



## Profile of Enterprise in Galway 2017

Indicator	Galway	State*
<b>Total Enterprises<sup>1</sup></b>		
Total No. of Enterprises	18,727 5.5% of State	338,729
Total Persons Engaged (owners + employees) in Enterprises	92,996 4.5% of State	2,045,843
<b>% Change in No. of Enterprises<sup>2</sup></b>		
2008-2012	-2.2%	0.1%
2012-2017	5.8%	11.0%
2015-2017	7.9%	9.0%
<b>Micro-Enterprises<sup>2</sup></b>		
% of all Enterprises	92.5%	92.1%
% of all Persons Engaged in Enterprises	31.7%	26.5%
<b>Enterprises<sup>2</sup> with 10+ Employees</b>		
% of all Enterprises	7.5%	7.9%
% of all Persons Engaged in Enterprises	68.3%	73.5%
<b>Top 3 Sectors 2017<sup>1</sup></b>		
By No. of Enterprises	1. Construction (19.3%) 2. Wholesale & Retail (13.9%) 3. Professional, Scientific & Technical (10.4%)	1. Construction (16.9%) 2. Wholesale & Retail (14.3%) 3. Professional, Scientific & Technical (12.9%)
By No. of Persons Engaged	1. Industry (16.5%) 2. Wholesale & Retail (16.3%) 3. Health & Care (13.7%)	1. Wholesale & Retail (18.0%) 2. Industry (11.9%) 3. Health & Care (11.0%)

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 Galway<sup>3</sup> 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 Galway

In 2017 in Galway there were:

- 18,727 total active enterprises
- 92,996 persons engaged in these enterprises (owners, relatives, employees)
  - 80,741 of these were employees
  - Employees accounted for 86.8% of all persons engaged (national average<sup>4</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> Business Demography data does not distinguish between Galway City and Galway County.

<sup>4</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 Galway 2008-2017: Active Enterprises and Persons Engaged

When looking at trends over time, we can only examine ‘business economy’ enterprises<sup>5</sup> as data for some sectors is only available from 2015 onwards. ‘Business economy’ enterprises accounted for 77.8% of total enterprises in Galway in 2017, so trends in these enterprises can be considered to be quite representative of total enterprises.

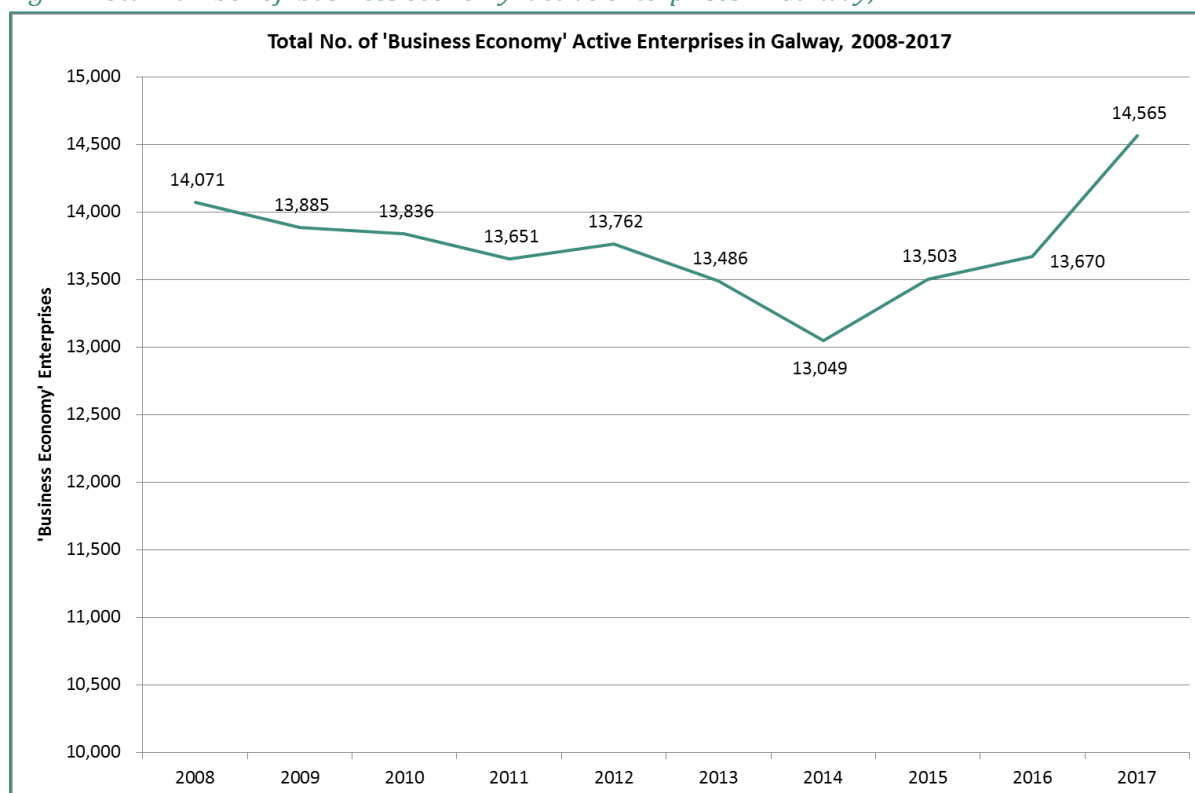
#### 3.1 Active Enterprises in Galway 2008-2017

