



## Enterprise Profile of the Western Region

This WDC Insights analyses the CSO's Business Demography data for 2014 which measures active enterprises in the business economy.<sup>1</sup> Data is available at county level<sup>2</sup> with enterprises assigned to the county where they are registered with the Revenue Commissioners. A business with multiple locations (e.g. chain stores, multinationals) is counted once. Although this limits the data somewhat, and tends to increase the numbers for Dublin, this remains the most comprehensive data source available on enterprises in Ireland. It is also a good reflection of local business activity and entrepreneurship levels.

### Western Region's share of national enterprises and jobs has declined

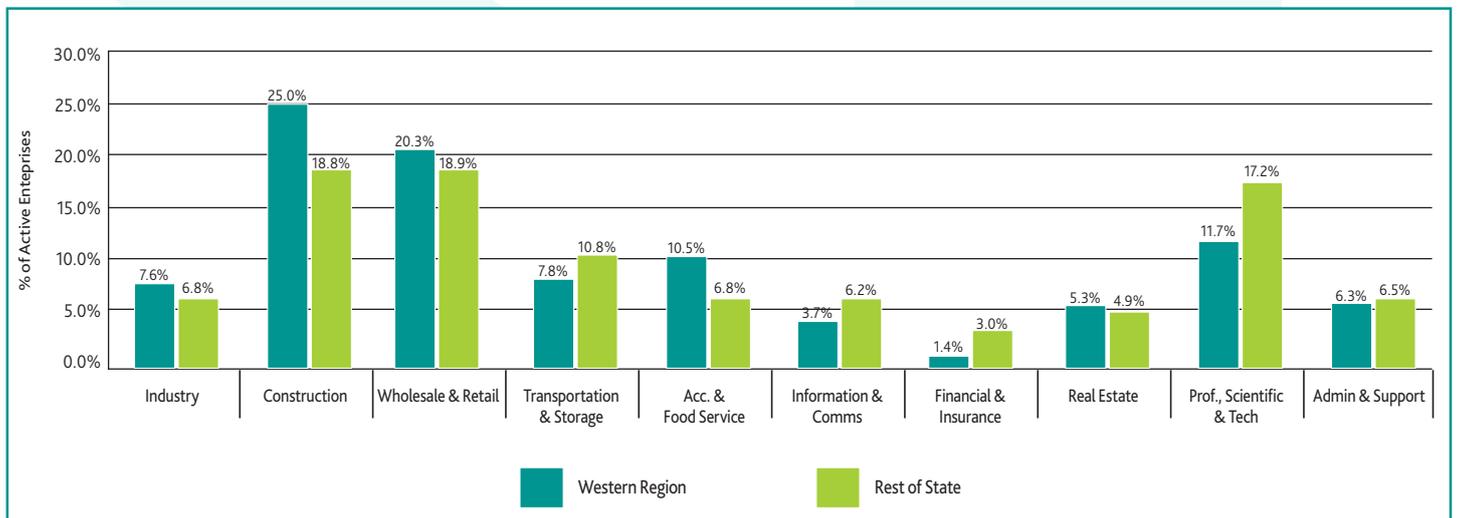
There were 40,797 active enterprises registered in the Western Region of Ireland in 2014, 17.1% of the state total. Enterprise numbers in the Western Region, as well as the region's share of enterprises in the state, declined in each year since 2008, when the region was home to 18.3% of Ireland's enterprises.

The region's share of national enterprises (17.1%) is greater than its share of all jobs in enterprises (12.7% of all persons engaged) indicating smaller business size. The region's share of jobs in enterprises has also fallen, down from 13.2% in 2008. The Western Region's role in the national enterprise base weakened during the recession and as of 2014 had not shown signs of recovery.

### Greater role for traditional sectors and local services in region's enterprise base

With over 10,000 enterprises, Construction is the largest enterprise sector in the Western Region, followed by the local services sectors of Wholesale & Retail, Professional, Scientific & Technical activities and Accommodation & Food Service (Fig. 1). These are sectors characterised by large numbers of sole traders and micro-enterprises, whereas the region's largest employment sector of

Fig. 1: Percentage of active enterprises by economic sector, Western Region and rest of state, 2014



Source: CSO (2016), Business Demography 2014

1. It excludes Agriculture, Health, Public Administration and Other Services, as well as activities of holding companies. It includes data on Education but this is not counted in 'total business economy' as many of the enterprises are publicly owned and is not analysed here.  
2. See WDC (2016), WDC Insights: Enterprise in Western Counties, for an analysis at county level



Industry<sup>3</sup> tends to have fewer but larger firms. The sectors which account for the smallest share of the region's enterprise base are in knowledge services. Less than 5% of the region's enterprises are in Financial & Insurance and Information & Communications combined.

