



# WDC Insights

providing insights on key issues for  
the Western Region of Ireland

## Profile of Enterprise in County Clare 2017

Indicator	Clare	State*
<b>Total Enterprises<sup>1</sup></b>		
Total No. of Enterprises	8,795 2.6% of State	338,729
Total Persons Engaged (owners + employees) in Enterprises	35,329 1.7% of State	2,045,843
<b>% Change in No. of Enterprises<sup>2</sup></b>		
2008-2012	-3.9%	0.1%
2012-2017	10.4%	11.0%
2015-2017	7.7%	9.0%
<b>Micro-Enterprises<sup>2</sup></b>		
% of all Enterprises	93.8%	92.1%
% of all Persons Engaged in Enterprises	35.1%	26.5%
<b>Enterprises<sup>2</sup> with 10+ Employees</b>		
% of all Enterprises	6.2%	7.9%
% of all Persons Engaged in Enterprises	64.9%	73.5%
<b>Top 3 Sectors 2017<sup>1</sup></b>		
By No. of Enterprises	<ol style="list-style-type: none"> <li>1. Construction (18.8%)</li> <li>2. Wholesale &amp; Retail (14.3%)</li> <li>3. Professional, Scientific &amp; Technical (9.9%)</li> </ol>	<ol style="list-style-type: none"> <li>1. Construction (16.9%)</li> <li>2. Wholesale &amp; Retail (14.3%)</li> <li>3. Professional, Scientific &amp; Technical (12.9%)</li> </ol>
By No. of Persons Engaged	<ol style="list-style-type: none"> <li>1. Industry (18.8%)</li> <li>2. Wholesale &amp; Retail (15.7%)</li> <li>3. Accommodation &amp; Food Service (12.8%)</li> </ol>	<ol style="list-style-type: none"> <li>1. Wholesale &amp; Retail (18.0%)</li> <li>2. Industry (11.9%)</li> <li>3. Health &amp; Care (11.0%)</li> </ol>

Source: CSO, Business Demography 2017, Table BRA08 and Table BRA18

Each enterprise is counted where it is registered for Revenue purposes. All employees are included in the county where the 'head office' of the business is registered, even if many work elsewhere.

\* Business Demography data provides a figure for 'All Counties' which here is called State. This excludes enterprises whose location is classified as 'Unknown'.

<sup>1</sup> 'Total Enterprises' includes all economic sectors except Agriculture, Forestry & Fishing, Public Administration & Defence, Households as Employers and Extraterritorial Organisations (that is NACE Rev 2 sectors B to N(-642) and P-S).

<sup>2</sup> This data only refers to 'Business Economy' sectors which is all economic sectors except Agriculture, Forestry & Fishing, Public Administration & Defence, Households as Employers, Extraterritorial Organisations, Education, Human Health & Social Work, Arts, Entertainment & Recreation and Other Services (that is NACE Rev 2 sectors B to N(-642)).

## 1.0 Introduction

The CSO recently published Business Demography data for 2017.<sup>1</sup> This is the most comprehensive source of data on enterprises in Ireland at a county level. The data covers all active enterprises in Ireland that are registered with Revenue.<sup>2</sup> This Western Development Commission (WDC) report provides an overview of Business Demography data for county Clare in 2017, as well as examining recent trends.

### 1.1 Note on Data

It is important to note that Business Demography data assigns each enterprise based on its address as registered with Revenue. This means that a company with multiple locations e.g. a bank, is only counted once where its head office is registered e.g. Dublin, and individual branches in other areas are not included. All employees are assigned to the county where an enterprise's head office is located, even if many are working in other areas. In the case of a franchise model however, as the individual branches are independent they would likely be registered in the county where they are located.

Therefore the geographic breakdown of Business Demography data is an approximation and it is important to use caution when interpreting this data. It should be taken as indicative of the general pattern within the county. Nonetheless this is the most comprehensive source of data on enterprises at a county level in Ireland and, as these enterprises are registered within the county, they may be more strongly embedded in the local economy.

## 2.0 Total Enterprises in Clare

In 2017 in County Clare there were:

- 8,795 total active enterprises
- 35,329 persons engaged in these enterprises (owners, relatives, employees)
  - 29,715 of these were employees
  - Employees accounted for 84.1% of all persons engaged (national average<sup>3</sup> is 90%)

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<sup>1</sup> CSO (2019), [Business Demography 2017](#). Note that county data is only available in the Statbank data files, Tables BRA08 and BRA18.

<sup>2</sup> It does not include the Agriculture, Forestry and Fishing or Public Administration and Defence sectors, however public sector entities in Education and Health & Care are included.

<sup>3</sup> In Business Demography county data, a figure is given for 'All Counties' which we will refer to here as the national or State figure. However it should be noted that this excludes enterprises whose location is classified as 'Unknown', these generally have Revenue registered addresses outside of the Republic of Ireland. However, the employees registered with these addresses are working in the Republic of Ireland. In 2017, there were 3,575 'Unknown' enterprises in the state compared with 338,729 enterprises in 'All Counties'.

### 3.0 Enterprise Trends in Clare 2008-2017: Active Enterprises and Persons Engaged

When looking at trends over time, we can only examine ‘business economy’ enterprises<sup>4</sup> as data for some sectors is only available from 2015 onwards. ‘Business economy’ enterprises accounted for 80.4% of total enterprises in Clare in 2017, so trends in these enterprises can be considered to be quite representative of total enterprises.

