WDC Insights

providing insights on key issues for the Western Region of Ireland

Transportation & Storage Sector in the Western Region

Regional Sectoral Profile

September 2019

Contents

1.0 Introduction

The Western Development Commission (WDC) is a state agency charged with promoting the economic and social development of the Western Region of Ireland.[1] To effectively deliver this remit the WDC carries out detailed analysis of a range of socio-economic issues of relevance to the region to inform policy debate and formulation.

This report is the last in a series of 'Regional Sectoral Profiles' analysing the most recent employment and enterprise data for the Western Region on specific economic sectors and identifying key policy issues.[2]

The two-page ***WDC Insights*****: Transportation & Storage Sector in the Western Region** summarises the main points from this report. It is available here.

1.1 Transportation & Storage

This report examines the Transportation & Storage sector.[3] This includes activities such as taxis, public and private bus companies, tourist bus firms, ferries, airlines and airports, haulage firms, couriers, cargo handling, warehousing and services for the transportation sector. Nationally this sector is quite highly concentrated around Dublin due to the dominant role of Dublin Airport and Dublin Port, as well as the presence of the headquarters of national public transport companies and airlines. Shannon is also a key strategic hub for the sector, with considerable activity in aviation support and service activities.

Transport & Storage provides services to commercial and business clients, as well as private customers. It responds to changes within the wider economy and facilitates business activity by providing freight and storage services. Transport & Storage is also critical to the mobility of the region's population through the provision of public transport and taxi services. Increasing use of public transport is a key component of efforts to move to a low carbon economy.

Brexit poses a significant challenge for this sector, given the likely impacts on the haulage sector. At the same time, increasingly complex manufacturing and retail processes means there is growing demand for logistics services which minimise the time and cost of distribution and supply. The need to reduce carbon emissions is another key issue facing the Transport & Storage sector.

Following a description of the data that will be used, Section 2 outlines the current employment situation and employment trends in Transport & Storage, followed in Section 3 by an outline of data on enterprise numbers in the sector, with key policy issues set out in Section 4.

1.2 Data used

A number of data sources are used to examine the Transport & Storage sector in the region.

Census of Population: The Census provides comprehensive data on employment by sector at both county and town level. No other data source provides this level of geographic breakdown. However there are a number of issues to bear in mind:

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[1] Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

[2] Previous Regional Sectoral Profiles are available at https://www.wdc.ie/publications/reports-and-papers/

[3] For ease, it will be referred to as the Transport & Storage sector

1. Most recent Census data is 2016.
2. Census data refers to where a person lives which may not be the same as where they work.[4] Data presented here on the number of people working in a sector in a specific county/town refers to the number of residents of that county/town working in the sector, even if they work elsewhere.
3. Census data does not give an indication of whether employment is full or part-time. Each person who works in the sector, regardless of how many hours per week they work, is counted the same.

Business Demography: Business Demography data gives the number of enterprises in each sector in each county. An enterprise and its staff are assigned to the county where it is registered with the Revenue Commissioners. Therefore a business with multiple locations e.g. a large courier service, is only counted once where it is headquartered (often Dublin) with all staff allocated to that county, individual depots are not counted. As this data measures enterprises registered in a county, they may have stronger ties to the area.

[4] See WDC (2018), Travel to Work and Labour Catchments in the Western Region: A Profile of Seven Town Labour Catchments 2018, for an analysis of travel to work patterns in the region.

2.0 Employment in Transport & Storage

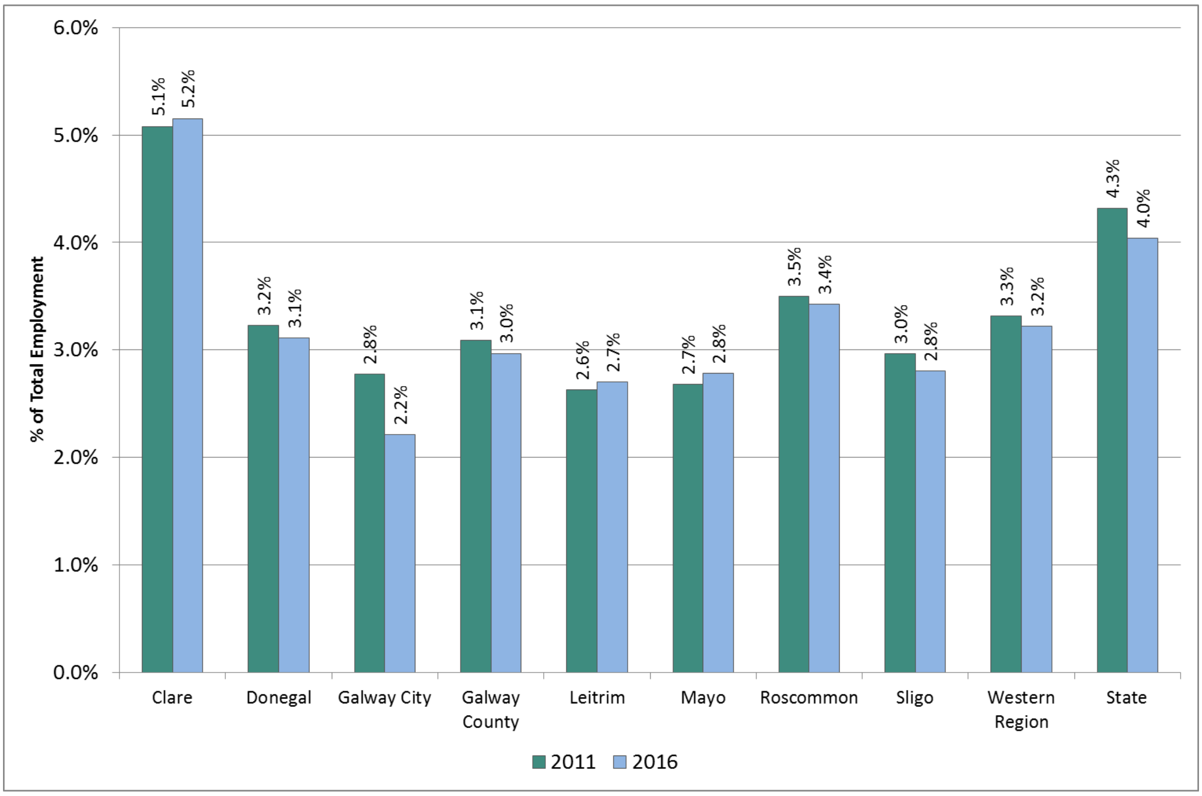
In this section we examine employment over time and by gender, as well as self-employment, in the Transport & Storage sector in the Western Region, western counties and towns. Employment in specific Transport & Storage sub-sectors is also set out.

2.1 Employment in the Western Region and its counties

According to Census 2016, 10,758 people were employed in Transport & Storage in the Western Region. Of everyone working in the sector in Ireland, 13.3% of them live in the Western Region. In comparison, the Western Region is home to 16.6% of total employment, this means it accounts for a lower share of jobs in this sector, than it does of total jobs. One of the reasons is the high concentration of this sector in Dublin due to the presence of Dublin Airport, Dublin Port, Dublin Bus and the headquarters of airlines and national transport companies.

As a result, Transport & Storage plays a notably smaller role in the Western Region's labour market than nationally (Fig. 1). In 2016 the sector accounted for 3.2% of total employment in the Western Region compared with 4.0% nationally.

Fig. 1: Percentage of total employment in Transport & Storage in Western Region and state, 2011 and 2016



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Among western counties, Clare has by far the highest share working in Transport & Storage at 5.2% of all employment. This is clearly due to the presence of Shannon Airport and **Clare has the fourth highest share of its employment in this sector in Ireland**.[5] Roscommon (3.4%) has the next highest

[5] Fingal (8%), Meath (5.9%) and South Dublin (5.2%) have the highest shares, with Dublin Airport's influence very clear.

share (though below the national average) which is likely due to its very central location and the activities of freight/storage/logistics operations, particularly around Athlone. All western counties, except Clare, have a lower share working in Transport & Storage than the national average. At just 2.2% of total employment, Galway City has the lowest share working in the sector in the region and also in the state.

Fig. 1 shows that the share of total employment accounted for by Transport & Storage declined marginally in the Western Region, and more notably in the state, between 2011 and 2016. As there was growth in the number of people actually working in the sector in both areas over this period (see next section) the decline in its share was due to even higher growth in other sectors.

Galway City saw the largest decline in the share working in Transport & Storage from 2.8% to 2.2%. Three western counties (Clare, Leitrim and Mayo) saw the relative importance of the sector increase.

The share of total employment in a sector is determined both by the number of people actually working in the sector and total employment levels in the economy. If the number working in Transport & Storage did not change but total employment grew or fell dramatically e.g. during the construction boom and bust, then its share of total employment would still change. The next section looks at changes in the actual number working in Transport & Storage.

2.1.1 Change in employment in the Western Region and its counties

The number of people working in Transport & Storage in the Western Region grew by 4.5% between 2011 and 2016 (Table 1), higher than the 4.0% growth nationally. Growth in this sector was lower than overall jobs growth in the region (7.5%) and the gap was even greater in the state (4% v 11%). This helps to explain why the state experienced a greater decline in the sector's relative importance as an employer (see Fig. 1).

Jobs growth in Transport & Storage was driven by a number of factors including increased demand from commercial clients due to growing business activity and changing processes, further development of aviation services around Shannon and increased consumer and tourism spending.

