

County Incomes and Regional GDP

WDC Report, July 2014

Summary¹

Regional income disparities widen again

The most recent figures from the CSO *County Incomes and Regional GDP* for 2011 indicate that regional income disparities are widening again. The Mid-West, West and Border regions had the largest falls in disposable income between 2010 and 2011 and the Border had the lowest disposable income per person in that year. Dublin was the only region to experience an increase in its disposable income per person between 2010 and 2011. This may indicate that the beginnings of economic recovery, and the impact of reductions in the value of social transfers, are contributing to a widening of regional income gaps.

Between 2002 and 2010 there had been a general trend of narrowing regional income disparities and this continued through the early years of the recession (2007-2010). During the first half of the 2000s this trend was driven by widespread economic growth as the construction, retail and public sectors in particular led to employment growth in the relatively weaker regions.² The redistribution effect of increasing social welfare rates also contributed.

After 2007 the regional income gap continued to narrow as unemployment rose across all regions and particularly hit some of the higher income commuting counties around Dublin. As income derived from employment accounted for a smaller share of total disposable income in some regions (e.g. Border, South East, Midlands, West), declines in employment had less of an impact on their overall total disposable income. The differences between regions therefore continued to narrow even as income fell across all regions, until the 2011 reversal in the trend.

National output becoming more regionally concentrated

National output has become increasingly concentrated with the share produced by the two strongest regions (Dublin and South West) rising from 57.2% in 2002 to 59.9% in 2011. The West region's position has strengthened considerably and in 2011 it was the third largest contributor to national Gross Value Added (GVA),³ up from sixth in 2002. The Border region however has seen its role in national output shrink, particularly between 2006 and 2011 when it declined from joint fourth to seventh (of eight). While the West and Mid-West both had GVA per person above the EU27 average in 2011, the Border had a GVA of less than three-quarters the European average.

¹ This two page summary can be downloaded as a separate *WDC Insights* publication from <http://www.wdc.ie/publications/reports-and-papers/>

² An analysis of employment trends in the Western Region, based on data from the CSO *Quarterly National Household Survey*, will be published by the WDC shortly.

³ At regional level the GVA measure is used instead of Gross Domestic Product (GDP). Both measure the same concept but GVA excludes product taxes and includes product subsidies while GDP includes taxes and excludes subsidies.

In contrast to income, during the 2002-2011 period regional differences in GVA per person widened. The position of the Dublin, South West and West regions, in terms of GVA per person, has improved since 2007 and they fared best in the recession. This is partly due to the strength of Dublin, Cork and Galway cities respectively as well as these three regions' relative success in attracting and retaining foreign investment, the greater diversity of their economic profiles and inward commuting increasing their workforce.

Services the largest sector: West strong in manufacturing; Border in agriculture

'Market and non-market services' is the largest source of GVA for all regions except the South West (where it is 'manufacturing and construction'). 'Manufacturing and construction' is also important in the West region which, after the South West, has the second highest share of its total GVA coming from that sector. This share has been rising over the past decade, influenced by medical devices and ICT.

This has helped the West to become the third largest contributor to national 'manufacturing and construction' output. In the Border region the share of its GVA coming from that sector has declined substantially since 2006. The agricultural sector remains quite strong and the Border is the third largest contributor to national GVA from 'agriculture, forestry and fishing'.

Key County Incomes and Regional GDP 2011 statistics for the Western Region

Statistic	West	Border	Mid-West	State
Income				
Disposable income per person	€17,836	€16,984	€18,485	€19,055
% of state average disposable income per person	93.6%	89.1%	97.0%	100.0%
Change in disposable income per person 2010-2011	-5.8%	-5.0%	-7.5%	-2.1%
Difference between total disposable income & total income from employment	19.7%	27.4%	18.3%	11.6%
Gross Value Added				
Gross Value Added (GVA) per person	€26,933	€18,571	€25,982	€32,224
% of state average GVA per person	84.0%	58.0%	81.0%	100.0%
% of EU27 average GVA per person	108.0%	74.0%	104.0%	129.0%
% of total national GVA	8.1%	6.5%	6.7%	100.0%
Contribution to GVA from:				
• Agriculture, Forestry & Fishing	9.3%	12.5%	11.7%	100.0%
• Manufacturing & Construction	12.0%	6.3%	7.4%	100.0%
• Market & Non-Market Services	6.5%	6.4%	6.3%	100.0%

Source: CSO, County Incomes and Regional GDP 2011, www.cso.ie

West (**Galway, Mayo and Roscommon**); Border (**Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth**); Mid-West (**Clare, Limerick and North Tipperary**).

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Introduction

The CSO published *County Incomes and Regional GDP 2011* on 23 April 2014.⁴ This Western Development Commission (WDC) report presents and analyses the main data from this release relating to the Western Region (Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare).

As much of the data is not available at county level, and regional level data is more robust and reliable in any case, much of the analysis is done at the level of NUTS3 regions.⁵ The seven county Western Region includes the entire West NUTS3 region (**Galway, Mayo and Roscommon**) and some counties from the Border (**Donegal, Sligo, Leitrim**, Cavan, Monaghan and Louth) and Mid-West regions (**Clare**, Limerick and North Tipperary). It must be borne in mind that there are considerable differences within each NUTS3 region, with the West and Mid-West regions' economic performance quite strongly influenced by Galway and Limerick cities respectively while for the Border region the Dundalk/Drogheda area in the Dublin-Belfast economic corridor exerts a strong influence on the region's statistics.

In this report data on **income** at a regional and county level is analysed first and this is followed by an analysis of data on **Gross Value Added** by region.

1.0 Regional and County Incomes

The release presents data on total, household and per person income at regional and county level. The data at a regional level is considerably more accurate than county data. County level figures should be treated with caution and should be regarded as indicative of relative levels rather than as accurate absolute figures. Most of the analysis here will focus on the regional data.

⁴ The release and data can be downloaded from <http://www.cso.ie/en/releasesandpublications/er/cirgdp/countyincomesandregionalgdp2011/#.U20E2FdZ9BA>

⁵ NUTS refers to the Nomenclature of Territorial Units classification used by Eurostat. The state of Ireland is classified as a NUTS1 region, there are two NUTS2 regions the Border, Midland and West (BMW) region and the Southern and Eastern (S&E) region. These in turn are divided into eight Regional Authority NUTS3 regions – Border, Midlands, West, South East, South West, Mid-East, Mid-West and Dublin. Most of the analysis in this report will be at this NUTS3 level.

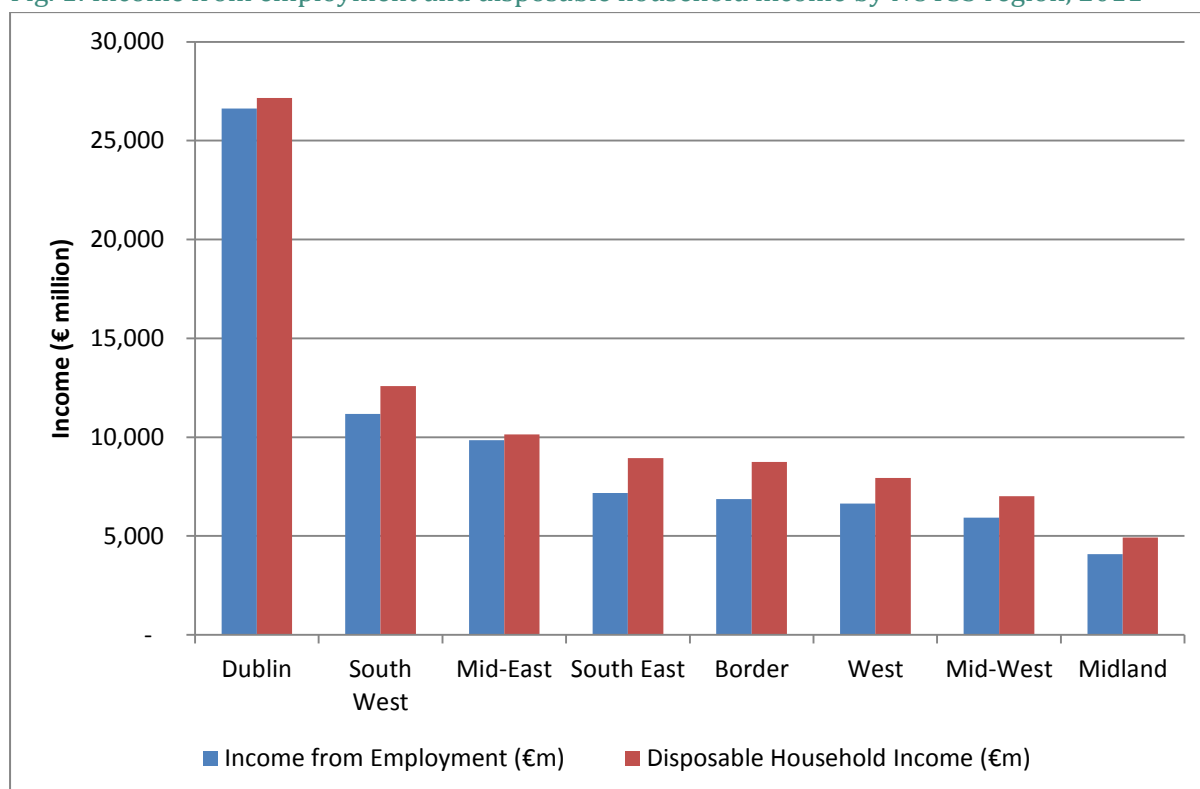
1.1 Income from employment and disposable household income

There are different ways to measure income depending on what income sources, taxes etc. are counted. The release provides data on a range of different income measures. Fig. 1 compares two measures of income for NUTS3 regions. It shows income from employment (compensation of employees plus income from self-employment) which is a useful measure of income earned from productive activity in each region. Disposable household income counts income from employment and also rental earnings, dividends, social welfare payments and taxes paid. It measures the actual income available for use by households. Fig. 1 shows total figures for each region and does not take population into account.

Dublin has by far the largest income under both measures with the South West and Mid-East next. The West, Mid-West and Midlands regions have the lowest income under these measures.

In every region, total disposable household income is greater than income from employment. This is because there is a net increase in income resulting from other sources (e.g. social welfare, rent, dividends etc.) less taxes. The difference between the two measures varies however between regions. In Dublin (2%) and the Mid-East (3%) the difference is quite small while for the Border (27.4%), South East (24.5%) and Midlands (20.3%) it is relatively large. Among other factors this indicates that social transfers play a more significant role in disposable income in these regions and that a lower share of the region's income is derived from productive employment. This is partly due to the higher unemployment rates in these regions.⁶ It also indicates that the proportion of income paid in taxes is lower in these regions. As one of the main purposes of the social welfare and taxation system is to redistribute income more evenly, this pattern is to be expected.

