

Blueprint for Investing in the West

Promoting Foreign Direct Investment in the West

October 1999



Table Of Contents

Foreword	5
1. Introduction	7
2. The Need For Change	11
3. Why Invest In The West?	17
4. A Spatial Investment Strategy For The West – Investment Locations	23
5. Implementing A Spatial Strategy For FDI In The West – What Needs To Be Done?	27
6. Summary Of Recommendations	35
References	37
Appendices	
Appendix 1 WDC Recommendations on Road Infrastructure	39
Appendix 2 WDC Recommendations on Environmental Infrastructure Projects	45
Appendix 3 Summary of WDC Proposals for Inclusion in Public Capital Programme 2000-2006	49
Appendix 4 List of Employment Development Sites in Public Ownership in the Seven Western Counties	51

Foreword

In April 1999 the Western Development Commission (WDC) published *Blueprint for Success*, a costed, prioritised plan covering all the main programmes for western economic development which it recommended for inclusion in the new National Development Plan 2000-2006. Now, in this publication, the WDC focuses on the biggest driver of economic development which was highlighted in the earlier report – foreign direct investment. Specifically, *Promoting Foreign Direct Investment in the West* establishes what needs to be done to achieve a greater level and spread of foreign direct investment in the West.

Overseas investment has been the engine of recent growth in the Irish economy; the creator of over 100,000 jobs; the means by which industrial technology, marketing and management skills are transferred to Irish industry; and a source of market and joint venture opportunities for indigenous companies. At national level net industrial output grew by 12.7 per cent per year between 1991 and 1996, largely as a result of such investment. However, this contrasts starkly with the situation in the seven western counties, where net industrial output grew by only 3.7 per cent annually for the same period.

The slower rate of growth is directly linked to a failure to attract significant foreign investment into the West. Of the 31,501 jobs that came to Ireland between 1991 and 1997, only 3,080 came to the West. Most of these jobs (1,983) were created in Galway city; in fact, only 1,097 jobs resulted from foreign investment in the remainder of the entire seven western counties. If the commitment to balanced regional development is to be realised then the major driver of Irish economic growth must have a wider spatial impact and a key criterion of successful industrial policy must be its capacity to disperse foreign investment so as to address regional disparities.

There are many reasons to be optimistic about the prospects of accelerating investment in the West. While the recent growth rates in the region have been comparatively slow, a proven track record of successful overseas investment has, nonetheless, been established. Over 130 overseas companies are located in the West, and many of them are in smaller urban locations. In this report we highlight some of these – 2 R Kunststofftechnik in Tobercurry; Baxter Healthcare in Castlebar; Sterling Fluid Systems in Letterkenny; Logstrup in Tuam; Harmac Medical Products in Castlerea and Donnelly Vision Systems in Manorhamilton.

The West has a workforce of 225,744 people as well as an additional potential workforce of women, part-time farmers and immigrants seeking entry to the labour market. There is an available industrial landbank of almost 2,000 acres in the seven counties; a unique quality of life; special commercial and residential tax incentives in certain areas; and from 2000, there will be a higher rate of grant support in the region. In addition, companies locating in the West will be able to avail of a national corporation tax rate of 12.5 per cent; a rapidly improving telecommunications network; and an ongoing improvement in other physical and communications infrastructure.

In this report *Promoting Foreign Direct Investment in the West*, the WDC recommends a range of policy initiatives which would accelerate the level and spread of foreign direct investment. These include: a deliberate spatial strategy of targeting a range of smaller towns which are identified in this report; exchequer and EU investment of £1.3bn in priority infrastructure; a rapid development of the broadband telecommunications network; the promotion of the West as an attractive place in which to invest; and a clearer understanding and presentation of labour force availability.

The Western Development Commission proposes targeting a minimum average annual growth in foreign direct investment employment of eight per cent in the West between 2000 and 2006, which would result in 2,100 jobs per year. This target represents just three-quarters of the rate already achieved in Dublin in recent years.

Accelerating the rate of foreign direct investment is fundamental to the success of western development. This report provides the blueprint for achieving this by identifying key regional locations, priorities and targets that need to be addressed urgently by government and a range of institutions. It provides a practical basis for encouraging private sector investment and partnership which can offer enormous potential for a range of towns across the West.

The Western Development Commission wishes to express its appreciation for the support of its Manufacturing and Services Sector Council in preparing this report. The Commission also gratefully acknowledges the inputs of 180 local groups across the region, the case study participants, the seven local authorities and, in particular, the IDA for its co-operation throughout the process.

Sean Tighe

Sean Tighe
Chairperson
Western Development Commission

1. Introduction

The Western Development Commission was formally established as a statutory body on February 1, 1999. The general functions of the Commission are to promote, foster and encourage economic and social development in the Western Region, comprising the seven counties of Donegal, Sligo, Leitrim, Mayo, Galway, Roscommon and Clare. The Commission is expected to work in co-operation with the national, regional and local bodies, to foster and encourage their activities and to make proposals for their further co-ordination.

