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Pharma

'We're going to have that' – Inside Trump's plans to grab Irish pharma, and why it won't be so easy



Ireland's pharmaceutical manufacturing sector is unlikely to face short-term job losses, but a lack of investment, corporate tax repatriation and subdued demand are long-term threats



Fionn Thompson

March 30, 2025

With a portrait of TK Whitaker, the father of Ireland's modern industrial policy, looming over his shoulder, Kieran McQuinn on Wednesday delivered his final assessment of the Irish economy before being seconded by Taoiseach Micheál Martin as his new adviser.

McQuinn will have his work cut out for him in his new gig given the scale of the economic pain coming down the tracks if US President Donald Trump follows through on his plans to slap tariffs on EU goods on Wednesday.

"Clearly the tariff issue will have an impact," the ESRI economist said. "If there is a profound impact, it would clearly have an impact on unemployment," he added.

If the Irish economy is in jeopardy, one sector in particular is in Trump's crosshairs.

"You took our pharmaceutical companies and other companies... this beautiful island of 5 million people has got the entire US pharmaceutical industry in its grasps," he told Martin in the Oval Office earlier this month.

Then, in recent days, he went further.

"We're gonna have that," he said on Thursday of Ireland's pharma sector.

Industry sources, though, paint a more complex picture of Ireland's pharma industry and one that Trump may find harder than he thinks to unpick.

Exposure

The pharma sector in Ireland's exposure to the US market is significant. The sector exported €99.89 billion worth of products, or 44.6 per cent of total goods exports, in 2024. Of this, 44.4 per cent, or €44.3 billion, was exported to the US.

This accounts for 61 per cent of all exports to the US.

The sector also had by far the largest exposure to US exports – more than 4.5 times the exposure that chemical products at €9.4 billion had, in second place.

Read more on Trump's tariffs

Paschal Donohoe on why he is 'extremely concerned' about US tariff threats

Enterprise minister pushes back against Trump 'Liberation Day' language as trade war snowballs

Those working within the sector – industry experts and representative groups – seem to be in agreement, however, that while it is facing increasing uncertainty, the short-term effects are likely to be contained due to Ireland's unique pharmaceutical manufacturing chain.

David Anchell, the founder and managing director of specialist pharma and industrial company Camida, believes that Trump doesn't understand how "complex" the industry is.



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While Trump sees a "big tub of pills" he wants to slap tariffs on, Ireland doesn't "generally export pharmaceuticals", he said.

"We export APIs."

APIs, or active pharmaceutical ingredients, make up the majority of what we export, according to Anchell.

These are the active ingredients that are used to produce so-called "blue-chip drugs", or drugs under patent that serve a specific, singular function and are manufactured and sold by a single company.

These APIs are exported to different countries, where the ingredients are turned into tablets, injections and pills for consumer use.

“When Trump is talking about putting tariffs on pharmaceuticals, he's really thinking of generic tablets that have been around for years, that are relatively low-value, that tend to be made in India and China, and not in places like Ireland,” he said.

Trump is trying to force US consumers to use American-made products, Anchell said, which is perhaps achievable with generic medication like paracetamol or widely-used antidepressants.



'I'm not upset with you' - Trump on US companies locating in Ireland and plans to bring them back to America

Business Post

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However, Ireland's main manufacturing is in APIs for novel drugs, under patent and requiring very specialist staff, equipment and regulatory approvals.

They also have no alternative in the market, meaning that consumers can't simply substitute another product if a non-US made drug is the only one in the market.

“Effectively, what we export is a raw material. Because it goes for finishing into dosage forms in other parts of the world – often America, but sometimes parts of Europe,” Anchell said.

“Trump is right about one very important thing –

Ireland has played it very smart”

McQuinn, the ESRI economist, agreed that while there were real risks for the economy, the impact on the pharma sector would be a slower burn.

“The time duration for some of the investments is multi-annual. It takes a long time to build these firms, to build these huge factories,” he said.

A dearth of investment, which can have longer-term impacts, is more likely and harder to quantify.

“Investment is going to be very uncertain,” he said.

Played it smart

Pat McCarthy, an industry veteran and author of *History of the Irish Pharmaceutical Industry*, believes that Trump has rightly identified the success of the sector in Ireland.

“Trump is right about one very important thing – Ireland has played it very smart,” he told the *Business Post*.

“Back in 1970, it identified the pharmaceutical industry as a growth sector, as a key investment sector, and actively targeted that industry.”

McCarthy sees the threat to the industry as company-dependent, relating more to the production capacity that a company has in the States that it could move from Ireland.

“There may be some [job losses] if companies have spare capacity in the States.

“If not, there could also be contract manufacturing in the States, but all of these things, setting up contracts with contract manufacturers and so on, take time.”



Cathal Friel, chairman, Poolbeg Pharma, says the US's biggest problem is misunderstanding the scale, scope and timeframe for massive pharmaceutical production shifts

Cathal Friel, the chairman of Poolbeg Pharma, said the issue around pharmaceutical tariffs was far removed from more traditional tariffs levied on the automaker industry, for example.

He sees the biggest problem for the Americans as misunderstanding the scale, scope and timeframe for massive pharmaceutical production shifts.

Friel says that the pharmaceutical plants in Ireland are “very expensive, high-end biologics plants” which take a “very long time to build”.

“There's also the issue where Trump was complaining about, that under Biden, in recent years, planning permission in America has become really difficult.

“It can take five to seven years for any factory to get planning permission. And then the bigger issue... is you have to get regulatory approval from the FDA.”

FDA approval can take an additional two to three years on average, Friel said.

Contract manufacturing

Read more on Trump's tariffs

Privately, industry players in Ireland have expressed concerns that the real goal for Trump is to change the corporation tax regime. Undoing previous tax changes that, inadvertently, encouraged investment in Ireland could have a bigger impact than the imposition of tariffs.

Michigan governor told growing uncertainty over Trump trade war hurting investment from Ireland

Trump names Ireland as he threatens tariffs on pharma

For now, pharma companies are war-gaming the potential fallout, especially around supply chains, according to industry sources.



Gareth Sheridan, founder and chief executive, Nutriband, says the biggest losers will be the American consumer: 'People will die'

While a wholesale shift of manufacturing production back to the US is unlikely, the potential play from the US administration is to have pharma giants to prioritise investment in America over Ireland.

Contract manufacturing firms based here are likely to be the first to feel the pain if US multinationals stop sending work their way.

Gareth Sheridan, the founder and chief executive of Nutriband, a Nasdaq-listed manufacturer of skin patches to prevent the abuse and misuse of drugs such as fentanyl, said pharma tariffs will likely result in “thousands” of job losses in Ireland, he added.

The American consumer, though, will ultimately be the biggest loser, he said.

Ultimately, “people will die” in America if price increases are passed onto consumers, he said.

“Tariffs will be paid by the patient or the prescription holder, and many medications now are going to drastically increase in price, and some insurance companies may limit or drop cover entirely for certain patients.

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‘We’re going to have that’: Inside Trump’s plans to grab Irish pharmaceuticals, and why it won’t be so easy



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