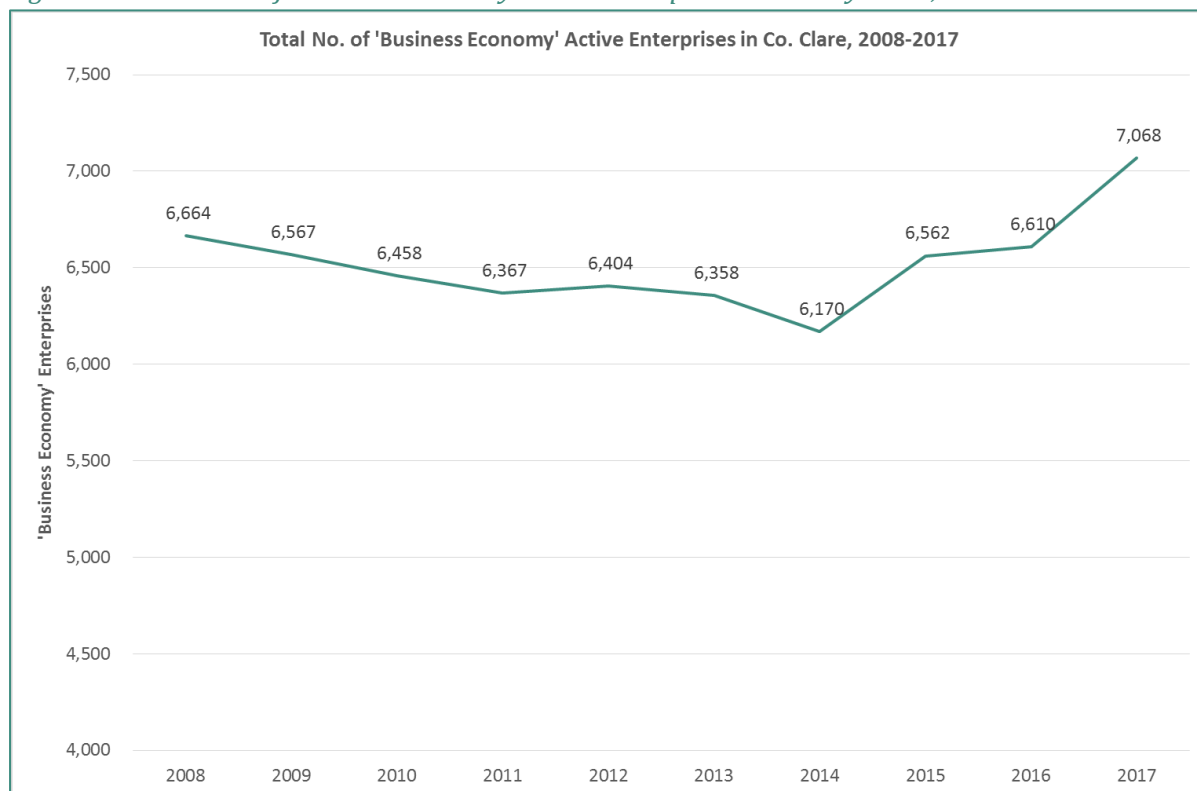
#### 3.1 Active Enterprises in Clare 2008-2017

Fig. 1 shows the total number of ‘business economy’ enterprises registered in county Clare in the ten years 2008 to 2017.

As would be expected, numbers declined quite steadily from the onset of the recession in 2008. They reached a low point in 2014 that was 7.4% lower than 2008 (nationally enterprise numbers in 2014 were 2.4% lower than 2008).

Since 2014, there has been strong recovery and this was particularly the case in the most recent year with a 6.9% increase between 2016 and 2017 (national average increase was 8.5%).

Fig. 1: Total number of ‘business economy’ active enterprises in county Clare, 2008-2017



Source: CSO, *Business Demography 2017*, Table BRA08  
To ease interpretation, the vertical axis begins at 4,000.

<sup>4</sup> ‘Business economy’ enterprises cover NACE Rev 2 sectors B to N(-642). That is every economic sector except Agriculture, Forestry & Fishing, Education, Public Administration & Defence, Health & Social Work, Arts/Entertainment/Recreation and Other Services, as well as the activities of holding companies.

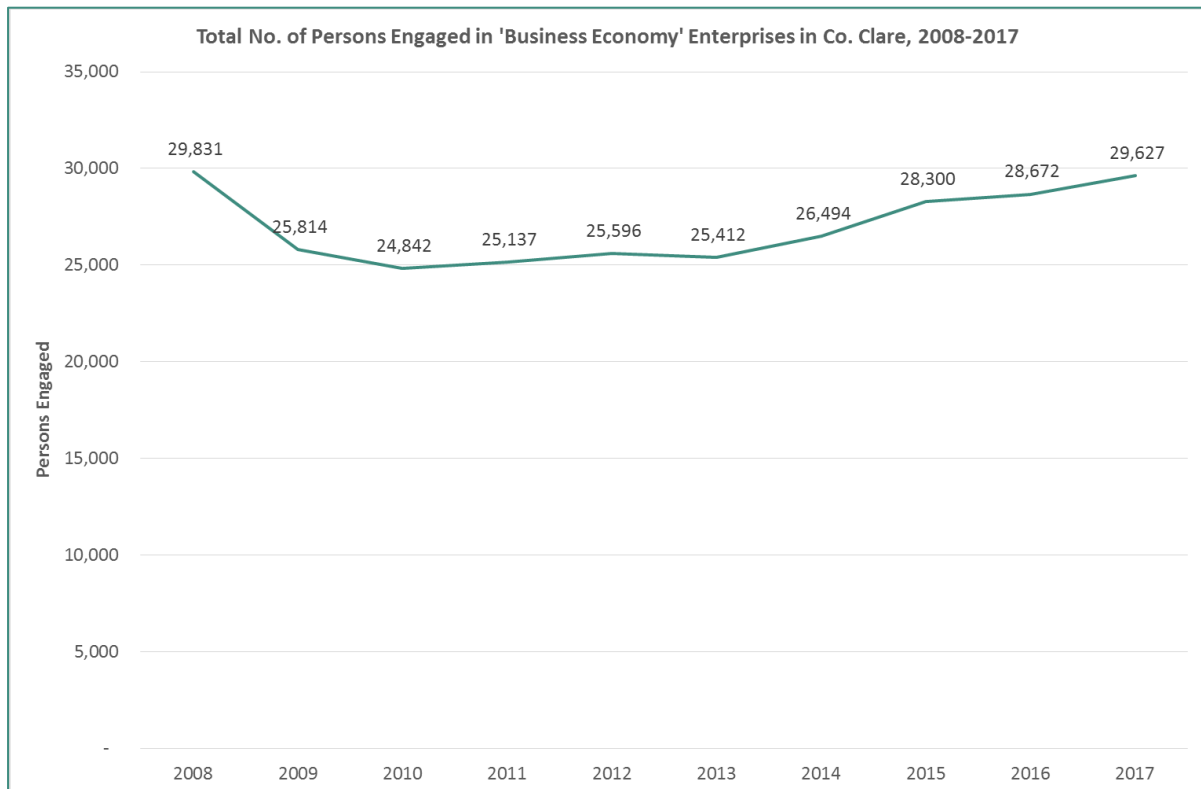
### 3.2 Persons Engaged in Enterprises in Clare 2008-2017

