

Medtech sector Manufacturing Report March 2025













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Irish Medtech is the leading business organisation representing Ireland's global medtech sector



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Note from Irish Medtech Chair

Ireland's medtech sector has long been synonymous with excellence, and our ability to embrace cutting-edge technologies ensures that we remain at the **forefront of global healthcare innovation**.

Ireland's medtech industry remains a vital economic driver, with projected revenues reaching \$1.50 billion by 2025 and an anticipated annual growth rate of 4.08%, propelling the market to **\$1.76 billion by 2029**. Strategic initiatives such as Ibec's "Medtech Strategy 2025" emphasise the importance of collaboration, innovation, and capability development. Major investments, such as GE Healthcare's recent €132 million expansion announcement in Cork, further reinforce Ireland's position as a premier hub for medtech excellence.

Access to a **highly skilled workforce** remains the most pressing challenge for the sector, with 63% of businesses identifying talent attraction and retention as a major concern. Addressing this will be critical to sustaining our competitive edge and fostering long-term growth.

Ireland's **strong ecosystem** - built on world-class research, skilled talent, and a pro-business environment - continues to attract global players and fuel indigenous innovation.

As we look ahead, Irish Medtech remains steadfast in our commitment to support our members, advocating for **policies that enable growth**, and driving the industry forward in an increasingly complex global marketplace. By embracing digital transformation, fostering talent development, and strengthening strategic partnerships, we will ensure Ireland's continued success as a global leader in medtech innovation.



Jackie Murphy
Chair, Irish Medtech
Vice President, Manufacturing Plant
Manager, Alcon Ireland



Foreword

The Irish medtech sector stands as a beacon of innovation and resilience in an ever-evolving global economic landscape. As a key pillar within Ireland's industrial framework, **medtech continues to drive economic growth**, employment, and technological advancements.

Irish Medtech, the business association within Ibec representing this dynamic sector, proudly supports more than 250 member companies - both multinational enterprises and indigenous SMEs - operating across the island. Our core mission is to foster an environment conducive to sustainable development, ensuring that Ireland remains **a global leader in medtech innovation and manufacturing**.

This report shows industry is experiencing significant shifts, driven by rapid advancements in artificial intelligence (AI), automation, and smart manufacturing. Notably, engagement with AI in Ireland's manufacturing sector is notably high, with **54% of businesses actively integrating AI-powered initiatives** compared to a global average of 39%. This commitment to digital transformation underscores our industry's drive to enhance productivity, efficiency, and competitiveness on the world stage.

The European Union's recent €200 billion investment fund for AI, including €20 billion for AI gigafactories, presents an opportunity for Ireland to further **strengthen our leadership in advanced manufacturing**.



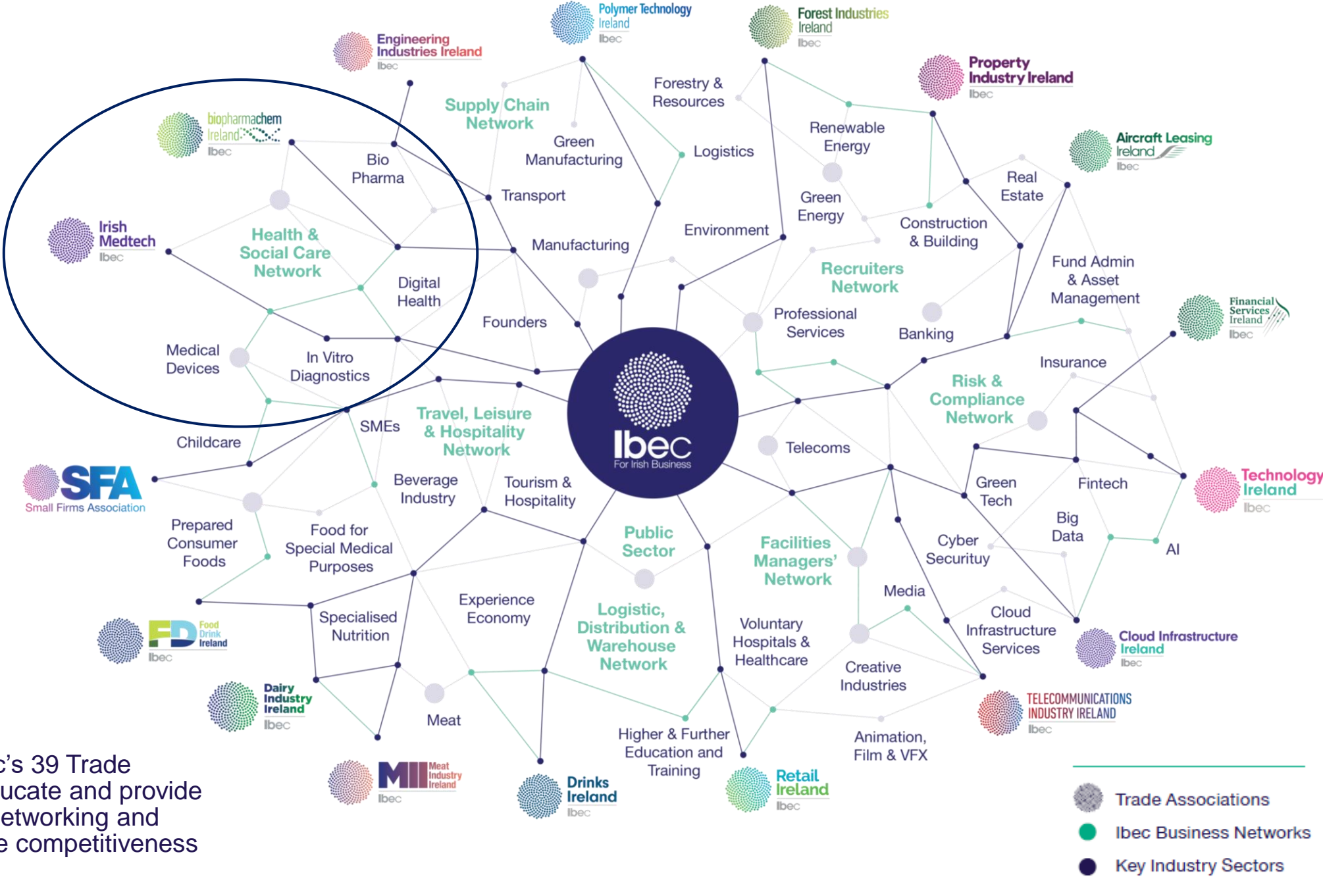
Mike Farrell
*Director of Business Transformation
West Contract Manufacturing, and
Chair of Ibec's Medtech & Engineering Advanced Manufacturing Working Group*



Adrienne McDonnell
*Senior Executive
Irish Medtech, with
responsibility for Medtech &
Engineering Advanced
Manufacturing Strategy*



Ibec's expansive membership network facilitates collaboration & knowledge sharing.



