcare systems and regulatory environment.
Ireland's strength lies primarily in advanced manufacturing and process-development R&D, while it has a much more limited role in early-stage drug discovery and R&D. This offers an explanation for why Ireland has not observed the same EU-wide decline in orphan-drug competitiveness – falling market share at the EU level reflects challenges in discovery and early clinical development, while Ireland competes primarily in a different area of the market; high value biologic and process-intensive/advanced manufacturing for global multinationals.

The study also asks, "what has changed as a result of recent global and geopolitical trends"? A new driver, supported by interviews with pharmaceutical companies is the strength of digital infrastructure, including the technological capabilities of the workforce. Factors that have become more important are "Political stability and risk" and "Proximity to major markets". Ireland fulfils these criteria.

## 4.2 What are the key attributes that Ireland possesses?

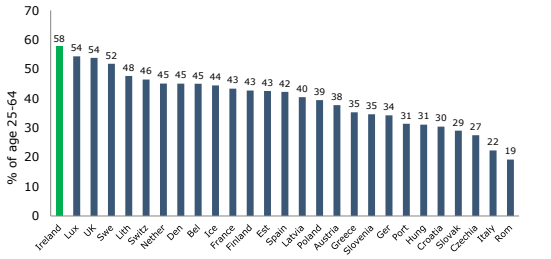
Using the evidence above, we detail how Ireland compares on three important attributes that determine investment decisions in the pharmaceutical sector:

1. Labour skills
2. R&D supports
3. Infrastructure

### 1. Labour skills

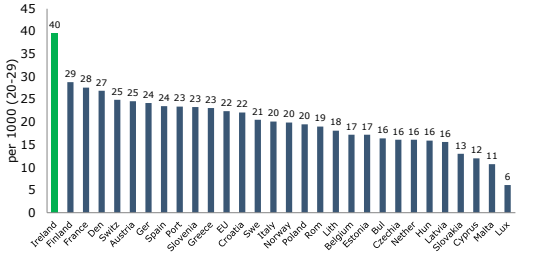
The quality of Ireland's labour force has been a consistent attraction for pharmaceutical firms. This consists of both domestically trained workers and a growing proportion of foreign-born over recent years. The latter is supported by a highly flexible regime for highly-skilled and sought after foreign labour. Ireland currently has the highest proportion of its workforce with tertiary-level education and above in the OECD. It also has the highest share of STEM graduates (per 1000 population 20-29) in the EU. 30% of those employed in science and technology in Ireland have a tertiary education, the fifth highest in the EU.

**% of workforce with tertiary degree & above**




Source: OECD

**STEM graduates per 1000 pop (20-29)**




Source: Eurostat

EGFIN (2024) identifies that the pharma industry will require an additional c.6K workers per annum by 2027 to fill skills gaps in the sector. However, domestic graduate output is expected to supply only half that. The most in-demand roles including bioprocessing technicians, analytical scientists, lab staff, regulatory specialists and engineers.

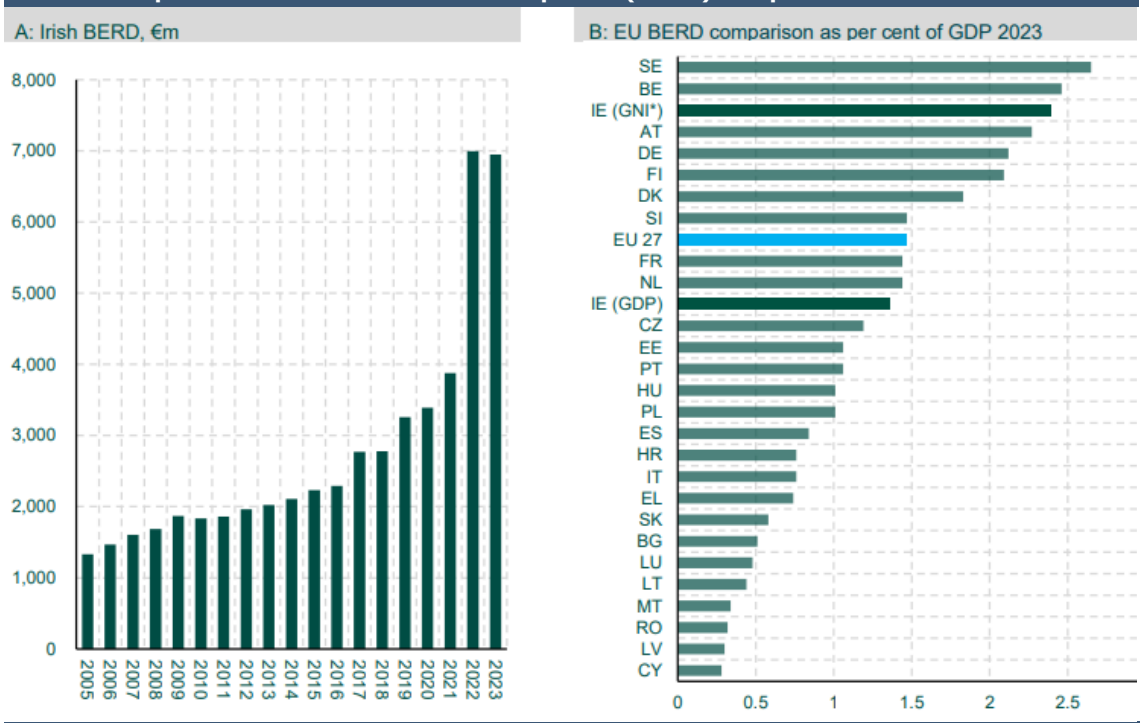
## 2. R&D supports

Having a thriving R&D ecosystem is critical to the ongoing development of the pharmaceutical sector. There are numerous inputs into success in this area, including funding, education levels, collaboration with universities and government supports. It is recognised by the Irish government (Department of Finance, 2026) that R&D is required to drive advancements in medicine and, more broadly, fosters innovation, productivity and economic growth.

Overall R&D spending in Ireland increased substantially in 2022 and 2023 and is now above the EU level when measured relative to GNI*. R&D spending in 2023 amounted to c.3% of GNI*. This followed many years when Ireland lagged the rest of Europe. Despite this, Ireland (and the EU) remains below peers such as Japan (3.5%), the United States (3.5%) and South Korea (5%).

Private enterprises are the main source of R&D investment in most countries, including Ireland. However, the share by private enterprises in Ireland (45%) is below the EU average (58%) and that of the US (70%), South Korea (76%) and Japan (78%). The rest of the world sector (including from foreign organisations and businesses) has grown in importance for Ireland over recent years. Following the surge in 2022, business expenditure on R&D (BERD) as a percentage of GNI* in Ireland is now among the highest in the EU.

**Business Expenditure on Research & Development (BERD) compared**




Source: Department of Finance, Eurostat

The rise in R&D spending has coincided with an increase in the use of R&D tax credit over recent years. Ireland's R&D tax regime was first introduced into the Irish tax system in 2004 and has evolved significantly over the past two decades in terms of scope and scale to ensure that the regime remained competitive internationally. The cost of R&D tax credits to the government rose to €1.4bn in 2023. The manufacturing sector, in which the pharmaceutical sector is a part, has consistently accounted for the highest share. In Budget 2026, the R&D tax credit was raised from 30% to 35% for qualifying R&D expenditure incurred by a company that is tax-resident in Ireland. The policy change followed a review by the Department of Finance that concluded that the "*tax credit has played an important role in enabling Ireland to be a competitive location for attracting quality employment and investment from international sources*".

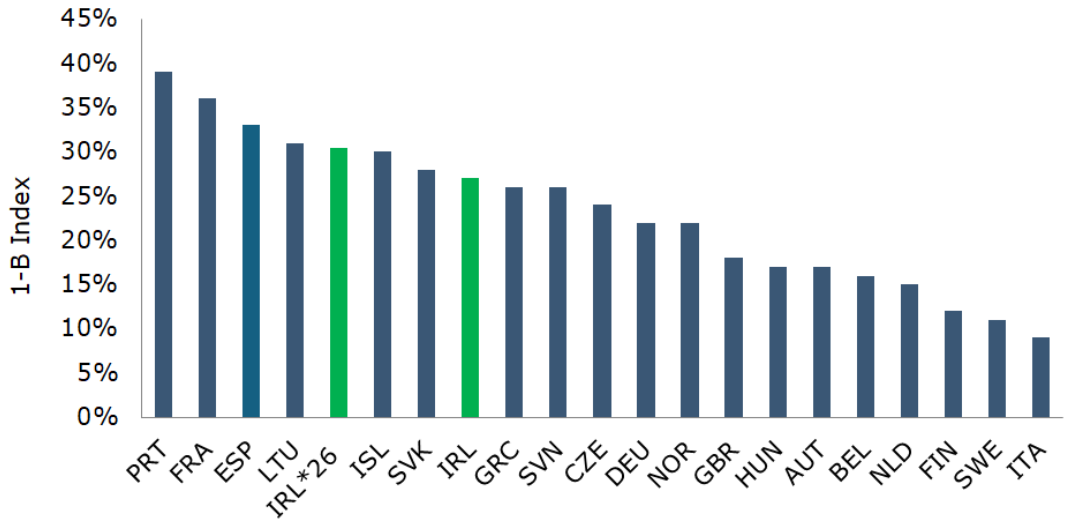
Ireland's R&D tax credit regime is attractive in an international context. The OECD assesses the relative generosity of R&D regimes in a number of ways:

(i) *Effective average tax rates (EATR)* – compares the tax provisions at the extensive margin, i.e. measures the average tax burden on a profitable R&D project. Even prior to the increase to 35%, Ireland had the lowest R&D average tax rate in the OECD, ahead of Poland and Lithuania.

(ii) *User cost of capital* – This can be interpreted as the required rate of return a firm would need to break even on an R&D project after tax. On this measure (in 2023), the user cost of capital in Ireland is estimated to be negative, implying a generous tax regime, but Ireland was below Portugal, Poland and France at that point. The move to 35% relief improves Ireland's position.

(iii) *Implied marginal subsidy rate (B-index indicator)* – This calculates the degree to which tax systems reduce the effective cost of R&D. Higher values correspond with more generous tax incentives. The benefits can differ by firm size across countries and whether there is an ability to carry forward the tax credits. Due to the dominance of large profitable firms utilising R&D tax credits in Ireland, the chart below shows how Ireland compares for these types of firms for 2023 (with an estimate for Ireland based on the higher level of relief for 2026).

**R&D expenditure implied marginal subsidy rate**

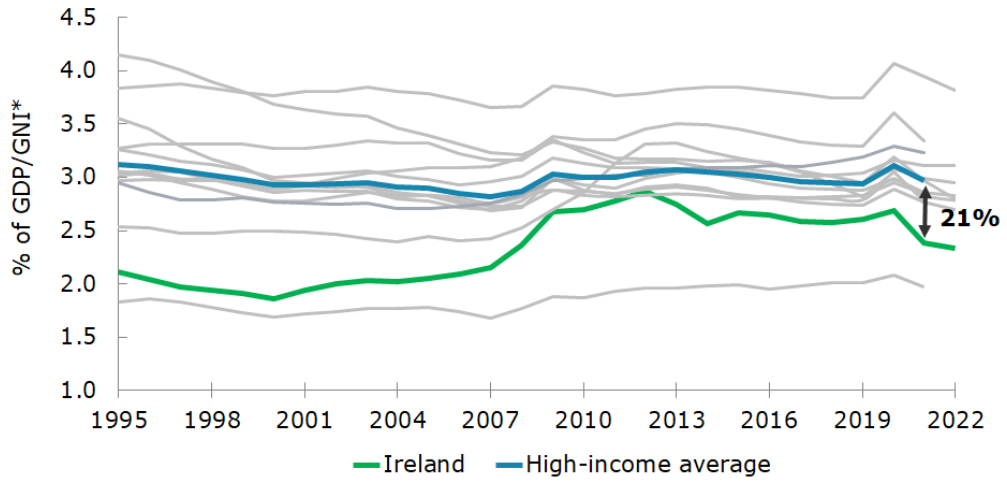



Source: OECD, Goodbody

### 3. Infrastructure

Arguably, the biggest threat to future investment into Ireland stems from inadequate infrastructure. This has far-reaching consequences on the cost and ability of firms to do business in Ireland and for their workers to live in affordable and accessible accommodation. This equally applies to ongoing investment in the pharmaceutical sector. IFAC has estimated an infrastructure deficit in Ireland of 20% relative to a high-income average.