Fig. 2 shows the total number of persons engaged (owners and employees) in 'business economy' enterprises registered in county Clare in the ten years 2008 to 2017.<sup>5</sup>

The number of persons engaged in enterprises registered in Clare declined very sharply at the beginning of the period with large job losses during 2008 and 2009 (13.5% decline 2008-2009, 11% decline nationally). Following these losses, numbers remained very stable during the rest of the recession and began to recover from 2013 onwards.

The most recent year (2016-2017) showed notable growth (3.3%) though considerably lower than growth in enterprise numbers (6.9%, see Fig. 1). This may be due to many of the new enterprises being very small (1-2 persons) and also some of the new enterprises may not employ people in county Clare. Growth in the number of persons engaged in Clare 2016-2017 was lower than in the state (3.3% v 5.2%).

*Fig. 2: Total number of persons engaged in 'business economy' enterprises in county Clare, 2008-2017*



Source: CSO, *Business Demography 2017*, Table BRA08

<sup>5</sup> Note that this includes all those working for enterprises registered in county Clare. It does not include people working in Clare but for a business registered elsewhere e.g. branch of a fast food chain, but does include people working in another county for a company which is registered in county Clare.

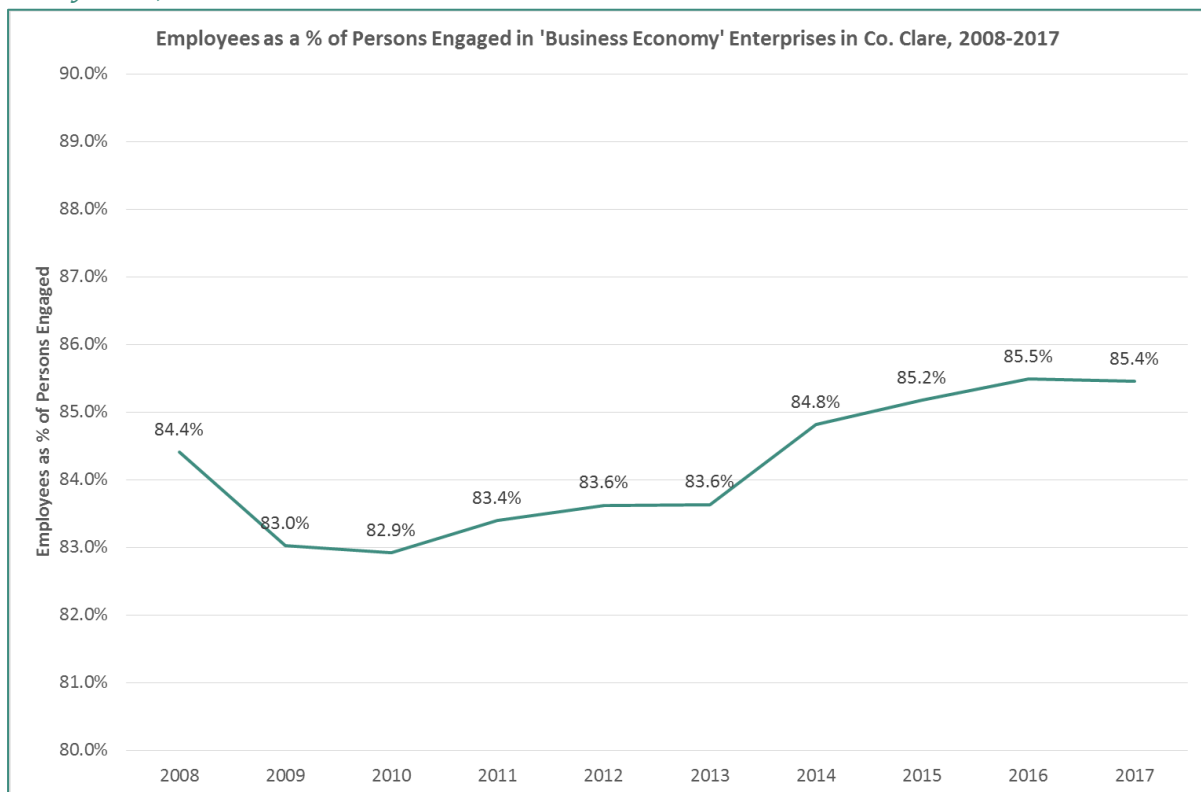
### 3.3 Employees as a % of Persons Engaged in Clare 2008-2017

Fig. 3 shows the percentage of all persons engaged in 'business economy' enterprises registered in county Clare who are employees, between 2008 and 2017.