Compared with the rest of the state it is clear that traditional sectors and local services account for larger shares of enterprises, while knowledge services play a far smaller role. For some sectors, the difference is very significant.

## Western Region has a high share of all Accommodation and Construction enterprises

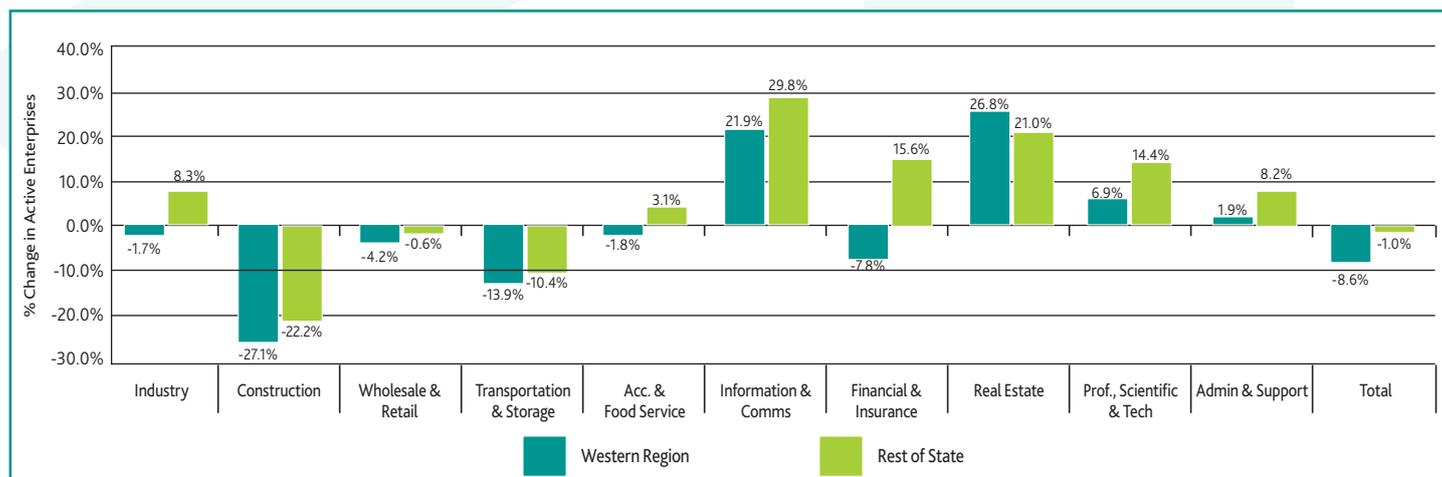
The Western Region's share of national enterprises varies by sector. It is home to almost a quarter (24%) of all Accommodation & Food Service enterprises in Ireland, with close to 20% of all Construction businesses. The knowledge services sectors are where the region plays its smallest national role, home to just 8.8% of Financial & Insurance and 11% of Information & Communications firms.

## Larger decline in enterprise numbers in Western Region since 2008; weaker performance across all sectors

The number of enterprises in the region in 2014 was 8.6% below that in 2008 (Fig. 2). In contrast, in the rest of the state it was just 1% lower. With the sole exception of Real Estate, the Western Region had a weaker performance – greater decline or lower growth – than the rest of the state in every sector between 2008 and 2014.

Construction, Transportation & Storage and Financial & Insurance experienced the greatest declines. In the case of financial firms, this contrasted with strong growth in the rest of the state. The region's slight drop in the number of industrial firms, with an increase elsewhere, is worrying given that Industry is the region's largest employer. There was strong growth in Real Estate, Information & Communications and Professional services, though except for Real Estate<sup>4</sup> still below that elsewhere.

**Fig. 2: Percentage change in active enterprises, Western Region and rest of state, 2008-2014**



Source: CSO (2016), Business Demography 2014

## Conclusion

The Western Region's enterprise base has had a weaker performance across all sectors of the business economy during the recession and has not shown the same signs of recovery as elsewhere. As a result, its national role has diminished. As this data refers to enterprises actually registered in the region, rather than branches of multiples, it can be seen as an indicator of the region's level of entrepreneurship. The greater decline in enterprise numbers across all sectors, raises concerns about the strength of the region's local enterprise base.

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The WDC would like to acknowledge the assistance of Patrick Kelleher of the Central Statistics Office. Source: CSO, Business Demography [www.cso.ie](http://www.cso.ie)

3. WDC (2016), *WDC Insights: Impact of Sectors on Western Region's Jobs Recovery*

4. This could be due to former construction / property enterprises being re-established as new Real Estate businesses in order to rent and operate properties.