Irish Medtech is one of Ibec's 39 Trade Associations who lobby, educate and provide great knowledge sharing, networking and skills training to improve the competitiveness of our industries

Irish Medtech Strategy: The Global Medtech Hub 2025



4 Strategic Pillars

- **Innovation** with impact
- **Talent** to thrive
- Excellence through **Collaboration**
- **Competitiveness** of the ecosystem



<https://www.ibec.ie/connect-and-learn/media/2022/03/09/irish-medtech-association-sets-out-strategy-to-set-global-healthcare-agenda>

The Global Medtech Hub 2025

Ireland is one of the top five global medtech hubs, competing with the likes of Massachusetts, Minnesota and California in the USA.

We manufacture:

- **80% of global stents**
- **75% of global orthopaedic knee production**
- **25% of injectable devices for diabetics**
- **33% of the world's contact lenses**

Our success is over a century in the making, with the sector now spanning 450 companies, including 9 of the world's top 10 medtech companies with exports of €16.5 billion.

Moreover, Ireland is the greatest employer of medtech professionals, per capita, in Europe with more than 48,000 people working in the sector and growth forecast to reach 56,000 by 2028 as the sector continues to grow here.



Summary

Key Insights

- Business sentiment for the MedTech sector in Ireland has become somewhat less positive over the past year, with a polarisation of ratings for the sector in the months ahead.
- Labour costs (72%), housing for employees (67%) and attracting/retaining a quality workforce (63%) are the three factors most widely mentioned as a major challenge. When probed for the **greatest** challenge, MedTech enterprises selected weaker global growth as the second greatest challenge ahead of housing.
- Weaker global growth and trade uncertainties may explain why there is greater focus on business expansion (33%) and developing new markets (17%) as a priorities for 2025.
- Engagement with AI is higher than average in the manufacturing sector (54% vs 39%) with the majority planning to adopting new initiatives to improve efficiency/productivity.
- Membership of Ibec continues to be important to the sector and while HR supports are used most widely and of greatest benefit, there has been increased engagement with talent development and regulatory advice services over the past year.
- Although there is strong support for each of Ibec's policy pillars, the ability to access a skilled workforce is of greatest importance, echoing the challenge of attracting/retaining staff which was categorised as a major challenge for 63% of businesses and a minor challenge for a further 17%.



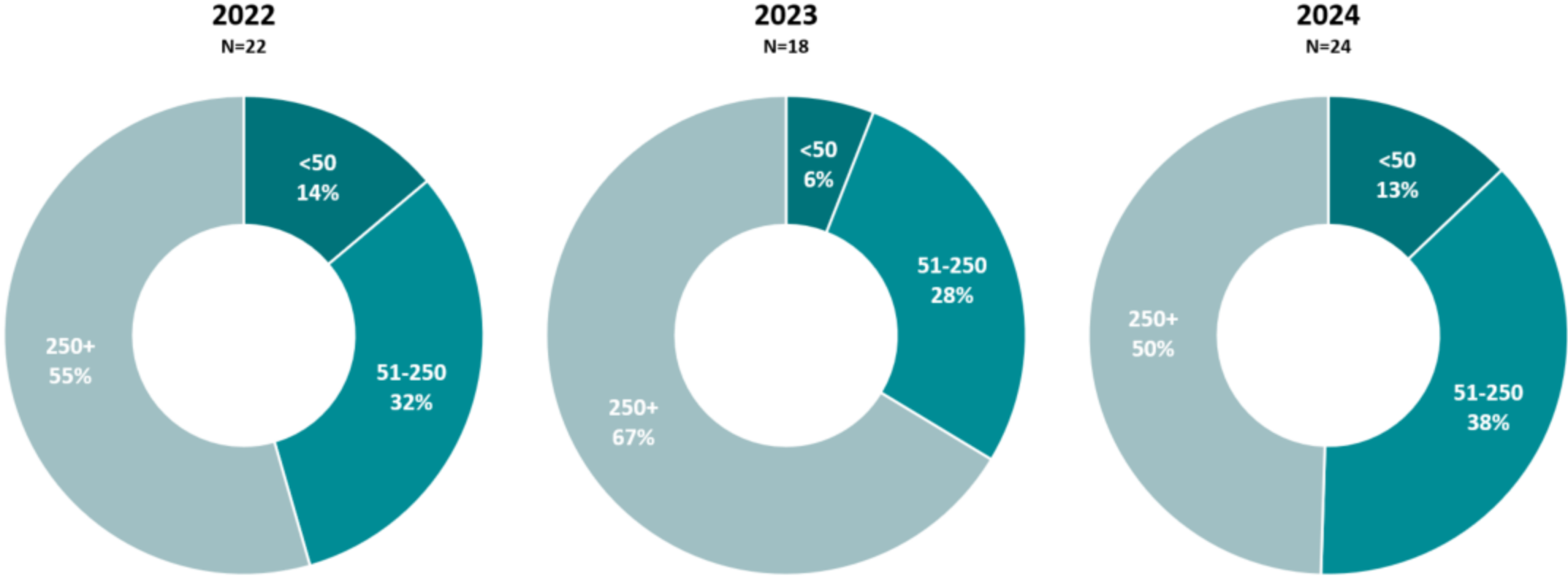
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Research Methodology



- The findings in this report have been extracted from a study undertaken by Amárach Research which invited over 800 senior business leaders from the manufacturing sector to take part in an online survey.
- The survey achieved 106 interviews in total, almost a quarter of which were with representatives of a MedTech enterprise.
- Fieldwork took place in Q4 2024, in line with the timings of previous research.
- Please note, differences between surveys should be taken as indicative rather than conclusive, unless highlighted.

Industry by company size



How many full and part-time employees does your organisation have in Ireland?