**Ireland's infrastructure deficit is an issue for industry – Real capital stock**




Source: IFAC

The most relevant areas of interest for the pharmaceutical sector are:

(i) *Energy* – Ireland had the highest electricity prices for non-household consumers in H1 2025 according to Eurostat. In addition, it is recognised that electricity connections and the grid are currently constrained, with the Accelerating Infrastructure Group recommending significant reforms.

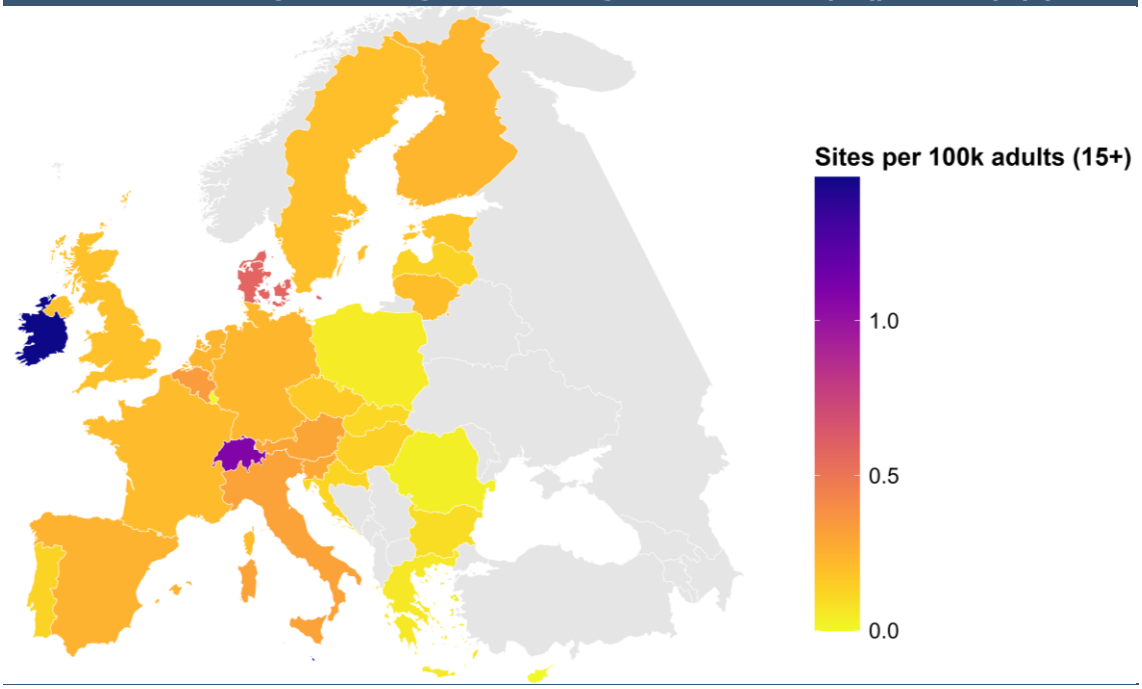
(ii) *Water & waste* – Pharmaceutical production is one of the most water-intensive forms of advanced manufacturing, as it is used as an ingredient in many formulations, but also for cleaning, sterilisation and wastewater treatment. There are important cost implications, but there are also factors such as regulatory compliance and environmental impact. These are important considerations for Ireland's competitive position in the sector.

# 5. Pharmaceutical presence in Ireland

## 5.1 Ireland has the highest number of FDA approved manufacturing sites per capita

To put Ireland's performance in manufacturing in context we examine the distribution of FDA registered drug manufacturing sites across Europe, using the Drug Establishments Current Registration Site (DECRS) database. This shows all currently registered FDA drug manufacturing sites globally as of January 2026. We then normalise this distribution as the frequency of sites per 100,000 adults. At a European level Ireland's outperformance relative to its peers is stark, boasting 1.5 FDA approved sites per 100K - only Malta and Switzerland come close at 1.2 and 1.1 FDA approved drugs manufacturing sites per 100k adults respectively. Our sample as a whole has a median of just 0.2 sites per 100k adults.

**Distribution of FDA registered drug manufacturing sites across Europe (per 100K pop.)**



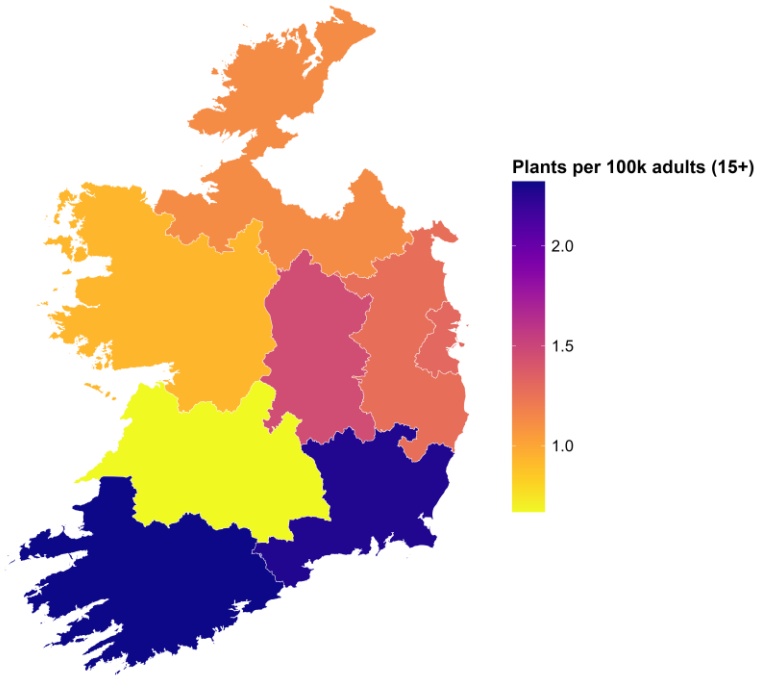

**UK data ranges from age 16+ as per ONS reporting*

Source: FDA, Eurostat, ONS, Goodbody

## 5.2 - Location of FDA approved sites highlights sector's importance for regional growth

The pharmaceutical sector plays a vital role in the achieving the goal of regional development in Ireland, with a concentration in the South-East and South-West of Ireland. In order to quantify this, we map the number of FDA registered drug manufacturing facilities across the NUTS 3 regions of Ireland - as of January 2026. The map below highlights the intense focus of these locations across the southern regions of the state – driving vital investment, employment and ultimately economic growth in these regions. While IDA Ireland plays a role here, there are clear agglomeration effects at play due to the track record, university collaboration and skills present in these areas.

**Distribution of FDA registered drug manufacturing sites across Ireland**




Source: FDA, CSO, Goodbody

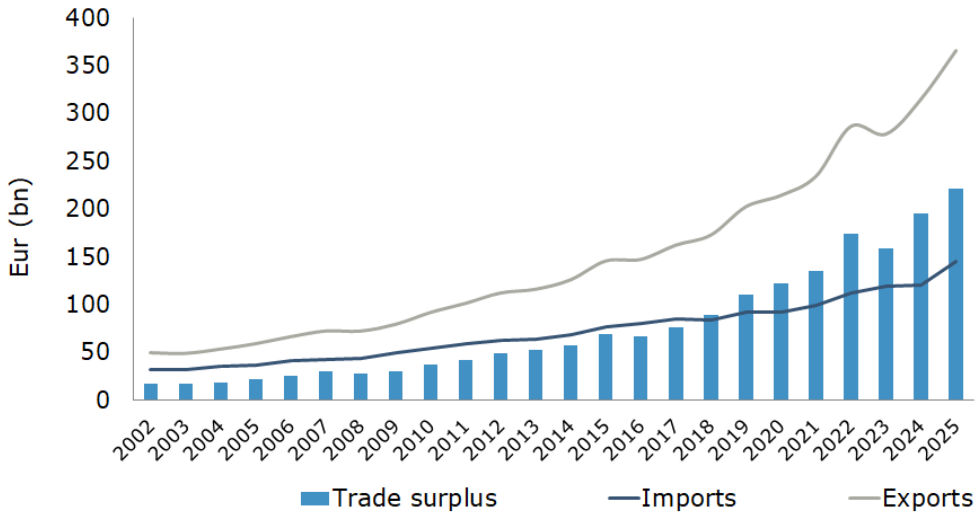
It also has a 2nd order benefit in that it allows for a reduction in the intensity of infrastructure use around Dublin and the wider GDA, which has long been under strain from a mixture of rapid growth and underinvestment.

## 6. The future direction of the sector

### EU Context - A strategically important sector for the European Union

In his important piece of work on the Future of European Competitiveness, Mario Draghi identified the pharmaceutical sector as one of "strategic importance" for the region and one that offers the EU the opportunity to leverage off its strong historic footprint. As measured by value, the EU's pharmaceutical sector leads globally in trade, with a total of €366bn exported outside the EU in 2025, relative to €145bn in imports. The region has a strong manufacturing base in the on-patent space, while most active pharmaceutical ingredients (APIs) for the production of innovative medicines in the EU is sourced within the EU.

**Strong growth in EU trade surplus in medicinal and pharmaceutical products**

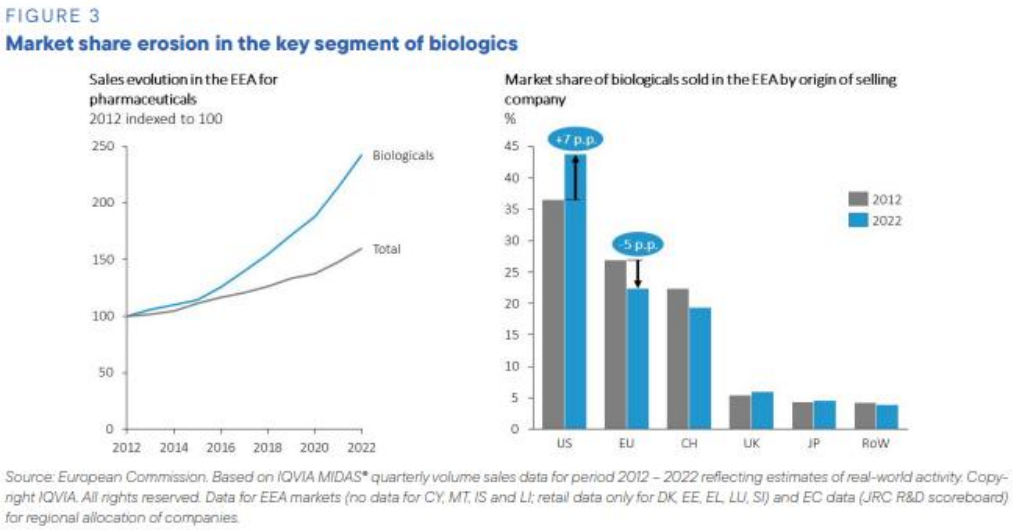



Source: Eurostat

Despite this seemingly strong position, the EU has lost competitiveness in the past decade, evidenced by the falling share of leading EU companies. A number of key aspects of this trend are highlighted by Draghi:

- The market for biologicals has been the fastest growing segment of the sector over the past decade, and this is an area where EU companies have been losing market share to the US and China. Of the ten best-selling biological medicines in Europe in 2022, two were marketed by EU companies, while six were marketed by US companies.