Employees as a share of all persons engaged in Clare fell from 84.4% in 2008 to a low point of 82.9% by 2010. This was because of greater job losses among employees than among owners which increased the share of owners in the total workforce.

The share remained quite stable until 2013 when the share of employees began to grow as expansion and recruitment of employees increased. The share rose from 83.6% in 2013 to 84.8% by the following year and continued to grow, stabilising in the past year.

*Fig. 3: Employees as a percentage of total persons engaged in 'business economy' enterprises in county Clare, 2008-2017*



Source: CSO, *Business Demography 2017*, Table BRA08  
To ease interpretation, the vertical axis begins at 80%.

## 4.0 Enterprises by Size in Clare

Data on the number of enterprises by size is also based on ‘business economy’ enterprises, rather than total enterprises. The size categories are based on the number of persons engaged.

Table 1 gives the number of ‘business economy’ active enterprises, persons engaged and employees in each enterprise size category in county Clare in 2017.

In 2017 there were 7,068 ‘business economy’ enterprises registered in Clare, of these 6,628 (93.8%) were micro-enterprises (fewer than 10 people). Nationally 92.1% are micro-enterprises. Small, medium and large enterprises combined only account for 6.2% of all enterprises registered in Clare.

10,410 people worked in micro-enterprises registered in the county. As micro-enterprises employ fewer people each, their share of all persons engaged (35.1%) is considerably smaller than their share of enterprises (93.8%). Though there are only 12 large enterprises (250+) registered in the county, they jointly employ 5,176 people.

As many micro-enterprises are run by an owner/manager, owners account for a larger share of the total workforce of micro-enterprises. Employees account for 59.2% of total persons engaged in micro-enterprises which means 40.8% are owners. This results in micro-enterprises accounting for only 24.3% of all employees in ‘business economy’ enterprises. In total 75.7% of all employees work in the 440 enterprises with 10 or more staff.

*Table 1: Number of ‘business economy’ active enterprises, persons engaged and employees in each enterprise size category in county Clare, 2017*

Enterprise Size category	Active Enterprises	Persons Engaged	Employees	Employees as % Persons Engaged
Under 10	6,628	10,410	6,158	59.2%
10 - 19	236	3,154	3,105	98.4%
20 - 49	128	3,850	3,840	99.7%
50 - 249	64	7,037	7,037	100.0%
250 and over	12	5,176	5,176	100.0%
<b>Total</b>	<b>7,068</b>	<b>29,627</b>	<b>25,316</b>	<b>85.4%</b>
<i>% in Micro-Enterprises</i>	<i>93.8%</i>	<i>35.1%</i>	<i>24.3%</i>	
<i>% in Enterprises 10+</i>	<i>6.2%</i>	<i>64.9%</i>	<i>75.7%</i>	

Source: CSO, Business Demography 2017, Table BRA08

#### 4.1 Change in Enterprises by Size in Clare 2008-2017

Table 2 shows the percentage change in the number of active enterprises and the number of persons engaged in each enterprise size category during a number of periods.

The total number of 'business economy' enterprises registered in Clare declined by 3.9% between 2008 and 2012 (recession) and grew by 10.4% between 2012 and 2017 (recovery). The most recent year for the data (2016-2017) saw strong growth (6.9%). In each period, the performance in Clare was weaker than nationally.

When considering the performance of the different size categories it must be remembered that there are very low numbers involved in some of the larger categories (see Table 1) so even a small change (1 or 2 enterprises) would show as a large percentage change.

During 2008-2012, small and medium sized enterprises (10-49 persons) showed particularly large declines and also strong recovery during 2012-2017. They experienced relatively low growth in the most recent year indicating that their recovery may have begun earlier.

The number of micro-enterprises registered in Clare fell by 2.7% between 2008 and 2012 before growing by 9.8% between then and 2017. They showed stronger growth during 2016-2017 than any of the other size categories which may indicate that recovery among this group began later than among larger firms.

*Table 2: Percentage change in 'business economy' active enterprises and persons engaged in each enterprise size category in county Clare*

Enterprise Size category	Active Enterprises			Persons Engaged		
	% Change 2008-2012	% Change 2012-2017	% Change 2016-2017	% Change 2008-2012	% Change 2012-2017	% Change 2016-2017
Under 10	-2.7%	9.8%	7.3%	-16.7%	8.7%	3.8%
10 - 19	-25.2%	22.3%	0.9%	-26.0%	22.5%	1.5%
20 - 49	-20.3%	30.6%	4.1%	-22.7%	32.9%	3.4%
50 - 249	-4.5%	1.6%	4.9%	-13.8%	12.2%	11.9%
250 and over	10.0%	9.1%	-14.3%	11.6%	20.9%	-6.3%
<i>Total of 10+</i>	<i>-20.1%</i>	<i>20.5%</i>	<i>1.9%</i>	<i>-12.6%</i>	<i>19.9%</i>	<i>3.1%</i>
<b>Total</b>	<b>-3.9%</b>	<b>10.4%</b>	<b>6.9%</b>	<b>-14.2%</b>	<b>15.7%</b>	<b>3.3%</b>
Total (State)	0.1%	11.0%	8.5%	-16.3%	23.0%	5.2%

Source: CSO, Business Demography 2017, Table BRA08

The total number of persons engaged in 'business economy' enterprises in Clare fell by 14.2% between 2008 and 2012 and increased by 15.7% between 2012 and 2017. As the growth in the most recent year (2016-2017) was relatively low (3.3%), the recovery in employment began earlier. This was likely influenced by larger firms, which have a greater employment impact, recovering earlier. The decline in persons engaged in Clare in 2008-2012 was not so great as occurred nationally, but the recovery has lagged the national average.