02



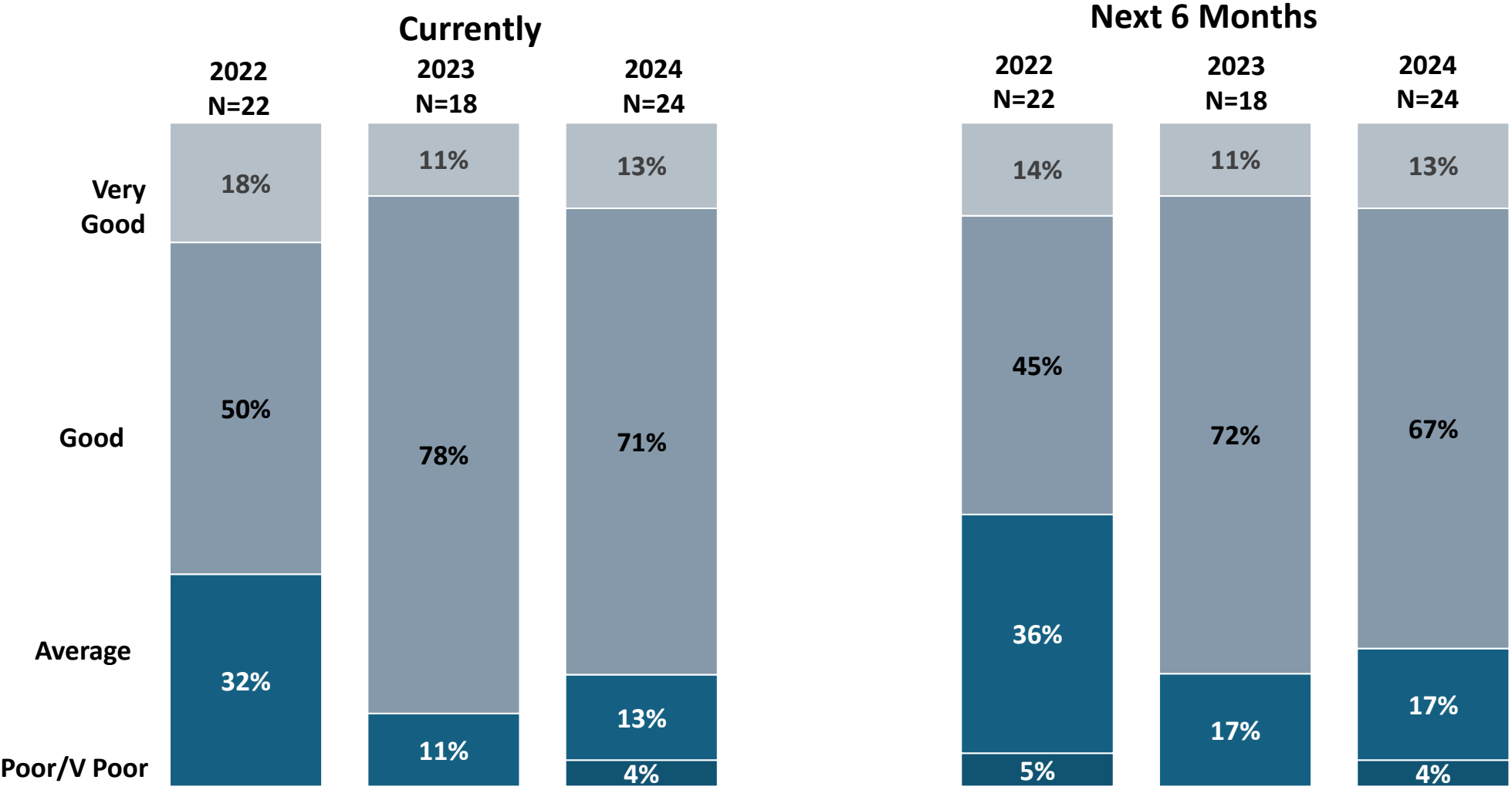
Business Sentiment



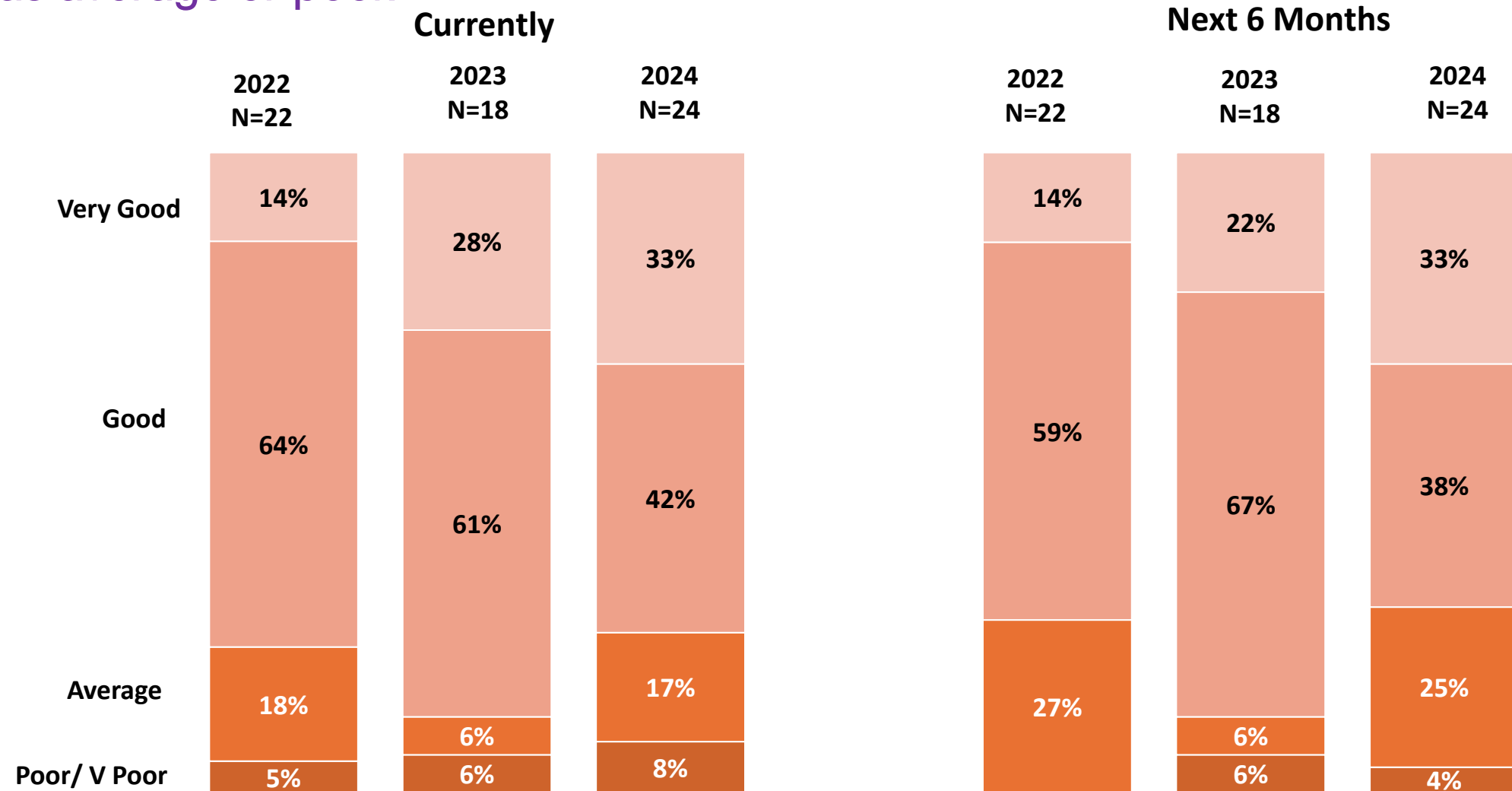
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8 in 10 MedTech businesses made a positive assessment of the manufacturing environment in Ireland currently and for the months ahead.

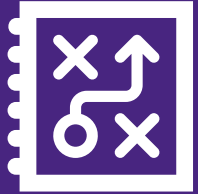


However, the perspective of individual businesses has polarised since the last survey, with one third expressing the highest level of optimism and increases in those who rated their business as average or poor.