Table 1: Number employed in Transport & Storage in Western Region and state, and percentage change 2011-2016

County	Transport & Storage			Total Employment
	2011	2016	% Change 2011-2016	% Change 2011-2016
Clare	2,317	2,551	10.1%	8.6%
Donegal	1,721	1,814	5.4%	9.5%
Galway City	876	773	-11.8%	10.8%
Galway County	2,140	2,230	4.2%	8.5%
Leitrim	315	344	9.2%	6.3%
Mayo	1,316	1,433	8.9%	4.8%
Roscommon	853	884	3.6%	5.9%
Sligo	754	729	-3.3%	2.2%
Western Region	**10,292**	**10,758**	**4.5%**	**7.5%**
State	**77,999**	**81,124**	**4.0%**	**11.0%**

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Clare, where the sector is most important, saw the strongest employment growth in Transport & Storage (10.1%). Growth in the sector was higher than overall jobs growth in the county (8.6%) explaining why its share of total employment grew (see Fig. 1). This was also true of Leitrim and Mayo which had the next highest jobs growth the sector (9.2% and 8.9% respectively) and where the sector's growth exceeded their overall jobs performance. The sector strengthened in these counties.

Galway City experienced an 11.8% fall in the number of its residents working in Transport & Storage, in sharp contrast to very strong overall jobs growth (10.8%) indicating there was some particular issue facing this sector. Sligo (3.3%) is the only other county where there was a decline in the sector.

The next section examines employment in Transport & Storage sub-sectors which illustrates which elements drove change in different counties.

2.2 Employment in Transport & Storage sub-sectors

Census data on employment in Transport & Storage is sub-divided into eleven separate activities. For ease of interpretation, these have been combined into six sub-sectors for analysis here.[6]

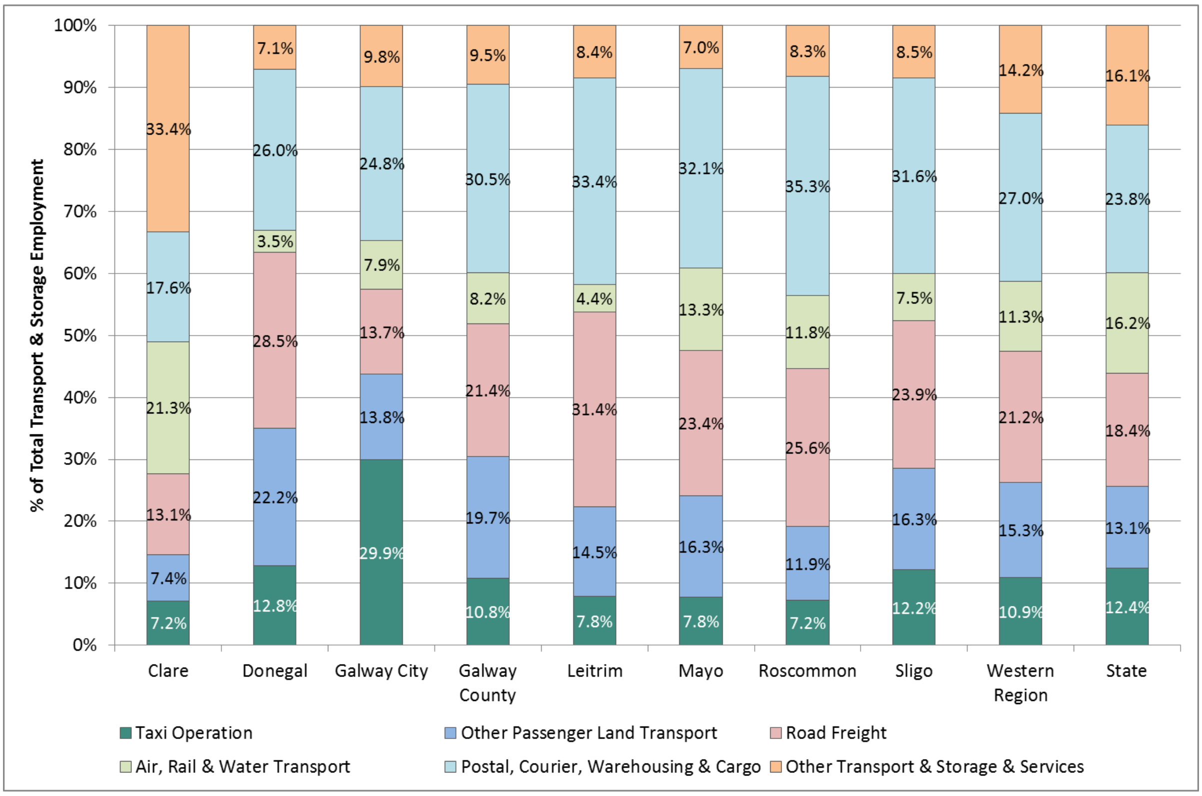
'Postal, Courier, Warehousing & Cargo' is the largest sub-sector in the Western Region accounting for 27% of total employment in the Transport & Storage sector, a higher share than nationally (23.8%) (Fig. 2). This includes An Post, courier companies and distribution centres which are quite widely dispersed geographically.

The next largest is 'Road Freight' which is also more important to employment in this sector in the region than the state (21.2% v 18.4%). This illustrates the importance of the logistics sector in the region which may not be surprising given its distance from the main international entry and exit points of Dublin Airport and Dublin Port.

The region has a lower share engaged in each of the other sub-sectors than nationally, partly reflecting Dublin's strong role in transport activities.

[6] Appendix 1 provides detailed data for ten activities for all western counties. One activity 'Transport via pipelines' does not employ anyone in the Western Region, and only 17 nationally, so is excluded.

Fig. 2: Percentage of total Transport & Storage employment in each sub-sector in Western Region and state, 2016



Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Again, Clare has a strikingly different pattern to other western counties. By far its largest sub-sector is 'Other Transport & Storage & Services' accounting for 33.4% of employment in the sector. This includes transport service activities, so would include aviation services around Shannon. The very dominant role of this sub-sector in the county reduces the relative share of all other sub-sectors. 'Other Transport & Storage & Services' accounts for a much lower share in all other counties.

Except for Galway City and Donegal, 'Postal, Courier, Warehousing & Cargo' is the largest sub-sector for all western counties. At 35.3% of all Transport & Storage employment, it is particularly important in Roscommon due to its central location for logistics and distribution, with Leitrim and Mayo also having high shares.

In Galway City 'Taxi operation' is the largest sub-sector at 29.9%. Taxis would be far more common in the city than elsewhere in the region, with Donegal (12.8%) and Sligo (12.2%) having the next highest shares in this sub-sector with large urban centres influencing this.

For Donegal 'Road Freight' is the largest sub-sector (28.5%). Given the potential impact of Brexit on freight and haulage, this is an issue of concern. Another border county, Leitrim, also has a high share engaged in this activity. Donegal has the highest share working in 'Other Passenger Land Transport' (bus and coach services), due to its large rural nature, the absence of rail transport and tourism activity. Galway County has the next highest share in this sector also influenced by its size, commuter buses to the city and tourist bus companies.

'Air, Rail & Water Transport', as a share of total Transport & Storage jobs, is most important in Clare (21.3%) due to Shannon Airport, with Shannon Foynes port likely also having some influence. Mayo (13.3%) has the next highest share largely due to rail services and the presence of Ireland West Airport Knock. This sector is least important for Donegal and Leitrim.

2.2.1 Change in employment in Transport & Storage sub-sectors

In the Western Region, the strongest jobs growth between 2011 and 2016 was in 'Road Freight' (Table 2). It increased by 20% in the region, higher than the 15.9% growth nationally. As freight activity is very reliant on the overall level of economic activity, this growth would have been in response to increased business activity and economic recovery. The region's distance from the main international entry and exit points increases reliance on road freight and highlights the potential to further increase direct international freight services to the region's airports and ports.

Only one sub-sector saw a decline in employment in the Western Region and state. There was a 29.2% fall in the number working in 'Taxi operation' in the region, similar to the fall nationally. With de-regulation of the taxi market there was a considerable increase in the number of taxi operators, particularly during the recession when people becoming unemployed from other sectors turned to taxi driving as a source of income. With economic recovery and increased job opportunities, as well as an over-supply of taxis in certain areas, people left taxi driving, reducing the number working in the sector during 2011-2016.

The region's largest sub-sector of 'Postal, Courier, Warehousing & Cargo' experienced quite low growth (4.8%) but did perform better in the region than state. The growth of online shopping would increase demand for this sector.

Table 2: Percentage change in employment in Transport & Storage sub-sectors in Western Region and state, 2011-2016

County	% Change in Employment 2011-2016						
	Taxi operation	Other Passenger Land Transport	Road Freight	Air, Rail & Water Transport	Postal, Courier, Warehousing & Cargo	Other T&S & Services	Total
Clare	-18.3%	10.5%	24.1%	37.5%	-13.8%	15.8%	10.1%
Donegal	-31.2%	12.0%	36.4%	-28.1%	5.8%	14.3%	5.4%
Galway City	-28.5%	0.0%	11.6%	-27.4%	-5.0%	16.9%	-11.8%
Galway County	-35.3%	17.4%	14.1%	-13.7%	14.9%	22.0%	4.2%
Leitrim	-27.0%	-2.0%	31.7%	-6.3%	5.5%	45.0%	9.2%
Mayo	-27.3%	4.5%	17.1%	40.4%	23.0%	-29.1%	8.9%
Roscommon	-38.5%	-0.9%	15.3%	10.6%	5.1%	30.4%	3.6%
Sligo	-21.9%	14.4%	1.2%	-27.6%	-3.0%	21.6%	-3.3%
Western Region	**-29.2%**	**10.0%**	**20.0%**	**10.3%**	**4.8%**	**13.1%**	**4.5%**
State	**-31.9%**	**6.1%**	**15.9%**	**19.3%**	**2.9%**	**24.1%**	**4.0%**

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

At a county level, ‘Road Freight’ was the only sub-sector which grew in every western county. Its performance ranged from over 30% jobs growth in Donegal and Leitrim to only 1.2% in Sligo. As noted above, this sector responds to increased levels of economic activity.