**EU companies have lost market share in biologics, US share his risen**



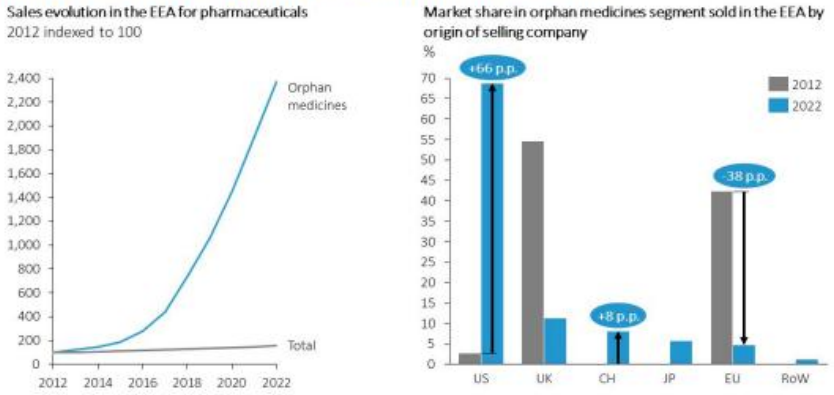

Source: The Draghi Report: In-depth analysis and recommendations (Part B)

- A more dramatic loss of market share by EU companies has been evident in the "orphan medicine" category, another fast-growing segment of the market. Of the ten best-selling orphan medicines in 2022, seven were marketed by US companies, while none were marketed by EU companies. US companies accounted for 70% market share, up 66 percentage points in a decade, while the market share of EU companies has fallen by 38 percentage points over the same period. However, Ireland remains a highly competitive manufacturing hub for high-value biologics, sterile injectables, and cell- and gene-therapy inputs. The market for orphan medicines has inherently low manufacturing volumes due to small patient populations. As such, Ireland's performance is shaped more by the structure of the sector than by a loss of competitiveness. In contrast to the wider EU, where market share is challenged primarily by subdued R&D, Ireland remains an attractive base for specialist, high-value manufacturing.

**US companies have gained even greater market share of orphan medicines**

FIGURE 4

**Market share erosion in the fast-growing segment of orphan medicines**




*Source: European Commission, 2024. Based on IQVIA MIDAS® quarterly volume sales data for period 2012 – 2022 reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved. Data for EEA markets (no data for CY, MT, IS and LI; retail data only for DK, EE, EL, LU, SI) and EC data (JRC R&D scoreboard) for regional allocation of companies and EMA data for identifying orphan medicines.*

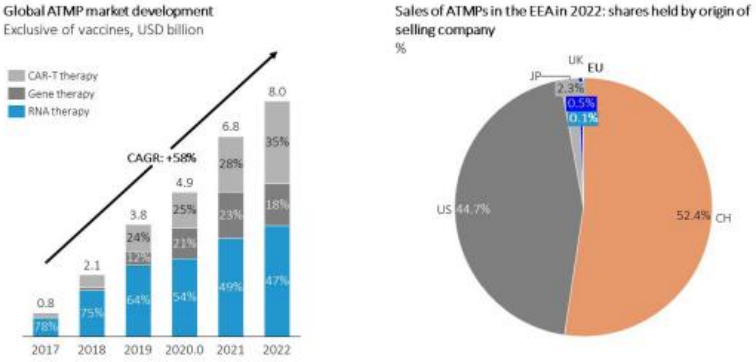
Source: The Draghi Report: In-depth analysis and recommendations (Part B)

- Thirdly, EU companies have very little presence in the advanced therapy medicinal products (ATMPs) market, a market which is dominated by US and Swiss companies.

**EU companies have only a tiny share in Advanced Therapy Medicinal Products (ATMP)**

FIGURE 5

**Low market presence in nascent market for ATMPs**




*Source: replicated from IQVIA 2023 (primary source: IQVIA EMEA Thought Leadership; IQVIA). MIDAS MAT Q4 2022 and Company Financial Statements). European Commission. Based on IQVIA MIDAS® quarterly volume sales data for period 2012 – 2022 reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved.*

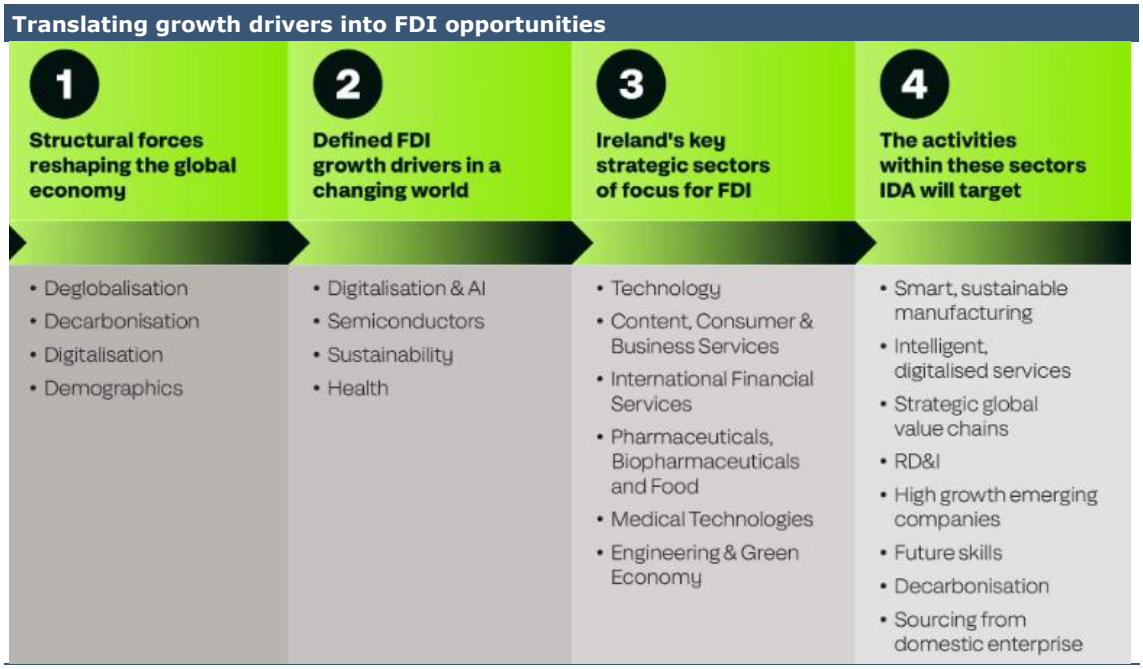
Source: The Draghi Report: In-depth analysis and recommendations (Part B)

## Strategies for growth in Ireland

The IDA regularly updates its FDI strategy based upon emerging structural themes and technologies and the attributes of the Irish economy. Its latest strategy – *Adapt Intelligently: A Strategy for Sustainable Growth and Innovation, 2025-29* – was published in February 2025. At a high level, the strategy aims to strengthen the existing FDI base and capture new investments in high-growth sectors. It identifies four key global growth drivers for its strategy over the next five years:

- **Digitalisation and AI**
- **Semiconductors**
- **Sustainability**
- **Health**

Stemming from these drivers, the IDA sets out six key strategic sectors of focus, as illustrated in the schematic below:




Source: IDA

The strategy strongly reinforces Ireland's role as a global leader in life sciences, particularly in biopharmaceutical manufacturing, R&D and innovation. In a separate White Paper on "*The future of biopharma in Ireland*" specifically, the IDA strategy sets the following targets:

1. **Build on Ireland's leading position as a global biopharma hub** – Ensure that Ireland remains a preferred global location for large-scale biologics and small-molecule manufacturing, high-value API operations, supply-chain and regulatory functions in addition to global and regional HQ roles. As part of this, it aims to continues its focus on regional diversification that the pharma sector has been key to delivering. It aims to support these through enabling major capital investments in new manufacturing technologies and strengthening talent pipelines.

2. **Scale R&D activity** – The IDA notes that annual in-house R&D expenditure has increased by 430% and R&D employment has increased by 140% to over 34,000. It has set out a target to increase R&D intensity significantly to €7bn over the next five years. For pharma, the key areas of focus are advanced biologics, cell and gene therapies, AI-driven drug design and collaborative R&D between industry and Ireland's research ecosystem.

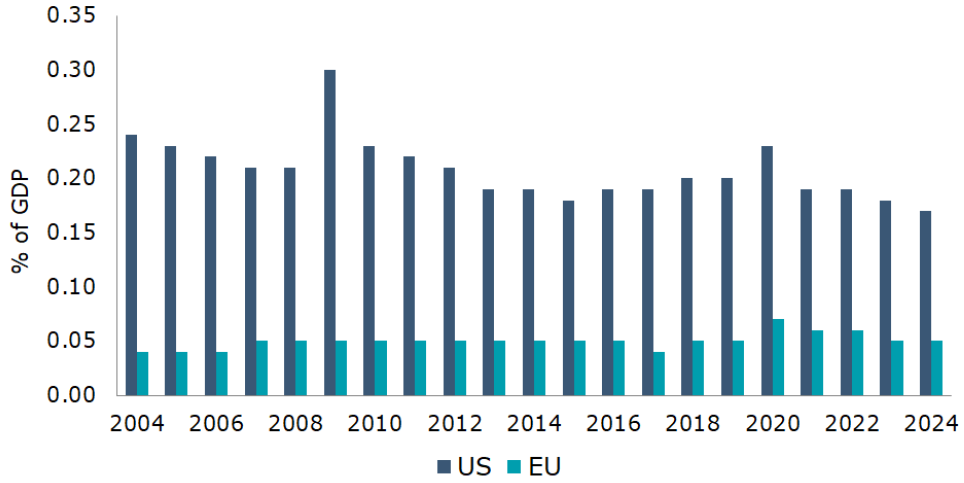
3. **Green and Sustainable manufacturing** – The strategy's sustainability pillar is especially relevant to biopharma given the energy and water intensity of biologics production. It will try to attract green-powered, energy-efficient manufacturing investment.