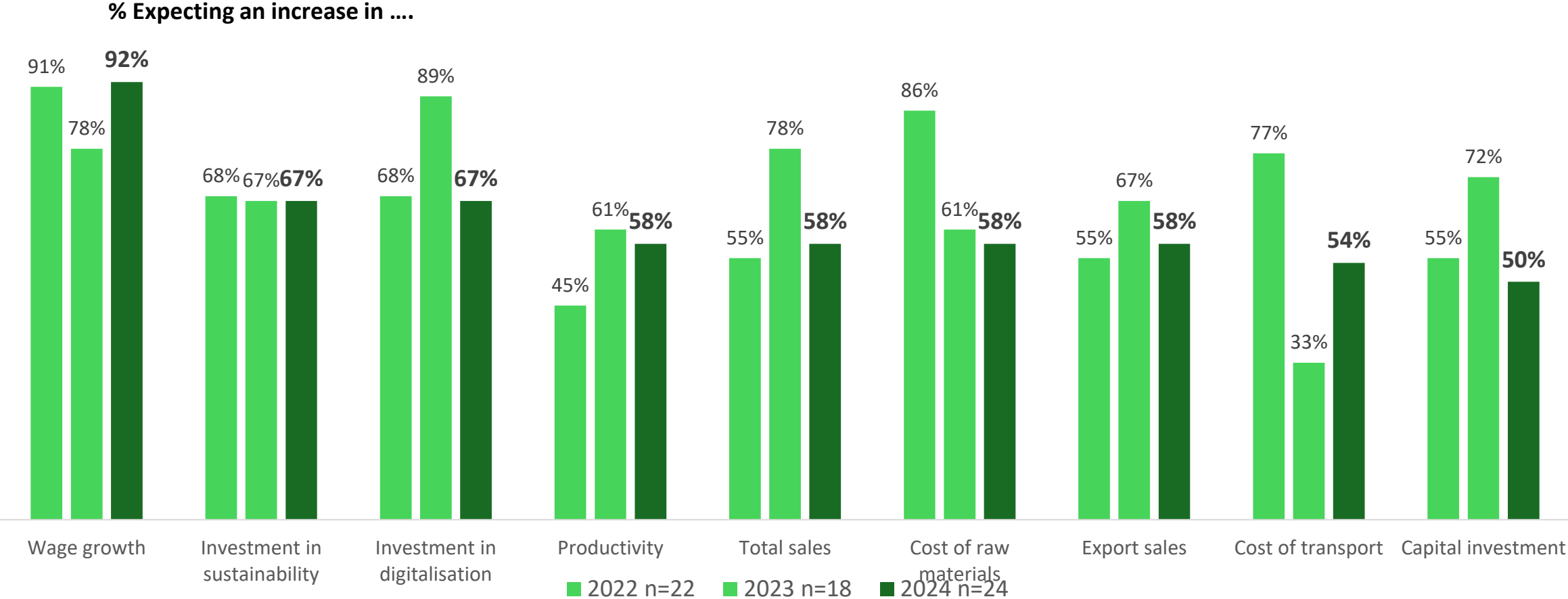
Q2 How would you assess the manufacturing environment in Ireland as it is currently and how it will be over the next 6 months?