Fig. 1 shows the total number of ‘business economy’ enterprises registered in Galway 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 7.3% 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 6.5% increase between 2016 and 2017 (national average increase was 8.5%).

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



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

To ease interpretation, the vertical axis begins at 10,000.

<sup>5</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.

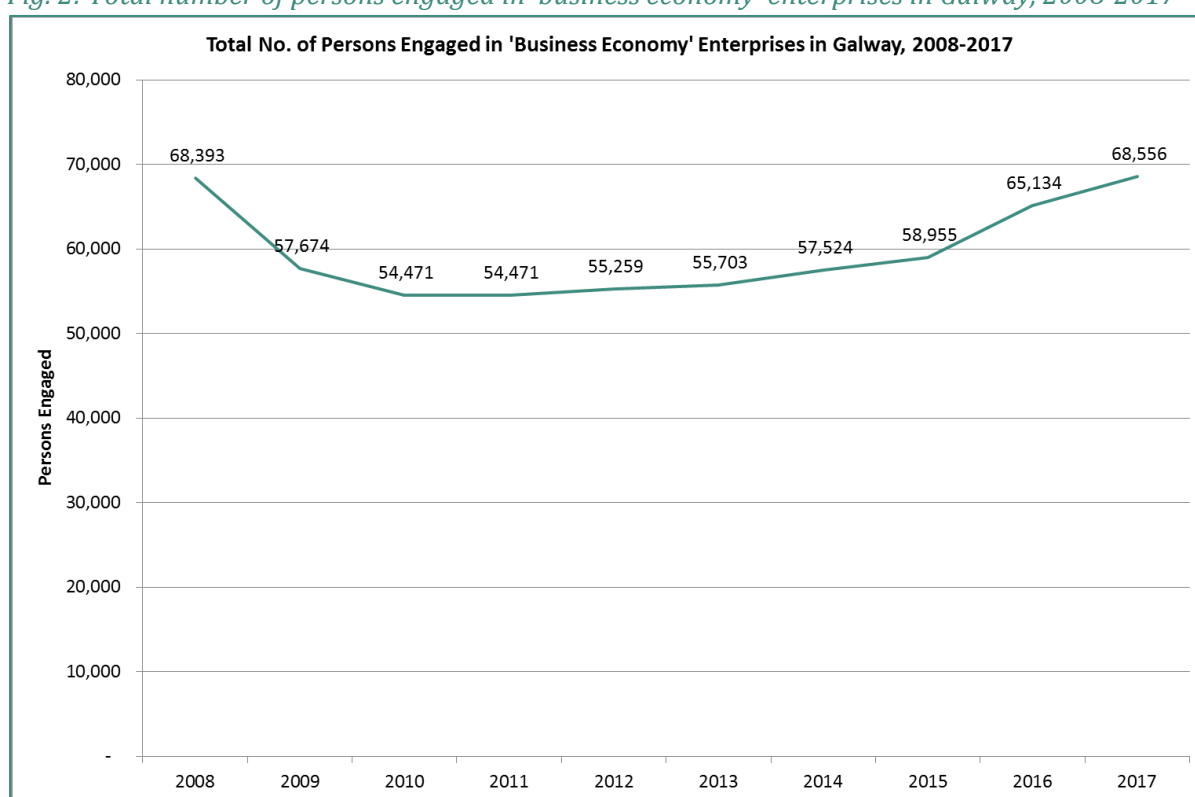
### 3.2 Persons Engaged in Enterprises in Galway 2008-2017

Fig. 2 shows the total number of persons engaged (owners and employees) in 'business economy' enterprises registered in Galway in the ten years 2008 to 2017.<sup>6</sup>

The number of persons engaged in enterprises registered in Galway declined very sharply at the beginning of the period with large job losses during 2008 and 2009 (15.7% decline 2008-2009, 11% decline nationally). Following these losses, numbers remained quite stable during the rest of the recession and began to recover from 2013 onwards.

