



Transportation & Storage Sector in the Western Region

This *WDC Insights* summarises the key findings of 'Transportation & Storage Sector in the Western Region: Regional Sectoral Profile'¹, the last in a series of reports analysing employment and enterprise data for economic sectors in the Western Region.

'Transportation & Storage' includes activities such as taxis, public and private bus companies, airlines and airports, haulage firms, couriers, cargo handling and services for the transportation sector. While a small sector in terms of direct employment, it plays an important role in facilitating business activity as well as providing transport services to individuals and communities.

Employment in Transport & Storage in the Western Region

According to Census 2016, 10,758 people worked in Transport & Storage in the Western Region. This sector plays a considerably smaller role in the region's labour market than nationally (Table 1); 3.2% of total employment compared with 4.0%. In the region it is most important in Clare (5.2%) which has the fourth highest share working in the sector of all counties in Ireland, due to Shannon Airport. Roscommon (3.4%) has the region's next highest share influenced by logistics activities and its central location.

Among western towns, Shannon (10.8%) has by far the highest share working in the sector. Nationally, it is fourth highest of Ireland's 200 towns and cities with Newmarket-on-Fergus (9.5%) also in the top ten. The towns with the next highest shares in the region are also in Clare, along with Castlerea.

There was 4.5% jobs growth in Transport & Storage in the region between 2011 and 2016, notably lower than overall jobs growth (7.5%) in this period. The quite low growth was influenced by large declines in 'taxi operation'. Clare saw the strongest employment growth (10.1%) and the sector out-performed overall jobs growth (8.6%). This was also true of Leitrim and Mayo which had the next highest growth. Galway City (-11.8%) and Sligo (-3.3%) experienced declines in the number of residents working in the sector.

Table 1: Selected employment indicators for Transport & Storage in the Western Region and state, 2016

County	No. Employed	% Change 2011-2016	Transport & Storage as % of Total	% of Transport & Storage that is Male	% of Transport & Storage that is Self-Employment
Clare	2,551	10.1%	5.2%	72.1%	13.5%
Donegal	1,814	5.4%	3.1%	83.0%	25.6%
Galway City	773	-11.8%	2.2%	81.0%	30.8%
Galway County	2,230	4.2%	3.0%	81.4%	20.6%
Leitrim	344	9.2%	2.7%	82.0%	16.0%
Mayo	1,433	8.9%	2.8%	81.1%	19.7%
Roscommon	884	3.6%	3.4%	79.0%	17.1%
Sligo	729	-3.3%	2.8%	84.1%	23.0%
Western Region	10,758	4.5%	3.2%	79.4%	20.1%
State	81,124	4.0%	4.0%	78.9%	19.5%

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011.

1. Download from <https://www.wdc.ie/publications/reports-and-papers/>



At 79.4%, men account for the vast majority of the workforce. Clare has the highest female share due to activity in aviation, while Donegal, where road freight is the largest activity, has the highest male share. As there was stronger Transport & Storage jobs growth among women in the region, than among men (7.7% v 3.7%) the male share declined slightly between 2011 and 2016.

Of all those working in Transport & Storage, 20.1% are self-employed (employer or own account worker). This is higher than the region's average rate of self-employment. Galway City (30.8%), Donegal (25.6%) and Sligo (23%) have the highest rates of self-employment and are also where 'taxi operation' is most important. There was an 18.3% decline in the number of self-employed working in Transport & Storage in the Western Region (2011-2016), the second largest decline of any economic sector.

Transport & Storage Enterprises in the Western Region

In 2017 there were 3,291 Transport & Storage enterprises registered in the Western Region.² This was 5.7% of total enterprises³ in the region. The fact that the sector's share of all enterprises in the region (5.7%) is greater than its share of all employment (3.2%),⁴ indicates that it is characterised by a large number of small enterprises.

The number of Transport & Storage enterprises in the Western Region fell by 6.3% between 2012 and 2017. This was in sharp contrast to 6.5% growth in the total number of enterprises over the same period, however, it is consistent with the sharp decline witnessed in self-employment.

Key Policy Issues

Smaller scale operations and high self-employment: Transport & Storage enterprises in the Western Region tend to be smaller in scale. Self-employment in the sector declined as the economy recovered, largely due to a drop in the number of taxi drivers. Continuation of existing, and the development of new, initiatives and soft supports for sole traders and micro-enterprises is important to the future of the Transport & Storage sector in the region.

Responds to and facilitates economic growth: This sector depends on the level of activity in the domestic economy as this determines demand from commercial clients and private individuals. As well as responding to economic growth, it also facilitates it e.g. by providing logistics services to business. Therefore the presence of a strong Transport & Storage sector within the region, particularly given its peripheral location, is a key driver for regional economic growth.

Further development of the Western Region's Airports: Shannon Airport plays a strategic national role in the transport sector. In addition to transport services, there is considerable and growing activity in support services for the aviation industry. At the same time, increasing international air access via Ireland West Airport Knock is important to improve accessibility for the West and North West. The National Aviation Policy should be reviewed in order to further increase the role and capacity of these airports and reduce the dominance of Dublin Airport.

Brexit: The haulage and logistics sector will be among those most affected by Brexit. The sector in Donegal potentially faces particular challenges. It is important that the impact of Brexit be minimised and that haulage firms are supported in their efforts to adapt. The Western Region's peripheral location, and the role of the sector in facilitating wider economic activity, means this is of vital economic importance.

Opportunities in the logistics sector: Highly complex and integrated processes in manufacturing and retail increasingly rely on sophisticated logistics to minimise the time and cost of distribution and supply. In addition, the growth of online retail has greatly increased demand for postal and courier services. Given its central location, Roscommon has particular potential to further develop activity in this area. Adaption to a low carbon economy is another area of opportunity for the freight sector.

For more detailed analysis see 'Transportation & Storage Sector in the Western Region: Regional Sectoral Profile' <http://www.wdc.ie/publications/reports-and-papers/>

2. Data in this section is from CSO, *Business Demography 2017*

3. Total enterprises includes all economic sectors except Agriculture, Forestry & Fishing and Public Administration & Defence.

4. Note that these shares refer to different years, 2017 and 2016 respectively.