03

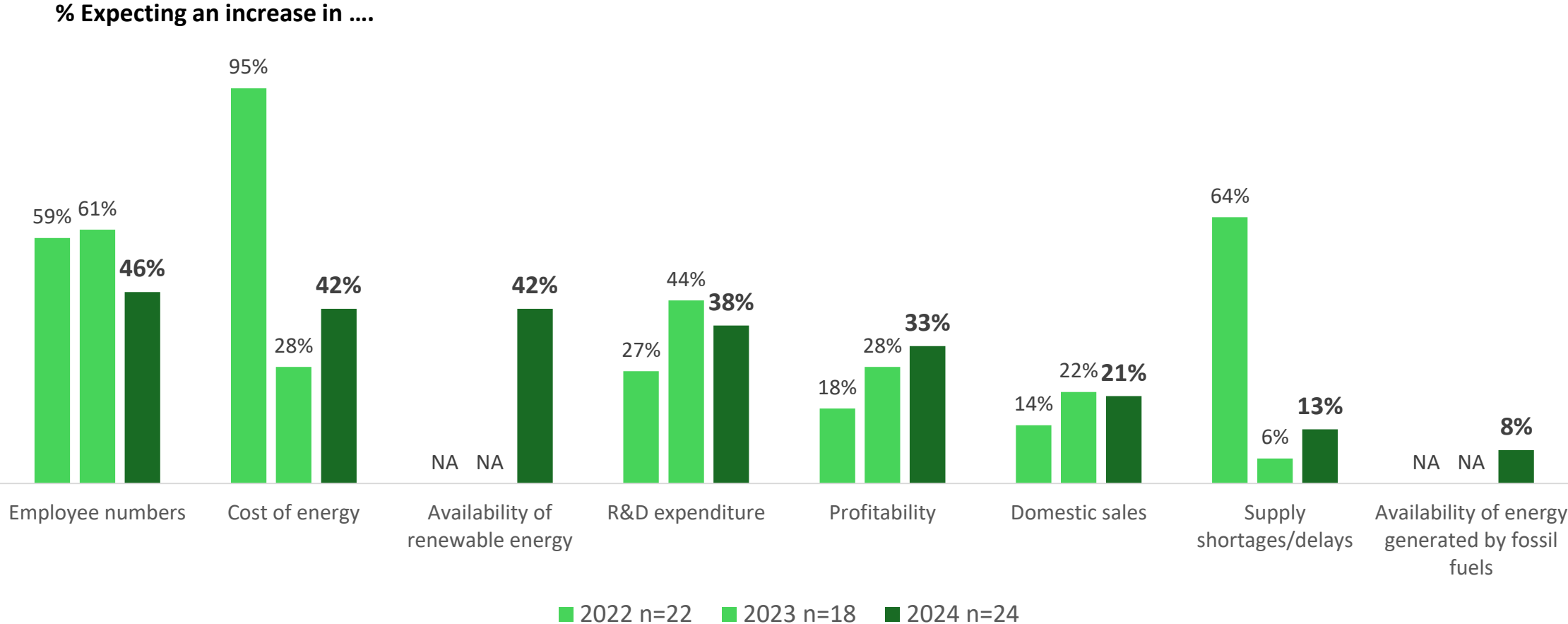


Challenges & Priorities

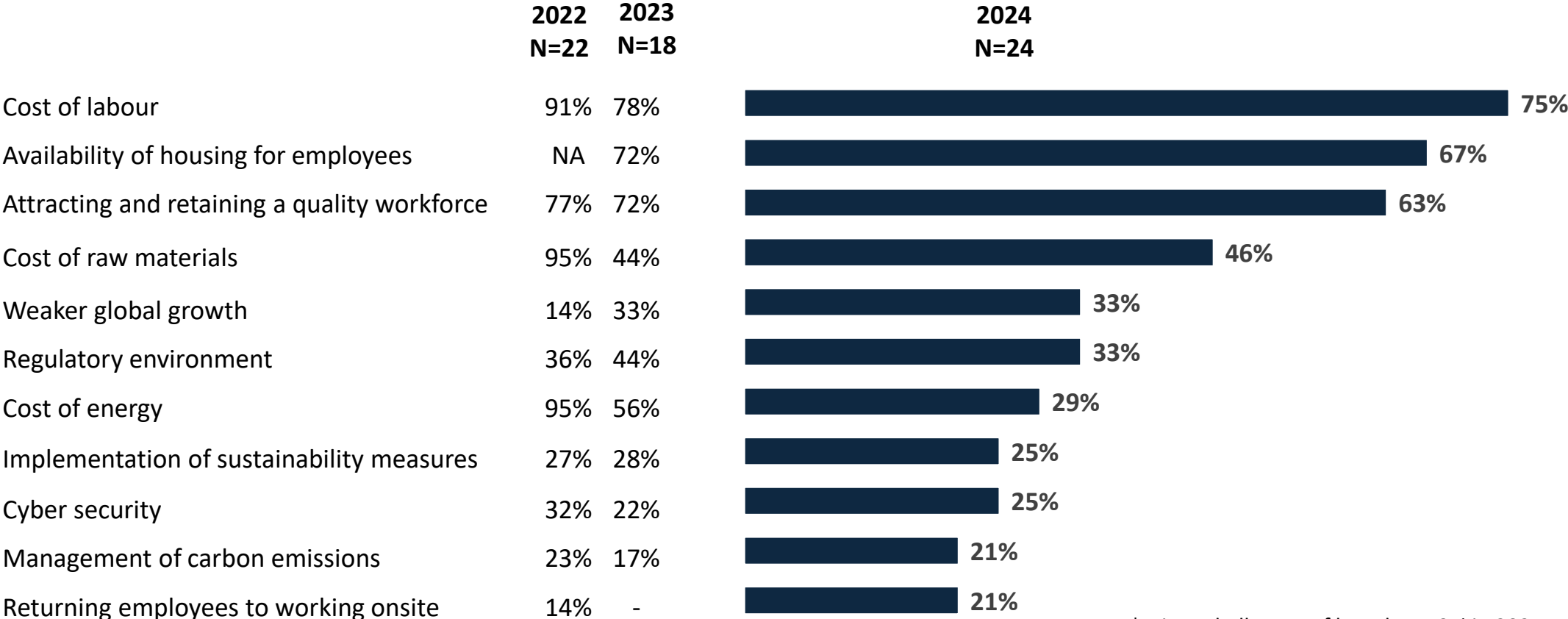
Business related costs and investments are expected to increase for large proportions of MedTech businesses, while productivity and sales increases are expected at similar or lower levels than this time last year.



Although increases in profitability exhibit an upward trend, fewer MedTech enterprises expect employee numbers to increase in the months ahead.



The top 3 major challenges facing the sector continue to be linked to staffing issues, specifically labour costs, housing and attracting/retaining employees.



*Minor challenges of less than 13% in 2024 not shown

Although mentioned at more modest levels, trade uncertainties and access to funding are expected to pose a major challenge to more MedTech businesses in the short term.

	2022 N=22	2023 N=18	2024 N=24
Trade uncertainties	18%	-	17%
Transportation and logistics costs	68%	6%	17%
Irish planning regulations	5%	11%	17%
Increased digitalisation of manufacturing processes	14%	22%	13%
Availability of raw materials	77%	17%	13%
Availability of renewable energy	NA	NA	13%
Remote/hybrid working	14%	22%	13%
Availability/access to EU or Government funded supp	5%	6%	13%
Taxation environment	14%	-	8%
Access to capital or other forms of finance	5%	17%	8%
Transport access to/from site	NA	NA	4%



Q5 Which, if any, of the following do you expect to be a major challenge for your manufacturing business in Ireland over the next six months?

A consistent one third struggle with remote/hybrid working and weaker global growth is a growing challenge, albeit at a minor level.

	2022 N=22	2023 N=18	2024 N=24
Remote/hybrid working	36%	33%	33%
Regulatory environment	-	11%	29%
Implementation of sustainability measures	14%	17%	21%
Transportation and logistics costs	14%	22%	21%
Weaker global growth	5%	11%	21%
Trade uncertainties	14%	22%	17%
Attracting and retaining a quality workforce	18%	17%	17%
Cost of energy	5%	6%	17%
Cyber security	18%	22%	13%
Availability of raw materials	9%	6%	13%
Availability of housing for employees	NA	11%	13%

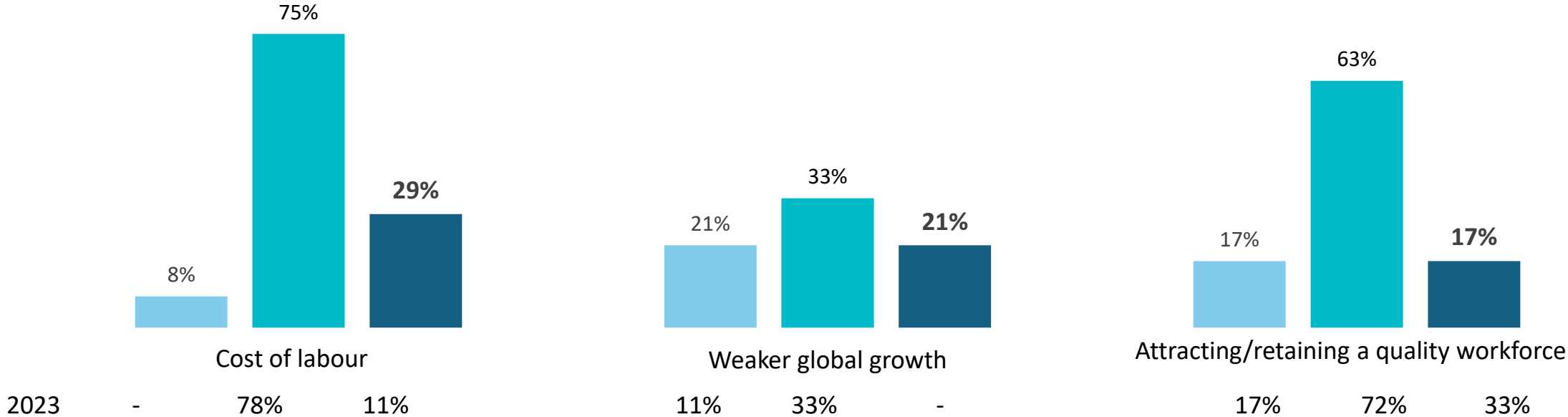
*Minor challenges of less than 13% in 2024 not shown



Q6 And do you expect any of the following to be a minor challenge for your manufacturing business in Ireland over the next six months?

The three greatest challenges for MedTech businesses are the cost of labour, weaker global growth and attracting/retaining staff, which was the greatest challenge in 2023.

