



## Enterprise in the Western Region 2016

This *WDC Insights* analyses the CSO's Business Demography data for 2016 which measures active enterprises.<sup>1</sup> Data is available at county level 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 where many companies are headquartered, it remains the most comprehensive data source available on enterprises in Ireland.

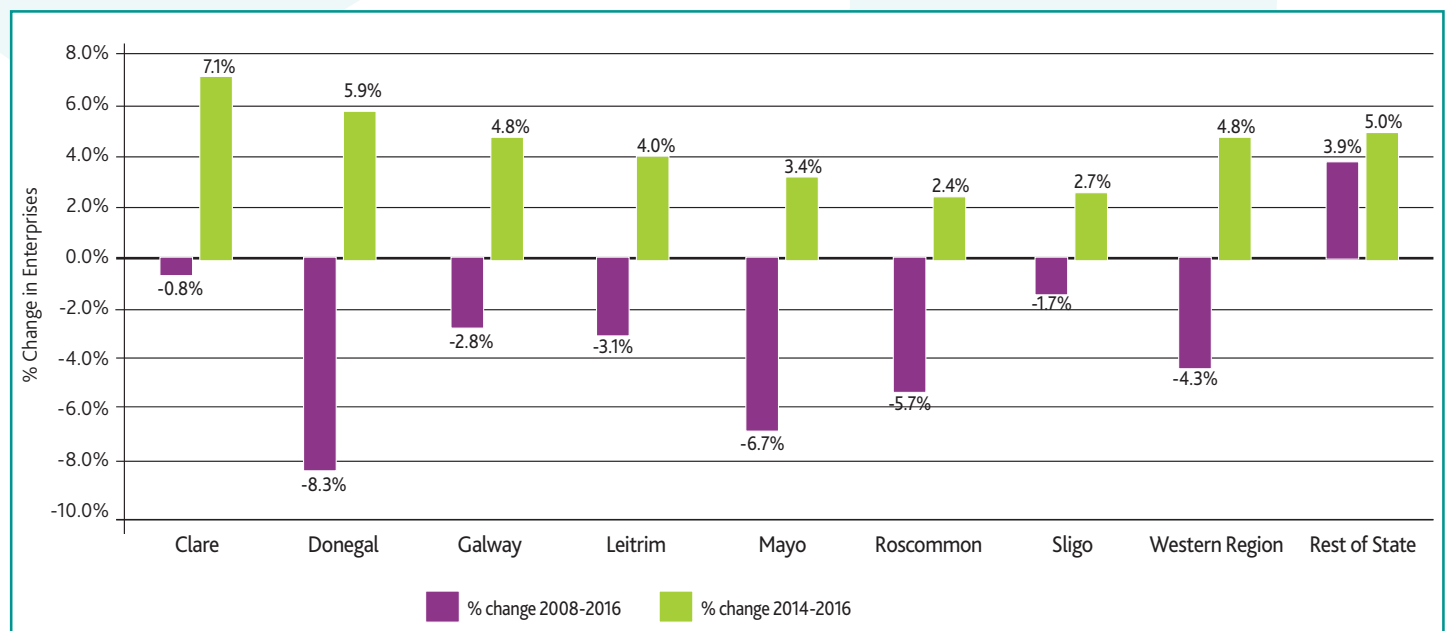
### Total enterprises and enterprise size

In 2016 there were 54,410 enterprises registered in the Western Region.<sup>2</sup> The Western Region is home to 17.4% of total enterprises in Ireland. The majority are micro-enterprises,<sup>3</sup> 92.7% in the Western Region compared with 91.6% in the rest of the state.<sup>4</sup> Roscommon (94.6%) and Leitrim (94.4%) have the highest shares of micro-enterprises in the state.

### Change in enterprise numbers over time

To examine changes over time, we can only consider 'business economy' enterprises (see footnote 1) which in 2016 accounted for 42,737 enterprises in the Western Region. Between 2008 and 2016 there was a 4.3% decline in the number of such enterprises in the Western Region, compared with 3.9% growth in the rest of the state (Fig. 1). Looking at the overall trend, there was steady decline between 2008 and 2014 in most western counties followed by some recovery. The Western Region had 4.8% growth in enterprise numbers between 2014 and 2016, similar to the 5% increase in the rest of the state.

Fig. 1: Percentage change in 'business economy' enterprises in western counties, Western Region and rest of state, 2008-2016 and 2014-2016



Source: CSO, Business Demography 2016, Table BRA18

1. It covers the 'business economy' which includes Industry, Construction, local and knowledge intensive services sectors but excludes Agriculture and Public Administration. Data on Education, Health & Social Work, Arts, Entertainment & Recreation, and Other Services has been included in more recent years, but this is not included in the 'business economy'.
2. Total Enterprises counts the 'business economy' plus Education, Health & Social Work, Arts, Entertainment & Recreation, and Other Services.
3. Fewer than 10 persons engaged (employees and owners). This percentage is based on the figure for the 'business economy' only.
4. All counties except the seven counties of the Western Region.