In April 1999 the Western Development Commission published its development plan *Blueprint for Success: A Development Plan for the West 2000-2006*¹. The Plan is based on extensive new and detailed analyses of recent economic and social development in the seven western counties that revealed, inter alia, that the region has fallen significantly behind the more developed parts of Ireland. There are many reasons for this but a key factor is that, with the exception of Galway city, the West has a poor record of attracting inward investment.

Foreign direct investment (FDI) is widely acknowledged to have been one of the key engines of economic development in Ireland during the past three decades. Over the period 1978-98, when employment in manufacturing industry across the European Union fell by 20 per cent, the numbers employed in foreign-owned firms in Ireland increased by 26 per cent². Foreign-owned firms accounted for over three-quarters of total net output and nearly half (47 per cent) of all employment in the manufacturing industry in Ireland in 1996. However, although FDI has been a major driver of Ireland's impressive growth pattern of recent years, the benefits of overseas investments have not been evenly spread across the country. The Western region lags behind in terms of growth in industrial output and employment, and jobs in the region are heavily dependent on traditional sectors such as textiles, wood and food.

Blueprint for Success clearly identified the need to attract inward investment to the West both to deliver quality jobs and to diversify the industrial base. It recommended a radical change in policy involving an integrated strategy to widen the distribution of economic growth to predominantly rural regions such as the West. This involves accepting the fact that, although very large overseas investment will in general continue to locate in or near major cities, it is appropriate to encourage small and medium sized FDI to smaller towns.

In this context, the Western Development Commission believes that it is critical:

1. to identify the factors which influence overseas investors to locate in the region and its strengths in this context;
2. to demonstrate that there is a significant number of appropriate sites for industrial development outside of the larger centres; and
3. to indicate what needs to be done to ensure that the possibilities for dispersal are maximised.

¹ The plan was prepared for the Western Development Commission by Indecon International Economic Consultants.

² See Ruane and Gorg (1999)

This Report focuses on these three points, and in producing it the Western Development Commission seeks to:

- Promote and foster FDI in the region by highlighting the strengths of the West as a location for investors and identifying appropriate investment sites
- Support the work of development agencies, particularly the IDA
- Recommend infrastructure changes in order to facilitate and promote inward investment
- Identify ways of improving the institutional arrangements for supporting FDI in the region.

The report is based on extensive research and consultation carried out by and for the Western Development Commission during 1998 and 1999³ in conjunction with its Manufacturing and Services Sector Council. The Manufacturing and Services Council has the objective of assisting the Western Development Commission to identify ways of increasing both indigenous and foreign investment in the region. It comprises members of the relevant national and local development agencies, and regional industry representatives, and is one of five sector development councils established by the Commission to help formulate new and improved policies for western regeneration.

The research and consultative process had several elements which included

- Review and analysis of inward investment in the region up to 1998
- Identification of the location requirements of inward investors
- Identification of case study examples of foreign companies that have located in the West
- Detailed “audits” of each of the seven western counties. This involved desk research, consultation with statutory agencies and a series of seven county workshops involving statutory bodies, the private sector and community groups. Over 180 groups and the seven local authorities were involved in the consultation process. All county data were verified by either the county manager or county secretary in each county
- On the basis of the foregoing, the identification of a list of suitable locations for inward investment together with key investment criteria.

³ Much of this work was carried out for the WDC by PA Consulting Group. The report also draws on analysis carried out by Indecon as part of *Blueprint for Success, A Development Plan for the West 2000-2006*.

2 R Kunststofftechnik, Tobercurry, Co. Sligo

2 R Kunststofftechnik located in Tobercurry, Co. Sligo in May 1998. The company, which is a subsidiary of a Germany multinational, manufactures injection moulded parts for the automotive industry. Eight people are currently employed and the company hopes to expand to 15 by the end of next year. The main customers include BMW and Rover. Products are ordered through head office and shipped via freight forwarders to Germany on a weekly basis. To date local transport services are regarded as excellent.

The main reasons for locating in Tobercurry were:

Availability of good quality advance building – The availability of a good quality advance building with development potential meant that the company could be up and running in a number of weeks. The company is now in negotiation with the IDA to purchase the property outright. A major expansion of operations is planned for next year.

Low Corporate Tax Rate – This was a major factor in the company's decision to locate in Ireland.

Availability of Skilled Management – The availability of a skilled management team was also a factor in the location decision.

Availability of local workforce – The availability of a local loyal workforce was key to the investment decision. The company finds its employees to be loyal, and to have a good work ethic. This, they say, contrasts with the general pattern in Germany where companies have a high turnover of staff. The company expects to recruit more local employees, who will probably reside within 15-20 minutes commuting distance of the plant.

Funding – The level of grant aid was also a factor in the decision process.

The company says it is very satisfied with the decision to locate in Tobercurry and is planning to develop as the major supplier to Rover, United Kingdom.



2. The Need For Change

Key Economic Indicators

To date much has been achieved by existing agencies in the region. Nevertheless, the seven western counties combined are lagging behind the rest of the country in terms of industrial development and associated job creation. Key indicators of industrial development in the region are summarised in Table 1.