■ Minor ■ Major ■ Greatest



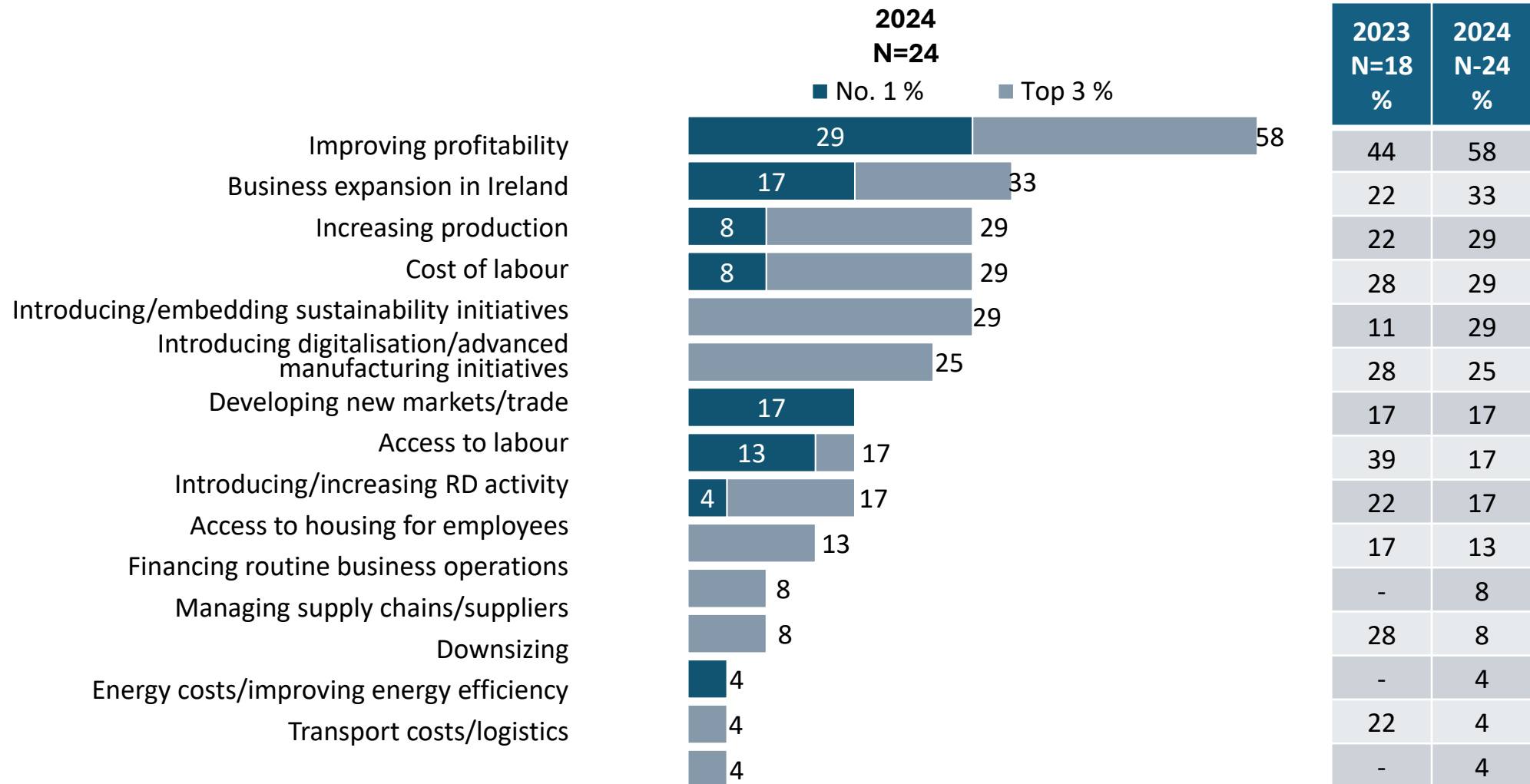
*Greatest challenge of 4% or lower in 2024 not shown

Q5/Q6 Which, if any, of the following do you expect to be a major/minor challenge for your manufacturing business in Ireland over the next six months? Please select all that apply.

Q7 Which one of these do you expect to be the greatest challenge for your manufacturing business in Ireland over the next 6 months?



Improving profitability continues to be the single greatest priority for 2025 with focus remaining on expansion in Ireland and developing new markets.



Q8 What are the top 3 priorities for your manufacturing business in 2025? Please answer where 1 is the most important priority, 2 is the next most important and so on.

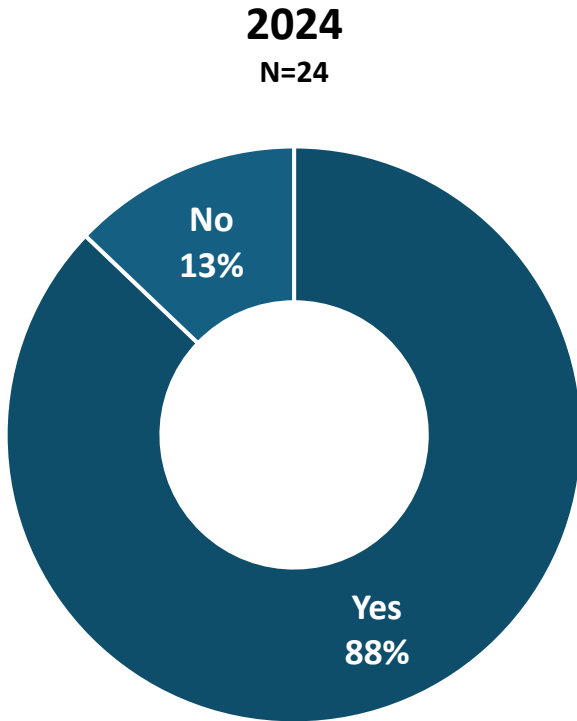
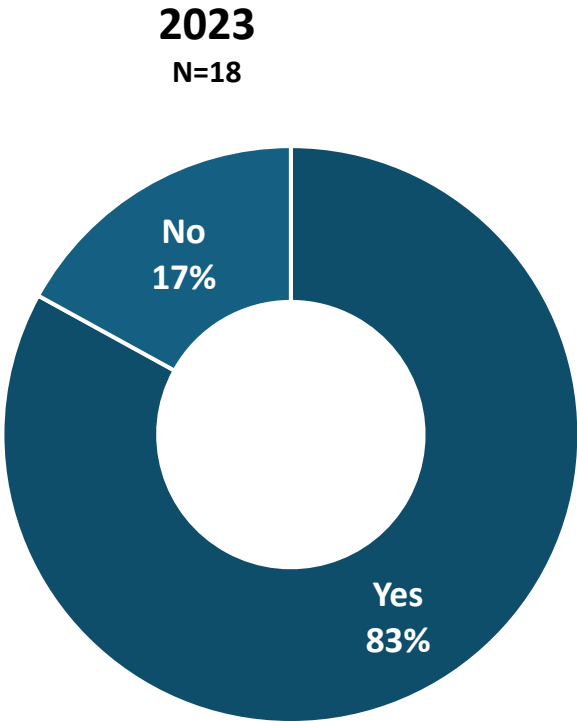
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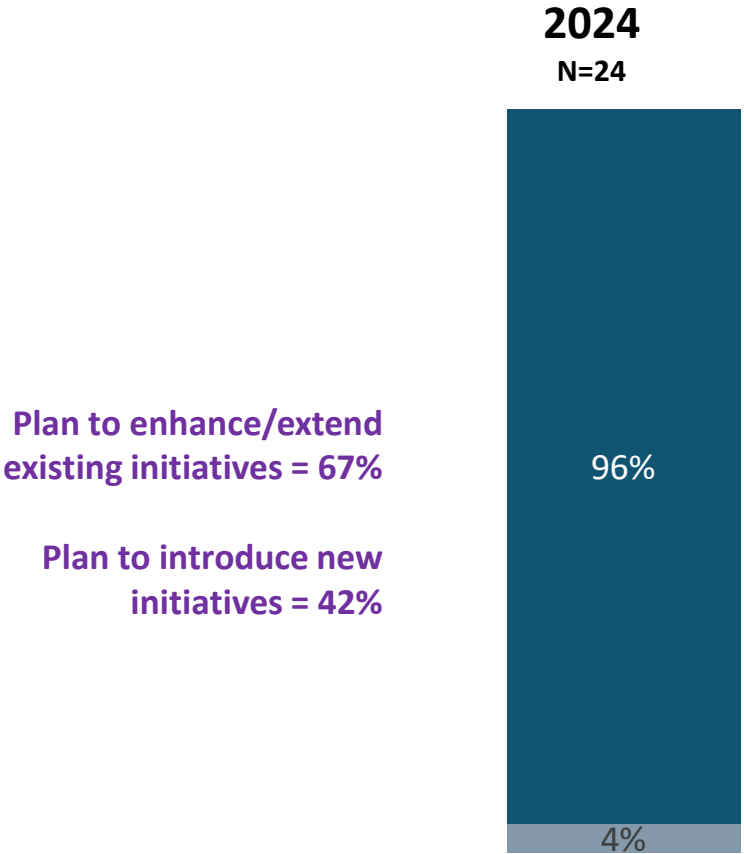
ESG

9 in 10 MedTech companies agree that sustainability, as per the definition provided, is a priority for their business, showing no change over the past 12 months.