The most recent year (2016-2017) showed notable growth (5.3%) though somewhat lower than growth in enterprise numbers (6.5%, see Fig. 1) due to many of the new enterprises being small (1-2 persons). Growth in the number of persons engaged in Galway 2016-2017 was the same as in the state (5.3% v 5.2%).

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



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

<sup>6</sup> Note that this includes all those working for enterprises registered in Galway. It does not include people working in Galway 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 Galway.

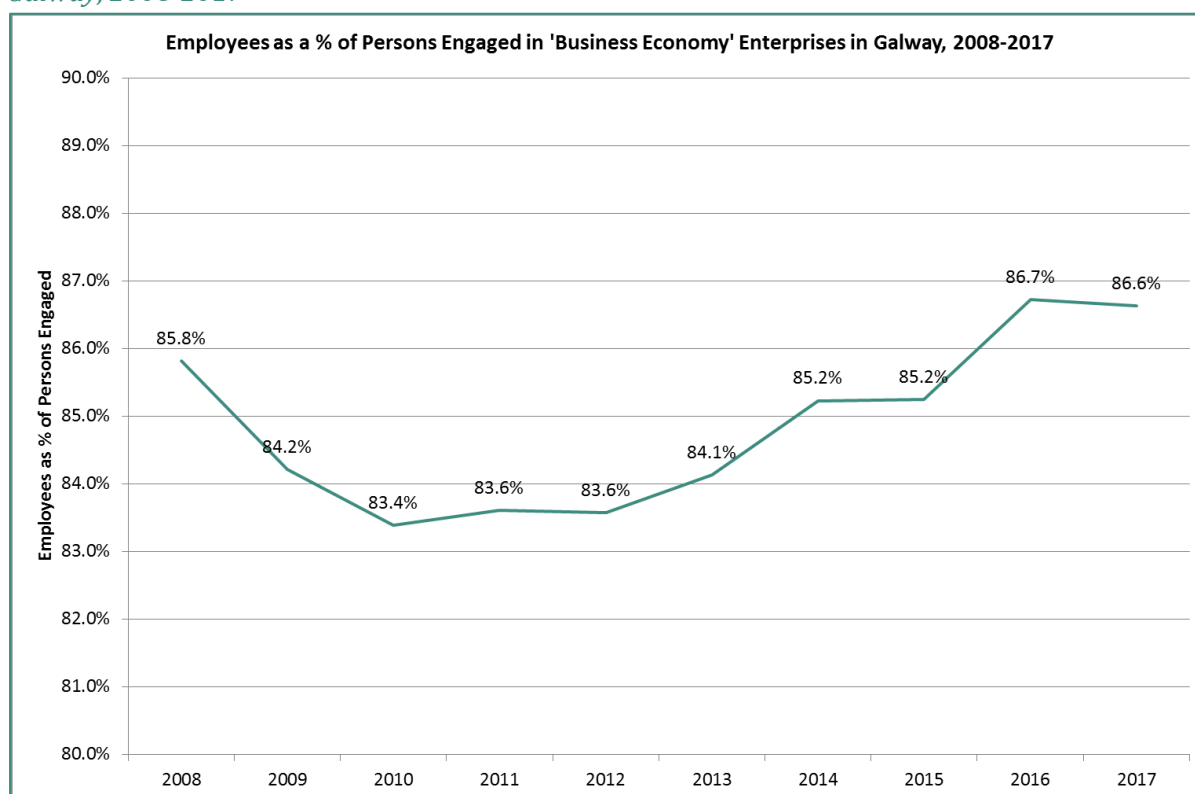
### 3.3 Employees as a % of Persons Engaged in Galway 2008-2017

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

Employees as a share of all persons engaged in Galway fell from 85.8% in 2008 to a low point of 83.4% 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 2012 when the share of employees began to grow as expansion and recruitment of employees increased. The share rose from 83.6% in 2012 to 85.2% two years later and continued to grow, stabilising in the past year.

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



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

To ease interpretation, the vertical axis begins at 80%.

## 4.0 Enterprises by Size in Galway

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 Galway in 2017.

In 2017 there were 14,565 'business economy' enterprises registered in Donegal, of these 13,470 (92.5%) were micro-enterprises (fewer than 10 people). Nationally 92.1% are micro-enterprises. Small, medium and large enterprises combined only account for 7.5% of all enterprises registered in Galway.

21,721 people worked in micro-enterprises registered in the county. As micro-enterprises employ fewer people each, their share of all persons engaged (31.7%) is considerably smaller than their share of enterprises (92.5%). Though there are only 22 large enterprises (250+) registered in the county, they jointly employ 12,768 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 58.5% of total persons engaged in micro-enterprises which means 41.5% are owners. This results in micro-enterprises accounting for only 21.4% of all employees in 'business economy' enterprises. In total 78.6% of all employees work in the 1,095 enterprises with 10 or more staff.