Again it was small and medium sized enterprises that recorded the largest changes in both the recession and recovery periods. Micro-enterprises had a 16.7% decline in the number of persons engaged between 2008 and 2012, with 8.7% growth during 2012-2017. Again the most recent period had relatively high growth (3.8%), showing employment recovery in micro-enterprises may have lagged larger firms. The largest firms (250+) experienced a decline in enterprises and persons engaged 2016-2017.

## 5.0 Enterprises by Sector in Clare 2017: Active Enterprises and Persons Engaged

When examining enterprises by sector in 2017 we use ‘total enterprises’.

### 5.1 Active Enterprises by Sector in Clare 2017

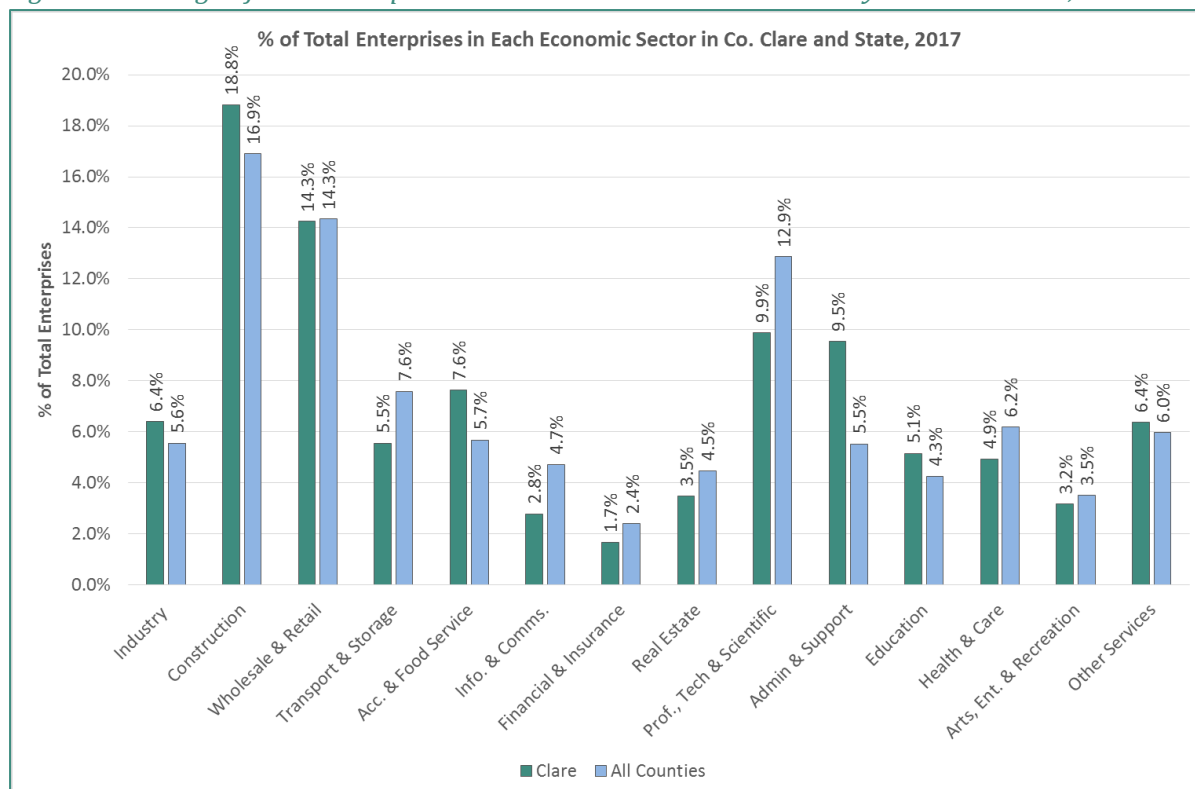
Fig. 4 shows the percentage of total enterprises that are in each economic sector in county Clare and the state in 2017.

In Clare, Construction (18.8%) is the sector which accounts for the largest share of total enterprises, followed by Wholesale & Retail (14.3%), Professional, Technical & Scientific (9.9%) and Administrative & Support (9.5%). While data is not provided on enterprise size by sector, it is known that these sectors are characterised by a large number of small operations in comparison with, say, Industry which has a small number of larger enterprises.

There are a number of notable differences between Clare’s enterprise profile and the national enterprise profile:

- Considerably higher share in Administrative & Support Services (9.5% v 5.5%). In fact, Clare has by far the highest share in this activity of all counties in Ireland. This sector includes renting and leasing activities so aircraft leasing activity around Shannon would be a key factor, as well as back office/business processing operations in the Shannon Free Zone.
- The knowledge intensive services sectors (Professional, ICT and Financial) all account for a lower share of Clare’s total enterprises than nationally.
- Accommodation & Food Service is more important to the county’s enterprise profile (7.6% v 5.7%) reflecting the role of the tourism and hospitality sector.

Fig. 4: Percentage of total enterprises in each economic sector in county Clare and state, 2017