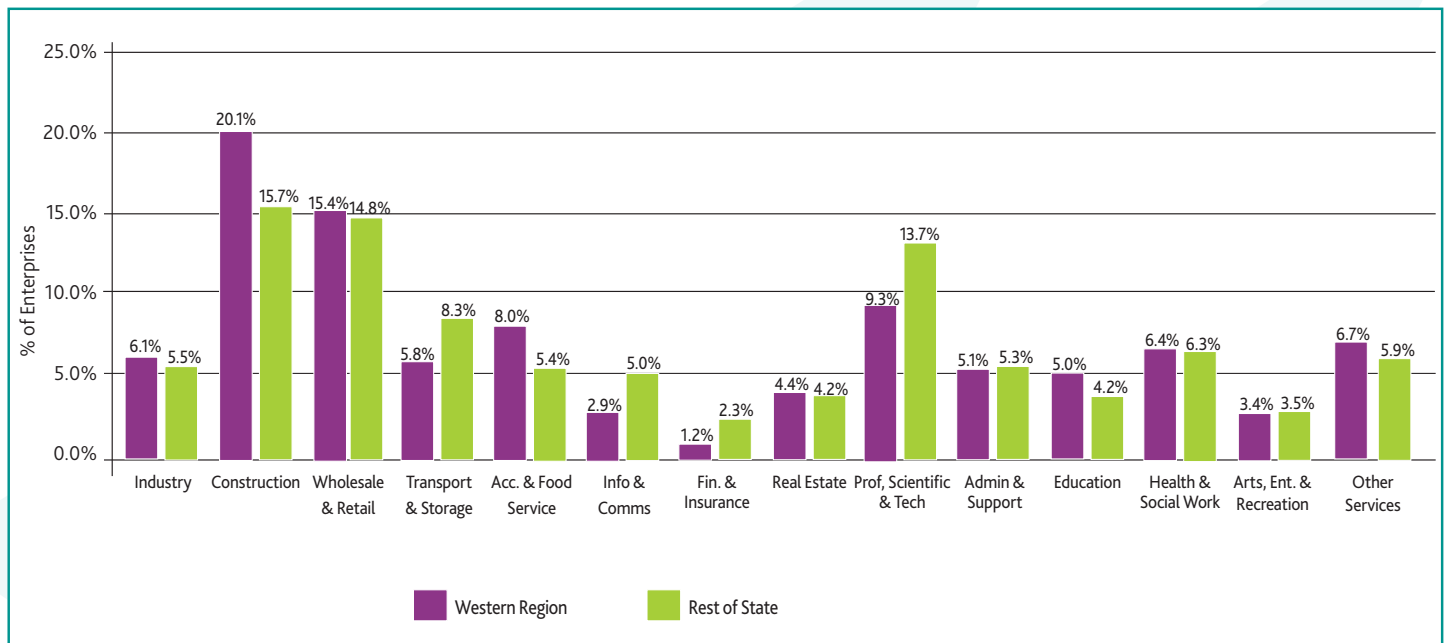


Among western counties, Clare had the largest increase in enterprise numbers between 2014 and 2016, followed by Donegal. The weakest performance was in Roscommon and Sligo. However despite this recent recovery, all western counties had fewer enterprises in 2016 than they had in 2008. This was true of all but seven counties nationally.

## Sectoral pattern of enterprises

Compared with the rest of the state (Fig. 2) the Western Region has a higher share of its total enterprises (see footnote 2) in Industry, Construction, Wholesale & Retail, Accommodation & Food Service, Real Estate, Education, Health & Social Work and Other Services. In line with analysis of the region's labour market, the Western Region's enterprise profile also shows a higher reliance on traditional sectors as well as local and public services. The knowledge intensive services of Professional, Scientific & Technical, Information & Communications, and Financial & Insurance are of less significance.

**Fig 2: Percentage of total enterprises in each sector in the Western Region and rest of state, 2016**



Source: CSO, Business Demography 2016, BRA18

## Enterprise profile of counties

The relative importance of sectors to the enterprise profile of individual western counties varies. Construction is the largest sector for all counties ranging from 17.4% in Sligo up to 23% in Roscommon. Wholesale & Retail is invariably second largest, again most important in Roscommon (17.9%) and least in Galway (14.2%) where the greater diversity of its enterprise base reduces the relative importance of this sector.

Professional services is the third largest enterprise sector in Sligo (10.8%), Clare (10%), Galway (10.3%), Leitrim (9.3%), Mayo (8.7%), Roscommon (8.2%). For Donegal, the third largest sector is Accommodation & Food Service (9.4%) showing the importance of the tourism sector which is also very significant for Leitrim (9.2%) and Mayo (8.6%). Enterprises in the health sector (public and private) are particularly important in the regional centres of Sligo (7.8%) and Galway (7.6%).

## Conclusion

The 2016 data again confirms the upward trend in enterprise numbers in evidence since 2014, though no western county (and few nationally) has returned to their 2008 level. The data also confirms the huge significance of micro-enterprises to the economy and particularly in the most rural counties. The sectoral pattern of the enterprise profile also differs between the more and less urban counties with traditional sectors and local services playing a larger role in the economy of more rural counties.

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