‘Other Transport & Storage & Services’ increased employment in all counties except Mayo. It grew most strongly in Leitrim and Roscommon, though there would be quite low numbers involved. The region’s largest sub-sector of ‘Postal, Courier, Warehousing & Cargo’ declined in Clare (13.8%), Sligo (3%) and Galway City (5%), however Mayo experienced strong growth in this activity with growth driven by postal and courier activities which could be due to growth in online shopping.

‘Other Passenger Land Transport’ grew in almost all counties, particularly in Galway County (17.4%) and Sligo (14.4%) and may be linked to increased commuter and tourist bus services. Leitrim and Roscommon however saw a fall in this sector.

Every county saw a decline in the number of people working in ‘Taxi operation’. Roscommon (38.5%), Galway County (35.3%) and Donegal (31.2%) saw the largest falls. As noted in Fig. 2, Galway City is where ‘Taxi operation’ is most important as a source of employment and the decline in this sub-sector was a key reason for the large overall decline in Transport & Storage jobs in Galway City (11.8%, see Table 1).

Galway City also had a large decline in the number working in ‘Air, Rail & Water Transport’, along with Sligo and Donegal. At 40.4%, Mayo had the strongest growth in this sub-sector, likely driven by expansion at Ireland West Airport Knock.

2.3 Employment in western towns

In 2016 there were 40 urban centres with a population over 1,500 in the Western Region. When considering towns, commuting can be particularly important and it must be remembered that this data refers to residents of the towns, although some may work elsewhere.

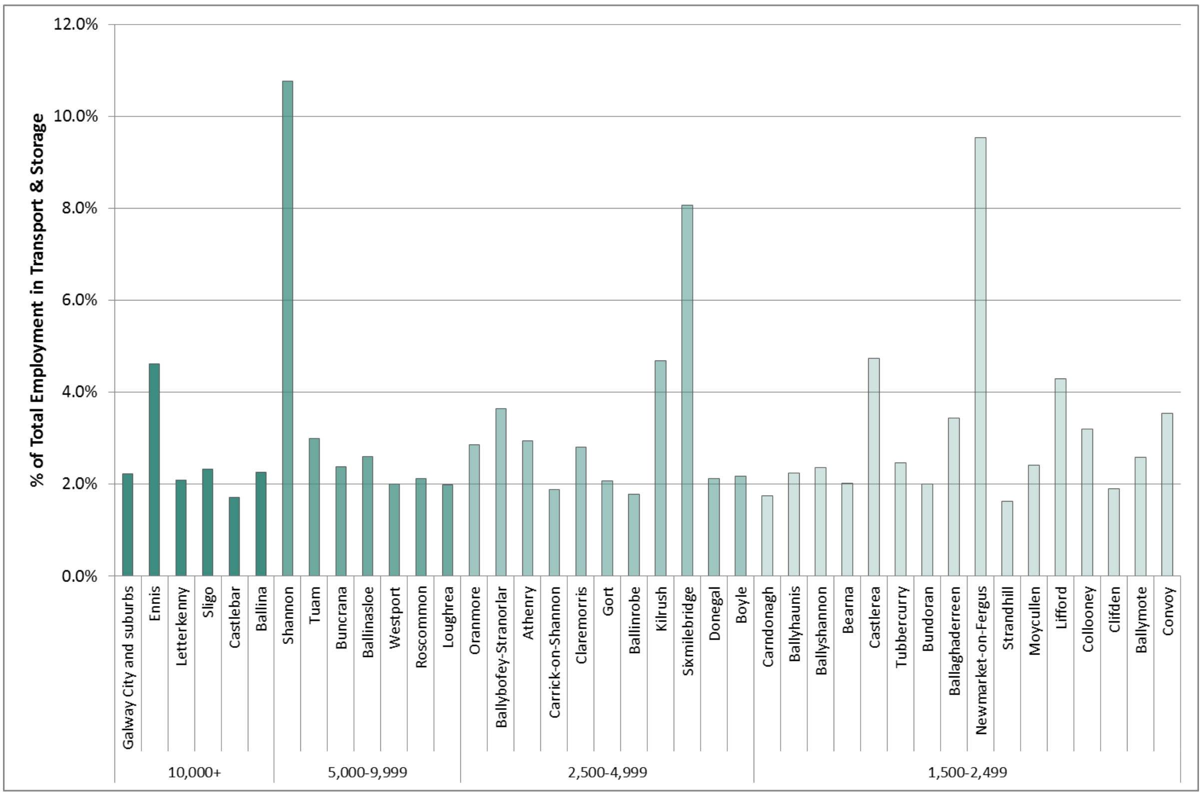
The relative importance of Transport & Storage varies across towns (Fig. 3). As may be expected from the previous sections, Shannon (10.8%) has by far the highest share working in the sector. **Nationally, Shannon has the fourth highest share working in the sector in Ireland with Newmarket-on-Fergus (9.5%) also in the top ten**.[7] The towns with the next highest shares working in the sector in the region are mainly in Clare. Clearly Shannon Airport and aviation-related activities around it have a very substantial employment impact in the county.

Castlerea (4.7%) in Roscommon also has a very high share working in the sector, with Lifford, Ballybofey-Stranorlar and Convoy in Donegal also having relatively high shares.

Eight towns in the Western Region are among the bottom ten towns in Ireland in terms of the share working in the Transport & Storage sector. Six towns in the region have less than 2% of their employment in the sector. This could be due to limited activity in the sector, as well as the relative strength of other sectors.

[7] All other towns in the top ten are surrounding Dublin Airport.

Fig. 3: Percentage of total employment in Transport & Storage in towns in the Western Region, 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030

2.3.1 Change in employment in western towns

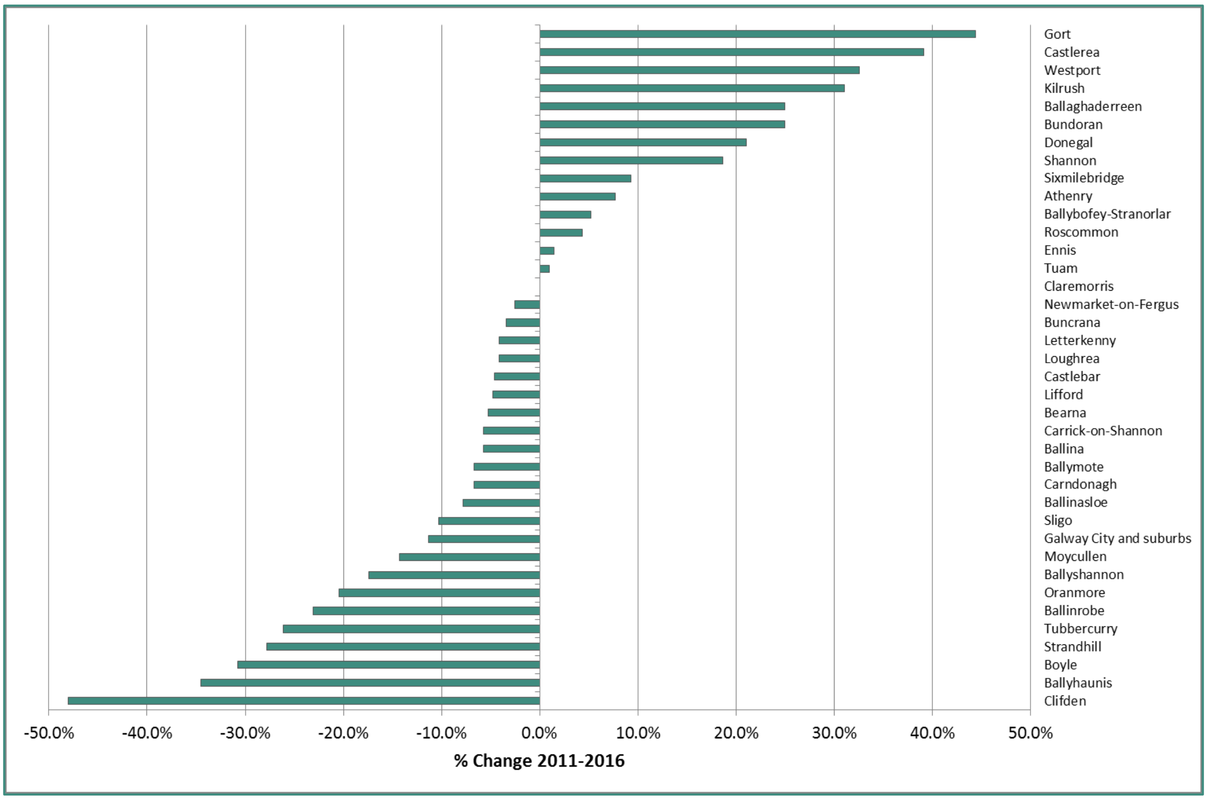
There are 38 towns in the Western Region which had a population above 1,500 in both 2011 and 2016.[8] Of these, 23 towns experienced a decline in the number of people working in Transport & Storage between 2011 and 2016, 14 had an increase, with one unchanged (Fig. 4).

Gort (44.4%, +8 people), Castlerea (39.1%, +9 people), Westport (32.6%, +14 people) and Kilrush (31%, +9 people) had the most substantial percentage growth, though the actual numbers involved are small. Gort and Kilrush are likely influenced by Shannon, with growing tourism activity important for Westport and logistics for Castlerea.