Source: CSO, Business Demography 2017, Table BRA18



### 5.1.1 Change in Active Enterprises by Sector in Clare 2015-2017

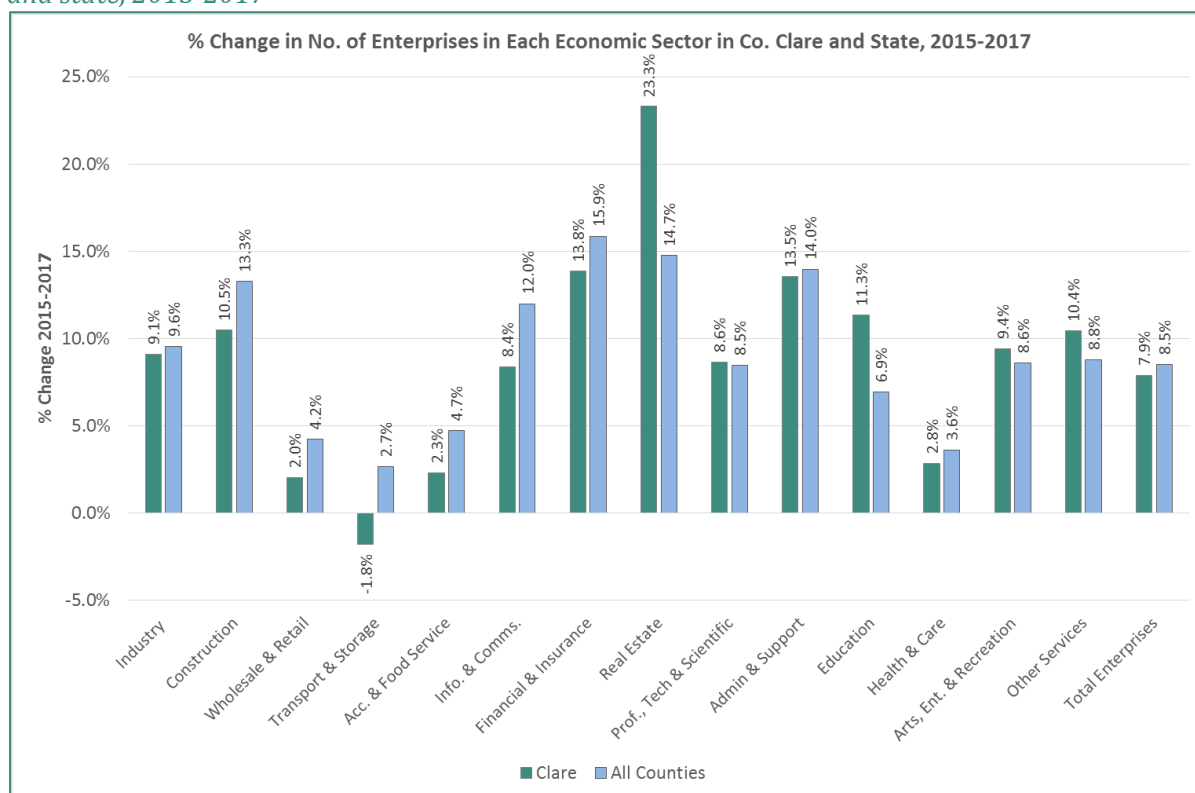
As noted above, data for some economic sectors is only available from 2015. Because of this and the fact that considering change over two years is more meaningful than change in a single year, we will consider the percentage change in enterprises between 2015 and 2017.

Fig. 5 shows the percentage change in the number of active enterprises registered in county Clare and in the state in each economic sector between 2015 and 2017.

The largest growth in enterprise numbers in Clare was the Real Estate sector (23.3%).<sup>6</sup> Other areas with strong growth were Financial & Insurance (13.8%) and Administrative & Support (13.5%). Again the aircraft leasing sector and other internationally trading financial activities around Shannon would be a factor.

Transport & Storage is the only sector where enterprise numbers declined (-1.8%) between 2015 and 2017, in contrast to growth (though low) nationally. Local services sectors of Wholesale & Retail (2%) and Accommodation & Food Services (2.3%) had very low growth in Clare, below the national average. This is influenced by local disposable income and spending as well as tourism. The impact of increased travel to large cities e.g. Limerick or Galway, for shopping as well as growing online retail would be factors.

Fig. 5: Percentage change in the number of active enterprises in economic sectors in county Clare and state, 2015-2017



Source: CSO, Business Demography 2017, Table BRA18

<sup>6</sup> Caution is required with this sector as it not only includes estate agents/auctioneers but also the letting and management of property (either your own property or on behalf of the owners). A feature of the recession was that many construction firms (property development) were re-designated as Real Estate companies as they were managing their property on behalf of e.g. a bank, NAMA. The Real Estate sector would also include property investment companies which may register a number of separate companies to manage different properties.

## 5.2 Persons Engaged by Sector in Clare 2017

Fig. 6 shows the percentage of total persons engaged who are working in each economic sector in county Clare and the state in 2017.

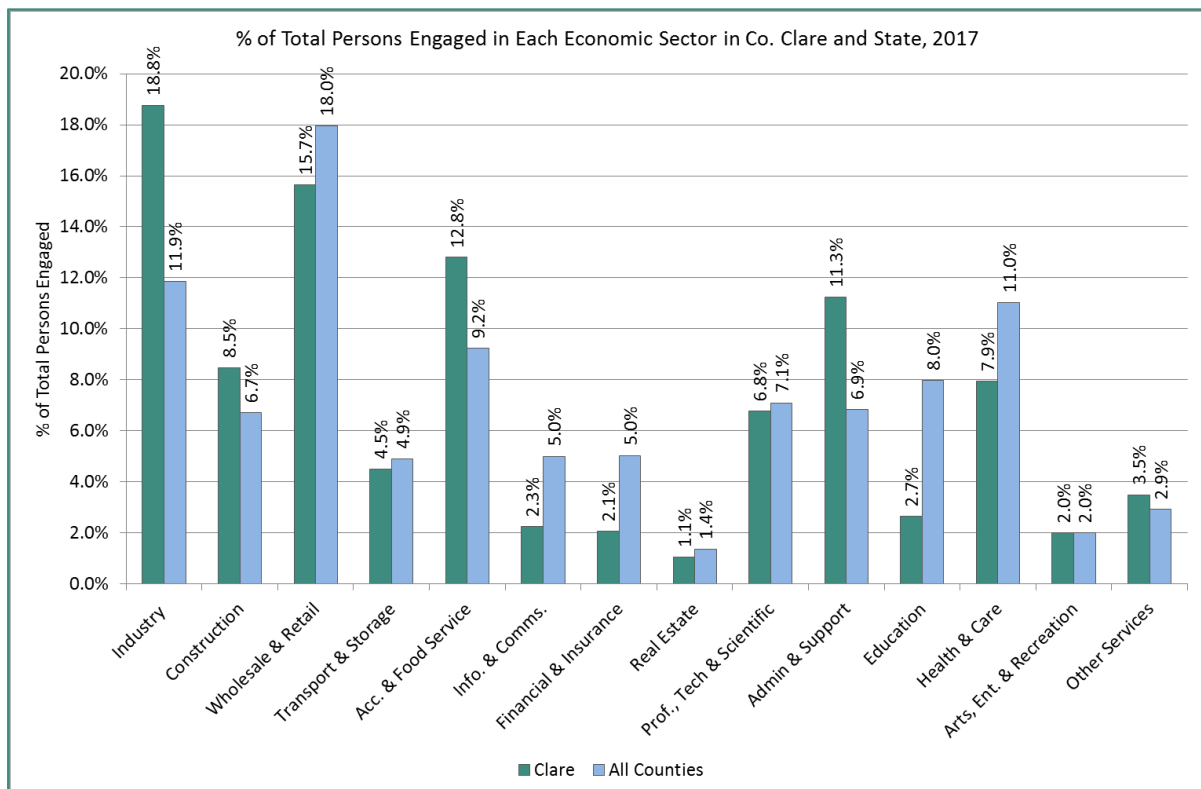
In Clare, Industry (18.8%) is the sector which accounts for the largest share of persons engaged in enterprises. It accounts for a far greater share of persons engaged (18.8%) than of enterprises (6.4%, see Fig. 4) because it is characterised by fewer but larger enterprises.