*Table 1: Number of 'business economy' active enterprises, persons engaged and employees in each enterprise size category in Galway, 2017*

Enterprise Size category	Active Enterprises	Persons Engaged	Employees	Employees as % Persons Engaged
Under 10	13,470	21,721	12,696	58.5%
10 - 19	583	7,830	7,722	98.6%
20 - 49	321	9,575	9,547	99.7%
50 - 249	169	16,662	16,659	100.0%
250 and over	22	12,768	12,768	100.0%
<b>Total</b>	<b>14,565</b>	<b>68,556</b>	<b>59,392</b>	<b>86.6%</b>
% in Micro-Enterprises	92.5%	31.7%	21.4%	
% in Enterprises 10+	7.5%	68.3%	78.6%	

Source: CSO, Business Demography 2017, Table BRA08

## 4.1 Change in Enterprises by Size in Galway 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 Galway declined by 2.2% between 2008 and 2012 (recession) and grew by 5.8% between 2012 and 2017 (recovery). The most recent year for the data (2016-2017) saw strong growth (6.5%). In each period, the performance in Galway was weaker than nationally.

When considering the performance of the different size categories it must be remembered that there are small numbers involved in some of the larger categories (see Table 1) so even a small change 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. The number of large enterprises (250+) grew strongly during 2012-2017, though the numbers involved are small.

The number of micro-enterprises registered in Galway fell by 0.4% between 2008 and 2012 before growing by 4.6% between then and 2017. Over this period they had lower growth than another other size category. They showed stronger growth during 2016-2017 (6.6%) which may indicate that recovery among micro-enterprises began later than among larger firms.

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

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	-0.4%	4.6%	6.6%	-15.5%	7.0%	3.3%
10 - 19	-23.7%	21.5%	7.4%	-23.1%	20.8%	5.9%
20 - 49	-27.2%	28.9%	6.6%	-27.5%	28.5%	7.9%
50 - 249	-10.1%	19.0%	2.4%	-12.5%	32.1%	7.7%
250 and over	-17.6%	57.1%	4.8%	-25.3%	51.8%	3.3%
<i>Total of 10+</i>	-22.8%	23.7%	6.3%	-21.2%	34.0%	6.2%
<b>Total</b>	<b>-2.2%</b>	<b>5.8%</b>	<b>6.5%</b>	<b>-19.2%</b>	<b>24.1%</b>	<b>5.3%</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 Galway fell by 19.2% between 2008 and 2012 and increased by 24.1% between 2012 and 2017. As the growth in the most recent year (2016-2017) was relatively low (5.3%), 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 Galway in 2008-2012 was somewhat greater than what occurred nationally, with the growth since then quite similar to the national average.

Micro-enterprises had a 15.5% decline in the number of persons engaged between 2008 and 2012, with 7% growth during 2012-2017, lower than any other size category. Micro-enterprises had somewhat lower growth than small and medium sized firms in the most recent period (2016-2017).

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

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

### 5.1 Active Enterprises by Sector in Galway 2017

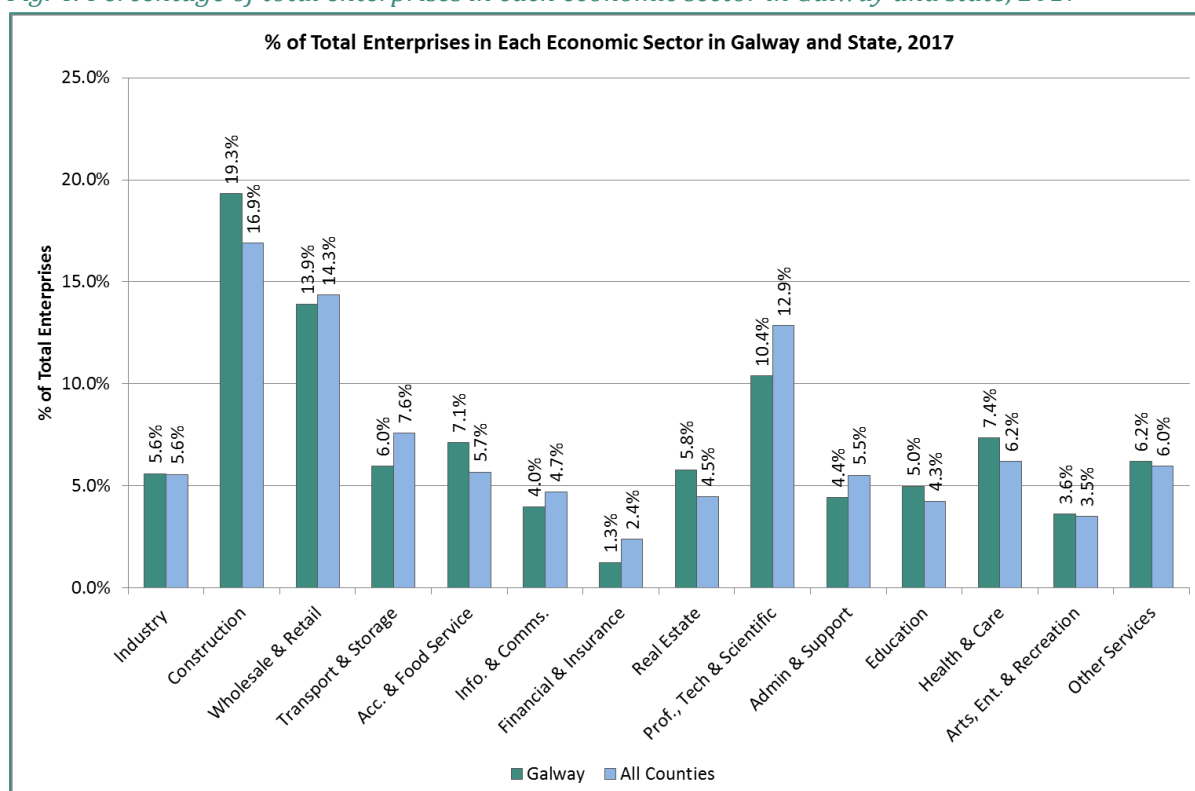
Fig. 4 shows the percentage of total enterprises that are in each economic sector in Galway and the state in 2017.