## Key goal of reforms is to expand capacity to conduct R&D

Draghi identifies three causes of the emerging competitive gaps in pharma, with R&D among the most important:

1. **Consistently lower levels of public R&D spend** – The EU has a smaller funding base than the US and is more fragmented. In relation to public spending, EU funding for R&D in Health has consistently been well below that of the US, as shown in the chart below (note that the inclusion of spending on Horizon Europe in these comparisons does not alter the conclusions). Within Europe, there is significant dispersion in the national spend, ranging from 0.01% of GDP in Belgium to 0.16% of GDP in Denmark. The Draghi report recommends an increase in funding and focus on public R&D investment in the EU and to focus the funding on the development of a limited number of world-class innovation hubs for advanced therapy medicinal products (ATMPs)

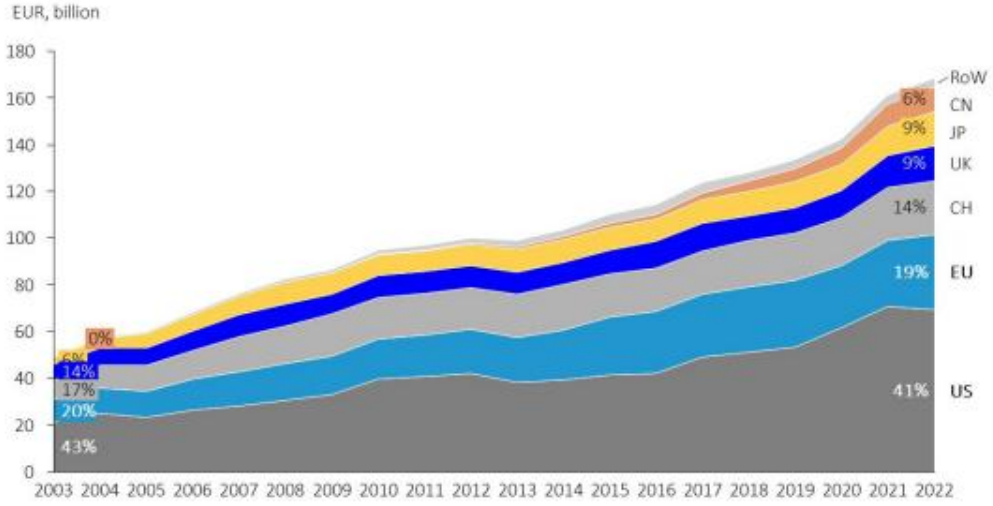
**Government spending on R&D in Health* consistently lower in the EU**




Source: Eurostat *Data relate to Government Budget Allocations for R&D (GBARD)

2. **Develop the venture capital industry to support R&D** - Private R&D investment by US companies has been consistently higher than EU pharma companies. The EU's share has remained relatively stable at c.20%, with the US at 41%. An underdeveloped private equity & venture capital ecosystem is also evident in the EU and has negative implications for emerging biopharma companies in particular. As a result of these combined factors, total US business enterprise R&D expenditure in the US is four times that in the EU (0.45% of GDP versus 0.11% of GDP in 2021 according to the OECD). The Draghi report recommends increasing European Investment Fund's budget to develop the EU venture capital industry.

**Company R&D outlays for pharmaceuticals by region**




Source: The Draghi Report: In-depth analysis and recommendations (Part B)

3. **Regulatory and approval processes** – The median approval time for new medicines in the EU/EEA is estimated to be 430 days, relative to 322 days in Japan, 334 days in the US and 347 days in Australia. Once a medicine is approved by the EMA, there are then 27 different national procedures that companies must navigate, often resulting in only limited launches across the EU. The Draghi report recommends a streamlining and consolidation of processes to improve efficiencies around trials and new drugs approvals.

    - Pharmacoeconomics are also a factor as in some cases national authorities decline reimbursement, resulting in limited availability in parts of the EU. Companies may also choose not to launch in lower-priced markets (e.g. Greece), as doing so can depress prices elsewhere through the External Reference Pricing (ERP) systems based on the system in use (as varies notably by member state). This is particularly relevant for countries like Ireland, which under the 2021-2025 Framework Agreement on Pricing and Supply of Medicines, uses the average price across a wide basket of states[5].

[5] We note that Minister for Health Jennifer Carroll MacNeill TD recently announced the successful conclusion of two Framework Agreements in principle with the Irish Pharmaceutical Healthcare Association (IPHA) and Medicines for Ireland (MFI) on the pricing and supply of medicines, but full details on these are not available at the time of writing this report.

# 7. Detailed analysis of Ireland's pharmaceutical trade

- Pharmaceuticals accounted for 54% of Irish goods exports in 2025
- Ireland's exports markets are highly concentrated – top 3 destinations account for over 70%
- US is the key trade partner, accounting for 59% of Irish pharma exports in 2025

## 7.1 - The importance of pharmaceutical trade to Ireland's economic growth

Pharmaceuticals, chemicals and medical devices have seen their share of Ireland's total goods exports rise persistently over the past two decades. These products are broadly measured under the '*Chemicals & Related Products' (SITC 5)* category within the trade statistics.

Exports of *'Chemicals & Related Products'* (SITC 5) amounted to €176bn in 2025, accounting for 68% of all Irish goods exports, a doubling from just 1/3rd of goods exports in 2000. 54% of Chemicals and Related Products exports (and over 40% of total goods exports) were destined for the United States, underscoring how central the US market has become to Ireland's pharmaceutical trade in recent decades. It also serves as a warning signal for concentration risks in the event of policy changes in the US.

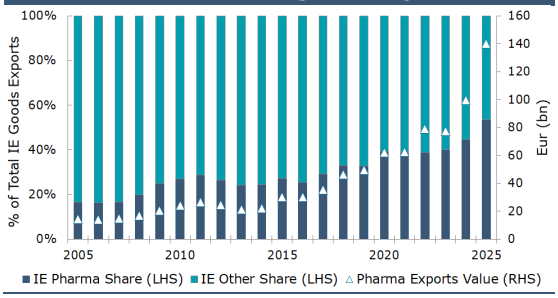
The wider SITC 5 category contains a host of non-pharmaceutical sub-categories such as fertilisers, dyes and industrial chemicals. To pinpoint the pharmaceutical sector more accurately, we assess a narrower definition in our analysis here - '*Medicinal & Pharmaceutical Products'* (SITC 54)[6],

## 7.2 – Irish and EU pharma exports as a share of total goods exports

We first focus on trade data up to 2024 in order to limit the impact of tariff front running and more accurately identify structural trends rather than short term fluctuations (*for 2025 data see section 7.4*). Between 2000 and 2024 the '*Medicinal and Pharmaceutical products'* share of Irish goods exports increased almost nineteen-fold. In 2024, pharmaceutical products represented almost 45% of Irish goods exports, with a nominal value of €100bn.

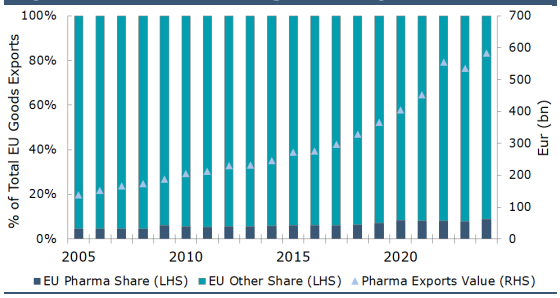
This meteoric rise appears unique to Ireland, with no similar trend evident in EU trade data. Between 2002 and 2024 the European Union saw a much more modest rise, with pharmaceuticals exports' share rising from 4.4% to 8.8%. When we strip out Ireland the rise over the same period for the EU aggregate (Ex. Ireland) is materially lower (rising from 3.9% in 2002 to just 7.6% in 2024).

**Pharma was 45% of IE goods exports and...**




Source: Eurostat, CSO, Goodbody

**...just 9% of total EU goods exports in 2024**




*NOTE: 2025 data is incomplete for EU, awaiting no. of countries

Source: Eurostat, CSO, Goodbody

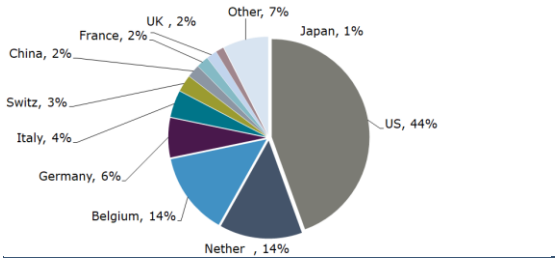
In nominal terms Ireland's €100bn in pharma exports accounted for 18% of total EU pharma exports in 2024, positioning Ireland as the EU's second largest exporter of pharmaceuticals - punching far above its weight for a country that comprises just 1.2% of the EU's total population.

6 See appendix A3 for more on SITC nomenclature.

## 7.3 - Key export markets for Irish and EU pharmaceutical goods

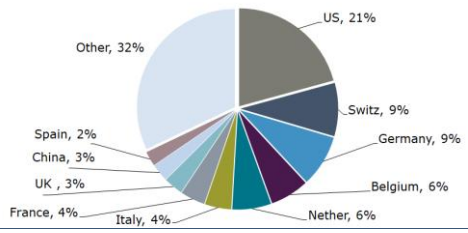
Examining the composition of pharmaceutical exports highlights key differences between the domestic and wider European pharmaceutical sectors. The most striking difference is the greater geographical concentration in Ireland's export markets. The top ten destinations accounted for 93% of Irish pharmaceutical exports in 2024. This is a notable contrast to the overall EU where the top 10 destinations account for less than 70% of total pharma exports. The top 3 export markets for Ireland represented 72% of the total in 2024 (relative to 38% for the EU). The US accounted for 44% of Irish pharmaceutical goods exports in 2024 – more than double the EU's 21%. The gap would be even more pronounced if Ireland was excluded from the EU aggregate.

**Irish pharma exports by destination (2024)**




Source: Eurostat

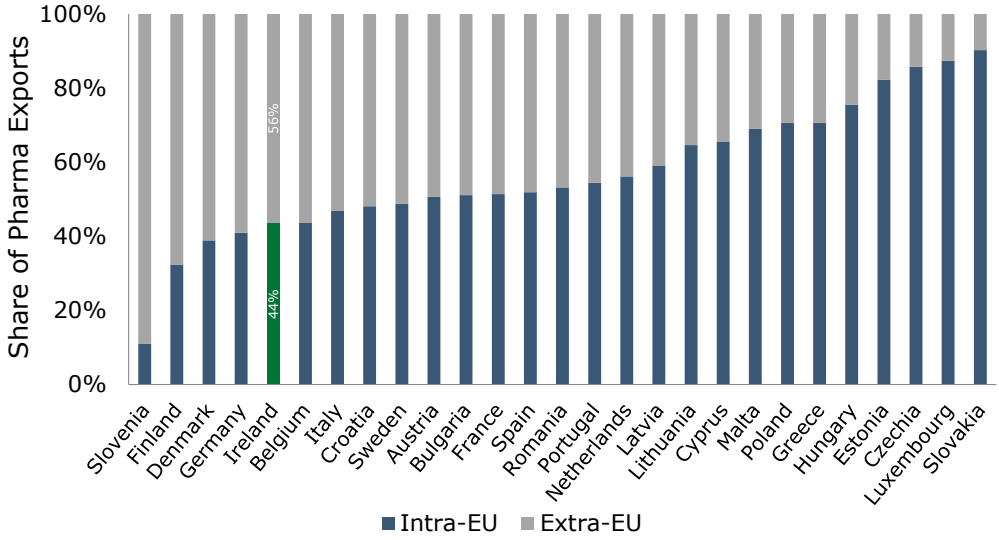
**EU pharma exports by destination (2024)**




Source: Eurostat

Ireland's concentration on the US market has also helped drive the share of extra-EU exports[7] to 56% of total pharmaceutical exports – making it one of just seven EU member states that exports more outside the EU than within.