Wholesale & Retail (15.7%) is next highest and it also accounts for a high share of enterprises (14.3%, see Fig. 4) indicating many small and medium sized firms. Accommodation & Food Service accounts for a higher share of persons engaged (12.8%) than enterprises (7.6%) as it is quite labour intensive.

There are a number of notable differences between the profile of persons engaged in Clare and nationally:

- Industry accounts for a significantly larger share of persons engaged in enterprises in Clare than nationally (18.8% v 11.9%).
- Administrative & Support Services (11.3% v 6.9%) and Accommodation & Food Service (12.8% v 9.2%) also account for a higher share in Clare. As noted above, Clare has strong administrative services activity around Shannon, as well as considerable tourism activity.
- As with enterprises, Financial and ICT Services account for a lower share of persons engaged in Clare and it also has a lower share working in Education and Health enterprises registered in the county.

*Fig. 6: Percentage of total persons engaged in each economic sector in county Clare and state, 2017*



Source: CSO, Business Demography 2017, Table BRA18

### 5.2.1 Change in Persons Engaged by Sector in Clare 2015-2017

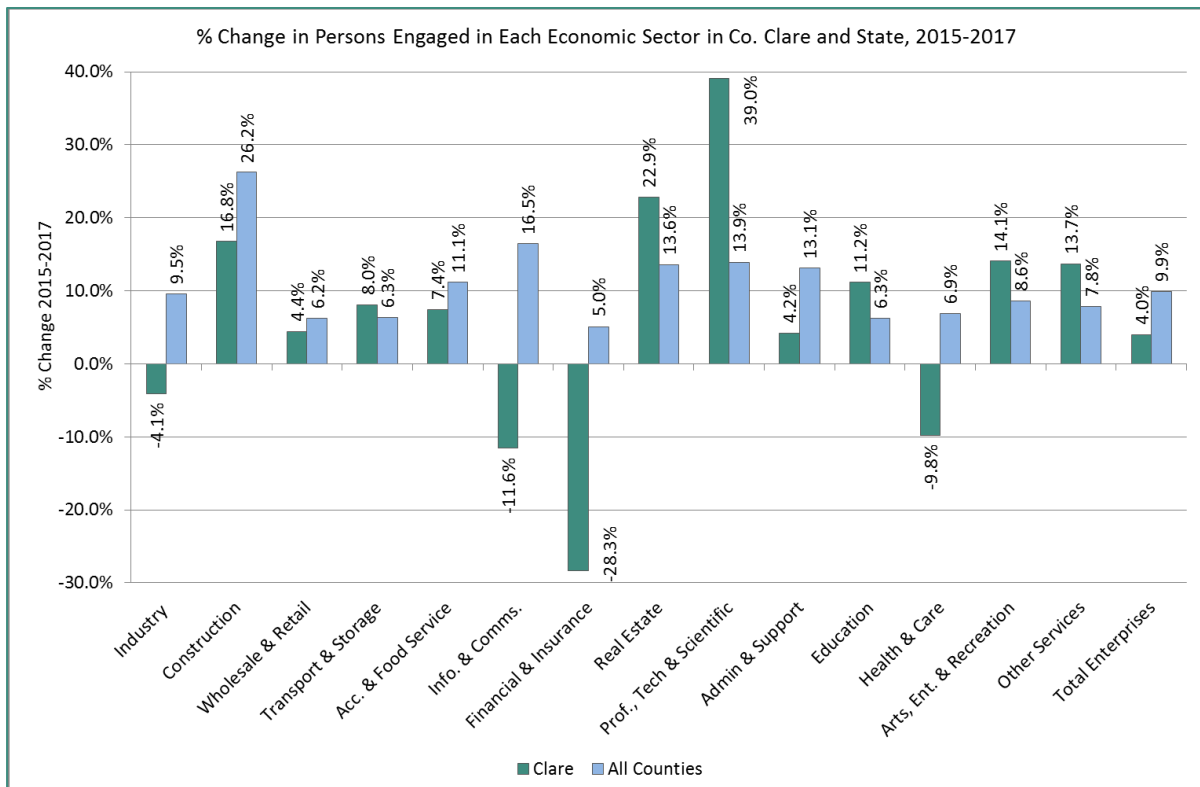
Fig. 7 shows the percentage change in the number of persons engaged in enterprises registered in county Clare and in the state in each economic sector between 2015 and 2017.

