



Industry Employment in the Western Region

This *WDC Insights* summarises key findings from 'Industry in the Western Region: Regional Sectoral Profile', the fourth in a series of reports analysing employment in economic sectors in the Western Region. Here the focus is on the Western Region.¹ Industry is the region's largest employment sector. It includes mining, utilities and waste management but by far the largest element is manufacturing.

Employment in Industry in the Western Region

According to Census 2016, 45,754 people work in Industry in the Western Region. Of everyone working in Industry in Ireland, 19.9% live in the region, notably greater than the region's share of total national employment (16.6%).

Industry's share of total employment has changed considerably over the past two decades. In 1996 Industry accounted for 21% of total employment in the Western Region, by 2016 it was down to 13.7% (the region's largest employer). While Industry's share nationally was quite similar in 1996 (20.4%), by 2016 it only accounted for 11.4% of state employment. Industry therefore plays a greater role in the Western Region's labour market.

The sector's importance as an employer has declined more among women than men. In 1996, 21.7% of all working men in the region and 19.7% of all working women were employed in Industry. By 2016 the shares had dropped to 17.8% and 9% respectively.

Assisted jobs in Industry

In 2017, there were 49,435 assisted jobs in Industry in the Western Region.² Over the past decade, they reached a low point in 2010 (38,000) but have grown since. Despite the fluctuation in numbers, Industry's share of total assisted jobs (Industry + Services) remained extremely stable in the region at around 75%. In contrast, there has been a steady decline in Industry's position nationally from 64.2% of all assisted jobs in 2008 to 55.6% by 2017 as the role played by international services expanded strongly.

Of total assisted Industry jobs in 2017, 55.1% were in foreign owned companies in the region, a substantially higher share than nationally (45.3%). Foreign owned companies' share increased during the early years of the recession and the recovery further reinforced their position. At 96.8% of jobs, MedTech has the highest level of foreign ownership. All assisted jobs in Mining & Quarrying and practically all in Clothing & Textiles are in Irish owned firms.

Employment in industrial sub-sectors

Medical & Dental (MedTech) is the largest industrial activity in the Western Region accounting for 27.7% of total Industry employment, more than twice the sector's share nationally (Fig. 1). In total, 45.7% of all MedTech jobs in Ireland are based in the Western Region.

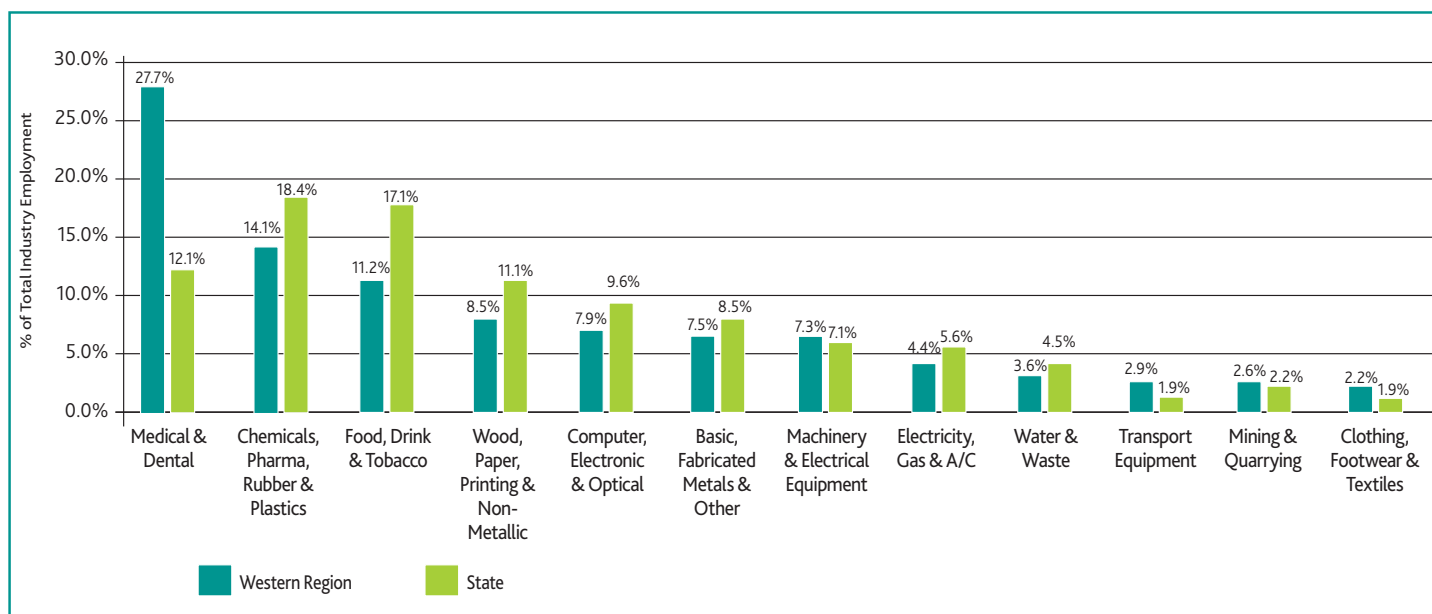
The region's next largest is Chemicals, Pharmaceuticals, Rubber & Plastics, which is the largest industrial sub-sector in Ireland. In third place is Food, Drink & Tobacco (Agri-food), however its share in the region (11.2%) is considerably smaller than nationally (17.1%), partly due to strong concentration in other regions e.g. South East.