Fig. 1: Income from employment and disposable household income by NUTS3 region, 2011



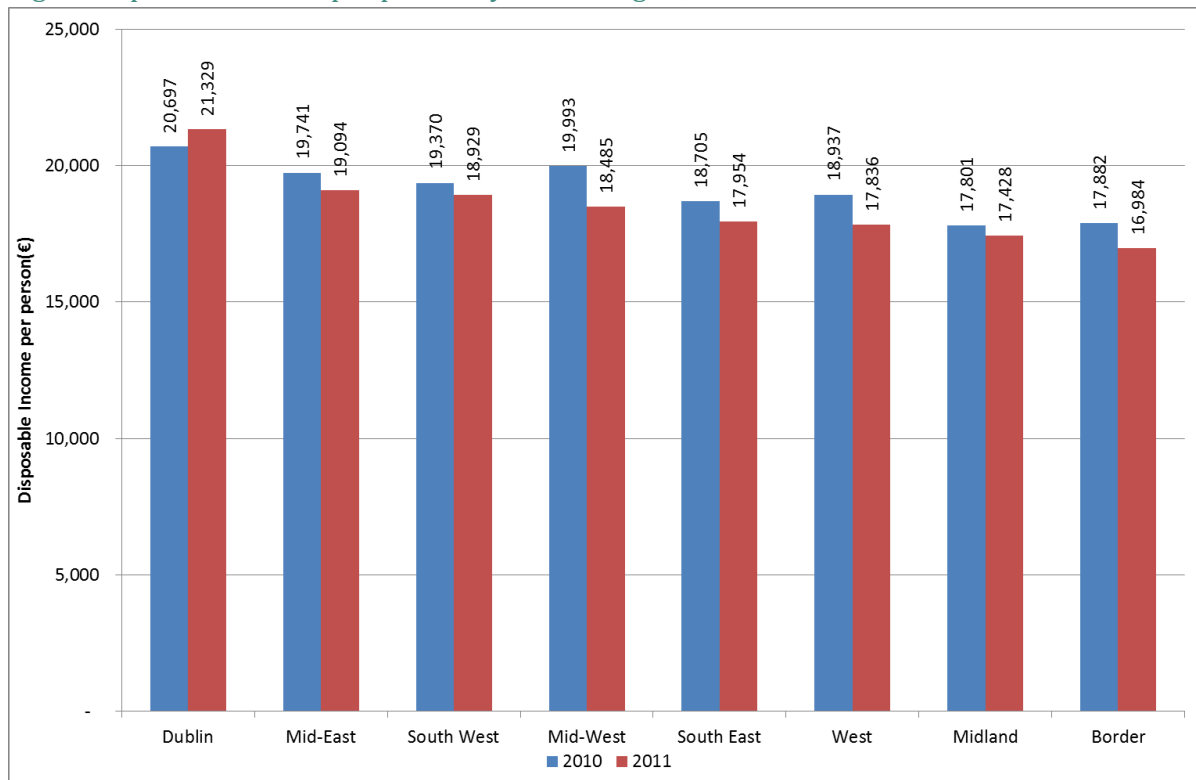
⁶ Q2 2011: Dublin 12.3%; Mid-East 12.5%; Border 15.1%; South East 18.7%; Midlands 17.4%

1.2 Disposable income per person

Dividing total disposable household income by the resident population in each region gives average disposable income per person. **Dublin has the highest disposable income per person (Fig. 2) in 2011 (€21,329) with the Border region having the lowest (€16,984).** This is a difference of €4,345, considerably larger than the difference of €2,896 between the highest and lowest regions in 2010 (Midlands was lowest that year). The West region has the third lowest disposable income per person at €17,836.

Between 2010 and 2011 Dublin was the only region to experience an increase in disposable income per person. The largest percentage decline between 2010 and 2011 was experienced by the Mid-West (-7.5%) with the West (-5.8%) and Border (-5%) having the next largest declines. **The three NUTS3 regions incorporating counties in the Western Region experienced the greatest falls in disposable income per person between 2010 and 2011.**

Fig. 2: Disposable income per person by NUTS3 region, 2010-2011



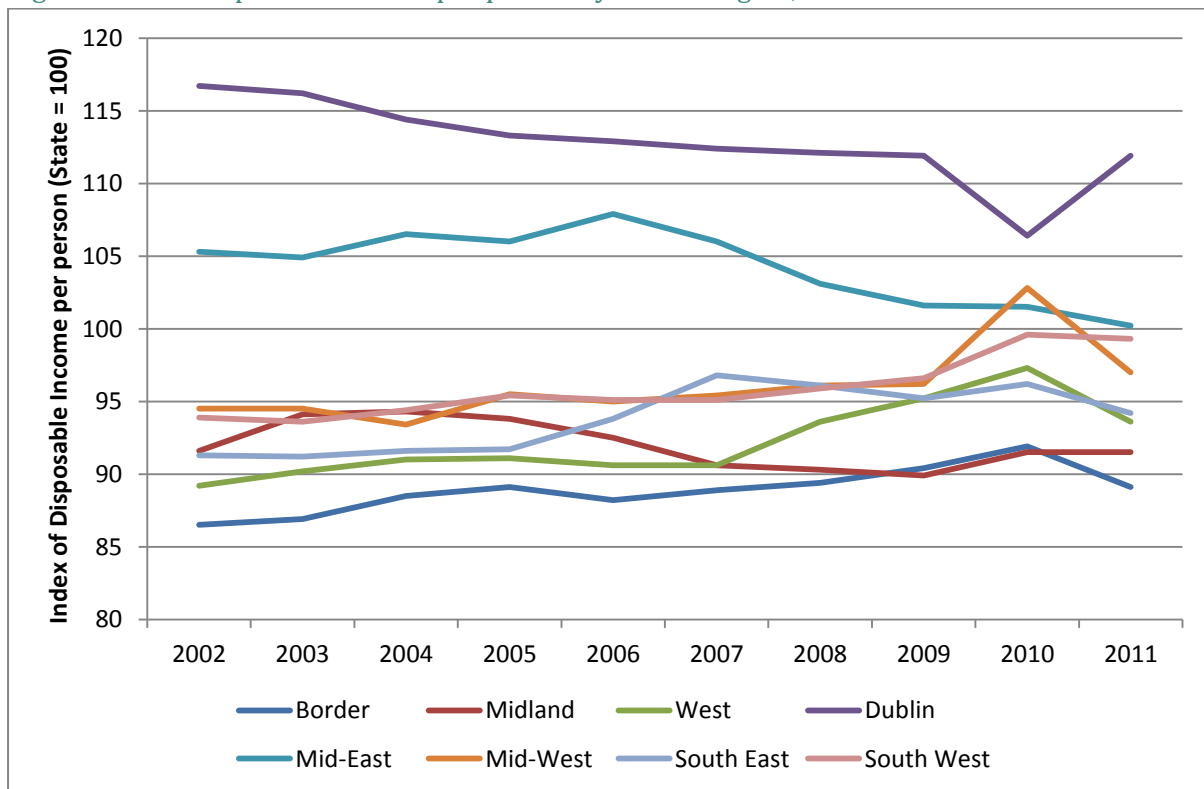
1.3 Index of disposable income per person

Using an index which compares each region's disposable income per person with the state average (to remove the impact of inflation and take account of a changing state average) is useful when looking at a longer time period (2002-2011).

From Fig. 3 it can be seen that **Dublin and the Mid-East are the only regions consistently above the state average** for the period, though the Mid-East's position has declined substantially since 2006 and it was only barely above the average in 2011.

The **West region held relatively steady at about 90% of the state average up to 2007 but saw its relative position improve strongly during 2007-2010** though with a quite substantial decline in 2011. The **Border region had the lowest disposable income per person for almost the entire period** though its relative position improved steadily until 2011 when it declined notably. The **Mid-West held steady around 95% of the state average until 2010 when it rose above the state average but declined again in 2011.**

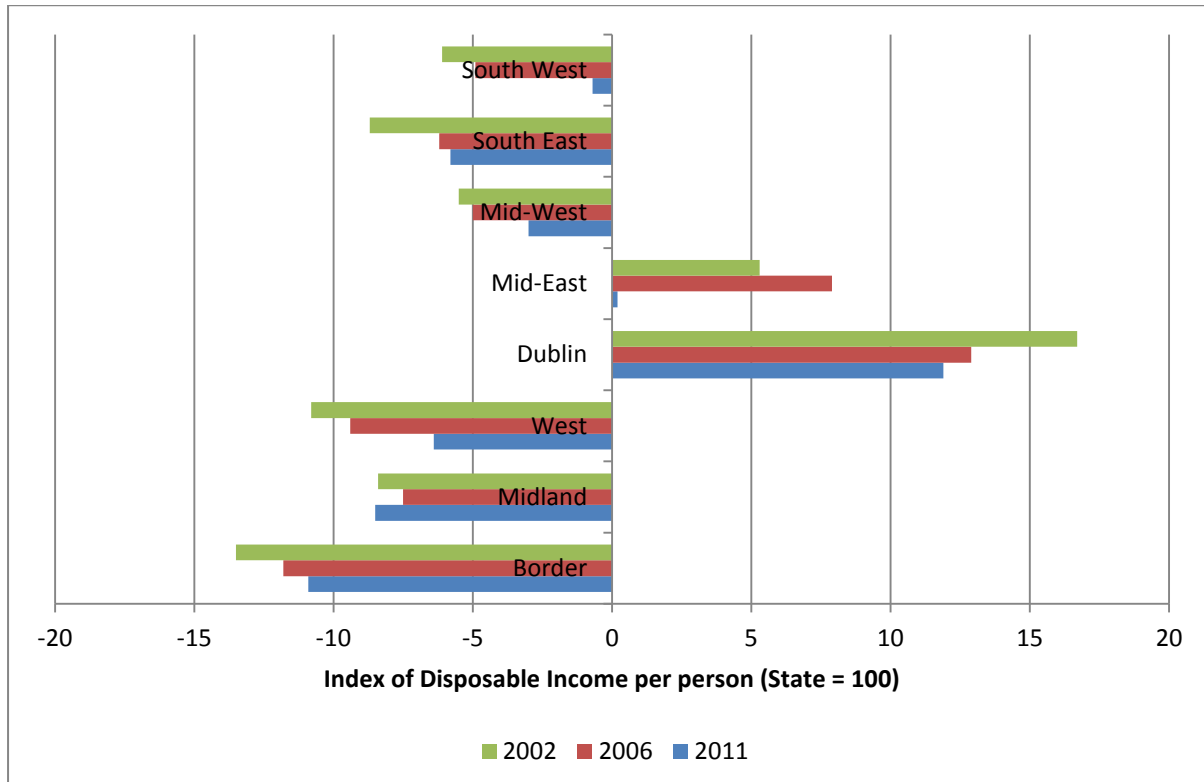
Fig. 3: Index of disposable income per person by NUTS3 region, 2002-2011



Note: The vertical axis begins at 80 to ease interpretation of chart.

From Fig. 3 it is clear that there has been a general trend of reduced variation between the regions over the ten year period. Fig. 4 shows this in more detail. For all regions, the difference between disposable income per person in the region and the state average was smaller in 2006 than in 2002. It was also smaller in 2011 than in 2006 in all regions except the Mid-East and Midlands. For these two regions their role as locations for commuting to Dublin at the height of the Celtic Tiger and the consequent reduction in income of people living in these regions after 2007 is the likely reason for their deteriorating relative position in 2011 compared with 2006.