The number of persons engaged in enterprises registered in Clare grew by 4% between 2015 and 2017. This compared with 7.9% growth in the number of enterprises (see Fig. 5) as many of the new enterprises would have been micro or small enterprises. The increase in persons engaged in Clare (4%) was less than half the growth nationally (9.9%).

The sector with the largest growth in the number of persons engaged in Clare was Professional, Scientific & Technical Activities (39%). This includes services such as accountancy, legal services, graphic design and architecture which responded strongly to increased levels of economic activity. Real Estate (22.9%) and Construction (16.8%) had the next highest growth which clearly reflects growing activity in the building and construction sector. Except for Construction, the growth in these sectors in Clare was higher than the national average.

There was a decline in the number of persons engaged in Financial & Insurance (-28.3%), Information & Communications (-11.6%), Health & Care (-9.8%) and Industry (-4.1%). In all cases the number of enterprises in these sectors in Clare increased over this period (see Fig. 5), indicating reduced employment in some enterprises in these sectors. The declines in these sectors in Clare contrasted with growth nationally.

*Fig. 7: Percentage change in the number of persons engaged in each economic sector in county Clare and state, 2015-2017*



Source: CSO, Business Demography 2017, Table BRA18

### 5.3 Employees as a % of Persons Engaged by Sector in Clare 2017

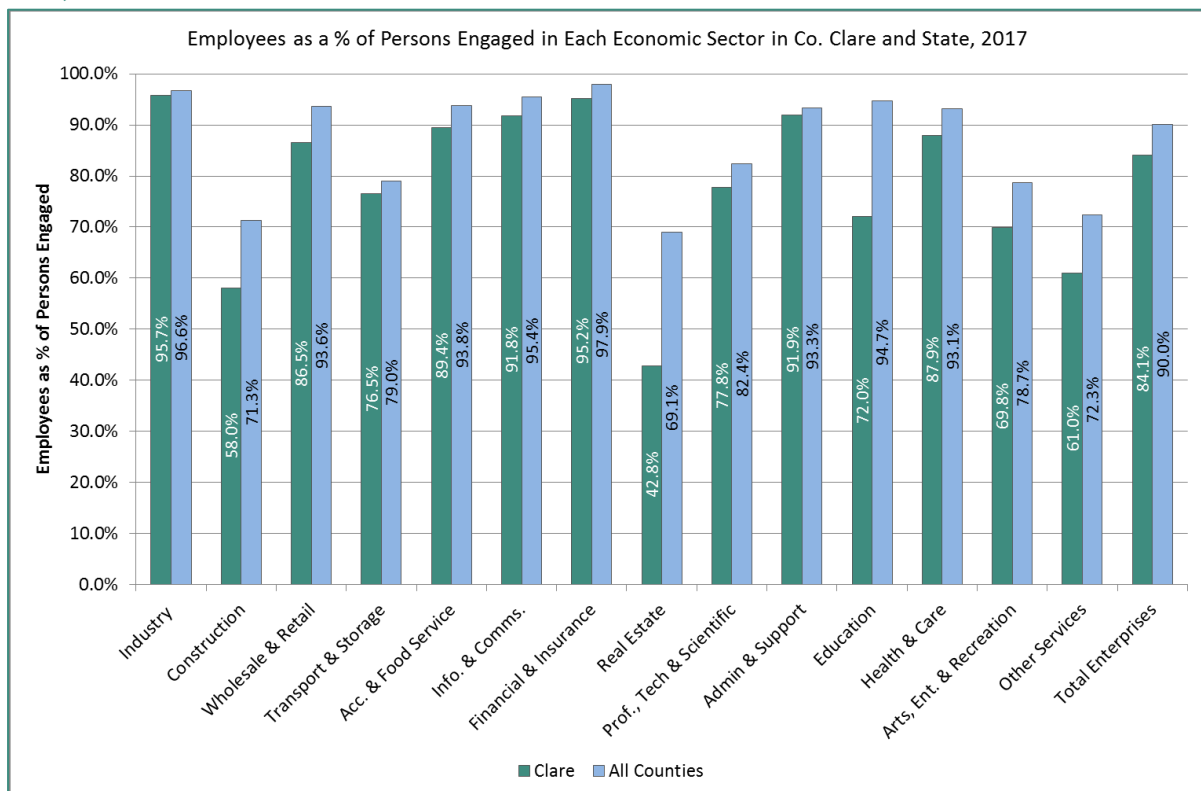
Fig. 8 shows the percentage of all persons engaged in each economic sector who are employees in Clare and in the state in 2017.

For total enterprises in Clare, 84.1% of all persons engaged are employees.<sup>7</sup> This was lower than the 90% share nationally, showing greater involvement of owners in enterprises registered in Clare and smaller scale operations. It should be remembered that the national figure is influenced by all employees of companies with multiple locations being assigned to the county where their head office is registered, often Dublin.

In Industry, Financial & Insurance and Information & Communications, over 90% of persons engaged are employees. In contrast, Real Estate (42.8%), Construction (58%) and Other Services (61%) have a high share of business owners, indicating these sectors have smaller operations.

The share of persons engaged who are employees in Clare is lower than the national average in every sector.

*Fig. 8: Employees as a percentage of persons engaged in each economic sector in county Clare and state, 2017*



Source: CSO, Business Demography 2017, Table BRA18

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August 2019

<sup>7</sup> Note, this differs from the share given for Clare in Fig. 3 (85.4%) because that only referred to 'business economy' enterprises (as it was showing the trend over time), whereas Fig. 8 refers to total enterprises.