Clifden (-48%, -12 people), Ballyhaunis (-34.5%, -10 people) and Boyle (-30.8%, -8 people) had the largest percentage declines. As Clifden also had the largest population decline, this would be a factor.

[8] Two towns with a population above 1,500 in 2011 (Portumna and Bunbeg-Derrybeg) dropped below in 2016. Two towns (Collooney and Convoy) rose above the 1,500 threshold in 2016. There were also town boundary changes between 2011 and 2016 for 15 of the 40 towns in the Western Region which has an impact when considering change over time. For most towns the impact was relatively minor, however there was a quite substantial change for Ballina.

Fig. 4: Percentage change in employment in Transport & Storage in towns in the Western Region, 2011-2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030; CSO, Census 2011: Profile 3 – At Work, Table CD320.

Note: In the case of Ballina, a significant town boundary change reduced its population and the actual change in employment in this sector is likely less than it appears in Fig. 4.

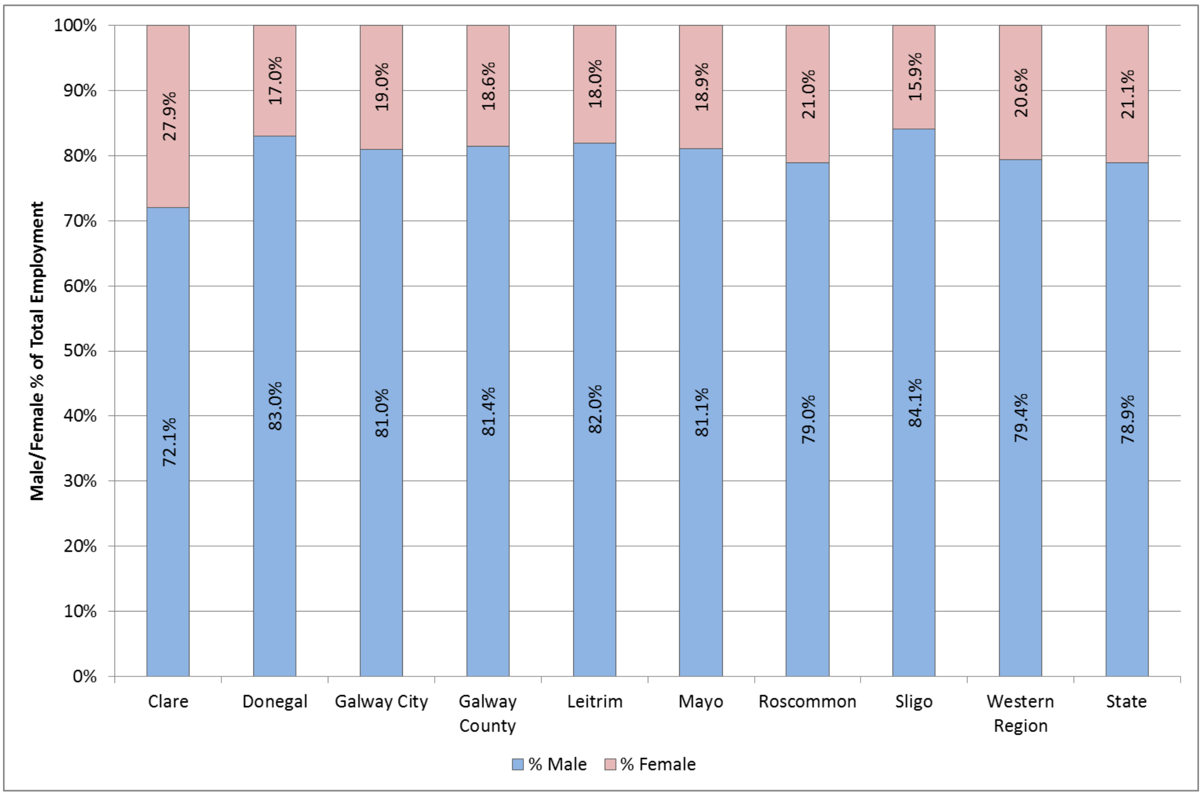
2.4 Employment by gender

In the Western Region 79.4% of people working in Transport & Storage are male, a slightly higher share than nationally (78.9%) (Fig. 5). The male share declined marginally since 2011, when it was 80% in the region and 80.1% nationally. Certain activities within this sector e.g. road freight, courier services, taxi operation, are predominantly male.

Men account for a majority of the Transport & Storage workforce in all western counties. Sligo (84.1%) and Donegal (83%) have particularly high shares, linked to the structure of the sector in these counties, with all western counties, except Clare, having a higher male share than nationally.

Clare differs most from the pattern with women accounting for 27.9% of the Transport & Storage workforce. As noted above (Fig. 2) the structure of employment in the sector differs in Clare, with 'Other Transport & Storage Support Services' accounting for a high share which would include aviation support services which may employ more women. In addition, the gender pattern of employment at Shannon Airport, including airline staff, is likely to include more women than many other activities in the sector.

Fig. 5: Percentage of total employment in Transport & Storage in Western Region and state by sex, 2016

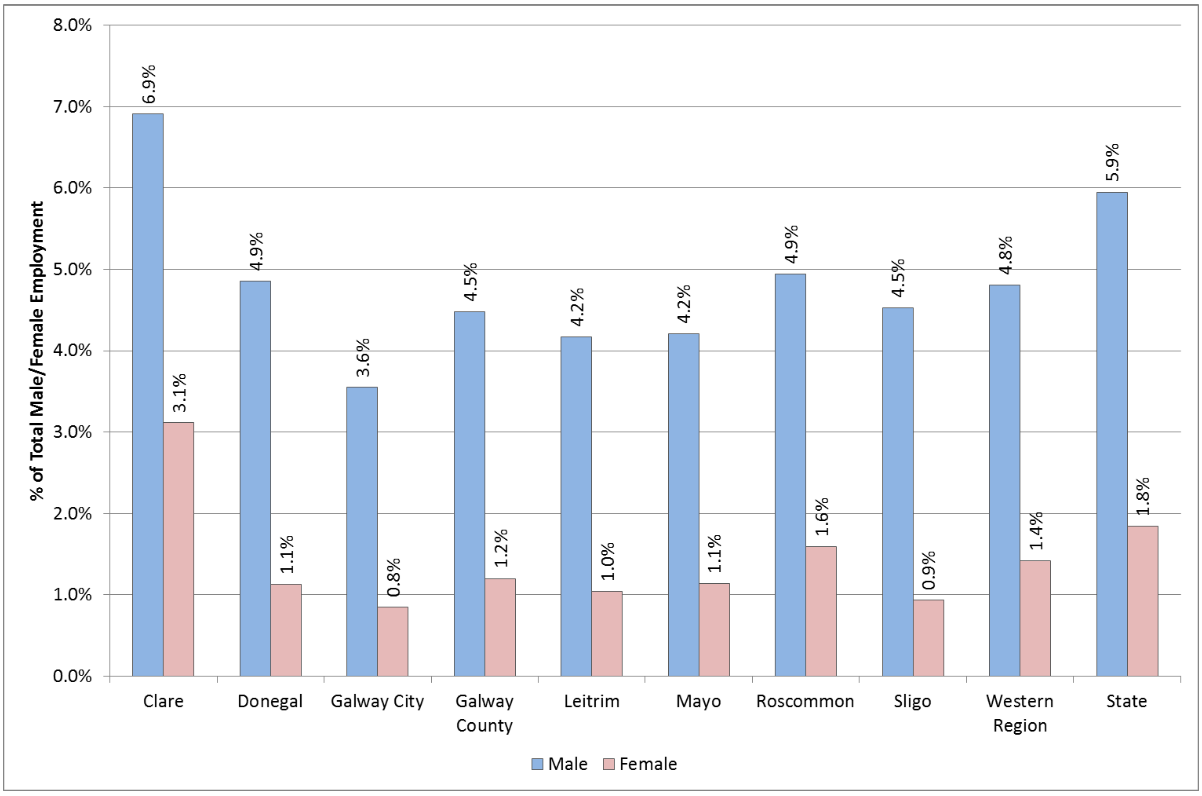


Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

In terms of the sector's relative importance to total male and female employment (Fig. 6), 4.8% of all working men and 1.4% of all working women in the Western Region work in Transport & Storage. The sector plays a less significant role in both male and female employment in the region than nationally, with the difference greater among men.

As would be expected, Clare is where the sector is most important in both total male (6.9%) and total female (3.1%) employment. It is the only western county above the state average for both sexes. Donegal and Roscommon is where the sector is next most important for men's jobs (4.9% in each) with Roscommon also where it is next most important for women's jobs (1.6%). Galway City is where the sector is least important for both men and women.