Fig. 4: Variation from state average of index of disposable income per person by NUTS3 region, 2002, 2006 and 2011



Overall there are indications of reduced income disparities between regions in the 2002-2011 period. The role of social transfers and increased social welfare rates over much of this period would be a contributing factor. Also as the higher income regions benefited more from strong economic growth, they consequently experienced larger declines in the recession, while areas which did not see such large income increases as a result of economic growth did not experience such large declines, thereby narrowing the gap between regions. As we saw from Fig. 2 however **Dublin was the only region to experience an increase in income in 2011 compared with 2010, pointing to a possible widening of income disparities as recovery begins.**

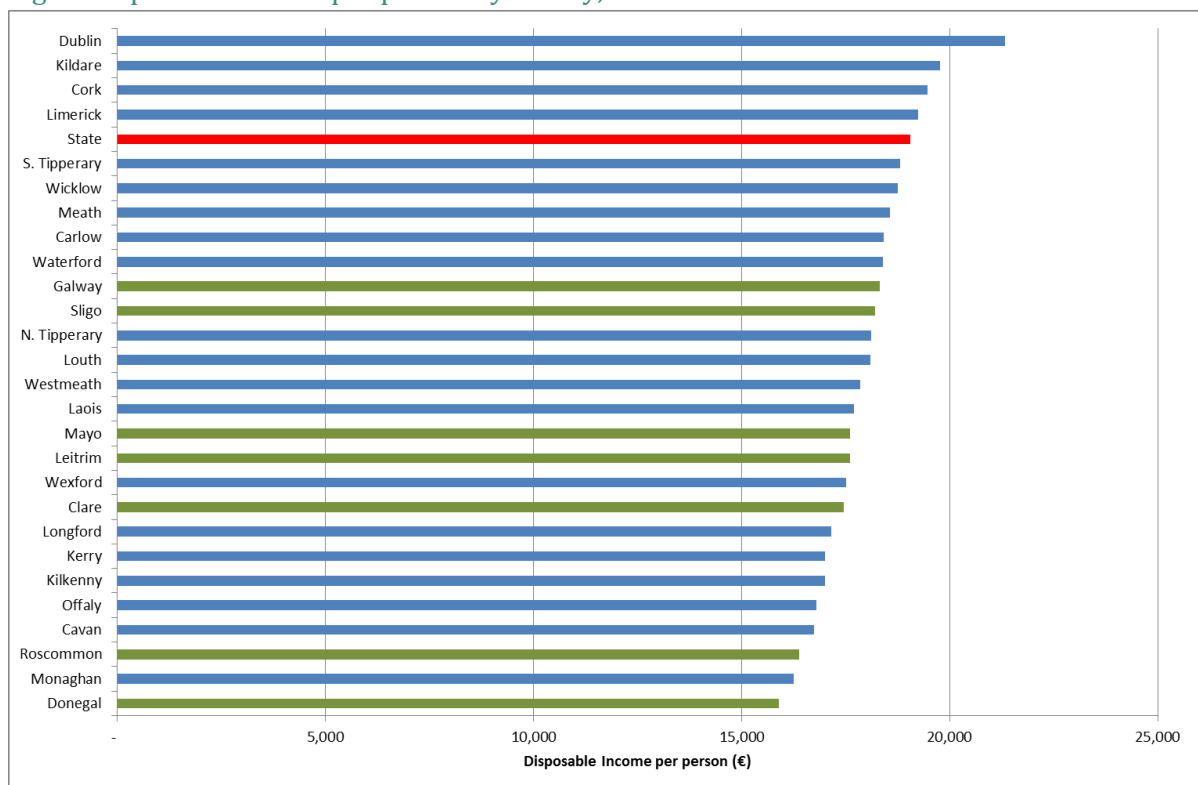
1.4 Disposable income per person by county

As noted above, income figures at county level are considerably less accurate than those at regional level and should only be used to judge the relative position of counties rather than as accurate figures.

Fig. 5 shows the average disposable income per person in each county in Ireland. The state average is shown in red and the seven counties of the Western Region are in green. Disposable income per person ranges from a high of €21,329 in Dublin to a low of €15,897 in Donegal. In total four counties are above the state average – Dublin, Kildare, Cork and Limerick.

Among the western counties, **Galway and Sligo have the tenth and eleventh highest average disposable income per person**, just above the median. All the other western counties are below this. **Donegal has the lowest disposable income per person in the country with Roscommon the third lowest.**

Fig. 5: Disposable income per person by county, 2011



1.5 Index of disposable income per person in western counties

Considering how disposable income per person has changed over the past ten years Fig. 6 shows the index of disposable income per person (with the state average equal to 100) of the western counties from 2002 to 2011.

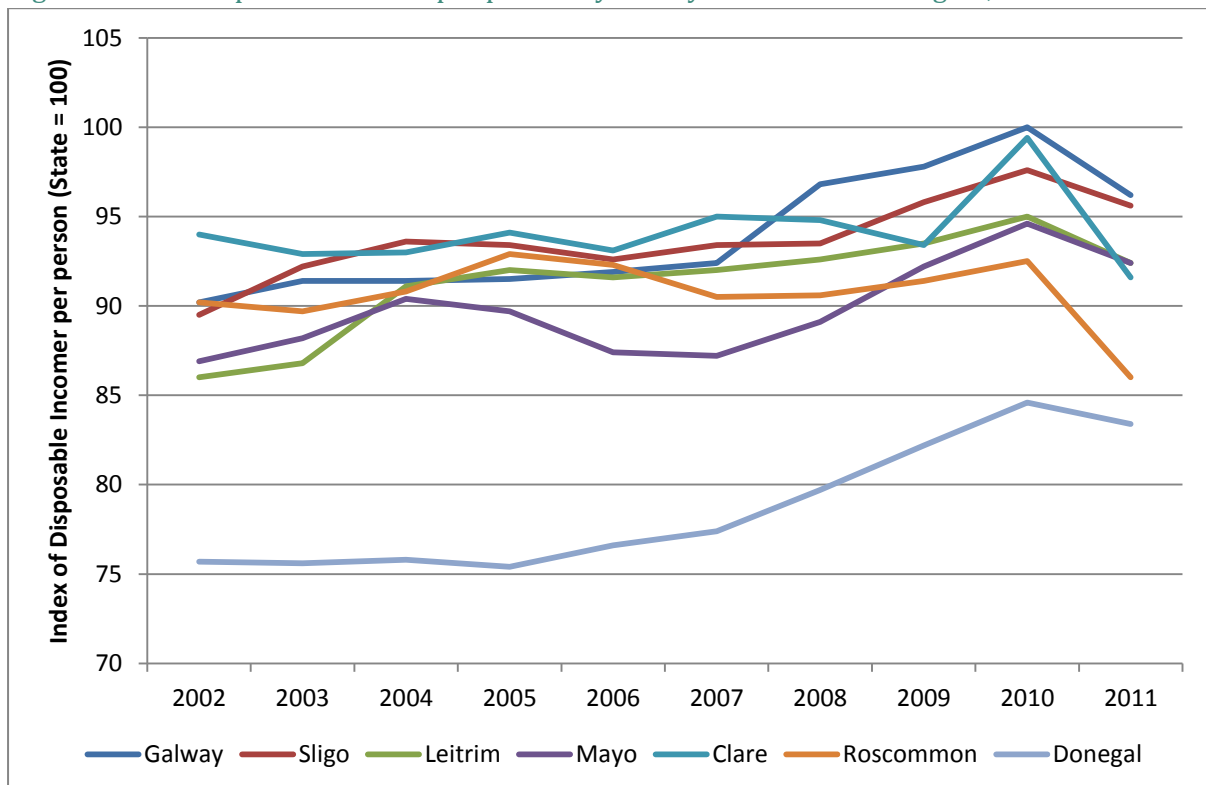
Galway experienced a steady and gradual increase in its relative position from 2002 to 2007 and a far stronger improvement from then to 2010. This indicates that Galway has performed more strongly through the recession than other counties. Before 2007 Clare and Sligo both ranked higher than Galway, but are below it since. **Sligo** saw an improvement in its relative position from 2008 to 2010 followed by a decline, while an improvement in 2010 for **Clare** was reversed in 2011.

From having the second lowest disposable income per person in the Western Region, **Leitrim** saw a fairly steady improvement in its position throughout the period, with a drop in 2011 in common with other counties. Following an improvement from 2003 to 2005 **Roscommon's** position declined until 2007 after which it saw a steady improvement to 2010, followed by a very sharp decline in 2011.

Mayo, following growth to 2004 saw considerable decline to 2007 followed by an improved relative position until 2010 when it, like all other western counties, saw a decline in 2011.

Donegal has had the most significant change over the period. From just three-quarters of the state average in 2002 its position improved to just under 85% in 2010, followed by some decline. It still remains the lowest average disposable income per person in the country however.

Fig. 6: Index of disposable income per person by county in the Western Region, 2002-2011



Note: The vertical axis begins at 70 to ease interpretation of chart.

The general improvement in the relative position of nearly all western counties between 2007 and 2010 is likely due to a number of factors. Other regions of the country, particularly the Mid-East, Midlands and Dublin, experienced more substantial declines in their income as a result of the recession. This reduced the state average and contributed to an improvement in the western counties relative position. This period also saw substantial increases in unemployment across the entire country which contributed to some reduction in disparities between counties.

The **2011 figures however show a decline in all western counties' relative income position** pointing to a possible increase in income disparities as a result of economic recovery being mainly focused in the wealthier regions and in particular in Dublin.

2.0 Gross Value Added

Gross Value Added (GVA) is a measure of the output of a region. GVA measures the value of the final goods and services produced in a region (less the materials and services used which come from outside the region) priced at the value which the producers received, minus any taxes payable plus any subsidies receivable. GVA, rather than Gross Domestic Product (GDP), is the measure that is available at regional level. Both measure the same concept however GDP includes taxes and excludes subsidies whereas GVA excludes taxes and includes subsidies.