In Galway, Construction (19.3%) is the sector which accounts for the largest share of total enterprises, followed by Wholesale & Retail (13.9%) and Professional, Technical & Scientific (10.4%). 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 Galway’s enterprise profile and the national enterprise profile:

- A notably higher share of enterprises in Construction (19.3% v 16.9%), Accommodation & Food Service (7.1% v 5.7%) and Health & Care (7.4% v 6.2%). The role of the building sector, tourism and hospitality activity and Galway’s regional role as a centre for health services influences this pattern.
- The knowledge intensive services sectors (Professional, ICT and Financial) all account for a lower share of Galway’s total enterprises than nationally.

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



Source: CSO, Business Demography 2017, Table BRA18



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

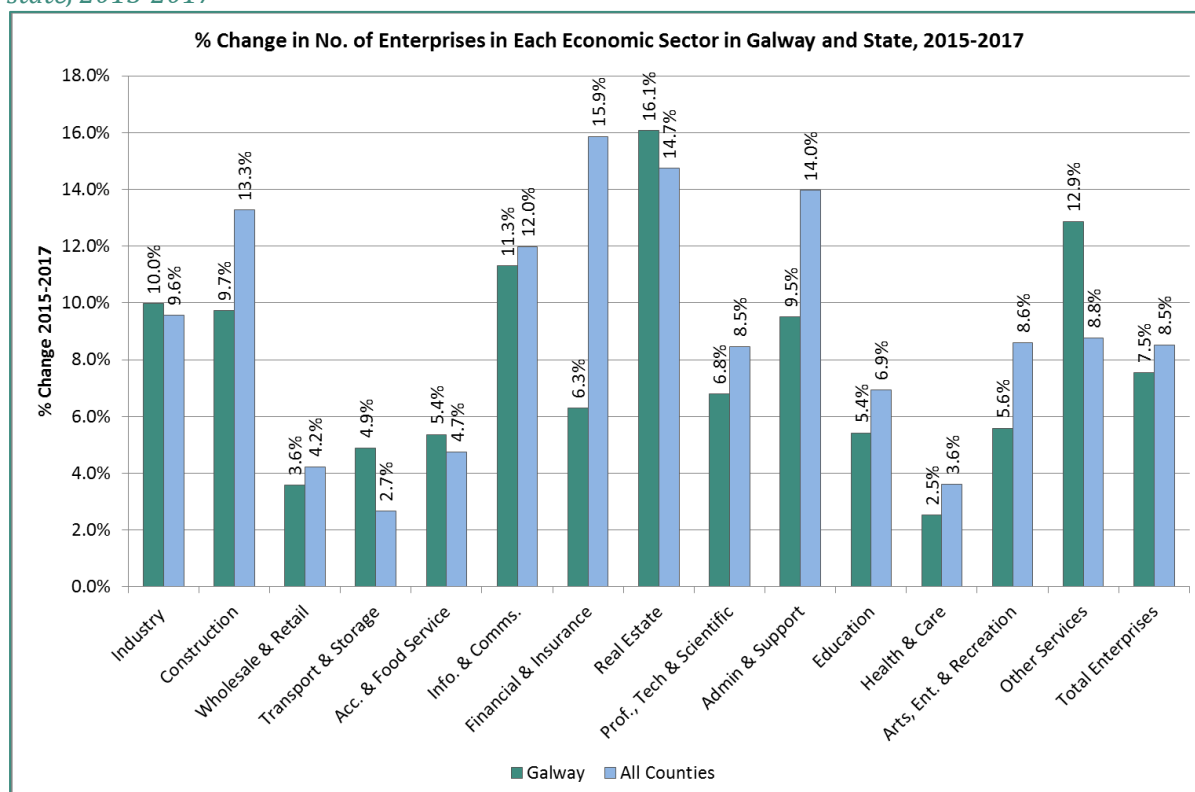
As noted above, data for some economic sectors is only available from 2015. Because of this and the fact that considering change over two years is more meaningful than change in a single year, we will consider the percentage change in enterprises between 2015 and 2017.