**Share of Pharma products in intra vs extra-EU exports (2024)**




**Pharmaceutical exports measured according to SITC Rev. 4, Division 54: 'Medicinal and pharmaceutical products'*

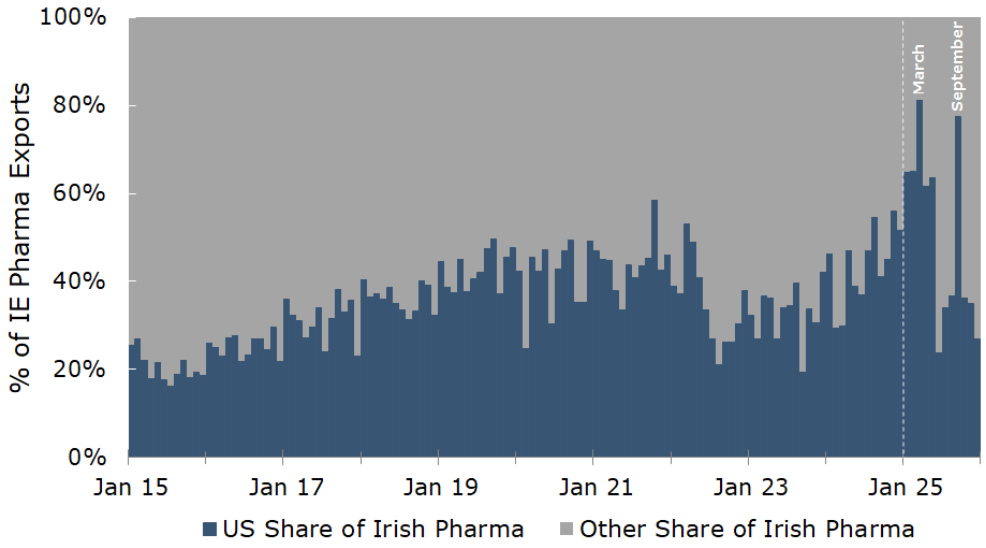
Source: Eurostat, Goodbody

[7] Exports to non-EU member states

## 7.4 – 2025 export surge due to trade policy uncertainty and rise of GLP-1

Ireland's recently published 2025 trade data highlights the role that trade policy uncertainty played over the past year. This resulted in a certain amount of 'front-running' of trade to hedge against the potential future imposition of tariffs. Consequently, Ireland's monthly trade data for 2025 shows large irregular increases in exports throughout the year, predominantly driven by a surge in pharmaceutical exports to the US. The timing of these spikes (see below) corresponds with periods of US tariff and trade policy uncertainty. The first major spike was in March 2025 ahead of 'Liberation Day' (April 1st), when the US announced "reciprocal" tariffs on over 90 countries and launched a Section 232 national security investigation into the pharmaceutical sector. A second notable surge occurred in September 2025, as the administration's Most Favoured Nation (MFN) executive order deadline (October 1st) approached.

**Tariff and policy uncertainty distorted Ireland's 2025 trade data**




Source: CSO, Eurostat, Goodbody

During these two months (March and September), the US share of Irish pharmaceutical exports rose dramatically (to 81% and 71%, respectively). In addition, trade data for adjacent months either side of these two spikes is also characterised by elevated shares of Irish pharmaceutical goods destined for the US, followed then by sharp subsequent declines in the US share.

The second key driver is the surge in US demand for GLP-1 drugs, the active pharmaceutical ingredients (APIs) of which are produced in Ireland. We delve into the issue in more detail in Section 7.5.

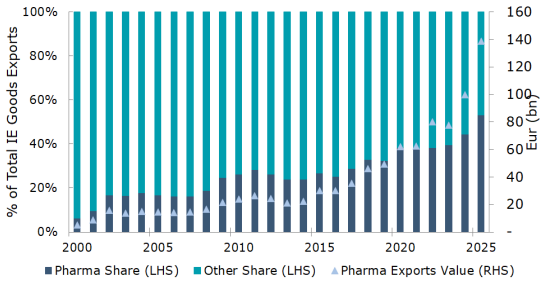
These two factors more than explain the 16% rise in Irish goods exports in 2025. Pharma represented 53% of total goods exports in 2025, with the US accounting for 62% of those pharma exports.

**Pharmaceutical exports relative to total Irish goods exports (€m)**

| | 2024 | 2025 | YoY CHG |
|---|---|---|---|
| Total Exports | 223,734 | 260,341 | **16%** |
| | | | |
| Total Pharma | 99,662 | 138,554 | **39%** |
| US Pharma | 43,558 | 85,528 | **93%** |
| US / Total Pharma % | **44%** | **62%** | |

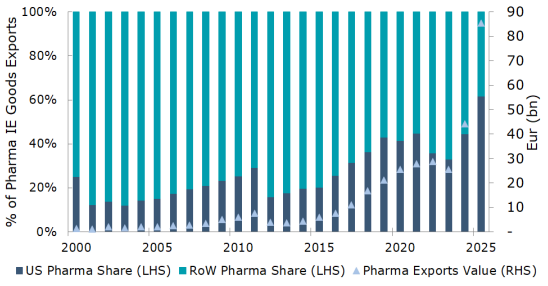
Source: CSO

**Pharma accounts for 53% of goods exports in 2025**




Source: CSO

**US share of pharma exports rose to 62%**

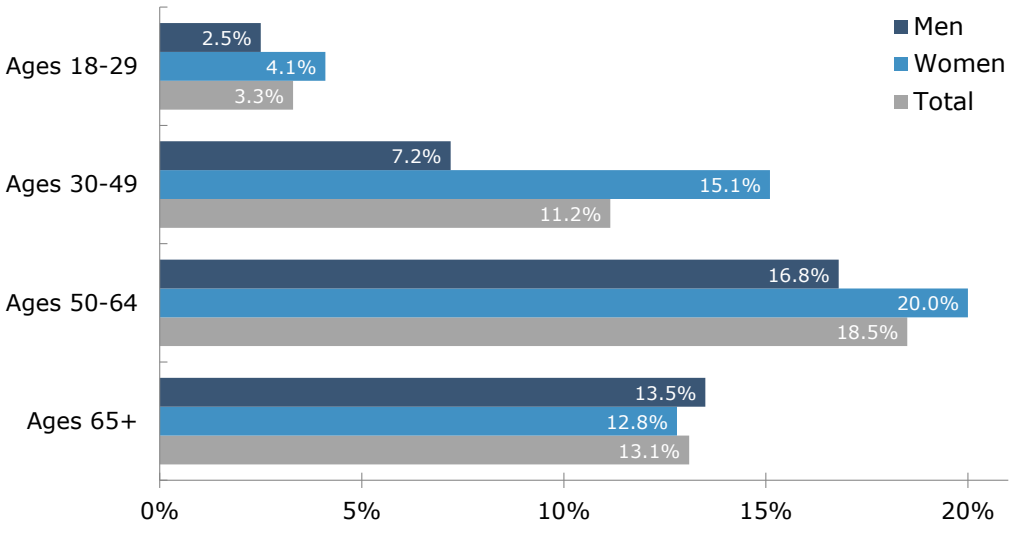



Source: CSO

## 7.5 - Rise of GLP-1s and the evolving composition of Irish pharma exports to the US

The uptick in exports to the US has been led by the rise of weight loss drugs, GLP-1 receptor agonists in particular, which have seen widespread adoption across the United States. The level of usage has risen to such an extent that major US retailers, such as Walmart Inc, reported seeing an impact on food-shopping demand as early as 2023. Internal analysis by the retailer found that customers who were collecting prescriptions for GLP-1 weight loss drugs were also buying less food than comparable customers. This has since been corroborated by other major US retailers. Several surveys by research groups, such as RAND[8], highlight the widespread adoption of GLP-1 drugs, estimating that more than 1 in 10 Americans have used them for weight loss (See the *Appendix* for more evidence of the growth in demand for GLP-1 in the US).

**US Adults reporting GLP-1 Agonist use, by sex & age cohort**




*N = 8,793 adults from the RAND American Life Panel

**Survey date = April – May 2025

Source: RAND, Goodbody

8 https://www.rand.org/pubs/research_reports/RRA4153-1.html

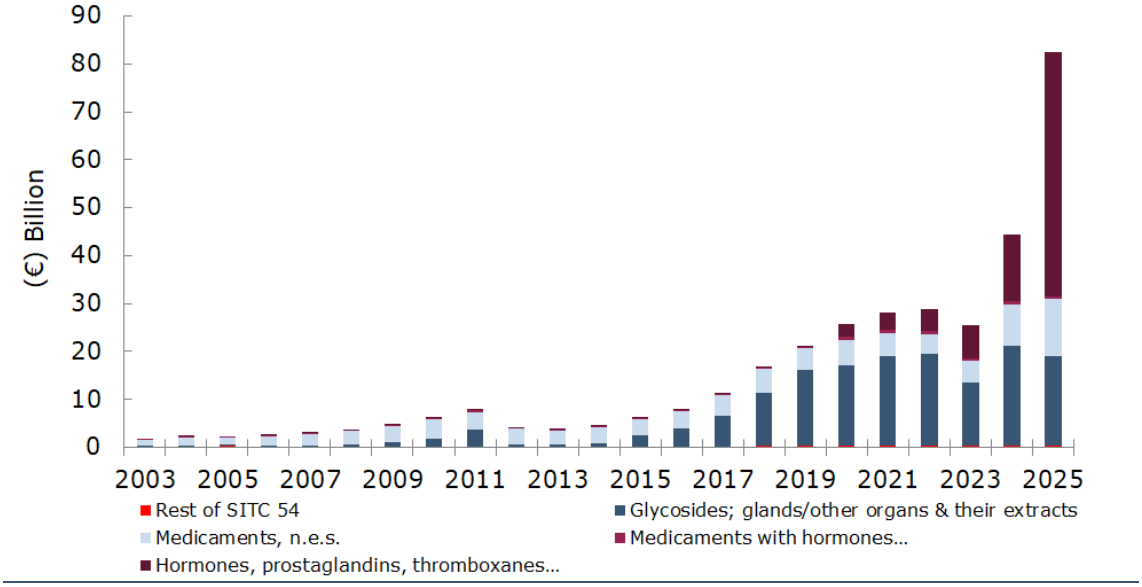
## 7.6 - GLP-1 surge is reflected in the detailed composition of Irish pharmaceutical exports

To identify evidence of GLP-1 driven demand we analyse Ireland's export composition using Eurostat trade data. We examine the major sub-categories within SITC 54: *'Medicinal and pharmaceutical products'*, dividing Ireland's pharmaceutical exports to the US into ten sub-categories:

- SITC 5411 - *Provitamins and vitamins, natural/reproduced…*
- SITC 5413 - *Antibiotics, not put up as medicaments of group 542…*
- SITC 5414 - *Vegetable alkaloids, natural/reproduced by synthesis*
- **SITC 5415 - *Hormones, prostaglandins, thromboxanes and leukotrienes…***
- **SITC 5416 - *Glycosides; glands or other organs and their extracts…***
- SITC 5419 - *Pharmaceutical goods, other than medicaments …*
- SITC 5421 - *Medicaments containing antibiotics or derivatives thereof…*
- **SITC 5422 - *Medicaments containing hormones but not antibiotics…***
- SITC 5424 - *Medicaments containing alkaloids or derivatives but not hormones…*
- **SITC 5429 - *Medicaments, n.e.s. …***
- **Rest of SITC 54 - *(5411+5413+5414+5419+5421+5424)***

This provides a detailed insight into the kind of pharmaceutical products exported to the US. In particular, *SITC 5415 - Hormones, prostaglandins, thromboxanes and leukotrienes…*, is noteworthy as this is the trade code under which the key inputs and APIs for GLP-1 drugs are categorised. Producing GLP-1 drugs, such as semaglutide (Ozempic, Wegovy) and tirzepatide (Mounjaro, Zepbound), requires synthesis from specialised hormone-like intermediates and bioactive compounds that fall under the scope of SITC 5415. As a result, this sub-category is the most visible channel through which Ireland's growing GLP-1 driven exports can be observed in the trade data.[9] Exports of this category to the US rose from €14bn in 2024 to €51bn in 2025. Thus, this category (solely to the US) represented 20% of total Irish goods exports last year.