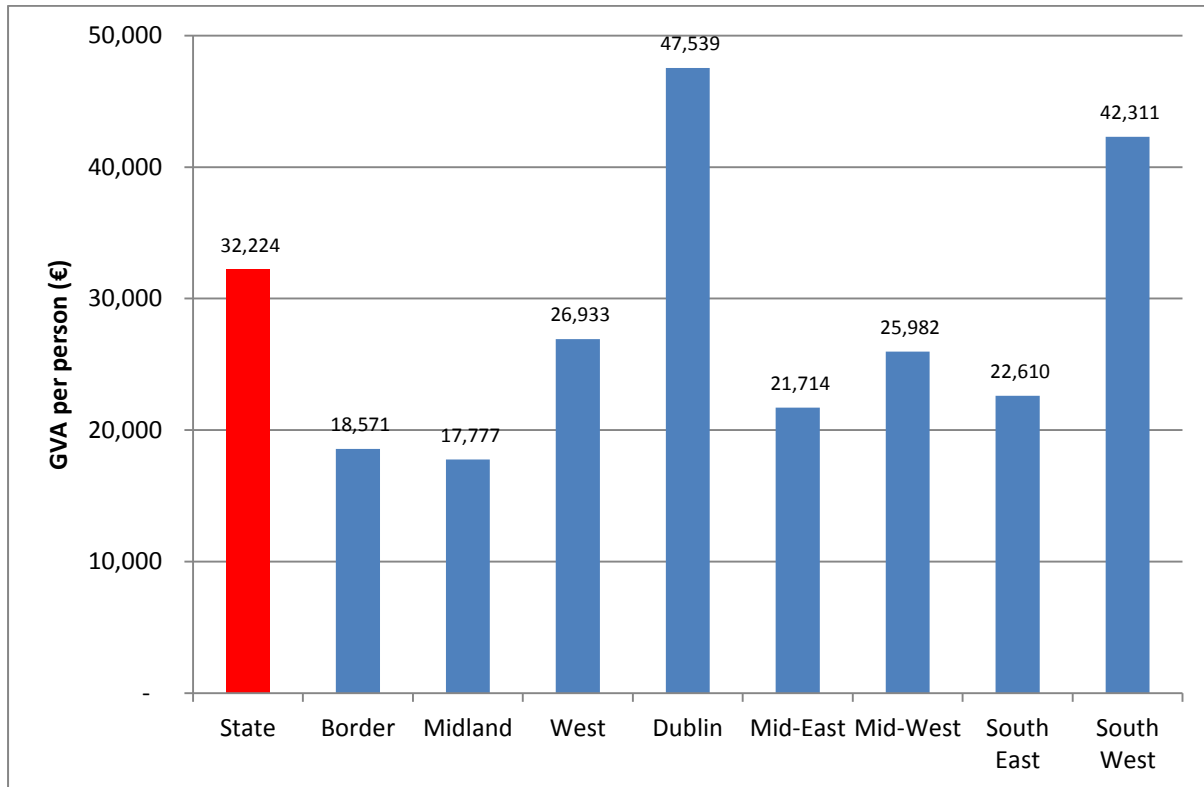
GVA includes the profits of companies which might accrue to non-residents. This is very relevant in Ireland where the profits of multinationals are sent back to the company's headquarters. This particularly impacts on the GVA of regions with high concentrations of multinationals such as Dublin, the South West and West.

Another consideration for the GVA measure is that not all of the workforce who generate the GVA in a region may actually live in that region e.g. for a person working in Dublin but living in Meath, their contribution to GVA is counted in Dublin but their income would be counted in the Mid-East. Clearly, this impacts on the GVA of those regions which experience large inward or outward commuting.

2.1 Gross Value Added per person

GVA per person ranges from a high of €47,539 in Dublin to a low of €17,777 in the Midlands (Fig. 7). Dublin and the South West are the only NUTS3 regions with a GVA per person above the state average. **The West region is third highest**, though at €26,933 it is substantially behind the South West. The Midlands, Border and Mid-East regions have the lowest GVA per person at under €22,000.

Fig. 7: GVA per person at basic prices by NUTS3 region, 2011



The highest average GVA per person is €29,762 more than the lowest, compared with a gap of €4,345 between the highest and lowest disposable income per person. The larger gap between regions in GVA terms than in income is due to two main factors. Firstly that **people may not live in the region where they generate GVA**. A person living in Louth and working in Dublin would contribute to the GVA of Dublin but their income would be counted in the Border region. To calculate the GVA per person in Dublin its total GVA is divided by its resident population rather than its workforce (see Fig. 12). Similarly for the Border region its total GVA is divided by its resident population, rather than the number of people actually working in the region (see Fig. 12). This increases the per person GVA figures for Dublin and reduces them for the Border and the same is true for other regions with large outward commuting.

Secondly, the **redistributive effect of taxation and social transfers** reduces the per person income gap between regions.

2.2 Index of GVA per person

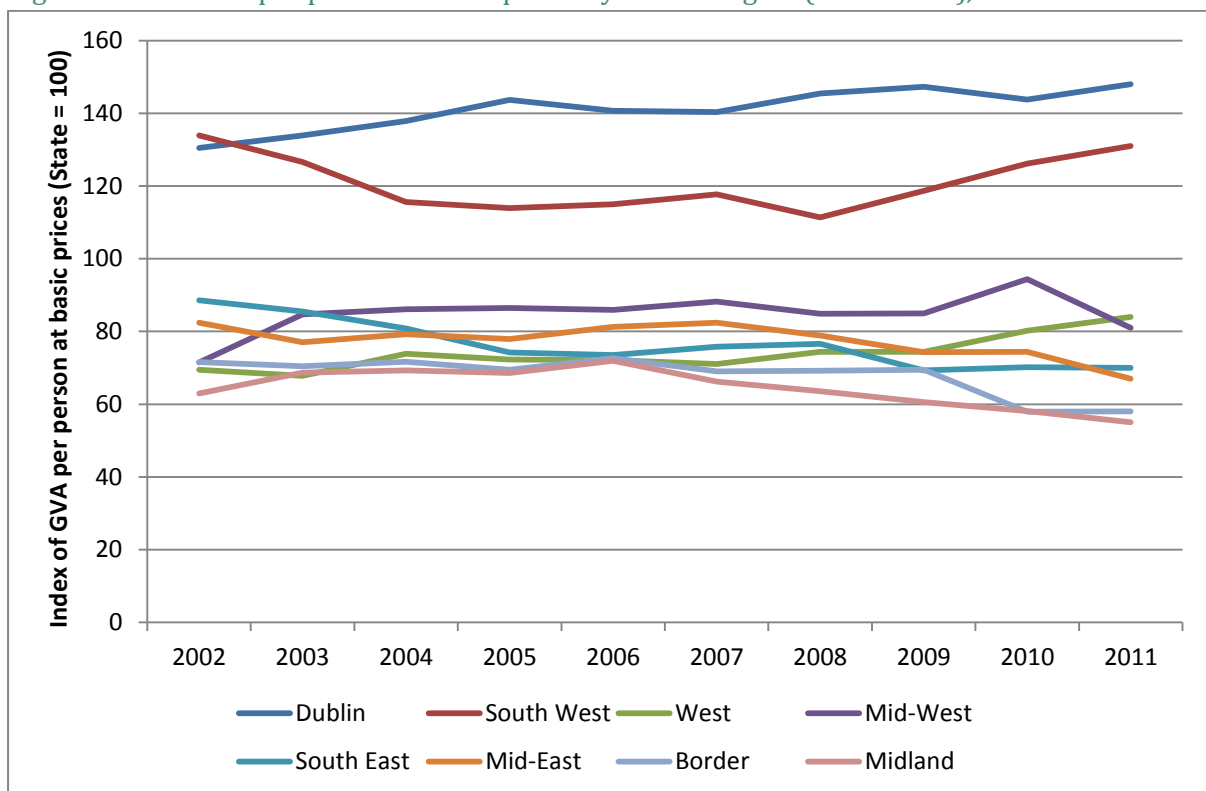
To examine changes in GVA per person over a longer time period, using an index is useful. This index gives a value of 100 to the state average for each year so illustrates changes in each region’s relative position compared to the national average over time.

From Fig. 8 we can see that Dublin’s position has increased quite steadily over the ten year period from 130.5% of the state average in 2002 to 148% in 2011. Its position improved particularly strongly between 2010 and 2011. While the South West’s relative position declined from 2002 to 2008 it has improved strongly since. This would indicate that it has performed more strongly through the recession than other regions improving its relative position.

Of the regions below the state average, after some improvement from 2002 to 2006, the Midlands has seen a quite substantial decline in its position. This pattern is quite similar to the Mid-East. The Border region’s position has also declined, most notably from 2009 onwards.

The Mid-West’s position remained very stable until 2009 when it improved and then declined again in 2011. The West’s relative position improved slightly over the period to 2009 and since then has improved quite strongly to overtake the Mid-West in 2011. This indicates the West region has fared better through the recession than many other regions.

Fig. 8: Index of GVA per person at basic prices by NUTS3 region (State = 100), 2002-2011



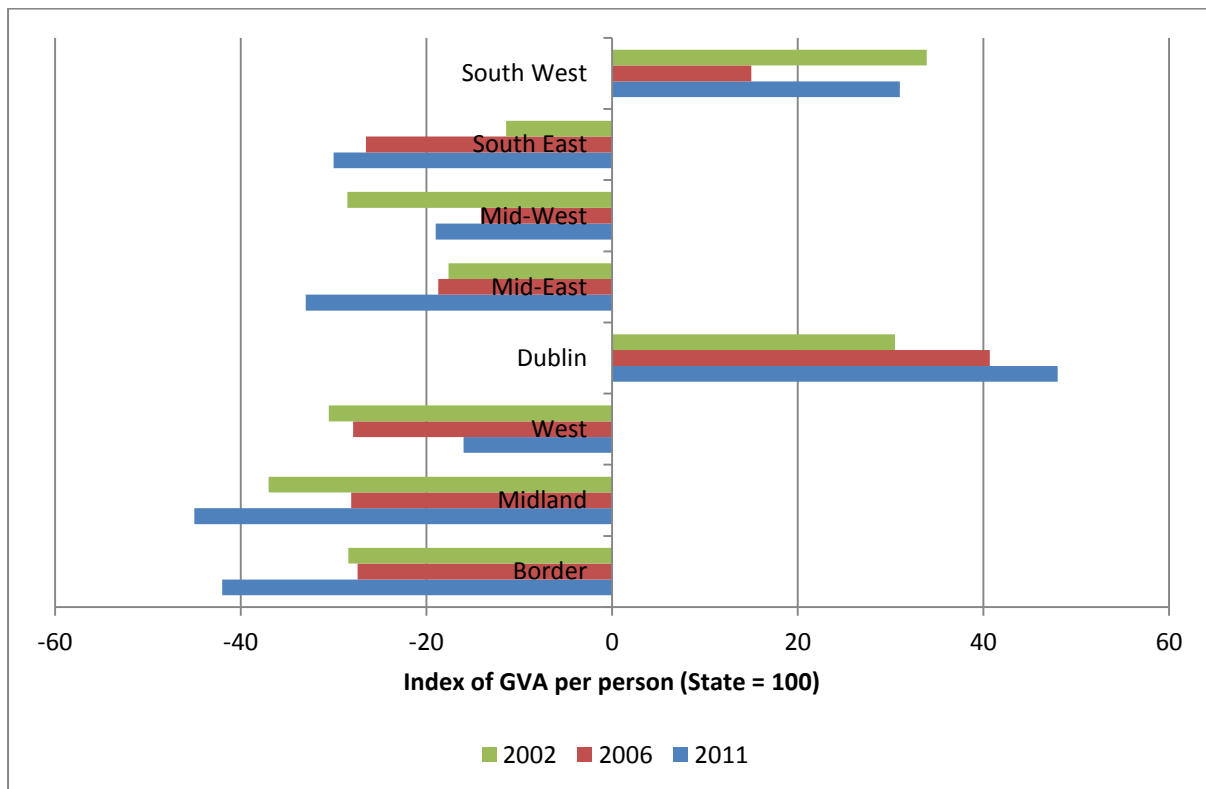
The fact that Dublin, the South West and the West are the regions which have shown improved relative positions during the recession is likely influenced by the strength of Dublin, Cork and Galway respectively and also the strong performance of these three regions in attracting and retaining FDI. As GVA figures include the profits of companies, earnings by foreign multinationals based in Ireland can have a significant impact in regions where they are clustered. The **greater**

strength and diversity of the economic profile of these regions would also have contributed to their relatively stronger performance.