Fig. 6: Percentage of total male and total female employment that is in Transport & Storage in Western Region and state, 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

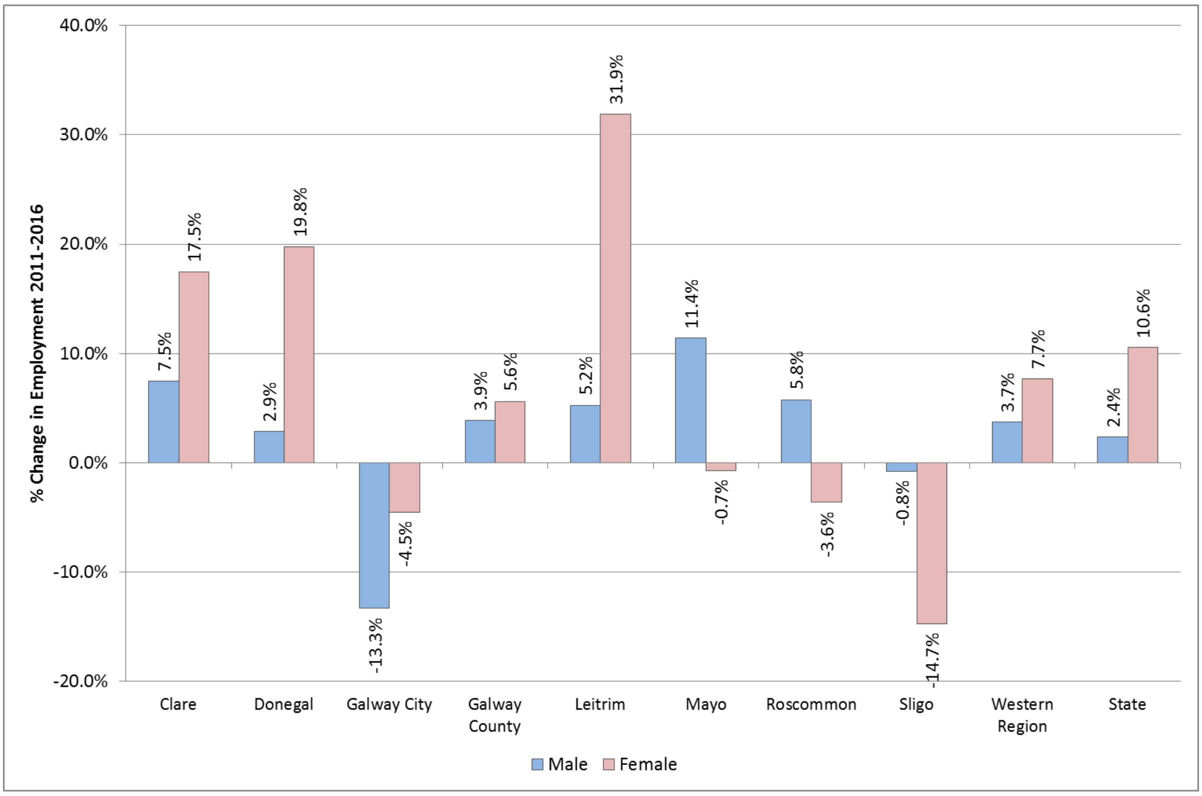
2.4.1 Change in employment by gender

The period 2011 to 2016 saw female employment in Transport & Storage grow more strongly than male, 7.7% compared with 3.7% in the region (Fig. 7) which led to a slight decline in the male share of total employment in the sector. The region had higher male employment growth than the state but lower growth in female employment in the sector. This is because the region had lower growth than nationally in the 'Other Transport & Storage & Services' and 'Air, Rail & Water Transport' sub-sectors which are likely to employ more women, but higher growth in 'Road Freight' and 'Other Passenger Land Transport' which are more male dominated.

Leitrim (31.9%), Donegal (19.8%) and Clare (17.5%) had very strong growth in female employment in the sector although, except for Clare, from a relatively low base. In these three counties, as well as Mayo, the performance of women's jobs in the sector was stronger than men's, which increased the female share of total employment in the sector.

In contrast Sligo saw the number of women working in the sector decline sharply (-14.7%), with Roscommon, Galway City and Mayo also seeing a fall in female employment. Except for Galway City, the female jobs performance in these counties was weaker than the performance of male employment, increasing the male dominance of the sector in these counties.

Fig. 7: Percentage change in employment in Transport & Storage in Western Region and state by sex, 2011-2016

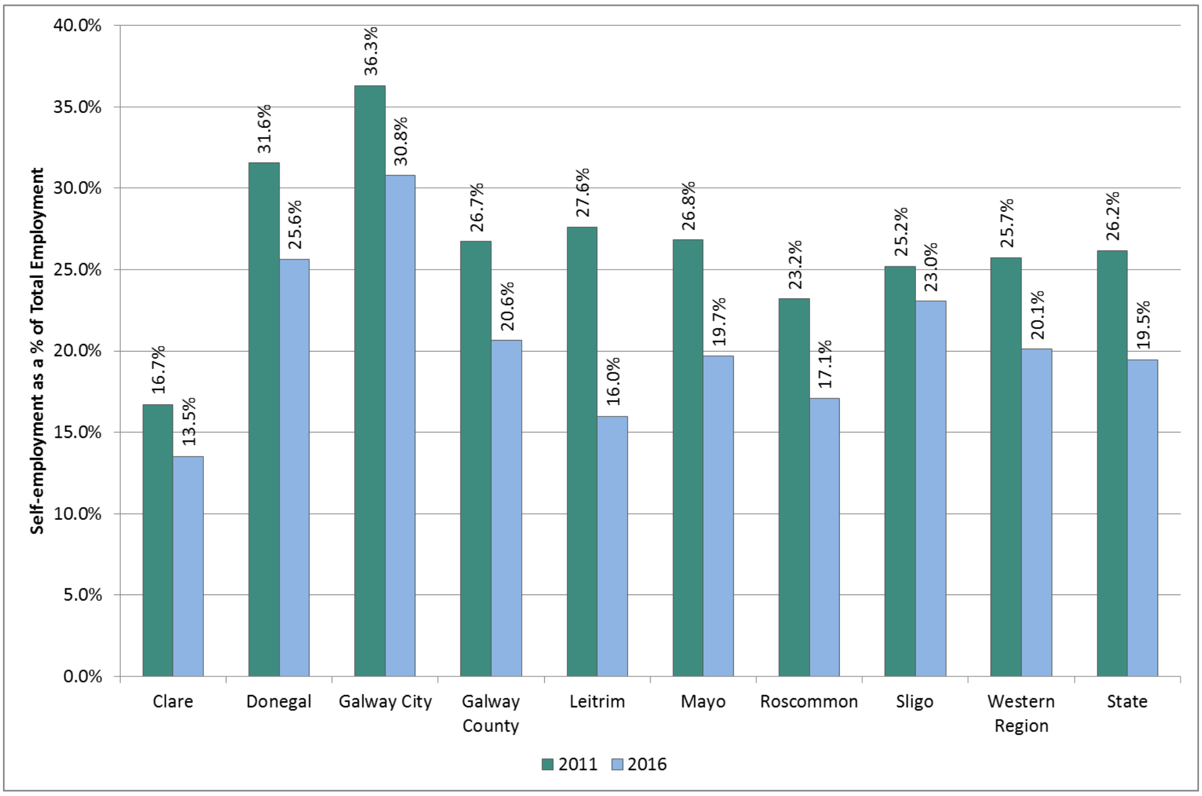


Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB027

2.5 Self-employment in Transport & Storage

Of the 10,758 people working in Transport & Storage in the Western Region in 2016, 20.1% (2,164 people) are self-employed (employer or own account worker). The Western Region has quite a similar incidence of self-employment to the national average (19.5%) (Fig. 8). Self-employment in this sector is more common than the average rate of self-employment in the region (18.3%).

Fig. 8: Percentage of total employment in Transport & Storage that is self-employment in Western Region and state, 2011 and 2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.

At 30.8%, Galway City has the highest share of self-employment in the region. As noted previously (see Fig. 2) 'Taxi operation' is the largest sub-sector in Galway City and far more important there than elsewhere. Therefore, the prevalence of self-employment in the taxi sector explains the high share of self-employment in Galway City. Equally, the substantial decline in the number of taxi operators between 2011 and 2016 (see Table 2) helps to explain the decline in the share of self-employment in the sector between 2011 and 2016.

Donegal (25.6%) and Sligo (23%) had the next highest shares of self-employment and also the next highest shares in 'Taxi operation'. The fact that Clare (13.5%), which has the highest share working in the sector, has the lowest share self-employed indicates that the structure of the sector in the county differs from elsewhere, with larger businesses engaged in the sector.

All counties saw a decline in the share of self-employment between 2011 and 2016, declining from 25.7% to 20.1% in the Western Region as a whole. Leitrim and Donegal saw particularly large declines.

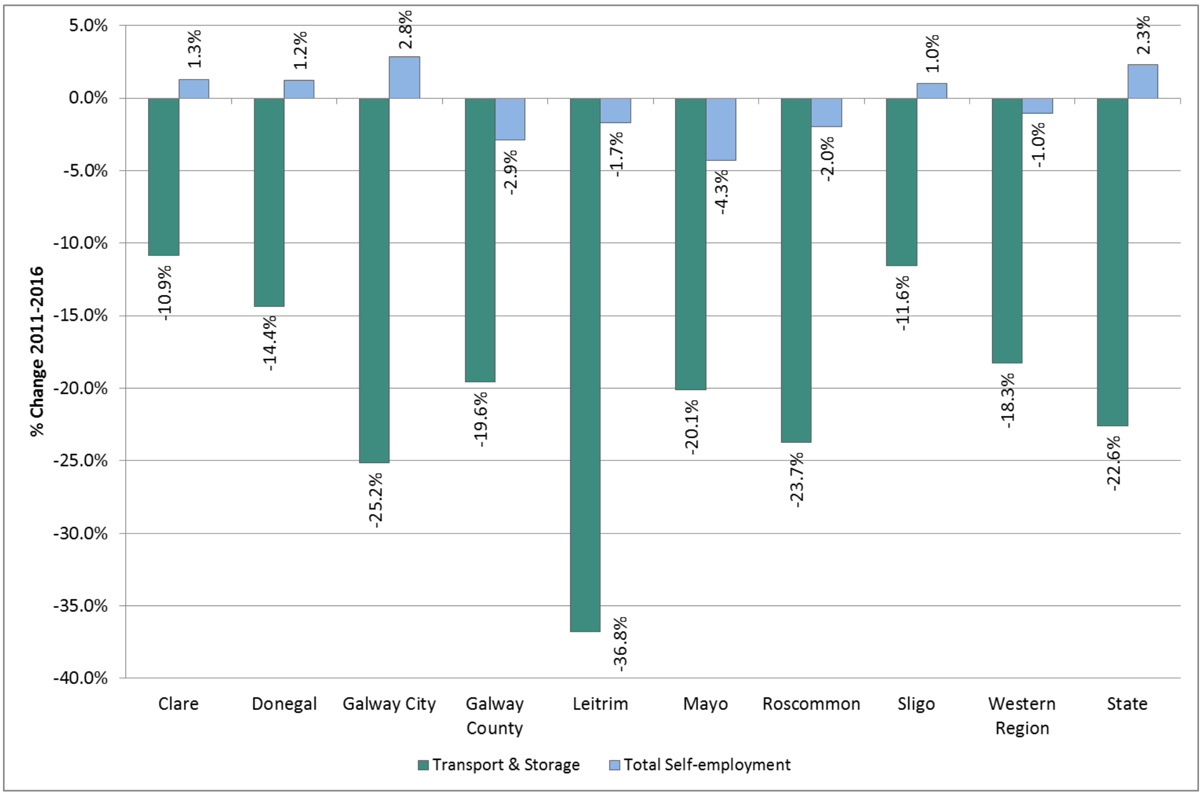
One possible reason for this is that during the recession, many people turned to taxi driving as an alternative source of income. As this has very high self-employment levels it would have increased the self-employed share. The decline in the number of people working in taxiing, due to oversupply in the market and improved job opportunities, would have reduced the share of self-employment. The next section shows that, as well as a declining share of self-employment, there was also a decline in the actual number of self-employed working in Transport & Storage.