**Surge in pharma exports to the US in 2025 due to "hormone" related products**




Source: Eurostat, Goodbody

SITC 5416 – *Glycosides… (which contains SITC 54163 – Blood fractions / antisera / vaccines, a category in which Ireland is a world leader)* and SITC 5429 – *Medicaments, nes* are also important parts of Ireland's export composition, even if they are not driven by demand for GLP-1s. The remaining 6 categories represent a very small share and consequently we aggregate them into a Rest of SITC 54 subcategory, as visualised in red at the bottom of the stacked columns above.

[9] It should be noted that SITC 5415 – Hormones... dominates the trade data because Ireland primarily exports APIs and intermediates, which are vital for production, rather than the finished products themselves. Finished GLP-1 drugs (Ozempic, Wegovy, Mounjaro, Zepbound etc.) would fall under SITC 5422: Medicaments, n.e.s.

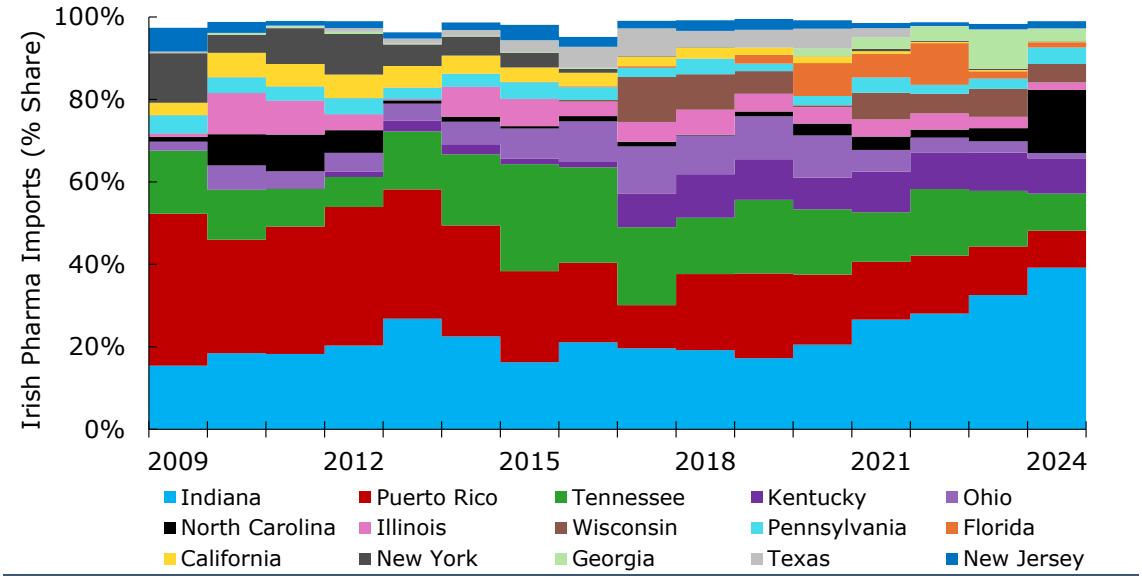
## 7.7 - What does the corresponding US import data tell us?

Further analysis of corresponding US trade data on imports provides additional insight into where these products are being imported on a state-by-state basis. It should be noted that US trade data classifies import products at a state level under the *North American Industry Classification System* (NAICS), which has no directly equivalent classification to SITC 54.

Consequently, in order to ensure likeness with the Irish exports classified under 'Medicinal & Pharmaceutical' (SITC 54), we use NAICS-4 category 3254 'Pharmaceuticals & Medicines' from the American import trade data.

Using this trade classification and data from the US Department of Commerce's *International Trade Administration*, we are able to break down the destination of all Irish pharmaceutical exports to the US by State and overseas territory. As visualised below, there is a stark divide between the top 15 destinations and the remainder, with the top 15 accounting for 99% of cumulative Irish pharmaceutical exports to the US over the 2009-2024 period. Three destinations stand out above the rest: Indiana, Tennessee and the US territory of Puerto Rico. Together these top 3 alone accounted for over half of Irish pharmaceutical exports (58%) between 2009 and 2024.

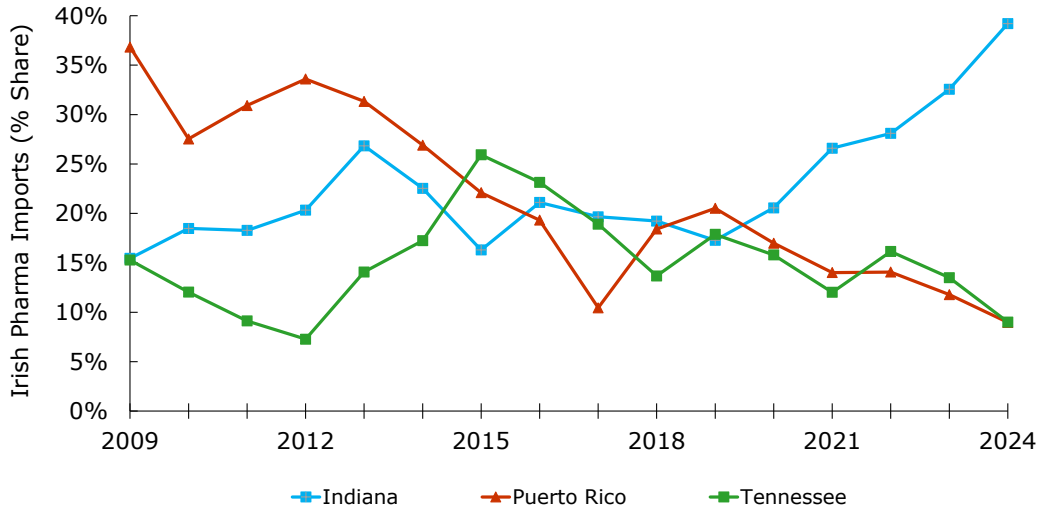
**Destination of Irish Pharmaceutical Exports to the US by State/Territory (2009–2024)**




Source: International Trade Administration, Goodbody

The state of Indiana has seen its share rise substantially since 2019. In 2024 almost 40% of all Irish pharmaceutical exports to the US were destined for Indiana, its highest share since the series began in 2009. The meteoric rise of Indiana as an export market for the Irish pharmaceutical sector is particularly noteworthy, as it is home to one of the world's largest GLP-1 manufacturers - Eli Lilly, which also maintains a strong presence in Ireland with two major manufacturing facilities: one in Kinsale, Co. Cork and a second in Limerick. In addition, Eli Lilly has committed to investing a further $9bn in pharmaceutical manufacturing in Lebanon, Indiana – specifically focused on producing its GLP-1 drugs (Mounjaro & Zepbound) and their key API (tirzepatide).

**Top 3 destinations in the United States for Irish pharmaceutical exports (2009 – 2024)**




*The top 3 are ranked by cumulative share over the whole period (2009 -2014)

Source: International Trade Administration, Goodbody

Taken together, the shift in the composition of Ireland's pharmaceutical exports towards GLP-1s and the surge in Indiana's share suggests that GLP-1 products are a key driver of the recent expansion in Irish pharmaceutical exports to the United States - a structural trend which is likely to persist beyond any short-term fluctuations (such as tariff frontrunning) in Ireland's trade data and drives employment, tax revenue and investment. As such it's important we are also aware of the potential implications of US policy for the sector.

# 8. Implications of US policy for Irish pharma

## 8.1 – Evolution of trade policy under President Trump to date

A shift towards a more protectionist policy stance by the US, including the use of tariffs, provides a significant risk to the Irish economy given its economic model and its success in being part of global value chains. Significant uncertainty remains about the future direction and scale of tariffs, especially given the February 2026 ruling by the US Supreme Court that IEEPA does not allow for the US President to impose tariffs. Following that ruling, the US administration pledged to impose a global tariff of 10%, then raised to 15%. This 15% commitment has since been delayed, with the US moving to implement a 10% global tariff (with notable exceptions) from 24th February 2026.

In line with the July 2025 EU-US "trade framework", pharmaceutical exports to the US are excluded from the new global tariff. There was already uncertainty about the full ratification of the EU-US framework even prior to recent events. On the 23rd February 2026, the European Parliament's trade committee paused work on ratifying last year's agreement pending more clarity about the US position.

EU officials had been assured by their US counterparts that any future tariffs on pharmaceutical exports would not exceed the 15% cap set under the trade framework. The EU's trade commissioner Maroš Šefčovič has said he expects Washington to stand over this commitment; a position echoed in a joint White House statement on the 21st of August 2025[10]. However, recent developments have added some doubt to the durability of the agreement given the growing transatlantic tensions.

Beyond the EU–US "trade framework" announced in July 2025, the pharmaceutical industry is awaiting clarity on the outcome of the US Department of Commerce's Section 232[11] investigation into the pharmaceutical sector. The inquiry was launched on the 1st of April 2025 and is allowed up to 270 days for completion, after which the US President has a further 90 days to decide whether to implement any measures based on the investigation's findings. Given the aforementioned deadlines a decision is expected in Q1 2026, however, to date there has been little to no indication on the status of the investigation.

At present, the pharmaceutical sector is not subject to any tariffs on its pharmaceutical exports to the US. Instead, the US has sought to achieve its aims through individual agreements with some of the largest pharmaceutical companies.

## 8.2 - Pledged investment & MFN pricing a risk as US seeks to onshore drug manufacturing

While US trade policy has turned more protectionist, the stated aim of the Trump administration with regard to pharma is to reduce the price of prescription drugs in the US. It is attempting this through executive actions[12] on Most Favored Nation (MFN) pricing.

The Most Favored Nation (MFN) executive order on drug pricing was initially issued in May 2025 and was followed by letters to 17 of the world's largest pharmaceutical firms[13] on 31st July 2025. These letters outlined 4 key steps these companies would be required to take. The initial MFN order stated that pharmaceutical companies must treat the US as a most-favored-nation (MFN) with respect to drug pricing and as such domestic pharmaceutical drugs must be priced equal to or less than the lowest sale price of the same drug in other developed countries. Specifically, the MFN target price is the lowest price in an OECD country that has a GDP per capita of at least 60% of the US' GDP per capita.

10 Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade – The White House

11 Section 232 of the Trade Expansion Act of 1962 allows the Department of Commerce to examine whether certain imports threaten to impair US national security. Actions may include the imposition of tariff or non-tariff measures

12 Fact Sheet: President Donald J. Trump Announces Actions to Put American Patients First by Lowering Drug Prices and Stopping Foreign Free-riding on American Pharmaceutical Innovation – The White House

13 Letters were sent to AbbVie, Amgen, AstraZeneca, Boehringer Ingelheim, Bristol Myers Squibb, Eli Lilly, EMD Serono, Roche (Genentech), Gilead, GSK, Johnson & Johnson, Merck (MSD), Novartis, Novo Nordisk, Pfizer, Regeneron and Sanofi.

The July letter called for firms to take the following actions:

1. Extend MFN pricing to Medicaid
2. Guarantee MFN pricing for newly launched drugs
3. Return increased revenues abroad to American patients and taxpayers
4. Provide for direct-to-consumer purchasing at MFN pricing

It also imposed a 60-day deadline for pharmaceutical firms to comply with the MFN order and implement the four aforementioned steps. Subsequently on September 26th President Trump announced that "*Starting October 1st, 2025, we will be imposing a 100% Tariff on any branded or patented Pharmaceutical Product, unless a Company IS BUILDING their Pharmaceutical Manufacturing Plant in America."* [14].