Fig. 9 shows how each region varied from the state average index of GVA per person. It is clear that Dublin’s position relative to the average has strengthened considerably between 2002 and 2011. Also, after a decline in 2006, the South West’s position improved again in 2011.

After some improvement of their relative position between 2002 and 2006, the Midlands, Border and Mid-West regions’ positions deteriorated again by 2011. In the case of the **Midlands and Border their position in 2011 was notably weaker than it had been in 2002 meaning they were further below the state average at the end of this ten year period than they had been at the start.** This was also the case for the South East and Mid-East regions whose positions deteriorated over both periods. The **West’s relative position in contrast improved in each period to be far closer to the national average in 2011 than it had been in 2002.**

Fig. 9: Variation from state average of index of GVA per person by NUTS3 region, 2002, 2006 and 2011



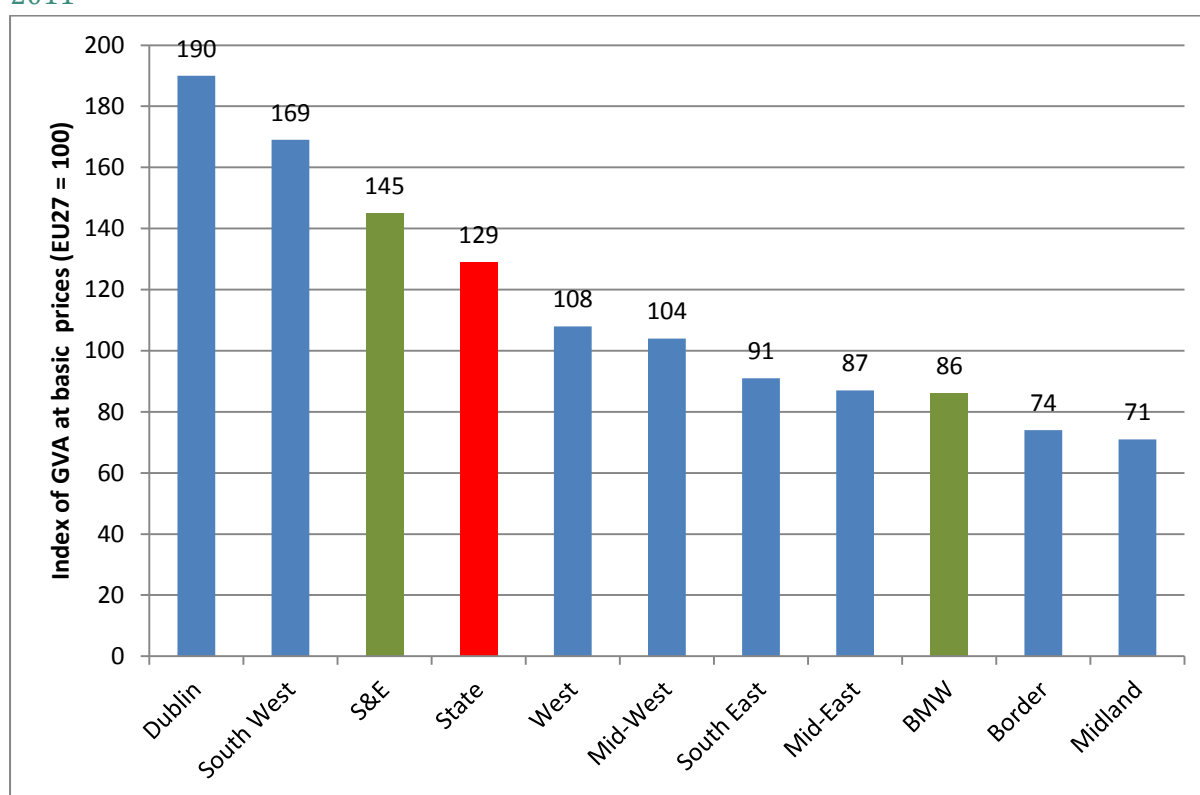
2.3 Index of GVA per person based on EU27 average

Again using an index to measure GVA per person, but equating the EU27 with 100 instead of the State, shows the relative position of Ireland's regions to the EU average. This is important as eligibility for EU regional development funding is based on a region's GVA relative to the EU average.

As a whole, Ireland's GVA per person in 2011 was 129% of the EU27 average (Fig. 10). **Four of Ireland's NUTS3 regions were above the European average** – Dublin, South West, West and Mid-West. **Two regions, the Border and Midlands, had GVA per person of less than three-quarters of the EU27 average** in 2011.

The NUTS2 region of the Border, Midlands and West (BMW) had a GVA per person of 86% of the European average while the Southern and Eastern (S&E) region was 145% (both shown in green).

Fig. 10: Index of GVA per person at basic prices by NUTS2 and NUTS3 region (EU27 = 100), 2011

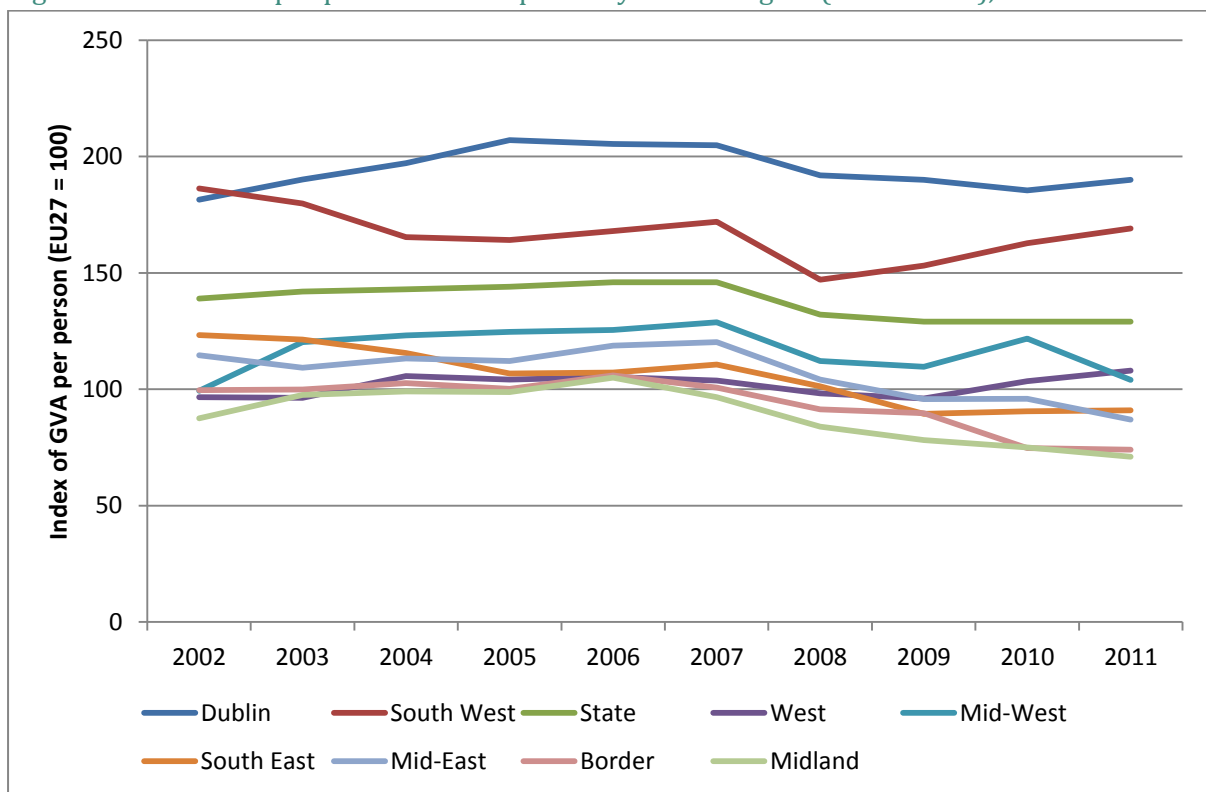


Considering how the NUTS3 regions performed compared with the EU average over the ten years from 2002 to 2011 we can see that the State’s position improved slightly from 2002 to 2007 when it was close to 150% of the EU average, it declined considerably in 2008-2009 and has now stabilised at a lower level (Fig. 11).

Dublin had more than double the EU average GVA per person from 2005 to 2007. Its position declined after this but recovered somewhat in 2011. Following a considerable decline in 2008, the South West’s position has now returned to its 2007 relative position.

The West’s position improved from 2002 to 2004, declined gradually until 2009 and has strengthened notably since then. The Midlands and Border regions’ position improved up to 2006 and has declined steadily since then. The Mid-West had a relatively similar pattern.

Fig. 11: Index of GVA per person at basic prices by NUTS3 region (EU27 = 100), 2002-2011



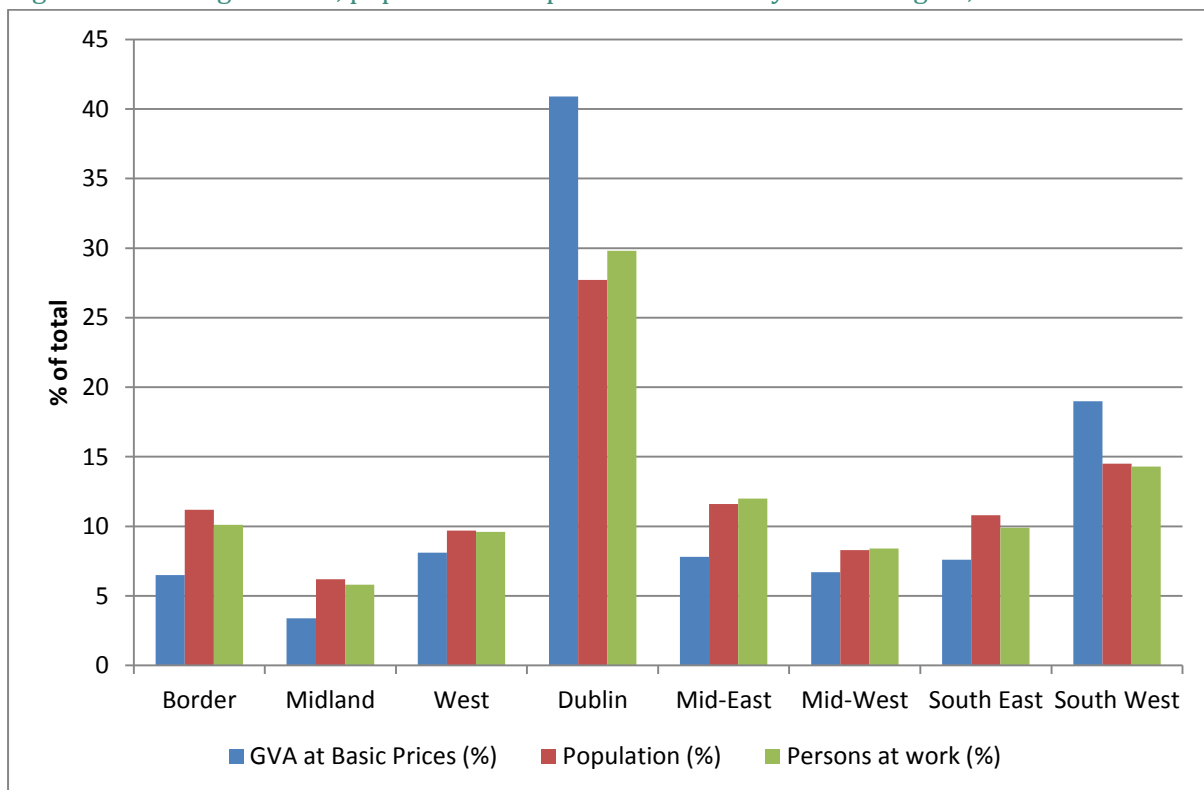
2.4 Share of GVA, population and persons at work

It is interesting to compare each region's share of national GVA with their share of the population and workforce. Fig. 12 shows the share of total national GVA accounted for by each region, their share of the population and their share of total persons at work.