2.5.1 Change in self-employment

In the Western Region, the number of self-employed people working in Transport & Storage fell by 18.3% between 2011 and 2016 (Fig. 9). This was the second largest[9] decline in self-employment of any economic sector in the region and compares with a 1% decline in total self-employment over the same period. Clearly there was a much greater decline in the incidence of self-employment in Transport & Storage than elsewhere across the economy. The decline in the region was less than occurred nationally however (22.6%).

The decline in self-employment in Transport & Storage contrasts with overall jobs growth in the sector in the region (4.5%, see Table 1). However, as noted in Table 2, while the broader sector had growth there was substantial decline in 'Taxi operation' where self-employment is very common.

Fig. 9: Percentage change in self-employment in Transport & Storage and self-employment in total employment in Western Region and state, 2011-2016



Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB033. Special run from CSO.

Self-employment in Transport & Storage performed worse than total self-employment in all counties. The decline was largest in Leitrim (36.8%) and Galway City (25.2%) explaining the large declines in the share of self-employment in these counties (see Fig. 8). Clare, where self-employment is least common, had the lowest decline.

[9] The largest decline was in the Public Administration & Defence sector (20.6%).

3.0 Transport & Storage Enterprises

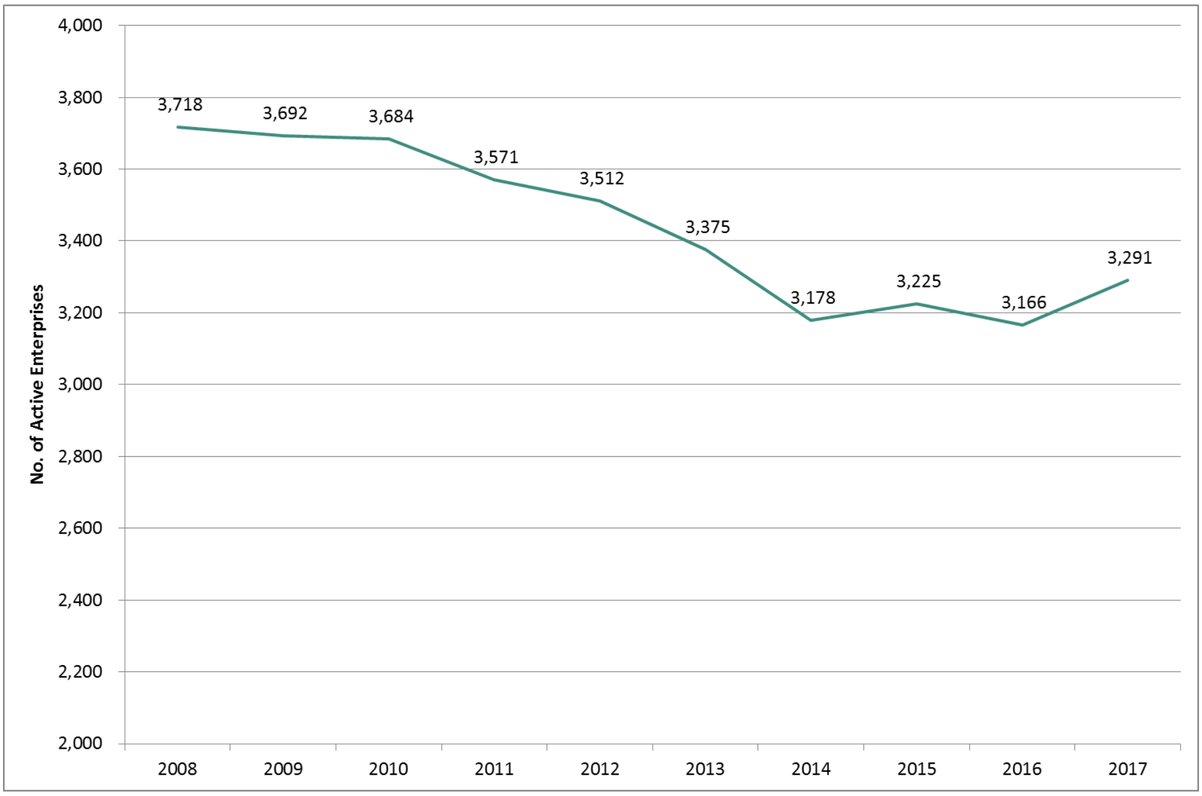
In this section we examine enterprise numbers in Transport & Storage in the Western Region and counties. This data is from the CSO Business Demography and includes all Transport & Storage enterprises such as taxi operators, bus companies, airports, haulage firms and couriers which have a registration address (with the Revenue Commissioners) located in the Western Region.

3.1 Number of Transport & Storage enterprises in the Western Region

In 2017 there were 3,291 Transport & Storage enterprises registered in the Western Region (Fig. 10). The number of enterprises in the sector fell quite dramatically during the recession from 3,718 in 2008 to just 3,178 by 2014. 2017 showed the first sign of recovery in enterprise numbers.

In 2017, the Western Region was home to 12.8% of all Transport & Storage enterprises in the state,[10] this was considerably lower than the region's share of total enterprises (17.1%). Again this reflects lower level of activity in the sector in the Western Region and the general concentration of the sector around Dublin.

Fig. 10: Number of active Transport & Storage enterprises registered in the Western Region, 2008-2017



Source: CSO, Business Demography 2017, Table BRA18.

Note: For ease of interpretation, the vertical axis begins at 2,000

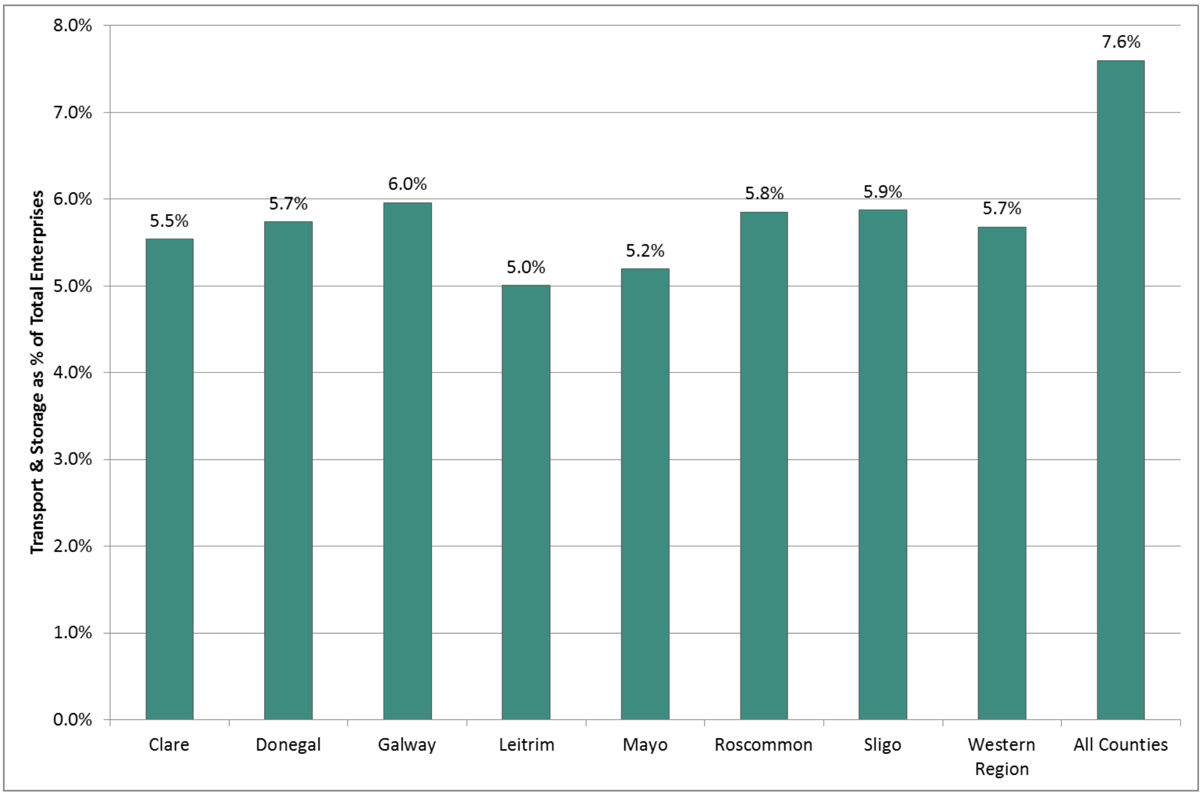
[10] In Business Demography county data, a figure is given for 'All Counties' which we will refer to here as the national or state figure. However it should be noted that this excludes enterprises whose location is classified as 'Unknown', these generally have Revenue registered addresses outside of 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 which are not included in the All Counties figure.