On September 30th, Pfizer was the first to agree a deal with the US government. It agreed to provide MFN pricing for Medicaid and newly launched drugs, in addition to agreeing to invest $70bn in the US "over the next few years". Critically the deal does not appear to cover Medicare or commercial insurance, which account for the majority of US spending on pharmaceutical drugs. Pfizer also stated that it would participate in Trump's new direct-to-consumer platform, TrumpRx.gov, allowing out-of-pocket patients to purchase drugs directly from Pfizer at a discounted price. In return for adhering to MFN pricing Pfizer obtained a three-year moratorium on any pharmaceutical tariffs under Section 232.

Notably, Pfizer did not alter financial guidance following the deal. The stock rose 6% following the announcement with investors reassured by the policy certainty and the moratorium on tariffs.

On October 10th AstraZeneca announced it had also signed an MFN agreement with the US government. This agreement followed AstraZeneca's commitment in July to invest $50bn in the US by 2030. In return AstraZeneca also received a three-year moratorium on any pharmaceutical tariffs under Section 232. The Pfizer/AstraZeneca deals appear to have laid the blueprint for other firms going forward. This means MFN pricing is set to be limited in its scope, not impacting the vast majority of drug spending in the US. However, the exact terms of these contracts remain confidential and are the subject of an ongoing FOIA case.

As of February 2026, 16 of the 17 companies who received letters have signed agreements directly with the US government - led by Pfizer (Sep. 30th 2025), AstraZeneca (Oct. 10th 2025), EMD Serono/Merck KGaA (Oct. 16th 2025), Eli Lilly and Novo Nordisk (Nov. 6th 2025), a nine-company 'December batch' (Amgen, Bristol Myers Squibb, Boehringer Ingelheim, Genentech/Roche, Gilead Sciences, GSK, Merck/MSD, Novartis, Sanofi), Johnson and Johnson (Jan. 8th 2026) and Abbvie (Jan. 12th 2026) have all signed MFN framework agreements.

In most of these cases the deals typically involve the companies receiving exemptions from tariffs in exchange for:

(i) commitments on MFN pricing (for certain products);
(ii) committing to multibillion-dollar capital expenditure plans in the US, and;
(iii) participating in the newly launched direct-to-consumer (DTC) platform, TrumpRx.gov.

The scope remains relatively narrow in the majority of these deals, with MFN pricing applicable only for Medicaid and out-of-pocket (cash) patients through the federal DTC platform. However, the GLP-1 deals (Eli Lilly & Novo Nordisk), which were signed on Nov. 6th 2025, extend MFN pricing into Medicare.

14 With Trump adding that "IS BUILDING" will be defined as "breaking ground" and/or "under construction"

On the 5th of February 2026 the US administration officially launched TrumpRx.gov, a federal direct-to-consumer portal that lists discounted cash-pay prices and links patients to manufacturers' channels (it does not distribute the drugs directly). It debuted with over 40 brand name drugs from the first five MFN signatories, with more expected to follow according to the administration

The final remaining company, who received a letter but have not yet signed an agreement, Regeneron, are reported to be in negotiations and are expected sign a similar agreement in the first half of 2026.

## 8.3 – Scale and extent of pharma investment in the US

While the impact to date has been relatively benign on operations abroad, we have continued to note the increasing political pressure on firms to comply with the administration's 'America First' approach. As we forecast in our *Fog Lifting* report in October 2025, pharmaceutical firms have been under growing pressure to demonstrate compliance with this approach through onshoring drug manufacturing and capital investment in the US, in addition to complying with the MFN executive order on drug pricing.

The extent of which this incremental investment represents the reannouncement of existing or predetermined plans remains unclear, as does the extent to which they will be realised. The public statements on this by the companies themselves support this ambiguity. Given the lags in the investment cycle, this will take some time to feed through, but there has been a significant series of investment announcements by the pharmaceutical sector over the past twelve months, as captured in the following table.

**Pledged pharmaceutical investments in the US so far…**

| Company | Pledged Investment ($bn) | Time Horizon (years remaining) |
|---|---|---|
| Pfizer | 70 | "over the next few years" |
| Johnson & Johnson | 55 | "by early 2029" |
| Roche (Genentech) | 50 | 4 |
| AstraZeneca | 50 | "by 2030" |
| GSK | 30 | 5 |
| Bristol-Myers Squibb | 40 | 4 |
| Eli Lilly | 27 | 5 |
| Novartis | 23 | 4 |
| Sanofi | 20 | "through 2030" |
| AbbVie | 10 | "over the next decade" |
| Merck & Co.* | 9 | 3 |
| Gilead Sciences | 32 | "through 2030" |
| Amgen | 2 | TBC |
| Regeneron | 7 | Over 9 years |
| Biogen | 2 | Over the next 3 years |
| Thermo Fisher Scientific | 2 | 3 |
| UCB** | 5 | TBC |
| Cencora | 1 | "through 2030" |
| Vaxcyte (*via Thermo Fisher*) | 1 | TBC |
| Hikma Pharmaceuticals | 1 | "by 2030" |
| Abbott Labs | 1 | TBC |
| **Total** | **$438 billion** | |

**Company trades under Merck, Sharp & Dohme or 'MSD' outside the US & Canada.*

***UCB cites economic impact of $5bn from planned new biologics site in the US.*

***Does not include additional commitments under MFN deals that have not been reported by the Whitehouse to date (e.g Abbvie's $100bn)*

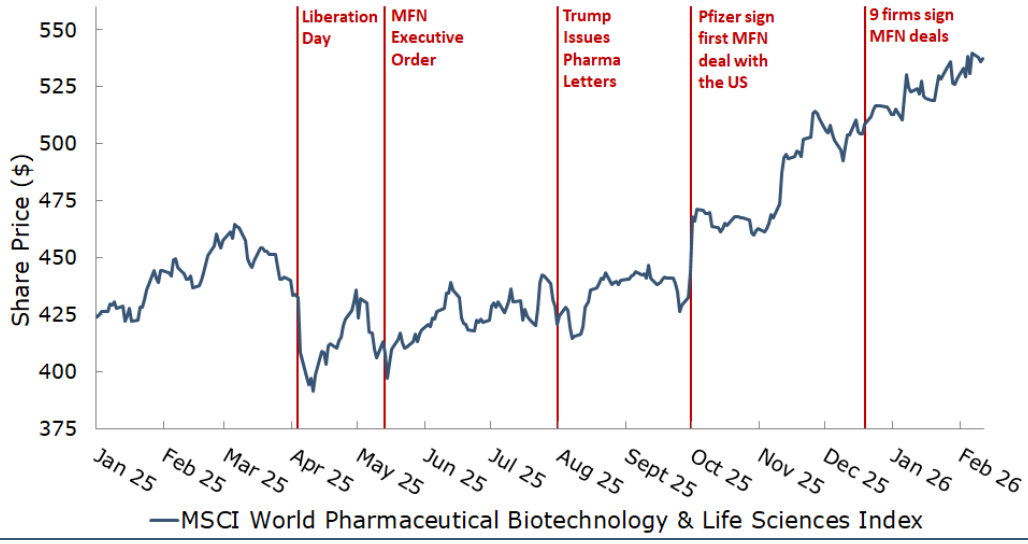
Source: Company Filings, The White House, Bloomberg Intelligence

# 9. Corporate Performance

## 9.1 – Evolution of trade policy under President Trump to date

We assess the market view of the pharmaceutical sector using the MSCI World Pharmaceutical, Biotechnology and Life Sciences Total Return Index. As shown below, share prices have been impacted by key policy events over the past twelve months:

**Key US policy events that have impacted the pharmaceutical sector**




*data as of 12/02/26

Source: Factset, Whitehouse.gov, USTR, Goodbody

The initial announcement of tariffs and the Most Favored Nation order, alongside Trump's issuance of enforcement letters to major pharmaceutical companies corresponded with sharp falls in the index. Conversely, increased clarity on policy direction and the absence of tariffs in H2 2025 has contributed to a steady upward trend in share prices. This suggests that investors have found additional comfort as the range of potential policy outcomes and punitive measures has been narrowed. The individual share price performances of 15 of the largest pharmaceutical companies highlights that the vast majority of our sample has outperformed their respective benchmark indices[15].

**Share price performance (Last Twelve Months)**

| Pharmaceutical Firms | Market Cap ($m) | Share price performance | | | | |
|---|---|---|---|---|---|---|
| | | 1m | 3m | 6m | YTD | 1yr |
| Eli Lilly | $985,648 | -1.8% | -5.9% | 50.3% | -2.9% | 16.7% |
| Abbvie | $409,561 | 5.6% | -0.1% | 11.6% | 0.8% | 17.3% |
| Roche (Genentech) | $389,135 | 5.8% | 16.1% | 38.7% | 14.0% | 21.8% |
| Johnson & Johnson | $594,209 | 12.0% | 19.3% | 38.2% | 19.6% | 52.6% |
| AstraZeneca | $321,430 | 12.9% | 8.7% | 28.1% | 12.3% | 30.7% |
| MSD (Merck) | $308,480 | 15.3% | 18.1% | 46.3% | 17.7% | 41.6% |
| Novartis | $354,221 | 14.0% | 28.7% | 34.1% | 21.2% | 58.6% |
| Sanofi | $116,330 | 2.0% | -6.3% | -6.2% | -2.6% | -18.9% |
| Novo Nordisk | $169,135 | -40.2% | -20.0% | -34.6% | -25.1% | -62.4% |
| Pfizer | $154,481 | 5.9% | 5.6% | 8.1% | 10.8% | 9.0% |
| Amgen | $207,104 | 11.4% | 12.6% | 33.2% | 17.8% | 25.5% |
| Bristol-Myers Squibb | $126,048 | 13.3% | 26.2% | 31.3% | 15.5% | 11.7% |
| GSK | $122,014 | 23.0% | 23.4% | 49.7% | 21.6% | 55.4% |
| Takeda | $58,957 | 13.4% | 30.1% | 28.6% | 20.3% | 41.7% |
| Gilead Sciences | $184,438 | 9.3% | 16.9% | 30.2% | 20.3% | 37.0% |

Source: Factset, Goodbody *as at 24th February 2026

15 Note these companies are listed on a range of exchanges from the US to Japan and as such the relevant index is firm-dependent, share prices in USD are calculated based on FactSet data and contemporary FX rates where required

## 9.2 – Evolution of revenue/profitability for the sector

While there is significant variation, as a group, revenues and profits amongst the companies in the table above are expected to grow over the next two years according to bottom-up analyst estimates, heavily influenced by GLP-1 trends. This follows a period of strong revenue growth from the group of companies over the 2019-2024 period.