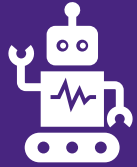
Sustainability can be described as the ability to develop without depleting natural resources or impacting on the environment.



There are universal plans to enhance or introduce sustainability initiatives which will be actioned to meet a range of objectives, with reduced impact on the environment mentioned most widely.



05



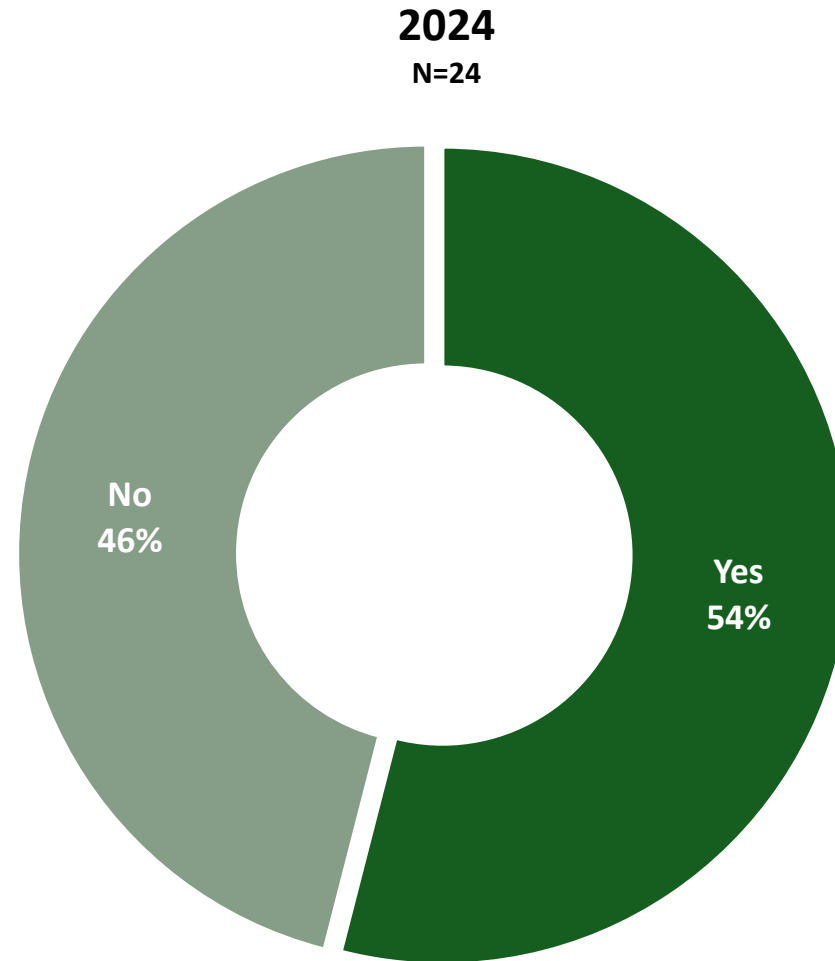
Artificial Intelligence (AI)



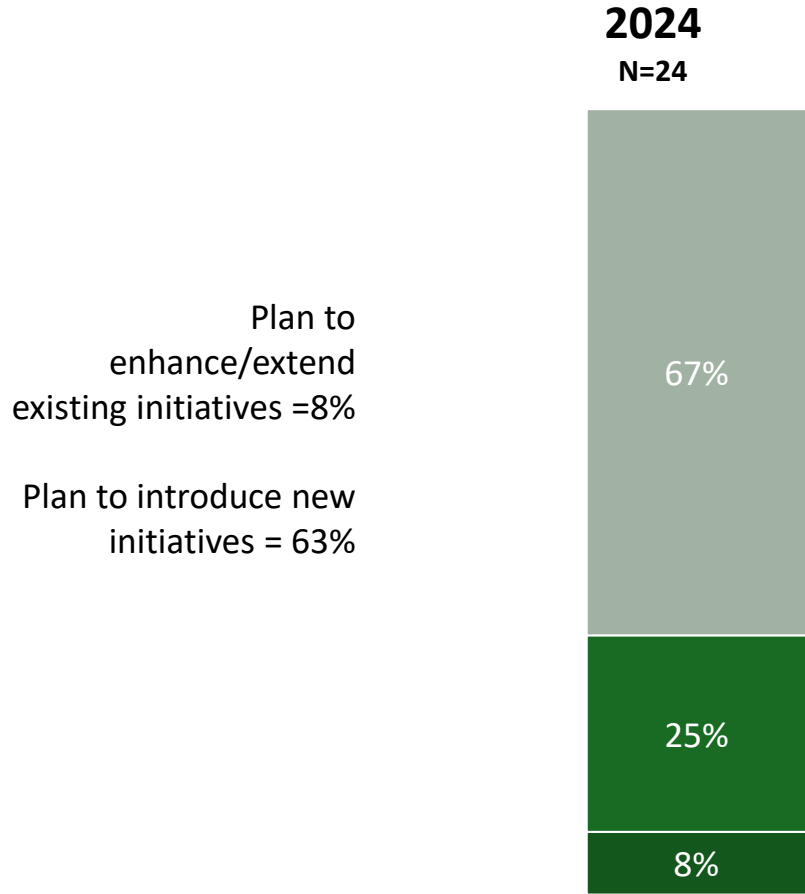
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Artificial Intelligence (AI), as defined, is a priority for over half of those in the MedTech sector.

AI, or Artificial Intelligence, is the technology that enables computers and machines to simulate human learning in areas such as problem solving, decision making and creativity.



Two thirds are planning to introduce/enhance AI initiatives in the next 1-2 years. For the most part, these will be new initiatives and driven by a need/wish for improved efficiencies.