3.2 Share of Transport & Storage enterprises in the Western Region

In the Western Region, 5.7% of total enterprises[11] in 2017 were engaged in Transport & Storage (Fig. 11). The sector's share of total enterprises in the region (5.7%) is higher than its share of all employment in the region (3.2%, see Fig. 1), though it should be noted that the employment data refers to 2016. This indicates that Transport & Storage is characterised by smaller enterprises, this is consistent with the finding that it has a relatively high rate of self-employment.

The sector's share of total enterprises in the Western Region (5.7%) is notably lower than the sector's 7.6% share nationally. The concentration of this sector around Dublin would be a factor in this pattern.

Fig. 11: Transport & Storage enterprises as a percentage of total enterprises in Western Region and state, 2017



Source: CSO, Business Demography 2017, Table BRA18.

At 6%, 5.9% and 5.8% respectively, Galway, Sligo and Roscommon have the highest share of enterprises in the sector. As noted above, 'Taxi operation' is most common in Galway and includes a large number of enterprises. Roscommon also has considerable activity in haulage and courier services which may have a high number of enterprises.

Differing from the pattern for employment however, Clare does not have a particularly high share of enterprises in the sector (5.5%). This implies the sector in the county includes some larger

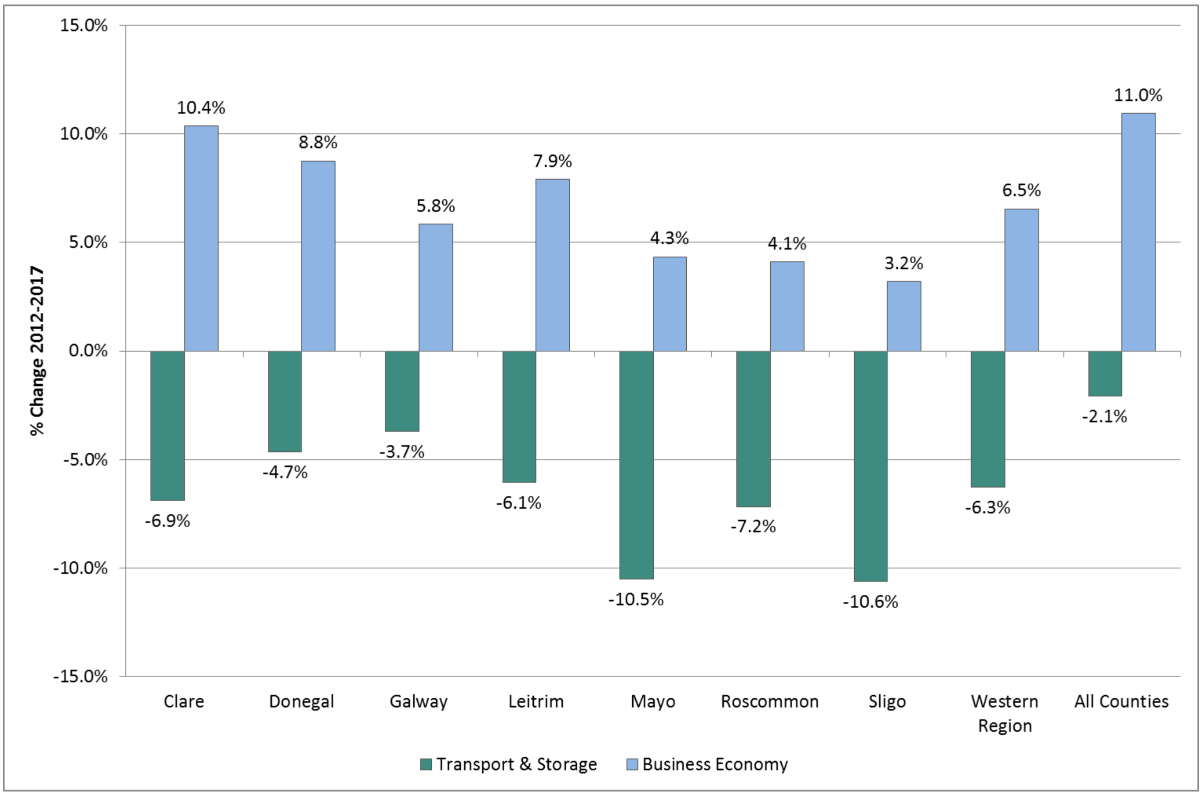
[11] Total enterprises includes all 'business economy' enterprises (NACE Rev 2 B to N(-642)) plus the sectors of Health & Social Work, Education, Arts, Entertainment & Recreation and Other Services.

enterprises which employ a large number of people e.g. Shannon Airport, aviation services. Leitrim has the lowest share of enterprises in the sector.

3.3 Change in Transport & Storage enterprises

There was a 6.3% decrease in the number of Transport & Storage enterprises registered in the Western Region between 2012 and 2017. This was a poorer performance than nationally where there was a 2.1% decline (Fig. 12). In both areas, the decline in the Transport & Storage sector contrasted with growth in overall enterprises.[12] There was a 6.5% and 11% growth in the region and state in total 'business economy' enterprises over this period.

Fig. 12: Percentage change in the number of Transport & Storage enterprises and total business economy enterprises in Western Region and state, 2012-2017



Source: CSO, Business Demography 2017, Table BRA18.

All western counties had considerable falls in enterprise numbers in Transport & Storage, with Sligo and Mayo having the largest declines at over 10%. Roscommon and Clare, where the sector is most important as an employer, also had quite large falls in enterprise numbers.

[12] As Business Demography data is not available for some sectors until 2015, changes over time are not based on 'total enterprises' but a sub-set of this called 'business economy' enterprises. This is sectors NACE Rev 2 B to N(-642) which is all economic sectors except Agriculture, Forestry & Fishing, Public Administration & Defence, Health & Social Work, Education, Arts, Entertainment & Recreation and Other Services.

4.0 Key Policy Issues for the Western Region's Transport & Storage Sector

Although the Transport & Storage sector is among the smallest direct employers in the region, it's significance to the regional economy and society is considerably greater, given its vital role in facilitating wider economic activity, as well as providing services to individuals and communities. Some of the key issues for the Western Region's Transport & Storage sector are discussed below.

Smaller scale operations and high self-employment

Transport & Storage enterprises in the Western Region tend to be smaller in scale than the national average. The sector in the region is characterised by somewhat higher self-employment than nationally and the rate of self-employment is above average, compared with other sectors. This contributes to the smaller scale of operations. Smaller businesses can be more flexible, offering a more personal service, however they may also find it difficult to adapt to changing trends and demands e.g. Brexit, digital transformation.

The number of self-employed working in Transport & Storage declined dramatically in the Western Region as the sector recovered (declining by 18.3% between 2011 and 2016). This decline was considerably higher than the overall fall in self-employment (1%) and was particularly driven by falling numbers working as taxi drivers due to oversupply in the market and improved alternative job options. The quality and viability of some self-employment in Transport & Storage, and its ability to sustain a person's livelihood, needs to be considered as the sector expands again.

As Transport & Storage is outside the remit for most direct financial supports from enterprise support agencies, and given the quite high level of self-employment in the sector, continuation of existing, and the development of new initiatives and soft supports for sole traders and micro-enterprises, including addressing issues of viability and succession planning for family-run businesses, is important to the future of Transport & Storage in the region.

Responds to and facilitates economic growth

The Transport & Storage sector is dependent on the level of activity in the domestic economy as this determines the level of demand from commercial clients and private individuals. As well as responding to economic growth, Transport & Storage helps to facilitate it e.g. by providing logistics serves to business, public transport for commuters. The presence of a strong Transport & Storage sector within the region, particularly given its peripheral location, is therefore a key driver for regional economic growth.

Further development of the Western Region's Airports

Shannon Airport plays a key role in Ireland's Transport & Storage sector. Clare has the fourth highest share of employment in Transport & Storage of all counties in Ireland with Shannon fourth highest among Ireland's 200 towns and cities. With pre-clearance for US flights and direct connections to UK and European locations it is an important gateway for tourists to the region, as well as serving the business community of the Mid-West. In addition to transport activities at Shannon Airport, there is considerable and growing activity in ancillary and support activities for the aviation industry. Shannon plays a strategic national role in the transport sector and it is vital that government policy supports further expansion of this role.

Increased international air access via Ireland West Airport Knock is important to improve accessibility for the West and North West. This will reduce the need for residents in regional locations to avail of services at Dublin Airport which in turn will reduce journey numbers through an already congested Greater Dublin Area. Improved service levels are also needed to allow tourists to access the Western Region directly, especially for those international tourists who are on short breaks and do not want to spend time travelling via Dublin Airport.

The role of Ireland West Airport Knock and Donegal Airport is particularly important in addressing the challenges and opportunities arising from Brexit given the extent to which the region shares a border with Northern Ireland. There is the possibility to increase cargo handling activities at Ireland West Airport Knock.