Dublin and the South West are the only two regions with a greater share of national GVA than of population or workforce. Their higher share of GVA is influenced by strong economic activity, a relatively high proportion of Ireland's multinational plants and inward commuting.

Dublin generates 40.9% of GVA but has 27.7% of the national population and 29.8% of the national workforce. Its higher share of the workforce than population is because of net inward commuting and high labour force participation.⁷ The Border, Midlands and South East regions in contrast have a higher share of the population than of the workforce indicating net outward commuting and lower participation. The Mid-East however has a higher share of the workforce than population showing net inward commuting and high participation. While many people commute out of the Mid-East it is also a location of considerable employment.

Fig. 12: Percentage of GVA, population and persons at work by NUTS3 region, 2011



⁷ In Q2 2011 labour force participation rates were: Border (55.2%); Midlands (60.4%); West (61.5%); Dublin (62.2%); Mid-East (63.2%); Mid-West (62.8%); South East (58.2%); South West (59.0%). CSO, Quarterly National Household Survey

2.5 Distribution of national GVA across regions

Fig. 13, Fig. 14 and Fig. 15 show how national GVA was distributed across the eight NUTS3 regions in 2002, 2006 and 2011. **National GVA has become more regionally concentrated over this period. While the two largest regions generated 57.2% of national GVA in 2002, this rose to 59.9% in 2011.**

Dublin's share of national GVA has risen from 37.4% in 2002 to 40.9% in 2011. The South West is the next largest contributor. Its share fell from nearly 20% in 2002 to about 17% in 2006 but has recovered to now stand at 19%.

The South East was the third largest contributor to GVA in 2002 at 9.6% but has declined steadily to only 7.6% in 2011 and only the fifth largest. **The West in contrast has risen from 6.8% in 2002 to 8.1% in 2011 and is now the third largest contributor to national GVA** reflecting again its relatively strong performance in the recession. **While remaining quite steady at 8% from 2002 to 2006 the Border region declined quite substantially to 6.5% in 2011** showing the relatively big impact of the downturn in the region.

The Mid-West increased its share from 2002 to 2006, and while it declined in 2011, is still above its share in 2002.

Fig. 13: Distribution of national GVA by NUTS3 region (%), 2002

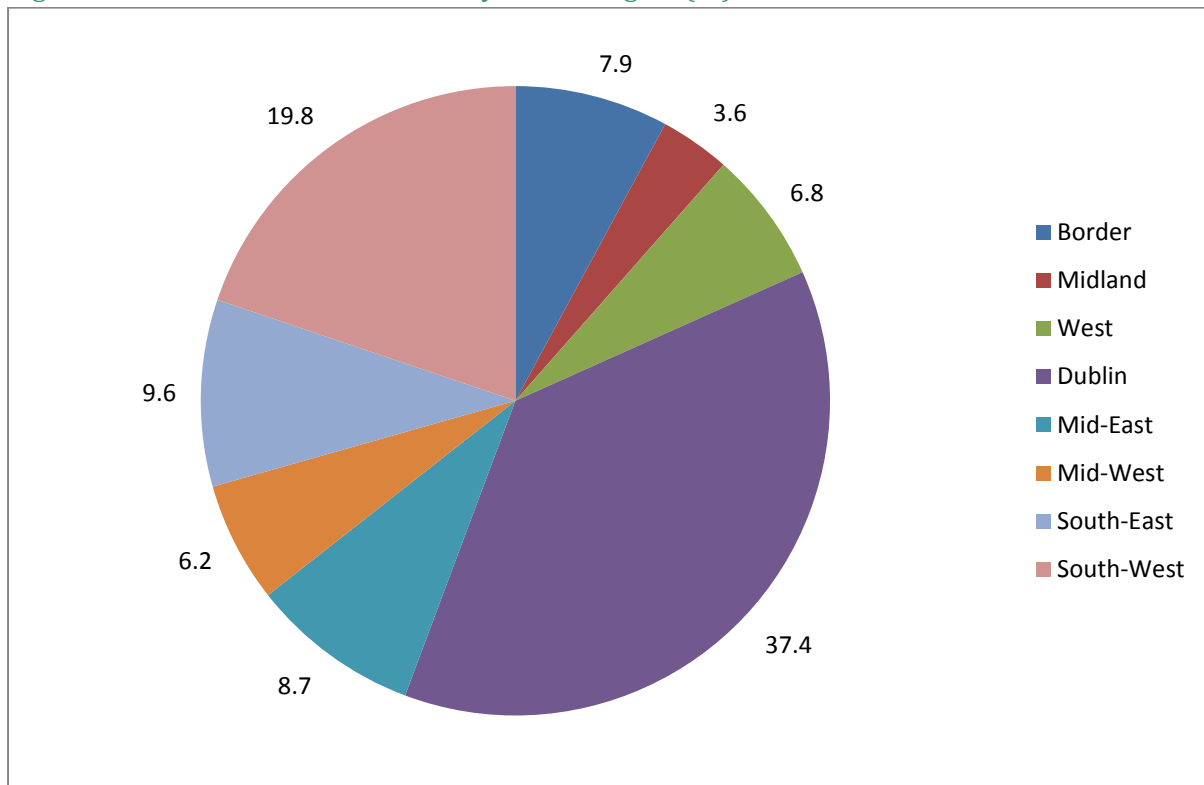


Fig. 14: Distribution of national GVA by NUTS3 region (%), 2006

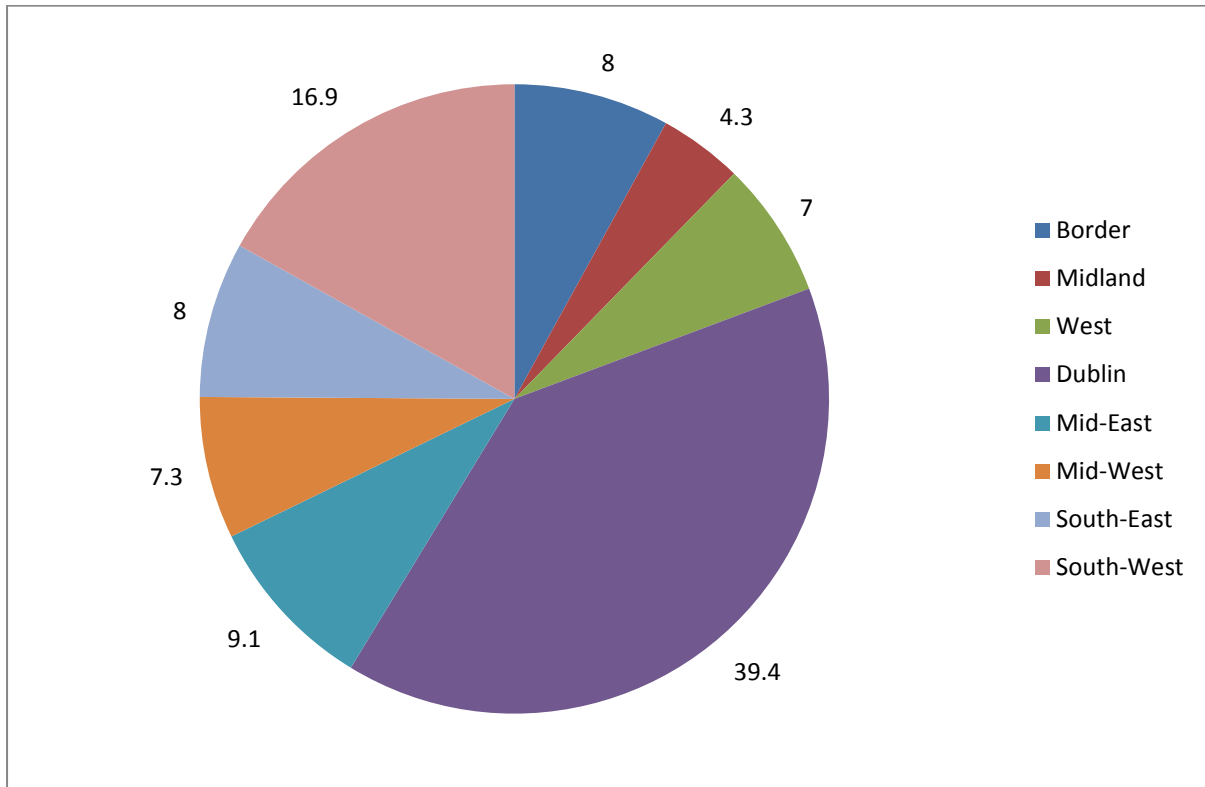
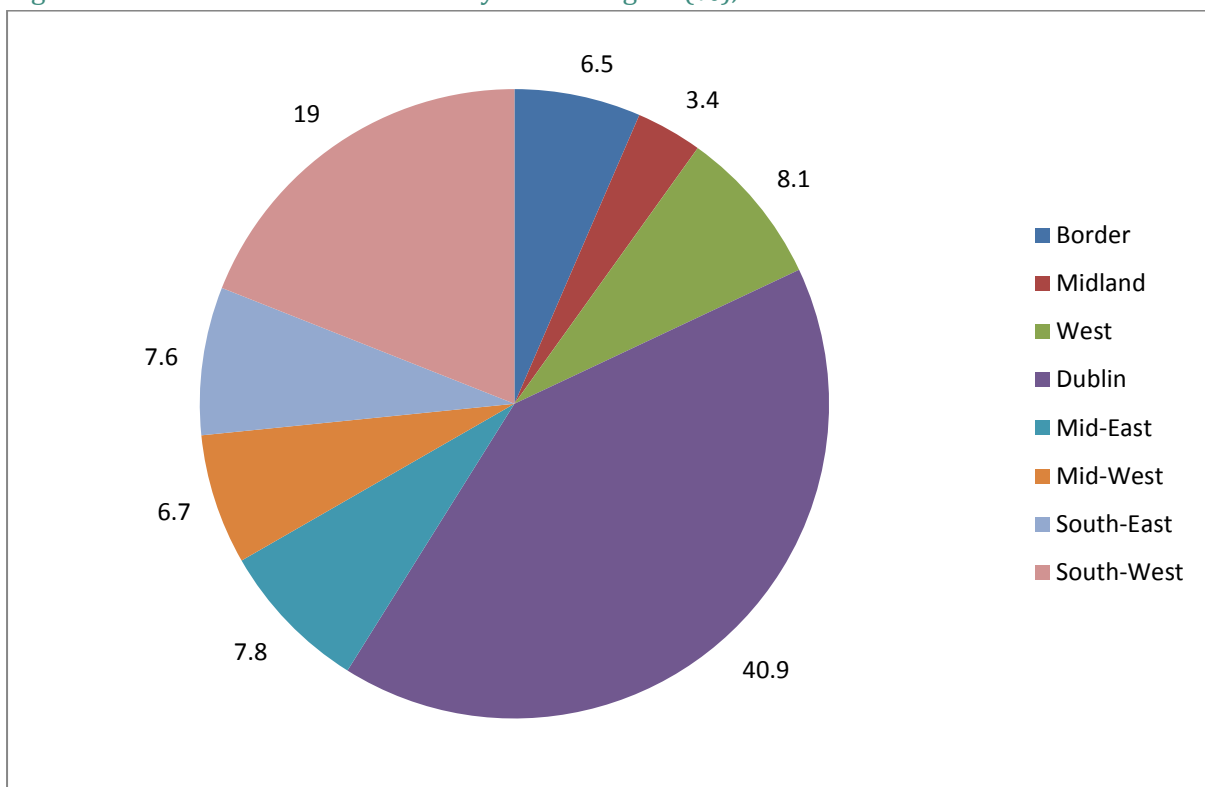


