

A gateway to European markets

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IDA Ireland (Investment & Development Agency) is Irish Government's investment and development agency responsible for attracting Foreign Direct Investment (FDI) to Ireland. The country houses tech giants including Facebook, Sanofi, Intel, Yahoo, Adobe, Microsoft, SAP, HP, Apple, LinkedIn, Deutsche Bank, Google and Amazon among others. IDA is in business since the 1950s, and has offices in Australia, China, India, Japan, Korea and Singapore. It employs over 300 people and half of them are from overseas.

Based in Shanghai, Mr John Conlon is the EVP and head of APAC Operations at IDA Ireland. He recently visited India on a business trip, and spoke exclusively to *BioSpectrum* providing deep insights and happenings in Ireland's Life Sciences sector, and why Indian Pharma and Biotech companies should consider investing more in Ireland than ever before.

For Ireland, 70 percent of its business comes from the US; 20 percent from Europe, and the rest from the APAC.

In the next two to five years, the country aims to accelerate its business to the next level.

With a population of 5 million, the country is a host to 2 million workforce.

Ireland's GDP stands at â‚¬215 billion and its exports are worth â‚¬200 billion. The country's pharma exports amounts to â‚¬64 billion, and medtech alone is about â‚¬15 billion, totaling the Life Sciences business to a value of â‚¬79 billion.

Thriving Ecosystem

Decades ago, Pfizer was the first pharma company to invest in Ireland. The country now boasts of having nine out of top 10 global pharma companies including Novartis, Johnson & Johnson, Sanofi and AbbVie, except AstraZeneca.

In the medtech industry, out of the top 15 global companies, 13 of them operate in Ireland. Its Life Sciences sector alone employs 50,000 professionals and mainly focuses on novel drugs and generics.

Ireland produces 30 percent of the world's contact lenses and 25 percent of the global injectables for diabetes. It also manufactures 75 percent of the world's orthopedic knees and 90 percent of Botox.

"In 2015, Ireland encountered over 200 major investments. Fifty percent of those companies which invested have never done business in Ireland before. Pharma and Biotech alone have seen investments worth 10 billion Euros in the last 10 years. Between 2012 and 2015, we have had 4 billion Euros worth investments in this sector," said Mr Conlon.

Manufacturing excellence in Biopharmaceuticals is a hallmark of Ireland's success in the sector. The country has now developed 18 manufacturing sites till 2015.

Clinical Trials

Major Indian corporates in Ireland include Wockhardt, Infosys, Tata, Wipro and Tech Mahindra to name a few.

Ireland is more known for its excellence in managing clinical trials than running them.

"The population is very small. If you want to run clinical trials Europe would be the best place. But we are more on the clinical trials management space," stated Mr Conlon.

Ireland is the gateway to the European markets, he said. Indian companies in Ireland face the same market challenges as elsewhere. The Irish Government has become cost-conscious and it controls the healthcare spends.

Irish Fundings

Indian companies are expected in providing best quality of services and products. "India is strong in generics, and its quality should meet the EU standards. If Indian companies want to access the EU markets, then Ireland would be the place to start with," Mr Conlon held.

There are many fundings of different varieties offered by the Irish Government to international companies. Science Foundation Ireland (SFI) funds basic research in the Biopharmaceutical sector in the areas of cancer, auto-immune disease and Alzheimer's.

Recently, SFI signed a deal with Pfizer for a jointly-funded Biomedical research, helping Pfizer's drug discovery efforts in and out of Ireland.

The Irish Government provides capital grants, employment grants, and for existing companies it offers training grants, R&D development grants, and R&D tax credits which is about 25 percent.

"There are many financial mechanisms which depend on the budget and the relevancy of the companies. Organizations will not get all of the grants but it will a combination of grants, which makes sense. Grants are provided as an assistance to setup in Ireland and not a reason to setup. Companies are there for talent, track record, ability to run facilities and export products," emphasized Mr Conlon.

Ease Of Business

He also pointed about the excellence in Ireland's education system and the ease of doing business.

"One can easily setup companies in Ireland. The ease of doing business is excellent. English speaking talent, access to the EU market, being a member of the European Single Currency, exceptional talent base including engineers, managers, sales and R&D professionals, and excellent University system all add to Ireland's great business ecosystem," noted Mr Conlon.

The National Institute for Bioprocess Research and Training (NIBRT), created from a â,~60 million investment by the IDA, offers practical training to thousands of people every year.

Start-up Ecosystem

Enterprise Ireland is the Government organization responsible for the development and growth of Irish enterprises in global markets.

"It helps grow Irish companies. They fund three start-ups per week. Ireland is one of the entrepreneurial countries in Europe," expressed Mr Conlon.

The country has a concentrated cluster of electronics, IT and Biotech companies. "We have Pfizer, Microsoft, Google, eBay, Yahoo, IBM located next to each other. It leads to interesting collaborations giving rise to hybrid products," he highlighted.

Bad Business

Mr Conlon advises companies to first hire the best general manager while setting up in Ireland.

"A good general manager can manage a bad business. But bad general managers can mess up a good business. It's worth spending good money in hiring the best personnel who come with great experience, network and culture, and can build business better," he advised.

R&D Activities

The Irish Government has committed €8 billion to research funding to further bolster Ireland's reputation as a growing hub for R&D.

"A lot of pharma R&D takes place at companies' headquarters which house large labs and facilities. Very little happens in Ireland," he added. "In Ireland, it is more of process development when it comes to cost and drug delivery. However, a lot happens in the medtech space in Ireland."

IPRs

Companies entering Ireland can register their patents in Ireland and can use the same registration to patent in Europe.

"In IPs, Ireland is very similar to India. The process is straight-forward and clear. Companies will see patent protection as an advantage," Mr Conlon said.

FDI

Global economy, economic crisis and politics - all of them affect investments in Ireland.

"There are many commonalities between India and Ireland starting from our national flags. Indian companies and professionals do well in Ireland. We look forward in engaging with Indian companies," he concluded.

The Big Picture

- 9 of the top 10 world's pharmaceutical companies operate in Ireland
- 7th largest exporter of medicinal and pharmaceutical products in the world in 2014
- €39 billion in annual exports of pharma, bio and chemistry produce
- 75+ pharmaceutical companies
- 33 FDA approved pharma & biopharma plants
- 12.5% rate of Corporation Tax on trading activities