The current National Aviation Policy (2015) was devised before publication of the National Planning Framework (2018) and there is an urgent need to review this policy to ensure that it supports a move away from the 'business as usual' approach of ever greater concentration of traffic at Dublin Airport and supports greater activity at other airports including those located in the Western Region.

Brexit

The haulage and logistics sector will be among those most affected by Brexit. Issues such as a hard border, customs checks, the 'land bridge' across the UK and many others will have a direct impact on the operation and costs of freight and haulage businesses. A total of 2,646 people work in road freight and warehousing/storage/cargo handling activities in the Western Region. Road freight is particularly important to total Transport & Storage employment in the border counties of Donegal and Leitrim. This sector in Donegal faces particular challenges as freight travelling to/from Dublin must cross the border with Northern Ireland twice, or alternatively take a longer route via Sligo, with clear time and cost implications.

The extent of the actual impact of Brexit is of course difficult to judge when the nature of Britain's withdrawal and the future relationship are not yet decided. However it is important that the impacts on the haulage sector be minimised as much as possible and that such firms are supported in their efforts to adapt. The Western Region's peripheral location and the role of the haulage sector in facilitating the operation of every other sector of the economy means this is of critical economic importance.

Opportunities in the logistics sector

Highly complex and integrated processes in manufacturing and retail, as well as other sectors, increasingly rely on sophisticated logistics operations which minimise the time and cost of distribution and supply. In addition, the growth of online retail has greatly increased demand for postal and courier services. This demand is predicted to continue to increase, although again Brexit is likely to have an impact on purchases from the UK.

Given its central location, Roscommon in particular has a relatively high level of activity in the logistics sector, while it is important across all counties. There is potential to further develop the logistics and distribution sector in the Western Region, taking advantage of emerging technologies. Adaption to a low carbon economy and reducing the carbon emissions associated with freight activities is another area of opportunity for the sector.

5.0 Conclusion

Transport & Storage plays an important role in the Western Region's economy, not only in terms of direct employment or enterprises, but more particularly because of the services it provides to businesses and individuals. The strength of a region's Transport & Storage sector has a direct bearing on regional accessibility and is particularly important for more peripheral regions such as the Western Region.

Transport & Storage however is sensitive to changing economic conditions which influence the level of demand from commercial clients as well as local residents and tourists. Brexit poses a significant threat to this sector and particularly to haulage activities. It is vital that this sector is supported to adapt.

Shannon Airport is already a strategic hub for Ireland's Transport & Storage sector and there is potential for this to be further developed, as well as increasing activity at Ireland West Airport Knock. In general, trends in online retail and manufacturing processes are increasing demand for logistics services, with the central location of Roscommon a key asset for the region.

Download **Transportation & Storage Sector in the Western Region: Regional Sectoral Profile** and ***WDC Insights:*** **Transportation & Storage Sector in the Western Region** here

For further information contact:

Pauline White
Policy Analyst
Western Development Commission
Ballaghaderreen
Co Roscommon
paulinewhite@wdc.ie
094 986 1441

Appendix 1: Population aged 15 years and over by detailed industrial group in the Transport & Storage sector NACE Rev 2 in Western Region 2011 and 2016

Detailed industrial group	Clare			Donegal			Galway City		
	2011	2016	% Change	2011	2016	% Change	2011	2016	% Change
Taxi operation	224	183	-18.3%	337	232	-31.2%	323	231	-28.5%
Other passenger land transport	171	189	10.5%	359	402	12.0%	107	107	0.0%
Freight transport by road	270	335	24.1%	379	517	36.4%	95	106	11.6%
Transport via railways	43	45	4.7%	6	10	66.7%	19	14	-26.3%
Water transport	42	57	35.7%	50	36	-28.0%	40	19	-52.5%
Air transport	310	441	42.3%	33	18	-45.5%	25	28	12.0%
Other transportation support activities	244	338	38.5%	31	36	16.1%	20	23	15.0%
Warehousing, storage & cargo handling	110	72	-34.5%	37	35	-5.4%	37	32	-13.5%
Service activities incidental to land, water & air transport	491	513	4.5%	81	92	13.6%	45	53	17.8%
Postal & courier activities	412	378	-8.3%	408	436	6.9%	165	160	-3.0%
Total Transport & Storage	**2,317**	**2,551**	**10.1%**	**1,721**	**1,814**	**5.4%**	**876**	**773**	**-11.8%**

Detailed industrial group	Galway County			Leitrim			Mayo		
	2011	2016	% Change	2011	2016	% Change	2011	2016	% Change
Taxi operation	371	240	-35.3%	37	27	-27.0%	154	112	-27.3%
Other passenger land transport	374	439	17.4%	51	50	-2.0%	224	234	4.5%
Freight transport by road	418	477	14.1%	82	108	31.7%	287	336	17.1%
Transport via railways	53	46	-13.2%	8	4	-50.0%	93	106	14.0%
Water transport	57	68	19.3%	1	5	400.0%	18	17	-5.6%
Air transport	102	69	-32.4%	7	6	-14.3%	25	68	172.0%
Other transportation support activities	48	86	79.2%	2	10	400.0%	17	33	94.1%
Warehousing, storage & cargo handling	83	108	30.1%	9	14	55.6%	23	56	143.5%
Service activities incidental to land, water & air transport	125	125	0.0%	18	19	5.6%	124	67	-46.0%
Postal & courier activities	509	572	12.4%	100	101	1.0%	351	404	15.1%

Total Transport & Storage	2,140	2,230	4.2%	315	344	9.2%	1,316	1,433	8.9%

Detailed industrial group	Roscommon			Sligo			Western Region		
	2011	2016	% Change	2011	2016	% Change	2011	2016	% Change
Taxi operation	104	64	-38.5%	114	89	-21.9%	1,664	1,178	-29.2%
Other passenger land transport	106	105	-0.9%	104	119	14.4%	1,496	1,645	10.0%
Freight transport by road	196	226	15.3%	172	174	1.2%	1,899	2,279	20.0%
Transport via railways	70	72	2.9%	39	33	-15.4%	331	330	-0.3%
Water transport	7	13	85.7%	8	9	12.5%	223	224	0.4%
Air transport	17	19	11.8%	29	13	-55.2%	548	662	20.8%
Other transportation support activities	19	34	78.9%	15	27	80.0%	396	587	48.2%
Warehousing, storage & cargo handling	7	16	128.6%	19	34	78.9%	325	367	12.9%
Service activities incidental to land, water & air transport	37	39	5.4%	36	35	-2.8%	957	943	-1.5%
Postal & courier activities	290	296	2.1%	218	196	-10.1%	2,453	2,543	3.7%
Total Transport & Storage	**853**	**884**	**3.6%**	**754**	**729**	**-3.3%**	**10,292**	**10,758**	**4.5%**

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011

Appendix 2: Population aged 15 years and over employed in Transport & Storage in western towns 2011 and 2016

Towns	2011		2016		% Change 2011-2016
	No. Employed	% of Total Employment	No. Employed	% of Total Employment	
Galway City and suburbs	893	2.8%	792	2.2%	-11.3%
Ennis	481	4.9%	488	4.6%	1.5%
Letterkenny	169	2.3%	162	2.1%	-4.1%
Sligo	185	2.6%	166	2.3%	-10.3%
Castlebar	87	1.8%	83	1.7%	-4.6%
Ballina	87	2.2%	82	2.3%	-5.7%
Shannon	380	9.6%	451	10.8%	18.7%
Tuam	98	3.3%	99	3.0%	1.0%
Buncrana	59	2.8%	57	2.4%	-3.4%
Ballinasloe	64	2.9%	59	2.6%	-7.8%
Westport	43	1.7%	57	2.0%	32.6%
Roscommon	46	2.2%	48	2.1%	4.3%
Loughrea	48	2.5%	46	2.0%	-4.2%
Oranmore	93	3.7%	74	2.9%	-20.4%
Ballybofey-Stranorlar	57	3.7%	60	3.6%	5.3%
Athenry	52	3.1%	56	2.9%	7.7%
Carrick-on-Shannon	35	2.1%	33	1.9%	-5.7%
Claremorris	44	3.1%	44	2.8%	0.0%
Gort	18	1.7%	26	2.1%	44.4%
Ballinrobe	26	2.4%	20	1.8%	-23.1%
Kilrush	29	3.6%	38	4.7%	31.0%
Sixmilebridge	86	8.4%	94	8.1%	9.3%
Donegal	19	1.9%	23	2.1%	21.1%
Boyle	26	3.1%	18	2.2%	-30.8%
Carndonagh	15	2.3%	14	1.8%	-6.7%
Ballyhaunis	29	3.5%	19	2.2%	-34.5%
Ballyshannon	23	2.9%	19	2.4%	-17.4%
Bearna	19	2.3%	18	2.0%	-5.3%
Castlerea	23	3.6%	32	4.7%	39.1%
Tubbercurry	23	3.5%	17	2.5%	-26.1%
Bundoran	12	1.7%	15	2.0%	25.0%
Ballaghaderreen	16	3.0%	20	3.4%	25.0%
Newmarket-on-Fergus	79	10.7%	77	9.5%	-2.5%
Strandhill	18	2.4%	13	1.6%	-27.8%
Moycullen	21	3.0%	18	2.4%	-14.3%
Lifford	21	4.8%	20	4.3%	-4.8%
Collooney	N/A	N/A	21	3.2%	N/A
Clifden	25	2.8%	13	1.9%	-48.0%
Ballymote	15	2.7%	14	2.6%	-6.7%
Convoy	N/A	N/A	17	3.5%	N/A

Source: CSO, Census 2016: Profile 11 – Employment, Occupations and Industry, Table EB030