



## Accommodation & Food Service Sector in the Western Region

This *WDC Insights* summarises the key findings of 'Accommodation & Food Service Sector in the Western Region: Regional Sectoral Profile',<sup>1</sup> the fifth in a series of reports analysing employment and enterprise data for specific economic sectors in the Western Region.

Accommodation & Food Service is essentially hospitality (hotels, restaurants, takeaways, pubs, coffee shops and catering companies). It has a high share of part-time, seasonal and lower skilled jobs but also offers professional and entrepreneurial opportunities. The Western Region makes a significant contribution to Ireland's hospitality industry and is home to 1 in 5 of the sector's workers.

### Employment in Accommodation & Food Service in the Western Region

According to Census 2016, 23,038 people worked in Accommodation & Food Service in the Western Region and it is the region's fifth largest employer. It plays a greater role in the region's labour market than nationally (Table 1) accounting for 6.9% of total employment compared with 5.8%. Galway City (9.9%) and Donegal (7.9%) have the second and third highest shares working in the sector in Ireland.<sup>2</sup> At 4.6%, Roscommon has the lowest share in the region and fourth lowest in the state.

At 27.6% of total employment, Clifden has the highest share working in hospitality of Ireland's 200 towns and cities (1,500+ population) with Bundoran (21.7%), Westport (21.1%), Donegal town (20.3%) and Carrick-on-Shannon (15%) also among the top 10 towns in Ireland.

There was 12.8% growth in the sector between 2011 and 2016, the same as nationally. Donegal had the region's strongest growth (19.9%) with Clare and Galway County next. Hospitality employment grew far more strongly than average jobs growth in all western counties except Roscommon where 1.4% growth in hospitality jobs compared with 5.9% overall.

Table 1: Selected employment indicators for Accommodation & Food Service in the Western Region and state, 2016

County	No. Employed	% Change 2011-2016	Acc. & Food Service as % of Total Employment	% of Acc. & Food Service that is Female	% of Acc. & Food Service that is Self-employment
Clare	3,360	13.5%	6.8%	54.4%	15.4%
Donegal	4,602	19.9%	7.9%	60.3%	14.0%
Galway City	3,470	11.1%	9.9%	48.4%	8.0%
Galway County	3,977	13.3%	5.3%	55.8%	17.0%
Leitrim	825	12.4%	6.5%	55.8%	15.2%
Mayo	3,889	11.7%	7.6%	57.7%	13.8%
Roscommon	1,184	1.4%	4.6%	55.7%	18.7%
Sligo	1,731	7.8%	6.7%	51.9%	13.7%
Western Region	23,038	12.8%	6.9%	55.4%	14.1%
State	116,918	12.9%	5.8%	52.8%	11.5%

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

1. Download from <https://www.wdc.ie/publications/reports-and-papers/>  
2. At 10.5%, Kerry has the highest share.



At 55.4%, the region has a higher share of women in the hospitality workforce than nationally. Donegal and Mayo have particularly high female shares partly due to fewer job options in these large rural counties, as well as the significant role of tourism. 14.1% of people working in hospitality in the region are self-employed (employer or own account worker). Self-employment is more common in the region than nationally (11.5%) indicating smaller scale operations. Roscommon had the highest level of self-employment, with Galway City lowest, illustrating the different structure of the sector in these areas.

## Accommodation & Food Service Enterprises in the Western Region

In 2016 <sup>3</sup> 23.7% of all Accommodation & Food Service enterprises in Ireland were registered in the Western Region (4,358). Hospitality accounted for 10.2% of all enterprises <sup>4</sup> in the region in 2016, considerably greater than its 7.3% share nationally. At 11.9%, Donegal had the region's highest share followed by Leitrim (11.6%) and Mayo (10.9%).

## Overseas Tourism Revenue

Tourism is one of the main sources of demand for the sector. In 2016 <sup>5</sup> overseas tourists visiting the Western Region generated revenue of €838 million. <sup>6</sup> Visitors from North America accounted for 35.4% of this closely followed by Mainland Europe (34.8%). British visitors accounted for 24.2% with just 5.8% coming from Other Areas. The region has a higher reliance on the North American market with less activity from Other Areas than the state average.

Overseas tourism revenue grew by 35.8% in the region (2011-2016) with 58.9% growth nationally. Donegal, Leitrim, Clare and Galway had the strongest revenue growth (43%-76%) and also had the strongest hospitality jobs growth (Table 1). Mayo was the only western county with a decline in overseas tourism revenue (-13.9%).

## Key Policy Issues

**Hospitality plays a larger role in the region's labour market** and can be particularly important in small and medium-sized towns and rural areas, as well as for young and lower skilled workers. National policy needs to address regional issues such as transport accessibility for visitors, the viability of rural hospitality businesses relying on local demand and exposure to Brexit (British visitors are the largest source of overseas tourism revenue for Roscommon, Leitrim, Donegal and Mayo).

**The Western Region has smaller scale hospitality businesses, especially in rural areas, but self-employment is declining.**

Existing and new initiatives and soft supports for hospitality entrepreneurship, as well as incentives for succession planning, are vital to maintaining or increasing the diversity of the region's hospitality offering.

**Hospitality has become a more important reason for people to visit many towns and villages and local tailored approaches are needed.** Facilitating growth of the hospitality sector should be integral to any strategies or local plans for town centre renewal. Tailored approaches are needed for different towns and areas e.g. tourist 'hotspots', rural towns depending on local demand.

**Tourism marketing brands are critical to attracting overseas and domestic visitors including in the off-season and from new markets.** The continued promotion of the Wild Atlantic Way brand, which has already shown a strong impact, is important for sustaining and growing the sector along the western seaboard. Monitoring the impact of the new Ireland's Hidden Heartlands brand will be required to judge its effectiveness for more inland and rural areas of the region.

**Region's hospitality sector needs to adapt to tourism trends** such as the emergence of 'sharing economy' models e.g. Airbnb, which can facilitate visitors to stay in areas where there may be insufficient demand for other types of accommodation but may also impact on employment in that sector. Changing demographics (ageing profile of Irish diaspora and strong growth from Asia) and changing air travel behaviour due to the transition to a low carbon economy may also influence visitor numbers and hospitality jobs in the region.

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

3. CSO, Business Demography 2016

4. This refers to all 'business economy' enterprises which includes all economic sectors except Agriculture, Forestry & Fishing, Public Administration & Defence, Education, Health & Social Work and Other Services.

5. Fáilte Ireland, Regional tourism performance in 2016 (revised March 2018) and Fáilte Ireland, Tourism Facts 2016 (August 2017)

6. Data on domestic tourism is also examined in the Regional Sectoral Profile report.