Fig. 15: Distribution of national GVA by NUTS3 region (%), 2011



2.6 Source of GVA in each region

GVA is generated from three broad areas of economic activity: Agriculture, Forestry and Fishing; Manufacturing, Building and Construction; and Market and Non Market Services. Fig. 16, Fig. 17 and Fig. 18 show the sources of total GVA in each region in 2002, 2006 and 2011.

In the state in 2002, Market and Non Market Services was the largest source of GVA (58.7% of the total). It was still the largest in 2011 and its share had risen considerably to 70.1%. The second largest is Manufacturing, Building and Construction but its share of national GVA declined from 38.7% in 2002 down to 28% in 2011. Agriculture, Forestry and Fishing's share declined from 2.6% in 2002 to just 1.5% in 2006, but has increased its role again to 1.9% in 2011.

The relative importance of the three different sources of GVA varies across regions. Dublin has always been the region where the services sector was most important and this sector's role has grown so that in 2011 86.5% of Dublin's GVA came from services. International financial services and IT services (e.g. Google) would be a key factor here.

In contrast, the South West is the only region where manufacturing and building is the largest source of GVA. It accounted for 53.5% of the region's GVA in 2011 and some large manufacturing multinationals, especially in the pharmaceuticals and chemicals sector, are likely to influence this. **The West is the region with the second highest share of its GVA coming from manufacturing and building. It accounted for 41.6% of the West's GVA in 2011, up from 37.4% in 2002.** The medical device manufacturing cluster in the region is likely a contributor to this.

In the Border region the share of GVA generated by manufacturing and building has declined very substantially, particularly between 2006 and 2011 when it declined from 39.4% of GVA to just 27.9%. The collapse of the construction sector is likely a factor as well as declines in construction related and other traditional manufacturing. While the share of the Border's GVA accounted for by agriculture declined between 2002 and 2006 it increased again in 2011 to 3.6% which is the third highest share nationally after the South East and Midlands.

In the Mid-West the share of GVA accounted for by manufacturing and building grew considerably between 2002 and 2006 but declined again in 2011 to close to its 2002 share. The share accounted for by services fell from 2002 to 2006 but rose again to 65.8% in 2011.

Fig. 16: GVA generated by each broad sector by NUTS3 region (%), 2002

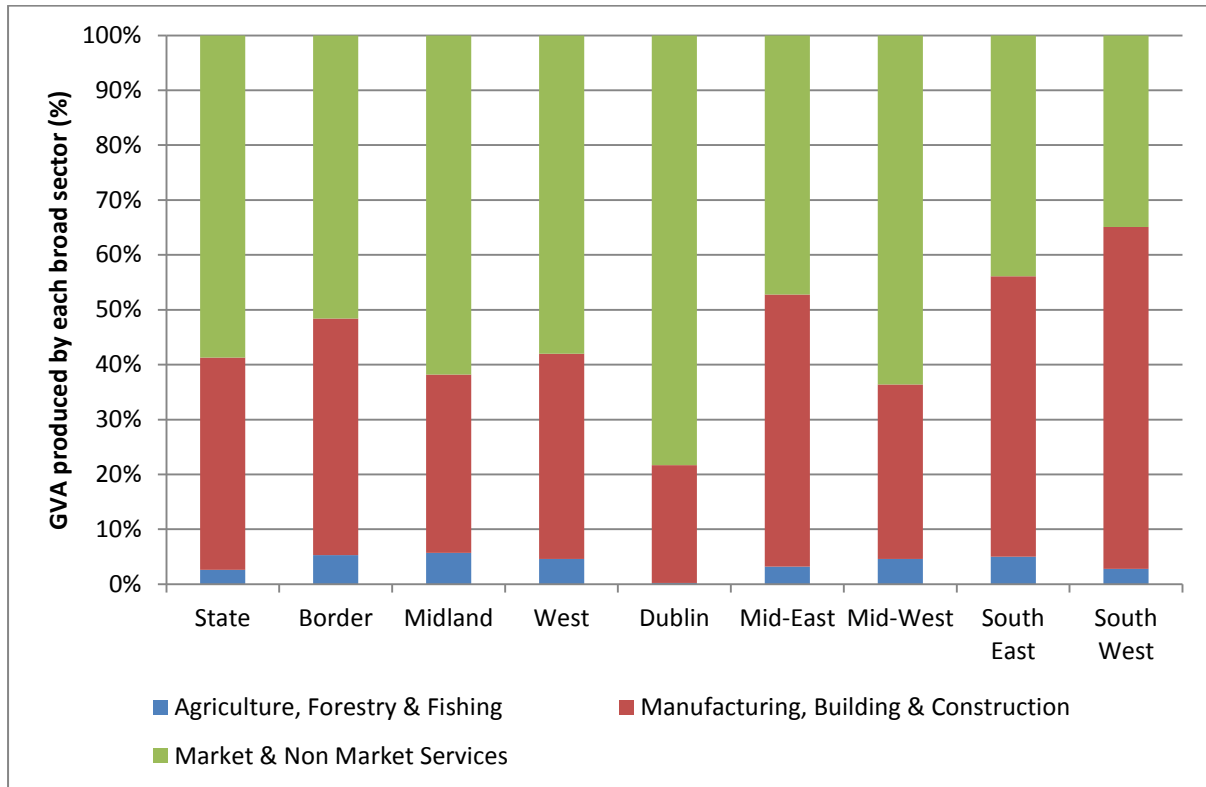
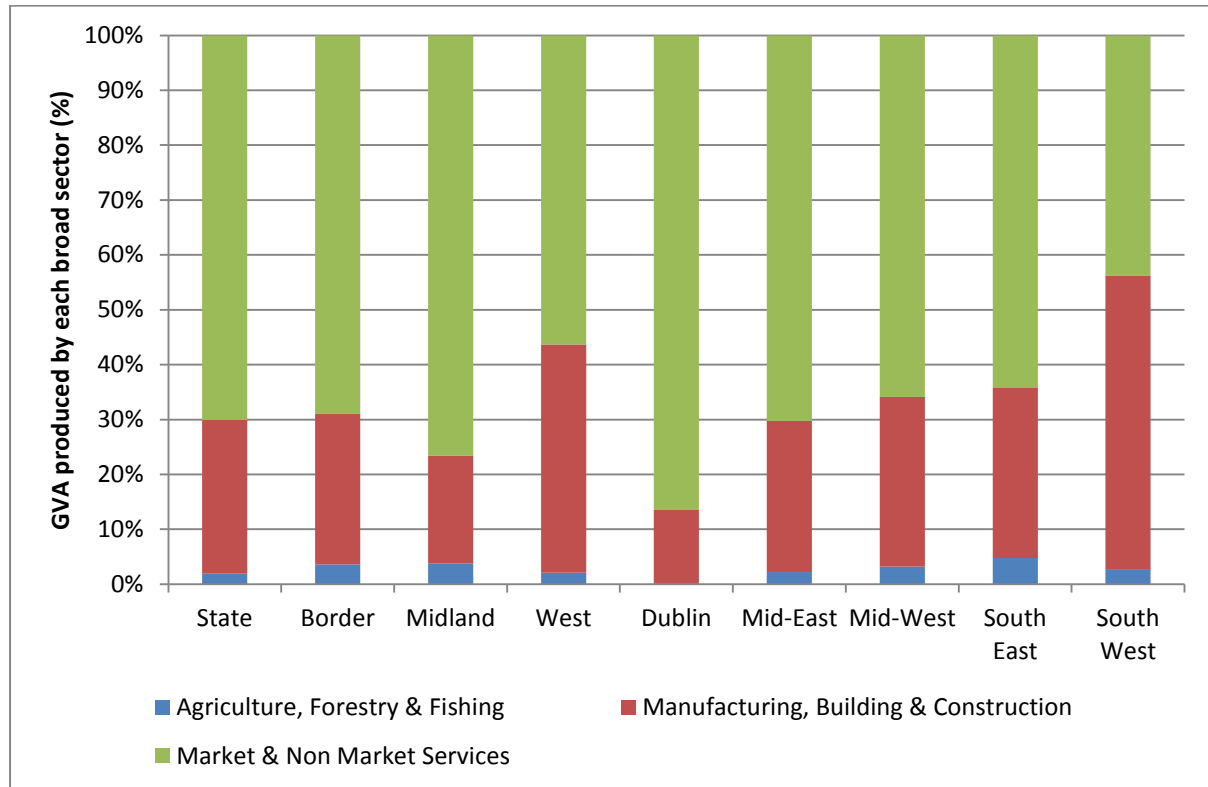