## Conclusion

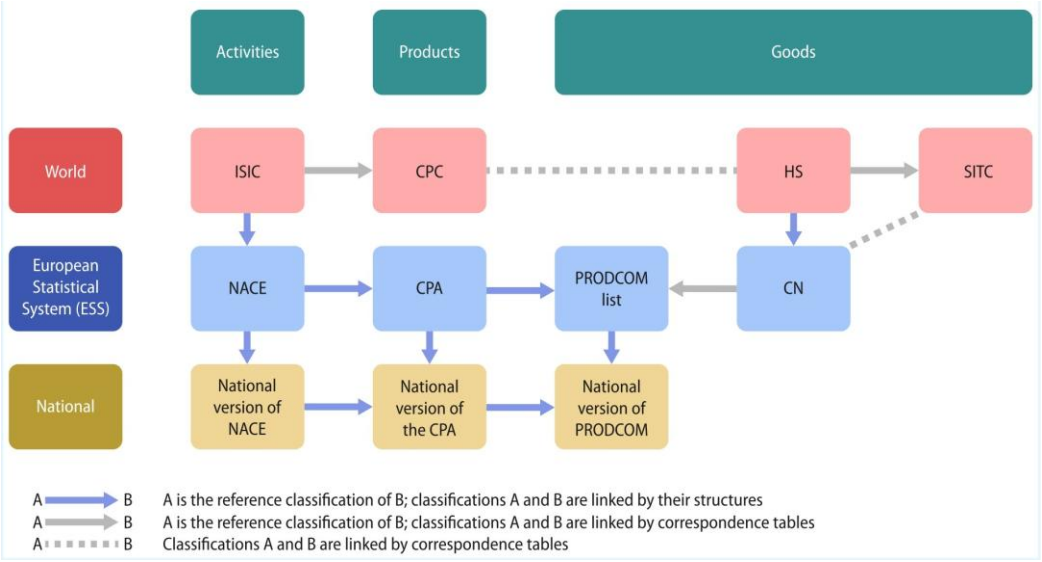
Ireland's pharmaceutical sector is a cornerstone of the national economy and a core component of global pharmaceutical supply chains. The 2025 surge in exports demonstrates the opportunities associated with Ireland's deep integration with US pharmaceutical value chains but also underscores the risks of concentrated market exposure. Ireland needs to use extraordinary corporate tax receipts to strengthen its competitive position generally for ongoing external investment, including in the pharmaceutical sector.

Maintaining Ireland's competitive position will require continued investment in talent, R&D incentives and critical infrastructure, alongside active engagement with EU-level reforms to support innovation and regulatory efficiency. The global trajectory for biologics, GLP-1 medicines and advanced therapeutics remains favourable, and Ireland is well placed to build on its leadership position, provided strategic investments and policy certainty are maintained.

# I. Appendix

## A1. Schematic of Global, European & National economic classifications

**The integrated system of economic statistical classifications**




Source: Eurostat, Goodbody

## A2. Defining NACE Rev. 2 Code C21

In this report pharmaceutical manufacturing activity is defined as NACE Rev. 2 Code C21 (Manufacture of basic pharmaceutical products & pharmaceutical preparations). C21 comprises two subcategories (C21.1 and C21.2) which together encompass both the production of active pharmaceutical ingredients (APIs) and the manufacture of finished medical products:

### C21.1 – Manufacture of basic pharmaceutical products

**Includes**: "manufacture of active pharmaceutical ingredients … (e.g. antibiotics, basic vitamins, salicylic and O-acetylsalicylic acids)"; "processing of blood"; "manufacture of chemically pure sugars"; "manufacture of probiotics"; "processing of glands and manufacture of extracts of glands, etc."

**Excludes**: "manufacture of advanced cell and gene therapy pharmaceutical preparations (see 21.20).

### C21.2 – Manufacture of pharmaceutical preparations

**Includes**: "manufacture of medicaments: antisera and other blood fractions, vaccines, diverse medicaments including homeopathic preparations"; "manufacture of chemical contraceptive products … and hormonal contraceptive medicaments"; "manufacture of medical diagnostic preparations, including pregnancy tests"; "manufacture of radioactive in-vivo diagnostic substances"; "manufacture of cell and gene advance therapy medical products"; "manufacture of medical impregnated wadding, gauze, bandages, dressings, etc."; "preparation of botanical products … for pharmaceutical use"; "manufacture of viral vector-based medicines or vaccines"; "manufacture of pharmaceutical preparations for veterinary medicines."

**Excludes**: herb infusions (10.83), food supplements (10.89), probiotics (21.10), dental/surgical products (32.50), wholesale (46.46), retail (47.73), R&D (72.10), packaging (82.92).

In line with the nomenclature used by the European Statistical System (ESS) and Ireland's Central Statistics Office (CSO), sectoral analysis in this report uses NACE Rev. 2 Code C21 as the default measure of pharmaceutical manufacturing activity. Using this harmonised classification enables cross-country analysis and provides a consistent basis for examining the scale, structure and evolution of Ireland's pharmaceutical manufacturing base.

## A3. Defining Division 54 'Medicinal and pharmaceutical products'

In this report import and export statistics, trade analysis and cross-country comparisons of pharmaceutical product flows are measured using *Division 54 'Medicinal and pharmaceutical products'* of the Standard International Trade Classification (SITC), Revision 4 (Rev. 4). Division 54 isolates pharmaceutical goods from the wider SITC 5 'Chemicals & Related Products' category and thus provides a more precise, albeit more conservative, measure of Ireland's pharmaceutical performance.

Division 54 is comprised of the following SITC Rev.4 sub-categories:

- *5411 Provitamins and vitamins (not put up as medicaments),*
- *5413 Antibiotics (not put up as medicaments),*
- *5414 Vegetable alkaloids (not put up as medicaments),*
- *5415 Hormones, prostaglandins, thromboxanes and leukotrienes,*
- *5416 Glycosides, glands or other organs, antisera, vaccines,*
- *5419 Pharmaceutical goods, other than medicaments,*
- *5421 Medicaments containing antibiotics,*
- *5422 Medicaments containing hormones, etc., but not antibiotics,*
- *5423 Medicaments containing alkaloids, but not containing hormones etc. or antibiotics,*
- *5429 Medicaments not elsewhere specified.*

Using this harmonised classification enables cross-country analysis and provides a consistent basis for examining trade within the pharmaceutical sector. Used alongside NACE C21's coverage of manufacturing (*what Ireland produces)*, SITC Division 54 provides the framework needed to accurately analyse Ireland's pharmaceutical trade dynamics in detail (*which products Ireland sells/buys* and to/from whom).

## A4. Methodology for FDA approved plants per capita

### Raw Data Source

The count of drug-manufacturing sites is obtained from the FDA's *Drug Establishments Current Registration Site (DECRS)* database, which lists all active domestic and foreign establishments registered to manufacture drugs for US distribution.

### Data Range

The database is updated as of January 2026, immediately following the FDA's mandatory annual registration renewal window (Oct 1st - Dec 31st ). This ensures all active sites for the current calendar year are included and any expired registrations have been removed. Additionally, the database is updated daily to reflect any enforcement action or compliance issues that cause registration to be inactivated for a given site or indeed for the addition of new or updated site registrations. Our data is based on DECRS as of the 9th of February 2026.

## Search Parameters

Using the FDA's database, the following filters are applied:

- **Country**: Filtered by three letter abbreviation e.g. For Ireland we filter by (IRL)
- **Establishment type**: we filter for "Manufacturing", excluding sites used solely for labelling etc.

Thus, the FDA's DECRS database enables filtering for currently registered drug manufacturing sites globally and specifically in our case across Europe. *Note Ireland's NUTS 3 regions are applied manually following this based on the given site's registered address.

## Inclusion/Exclusion

**Included:** Active, FDA-registered drug manufacturing establishments with valid FEI numbers.
**Excluded:** Inactive or lapsed registrations are automatically removed by the FDA & registered sites that do not involve drug manufacturing are filtered out by our parameters. DECRS also excludes wholesale distributors or third party logistics providers.

## Sample

The final results reflect all active FDA-registered drug-manufacturing sites located across Ireland's NUTS 3 regions and secondly in 29 countries across Europe. The full European sample is listed below:

1. Malta,
2. Ireland,
3. Slovenia,
4. Denmark,
5. Belgium,
6. Austria,
7. Italy,
8. Germany,
9. Spain,
10. Netherlands,
11. France,
12. Czech Republic,
13. Sweden,
14. United Kingdom,
15. Estonia,
16. Lithuania,
17. Latvia,
18. Portugal,
19. Hungary,
20. Croatia,
21. Slovakia,
22. Greece,
23. Bulgaria,
24. Poland,
25. Romania,
26. Finland,
27. Cyprus,
28. Switzerland,
29. Luxembourg

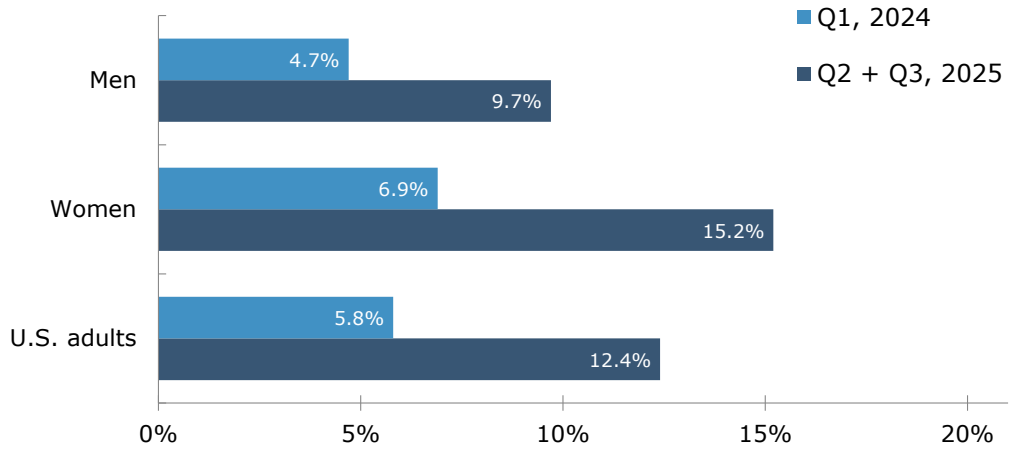
## A.5 Evidence on use of GLP-1 in the US

In October 2025, a survey by the Gallup National Health and Well-Being Index[16] found that the percentage of Americans who report taking GLP-1 drugs for weight loss had more than doubled to 12.4% since February 2024 when it was measured at 5.4%.

**Share of US Adults who use GLP-1 injectables for weight loss doubles to 12.4% in 2025**

*Have you ever taken an injection for weight loss such as semaglutide (brand names Ozempic and Wegovy) or liraglutide (brand name Saxenda)?*

**% Yes, I have**




Source: GALLUP, Goodbody

Gallup found that the surge in GLP-1 use has correlated with a decline in US obesity rates, which peaked at 39.9% in 2022 but have since fallen to 37.0% as of 2025. The breakdown among age cohorts also reflects the trends in GLP-1 use with the higher use groups seeing the most significant reductions in obesity, in contrast to younger cohorts who have lower rates of GLP-1 use and have seen more modest changes:

- *Ages 18-29; obesity rate down 1.0 point to 30.3%, with a GLP-1 usage rate of 6.7%*

  versus

- *Ages 50-64; obesity rate down 5.0 points to 42.8%, with a GLP-1 usage rate of 17.0%*

Recently, the newly spun-off The Magnum Ice Cream Company (TMICC) disappointed investors with its Q4-2025 results, in contrast to the strong result of its former parent, Unilever. TMICC's CEO, Peter ter Kulve, did not deny the growing use of GLP-1s (Specifically calling out increased consumer demand for "*Smaller portions, less calories, more nutritional density, real ingredients, and more proteins"* ) arguing instead that it is an opportunity sell premium lower calorie and portion-controlled products at a higher price. However, volume contractions do not generally favour ice cream producers, who historically have been much more capable of absorbing value contractions. TMICC's CEO played down the risk posed by GLP-1s noting that it was only significant in the US. Growing GLP-1 adoption across Europe however would require innovation amongst high calorie (predominantly sugar-based) food producers such as reformulation. Furthermore, while its confinement to date in the US may be beneficial for TMICC it also underlines the growth potential for the market. All in all, the evidence of growing GLP-1 use is a long-term structural trend and provides an opportunity for largest producers, some of which have operations in Ireland.

**Acknowledgement** – Many thanks to those in the sector who talked to us in the background research for this report, as well as the work of **Max Mulcahy** in particular for his efforts.

16 https://news.gallup.com/poll/696599/obesity-rate-declining.aspx

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