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

The largest growth in enterprise numbers in Galway was the Real Estate sector (161%).<sup>7</sup> Other areas with strong growth were Other Services (12.9%), Information & Communications (11.3%) and Industry (10%). As Other Services is mainly the provision of personal services e.g. hairdressing, laundry, it responds strongly to increased local demand and income levels. Growth in ICT and manufacturing enterprises points to growing activity in internationally trading activities.

Local services such as Health & Care (2.5%), Wholesale & Retail (3.6%) and Transport & Storage (4.9%) had the lowest growth in Galway. This is influenced by local disposable income and spending. Growth in Financial services enterprises in Galway was considerably below that nationally.

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



Source: CSO, Business Demography 2017, Table BRA18

<sup>7</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 Galway 2017

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

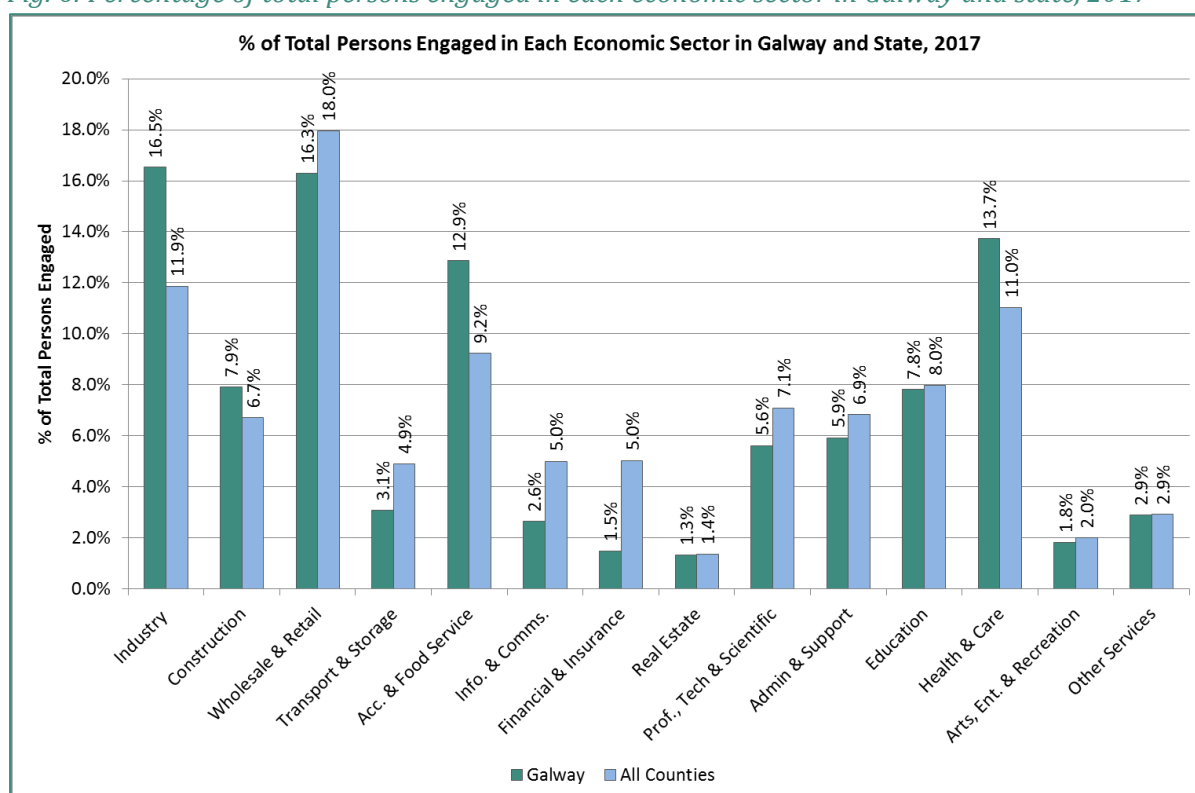
In Galway, Industry (16.5%) is the sector which accounts for the largest share of persons engaged in enterprises. It accounts for a far greater share of persons engaged (16.5%) than of enterprises (5.6%, see Fig. 4) because it is characterised by fewer but larger enterprises.