1. *WDC Insights: Industry Employment in Western Counties* examines the seven individual western counties. All publications available at <https://www.wdc.ie/publications/reports-and-papers/>

2. Department of Business, Enterprise & Innovation (DBEI), Annual Employment Survey 2017. A survey of all firms in Ireland who have ever received support from IDA Ireland, Enterprise Ireland or Udarás na Gaeltachta.



Fig. 1: Percentage of total Industry employment in each sub-sector in Western Region and state, 2016



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

Key Policy Issues

Industry plays a considerably greater role in the region's economy and labour market than nationally. Its performance, and future trends in manufacturing, will have a greater impact in the region. Given the growing role of services nationally, and increasing policy focus on attracting and growing international services, it is vital that manufacturing's central role in the Western Region's economy is fully recognised and supported in policy decisions. There also needs to be a strong focus on developing new growth areas to increase industrial diversification.

The region has a higher reliance on foreign owned firms. Global developments which impact on the extent and nature of foreign owned investment in Ireland would have very significant knock-on impacts on the regional economy, not only for direct jobs in foreign owned manufacturing, but also Irish owned sub-suppliers.

Digital transformation poses a threat to certain jobs but also creates new occupations and activities. Manufacturing has already evolved substantially and adopted many digital technologies. Processing and operations jobs, especially manual work e.g. packing, are now most at risk from automation. It is estimated that the Midlands and Border have the highest proportion of their workforce at a high or medium risk from automation.³ Upskilling of the current industrial workforce should be a key regional priority.

The nature of work and skills needs are changing. The share of jobs that are permanent full-time is declining and it is important that policy adapts to ensure that the rights and obligations of individuals and employers are clearly outlined and protected, for example in relation to training and upskilling. Industry's skill needs are changing with areas of current demand including science and engineering, craft skills and operatives with digital skills.⁴ As Ireland's manufacturing sector continues to evolve there will be growing demand for STEM qualifications.

For more detailed analysis see 'Industry in the Western Region: Regional Sectoral Profile' <http://www.wdc.ie/publications/reports-and-papers/>

3. SOLAS and National Skills Council (2018), [Digital Transformation: Assessing the Impact of Digitalisation on Ireland's Workforce](#)

4. SOLAS and National Skills Council (2018), [National Skills Bulletin 2018](#)