* New question in 2024

06

**Irish Medtech Priorities
for Government**



Priorities for Government

Strategic pillars

Pillar 1: Health and patient access

- Prioritise reform of the EU medical device and in vitro diagnostic regulatory system
- Implement the EU European Health Data Space
- Expand Ireland's clinical research landscape

Pillar 2: Enterprise and innovation

- Create a national health technology and life sciences strategy
- Embrace new technologies with advanced manufacturing
- Nurture entrepreneurship and support disruptive innovation

<https://www.ibec.ie/connect-and-learn/industries/life-sciences-and-healthcare/irish-medtech-association/irish-medtech-campaigns/medtech-priorities-for-the-next-government>



Priorities for Government

Pillar 3: Education, skills, and talent

- Safeguard the sustainability of the new apprenticeship programmes
- Support lifelong learning for a worldclass knowledge economy
- Establish Ireland as a leader for gender leadership in manufacturing

Pillar 4: Sustainability and environment

- Ensure a just transition throughout regulatory changes and reporting requirements
- Foster a patient centric circular economy
- Support sustainable practices and innovations
- Evolve Ireland's manufacturing and infrastructure support

<https://www.ibec.ie/connect-and-learn/industries/life-sciences-and-healthcare/irish-medtech-association/irish-medtech-campaigns/medtech-priorities-for-the-next-government>

Summary recommendations

Pillar 1: Health and patient access



- **Prioritise reform of the EU medical device and in vitro diagnostic regulatory systems:** With improved efficiency, clear regulatory pathways for disruptive technologies, and an overarching governance structure. (page 8)
- **Implement the EU European Health Data Space:** With collaborative governance, supported by the right skills and adequate resourcing, as well as high data quality for primary and secondary data adoption in healthcare. (page 9)
- **Expand Ireland's clinical research landscape:** With well resourced streamlined processes, better relationships across stakeholders including the HSE and industry, as well as better links with key markets. (page 10)

Pillar 2: Enterprise and innovation



- **Create a national health technology and life sciences strategy:** With leadership from the Department of Enterprise Trade and Employment, with the appropriate resources, industry involvement in decision-making, and learn from international best practices. (page 12)
- **Embrace new technologies with advanced manufacturing:** With increased investment in innovation, deliver on digitalisation commitments, supported by both accelerator funds for industry as well as increased EU funding limits. (page 13)
- **Nurture entrepreneurship and support disruptive innovation:** With better funding supports especially from seed stage onwards, easier to navigate supports with manageable administrative burdens, talent to compete, and regulatory impact assessments to avoid unintended adverse effects on SMEs. (page 14)

Pillar 3: Education and skills



- **Safeguard the sustainability of the new apprenticeship programmes:** With a scheme to offset the cost of training, parity across apprenticeships, agile IT systems, and a payment to cover off the job costs. (page 15)
- **Support lifelong learning for a worldclass knowledge economy:** With access to the National Training Fund, a review of higher education, increased investment in research, a national strategic approach to lifelong learning, and investment in skills for employability. (page 16)
- **Establish Ireland as a leader for gender leadership in manufacturing:** With supports for early introduction to STEM, encourage girls to pursue STEM, empower guidance teachers to promote STEM subjects and careers, as well as tackle wage imbalances, and facilitate collaboration between education providers and industry. (page 16)

Pillar 4: Sustainability and environment



- **Ensure a just transition throughout regulatory changes and reporting requirements:** With regulatory impact assessments before introducing new regulations, fair transition pathways for manufacturing, and avoid creating an unnecessary reporting burdens. (page 18)
- **Foster a patient centric circular economy:** With incentives to embrace the circular economy, as well as learn from international best practice and policies. (page 19)
- **Support sustainable practices and innovations:** With regulatory alignment as it relates to sustainability and innovation, investment to strengthen capacity, as well as strengthen financial and advisory supports for Irish firms. (page 19)
- **Evolve Ireland's manufacturing and infrastructure support:** With a streamlined, effective planning regime, better funding for renewable energy, and sufficient cross-border awareness under energy market reforms to avoid adversely impacting energy costs. (page 20)

07



Summary & Conclusion



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Summary

The Irish manufacturing sector remains a vital pillar of the national economy, employing 293,000 people and demonstrating strong performance across key industries such as medtech and AI-driven manufacturing. Ireland's medtech industry, in particular, continues to be a global leader, with significant contributions to the production of essential medical devices and a growing workforce projected to reach 56,000 by 2028. However, challenges such as labour costs, housing shortages, and workforce retention remain pressing concerns that require targeted interventions.

The European Union's landmark €200 billion investment fund, including €20 billion earmarked for AI gigafactories, presents a unique opportunity for Ireland to strengthen its position as a leader in advanced manufacturing and artificial intelligence. The Government's role in fostering innovation, supporting talent development, and ensuring regulatory alignment with EU initiatives will be critical in capitalizing on these opportunities.

Survey results indicate a mixed sentiment within the medtech sector, with concerns over weaker global growth and trade uncertainties influencing business strategies. Companies are prioritizing expansion into new markets and leveraging AI to enhance efficiency and productivity. While Ibec's HR and talent development services remain crucial, access to a skilled workforce stands out as the most significant challenge for the industry.

Conclusion

To ensure sustained growth and competitiveness, Irish Medtech's strategic priorities for Government align across four key pillars:

- 1. Health and Patient Access** – Reforming EU regulatory frameworks, implementing the European Health Data Space, and expanding clinical research capabilities.
- 2. Enterprise and Innovation** – Developing a national health technology and life sciences strategy, embracing advanced manufacturing, and fostering entrepreneurship.
- 3. Education, Skills, and Talent** – Supporting apprenticeship programs, promoting lifelong learning, and advancing gender leadership in manufacturing.
- 4. Sustainability and Environment** – Navigating regulatory changes, supporting a circular economy, and investing in sustainable infrastructure.

As global economic dynamics shift, Ireland's strong domestic demand for infrastructure, goods, and services provides a foundation for resilience. Strategic alignment with EU initiatives such as the Competitiveness Compass, investment in AI-driven technologies, and proactive workforce development will be key to sustaining long-term growth. By addressing workforce challenges and capitalising on investment opportunities, Ireland's manufacturing and medtech sectors are well-positioned to thrive in 2025 and beyond.



Eoghan Ó Faoláin
Director, Irish Medtech



Thank You

Please reach out directly to your [Irish Medtech Team](#) directly for further information.

Ibec Head Offices

84/86 Lower Baggot Street,
Dublin 2.

📍 T: + 353 1 605 1500
E: membership@ibec.ie
www.ibec.ie

Galway Offices

Ross House,
Victoria Place,

📍 Galway.
T: + 353 91 561109
E: galway@ibec.ie
www.ibec.ie/west

Cork Offices

Second Floor,
Penrose One,
Penrose Dock,
Cork.

📍 T: + 353 21 4295511
E: cork@ibec.ie
www.ibec.ie/cork

Limerick Offices

Gardner House,
Bank Place,
Charlotte Quay,
Limerick.

📍 T: + 353 61 410411
E: midwest@ibec.ie
www.ibec.ie/midwest

Donegal Offices

3rd Floor,
Pier One,
Quay Street,
Donegal Town,
Donegal.

📍 T: + 353 74 9722474
E: northwest@ibec.ie
www.ibec.ie/northwest

Waterford Offices

Unit 1A,
First Floor,
Cleaboy Business Park,
Old Kilmeaden Road,
Waterford.

📍 X91 DEC
T: + 353 51 331260
E: southeast@ibec.ie
www.ibec.ie/southeast

Brussels Offices

Avenue de Cortenbergh, 100,
1000 Bruxelles,
Belgium.

📍 T: +32 2 740 14 30
E: europe@ibec.ie
www.ibec.ie/europe

@ibec_irl



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