Wholesale & Retail (16.3%) is next highest and it also accounts for a high share of enterprises (13.9%, see Fig. 4) indicating many small and medium sized firms. Health & Care (13.7%) and Accommodation & Food Service (12.9%) are next highest in terms of persons engaged and both are labour intensive activities.

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

- Industry accounts for a significantly larger share of persons engaged in enterprises in Galway than nationally (16.5% v 11.9%).
- Health & Care and Accommodation & Food Service also account for a substantially higher share of persons engaged in Galway, showing the importance of the health and hospitality sectors in the county.
- As with enterprises, Financial, ICT and Professional Services account for a lower share of persons engaged in Galway. As the data does not distinguish between Galway city and the county, it is likely that the share within the city in these sectors would be higher.

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



Source: CSO, Business Demography 2017, Table BRA18

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

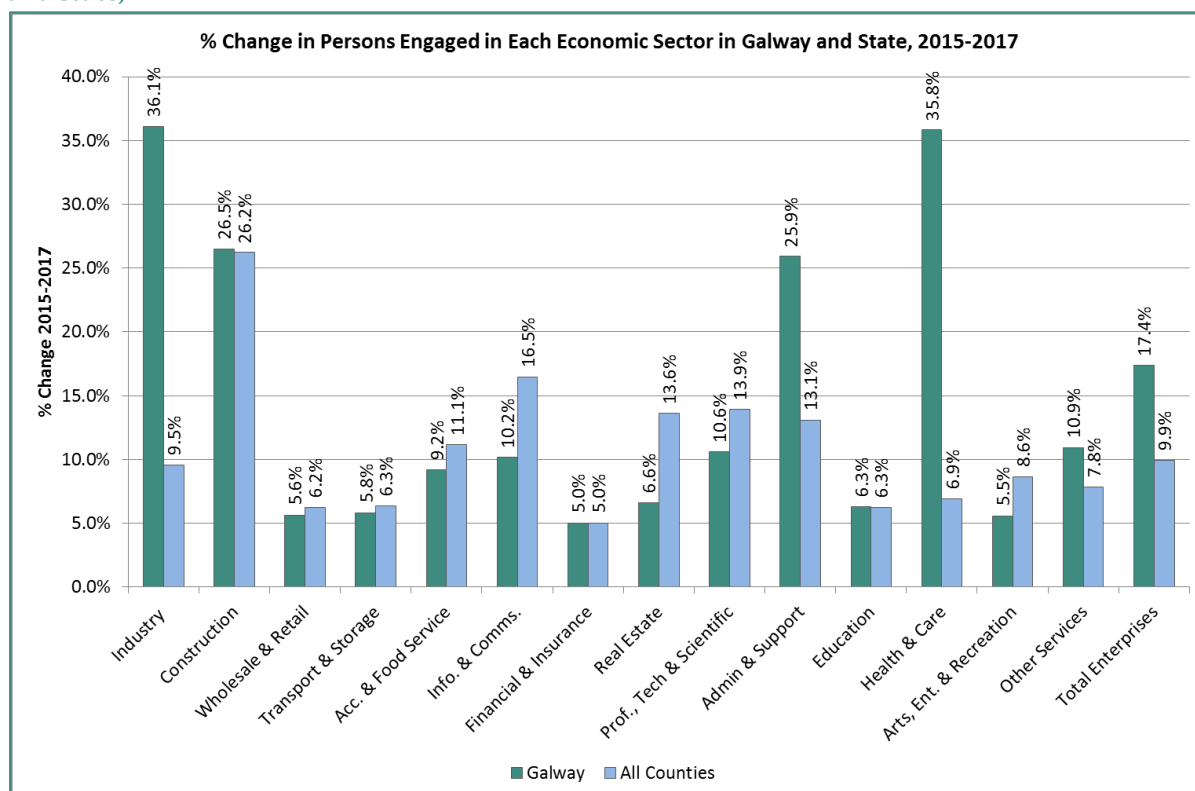
Fig. 7 shows the percentage change in the number of persons engaged in enterprises registered in Galway and in the state in each economic sector between 2015 and 2017.

The number of persons engaged in enterprises registered in Galway grew by 17.4% between 2015 and 2017. The increase in persons engaged in Galway was substantially higher than growth nationally (9.9%) and there was growth in every sector.