Fig. 17: GVA generated by each broad sector by NUTS3 region (%), 2006



Fig. 18: GVA generated by each broad sector by NUTS3 region (%), 2011

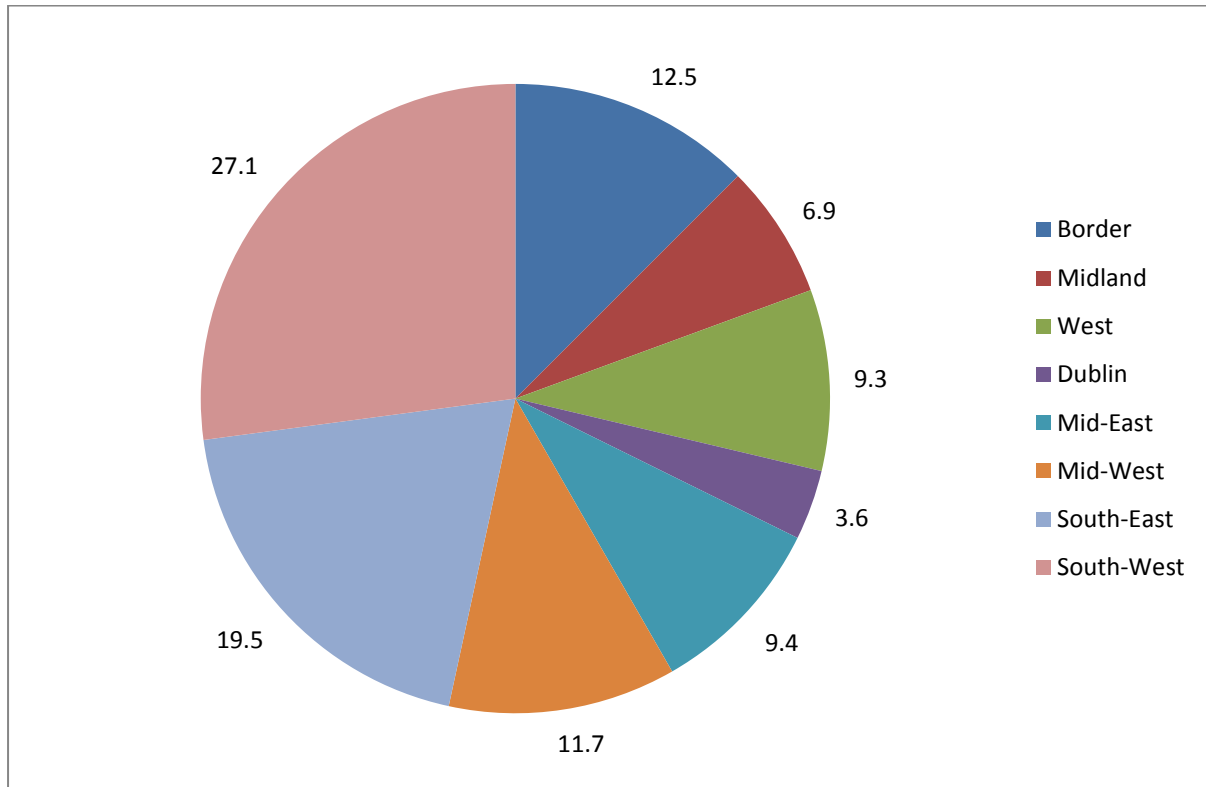


2.7 Regional distribution of GVA from each sector

Fig. 19, Fig. 20 and Fig. 21 show where the total GVA from each of the three broad sectors was generated in 2011. It shows each region’s contribution to national GVA in each sector.

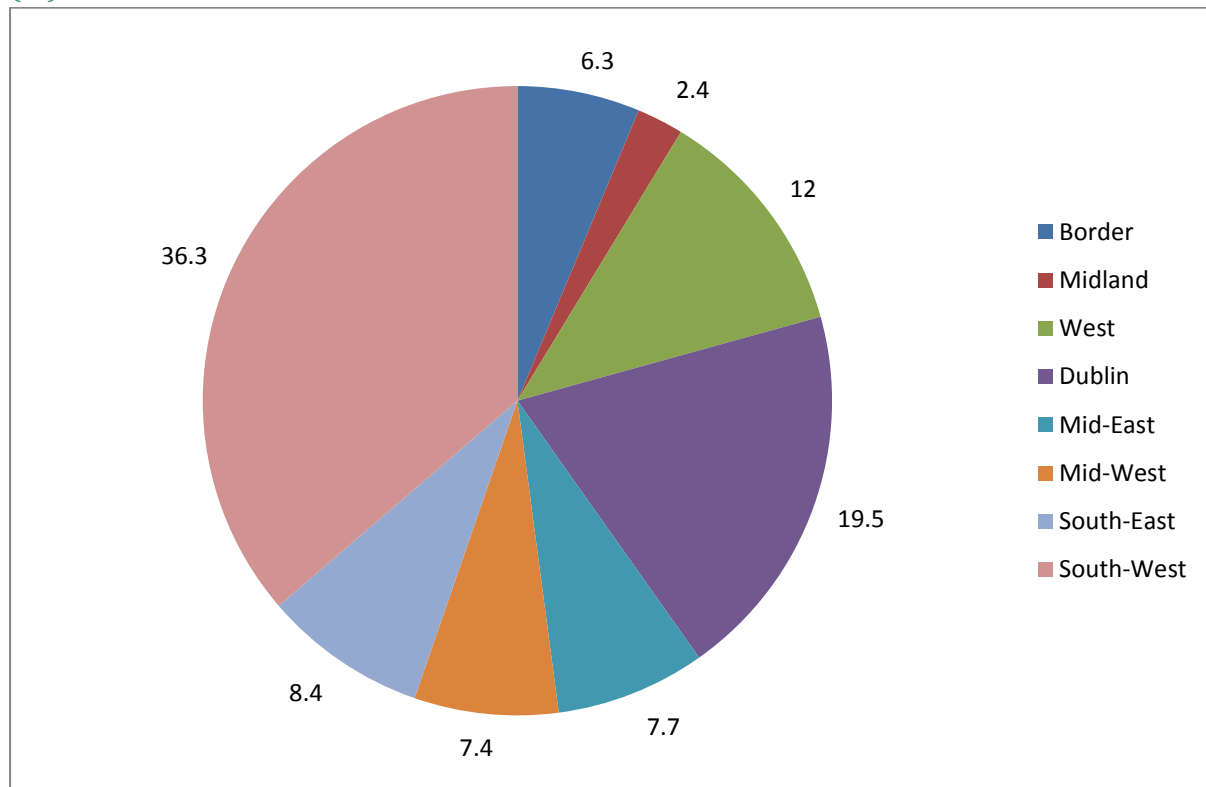
For the agricultural sector (Fig. 19) the dominance of the South West and South East is very clear, accounting for close to half of total agricultural output. **The Border region is the third largest generator of agricultural output (12.5%)** with the Mid-West next largest.

Fig. 19: Regional distribution of GVA generated from Agriculture, Forestry & Fishing (%), 2011



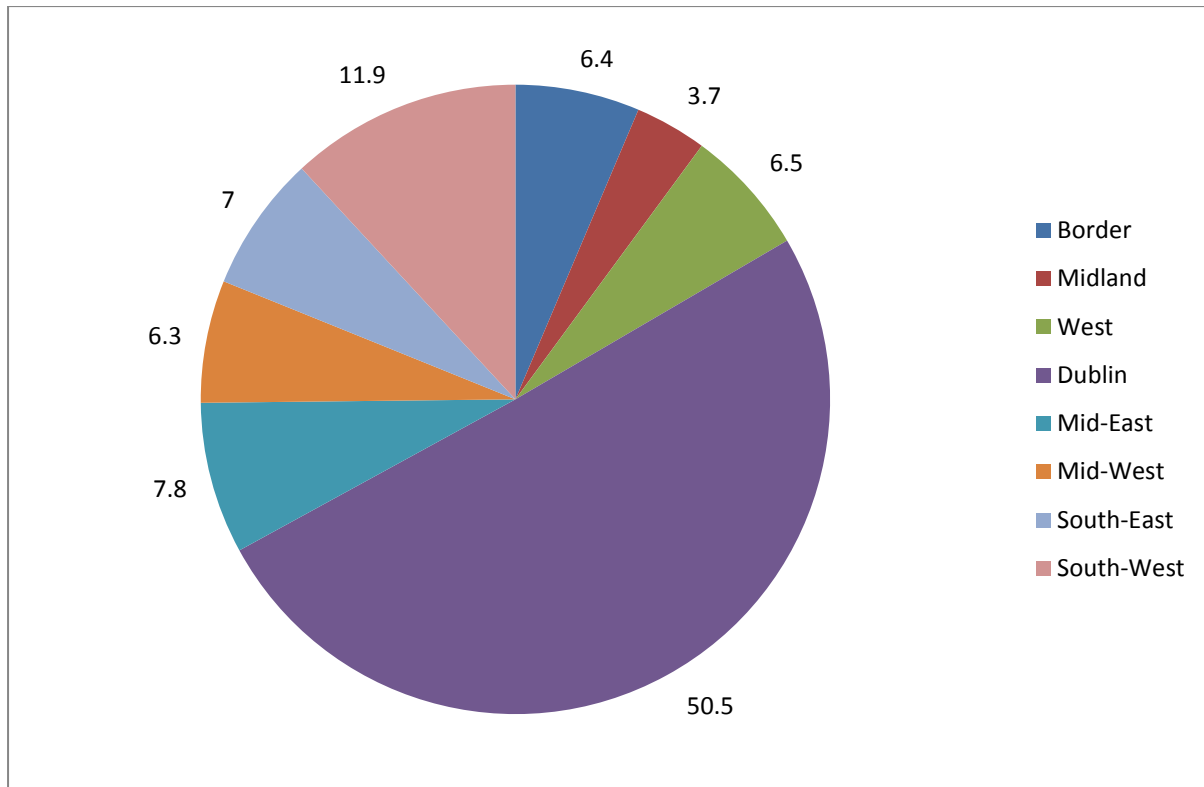
The proportion of national manufacturing and construction GVA (Fig. 20) generated in the South West is very striking (36.3%). This is substantially larger than Dublin's 19.5% share. **The West is the third largest contributor to manufacturing output (12%)** and is substantially ahead of the next. The Midlands region only generates 2.4% of national manufacturing and building output.

Fig. 20: Regional distribution of GVA generated from Manufacturing, Building & Construction (%), 2011



In terms of services (Fig. 21), **just over half of national GVA from services is generated in Dublin.** The role of international financial services and internet based multinationals would have a significant bearing on this. The West, Border and Mid-West all make a very similar contribution to national output from services (6.3-6.5%).

Fig. 21: Regional distribution of GVA generated from Market & Non-Market Services (%), 2011



3.0 Conclusion

The general pattern during the early years of the recession (2007-2010) was of reduced regional income disparities but increasing concentration of national economic output. The figures for 2011 indicate however, that **income disparities are growing again** and the regions which include the western counties experienced the largest declines in income in 2011.

Since 2007 national GVA in Ireland has become more regionally concentrated. The **West region has performed quite well** in this period and its relative position has strengthened considerably. It is now the third largest contributor to national GVA. **The Border region however has seen its national role in economic output reduced**, though its role in agriculture output remains strong.

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