The very strong growth in the number of persons engaged was driven by extremely high growth in both Industry (36.1%) and Health & Care (35.8%), both sectors which include large employers e.g. factories, nursing homes. In both cases growth in Galway was far higher than nationally showing strong jobs growth in these sectors in the county. Construction (26.5%) and Administrative & Support (25.9%) also showed extremely high growth and in the latter case, far higher in Galway.

Financial & Insurance (5%), Arts, Entertainment & Recreation (5.5%), Wholesale & Retail (5.6%) and Transport & Storage (5.8%) had the lowest growth in persons engaged. These sectors tend to rely on local demand from consumers and their performance is related to levels of disposable income.

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



Source: CSO, Business Demography 2017, Table BRA18

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

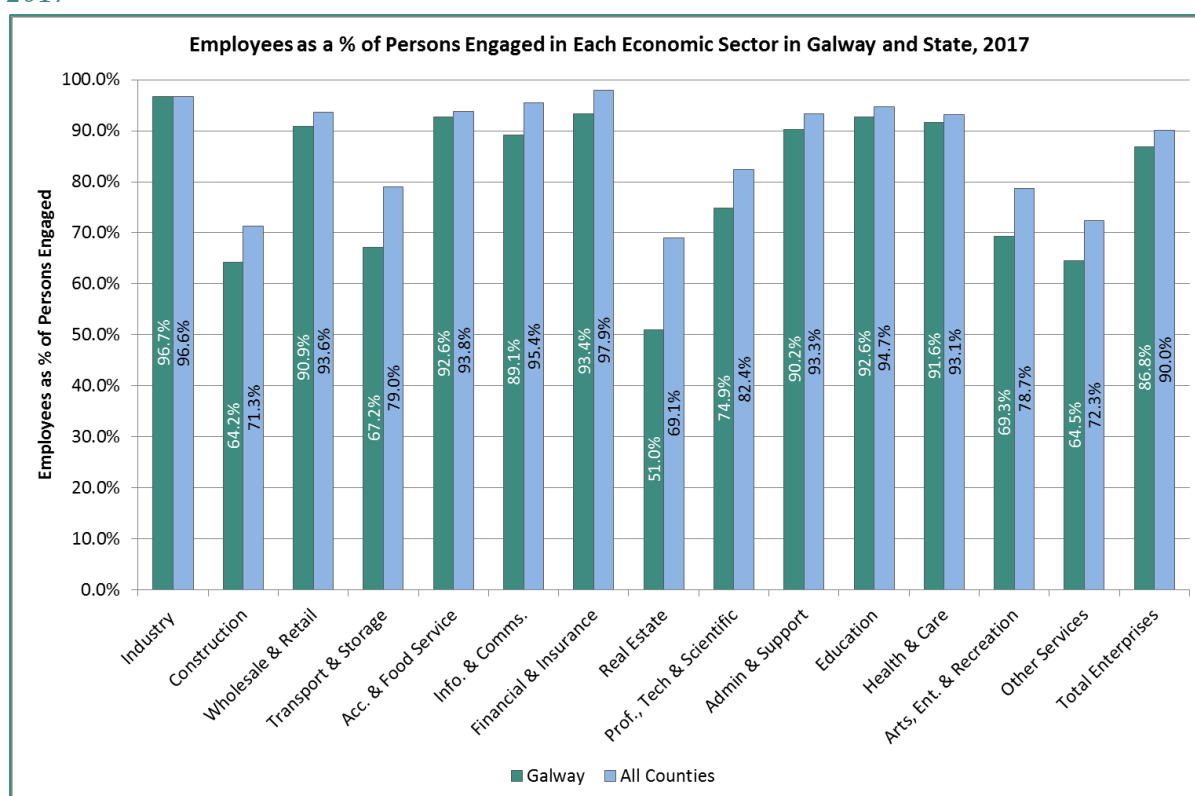
Fig. 8 shows the percentage of all persons engaged in each economic sector who are employees in Galway and in the state in 2017.

For total enterprises in Galway, 86.8% of all persons engaged are employees.<sup>8</sup> This was lower than the 90% share nationally, showing greater involvement of owners in enterprises registered in Galway 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, Education, Accommodation & Food Service, Health & Care, Wholesale & Retail and Administrative & Support, over 90% of persons engaged are employees, with many large operations with considerable staff e.g. factories, hotels, hospitals. In contrast, Real Estate (51%), Construction (64.2%) and Other Services (64.5) have a high share of business owners, indicating these sectors have smaller operations.

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

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



Source: CSO, Business Demography 2017, Table BRA18

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<sup>8</sup> Note, this differs from the share given for Galway in Fig. 3 (86.6%) because that only referred to 'business economy' enterprises (as it was showing the trend over time), whereas Fig. 8 refers to total enterprises.