TABLE 1 Key Economic Indicators

Key Economic Indicator ⁴	Period	Seven Western Counties	Ireland	Leinster	Dublin
% of net industrial output in Ireland	1991	14.6	100	–	24.5
	1996	9.6	100	–	28.4
Net industrial output: % average annual growth	1991-96	3.7	12.7	–	16.1
Net industrial output per unit	1996	£2.3m.	£4.1m.	–	£4.3m.
Gross industrial output per worker	1995	£95,021	£152,224	–	£157,230
Average annual wages and salaries per employee	1996	£13,086	£16,395	£15,859	£18,422
Average industrial wage per industrial worker	1996	£11,616	£14,341	£13,190	£16,179

These figures indicate that, in the western region:

1. The industrial base is very small and, as a proportion to the rest of the country, net industrial output is shrinking.
2. Average yearly growth in industrial output over the period 1991-1996 was just 3.7 per cent compared to the national average of 12.7 per cent.
3. Industrial units are smaller in the western region as measured by the value of output.
4. Productivity as measured by gross output per worker was 60 per cent of the national level.
5. Wages and salaries lag seriously behind those prevailing in other parts of Ireland; industrial wages average 72 per cent of the national level.

The Role of Foreign Direct Investment

As pointed out in the Introduction, foreign direct investment has a major role to play in the economic development of the western region. Foreign-owned companies employ 18,653 persons in the region and 107,493 nationally⁵. The authors of the recent ESRI National *Investment Priorities for the Period 2000-2006* point out that

A steady influx of new non-indigenous manufacturing and internationally traded services and the expansion and deepening of such companies already established in Ireland are essential to the process of trying to meet Ireland's employment and development needs⁶.

⁴ Source: C.S.O. and I.D.A. 1998

⁵ Forfas 1998, Employment in I.D.A. supported companies 1997.

⁶ FitzGerald, et al. 1999 p. 227.

FitzGerald and his colleagues argue that FDI is a source of both direct and indirect productive employment; it helps to transfer industrial technology, marketing and management skills to Irish industry; it is a source of additional capital investment; and a means of providing significant market opportunities for indigenous industry. Its importance goes beyond the direct employment it creates because it also has an indirect effect on domestic employment and wealth creation.

It was clear from Table 1 that the industrial development of the western region is lagging behind the rest of the country. During the 1990s, the seven counties have not benefited proportionately from mobile investment into Ireland as is evident from Table 2 below.

TABLE 2 Employment and Job Creation in IDA supported companies⁷

	Period	Seven Western Counties	Ireland	Leinster	Dublin
IDA supported net new job creation	1993-97	3,459	28,828	20,290	13,375
IDA supported net new job creation % share	1993-97	12.0	100	70.4	46.4
Employment in IDA backed companies: % increase	1993-97	22.8	36.6	55.1	67.1

Only 12 per cent of net new IDA-supported jobs in the period 1993-1997 were located in the western counties, even though in 1996 the region accounted for 17 per cent of the labour force. Employment growth in IDA-supported companies between 1993 and 1997 was well below average in the West at only 23 per cent, compared to an increase of 55 per cent in Leinster and two thirds in Dublin.

When we look at the situation within the region it is clear that the one exception to the generally poor performance is Galway city, which has attracted the vast bulk of IDA-supported jobs to the region during 1993-97 (Table 3).

TABLE 3 IDA supported Net New Job Creation and Employment by County⁸

County/Region	1993	1994	1995	1996	1997	Net cumulative job creation 1993-97	% change in employment 1993-97
Donegal	174	247	129	-287	-65	198	0.6
Sligo	67	162	92	100	121	542	23.7
Leitrim	2	-49	-15	23	-67	-106	-24.9
Roscommon	55	71	60	234	74	494	77.2
Mayo	81	228	110	-189	-242	-12	-3.6
Galway	-601	166	648	651	1,119	1,983	55.2
Clare	-157	100	11	17	10	-19	13.8
The West	-379	925	1,035	549	950	3,080	22.8
Ireland	2,673	4,977	6,527	7,350	9,974	31,501	36.6
Leinster	1,577	3,357	4,083	5,056	7,794	21,867	55.1
Dublin	661	1,640	2,659	3,825	5,251	14,036	67.1

⁷ Source: Forfas 1998.

⁸ Source: Forfas 1998, First six columns indicate actual net job creation by companies recovering their workforce from earlier cutbacks, as opposed to job announcements. Final column refers to all employment in IDA-supported companies.

County Galway managed to secure 1,983 of the 3,080 jobs that came to the region during 1993-1997. The majority of these jobs are concentrated in Galway city⁹. Employment in Galway increased by 55 per cent over the period, matching the employment growth achieved in Leinster.

Size of Projects

It is important not only to examine the quantity of foreign direct investment the West has attracted but also the size of these projects in order to establish the type of investors who have come to the region. An analysis of IDA new project announcements in 1997 and 1998 by project size is shown in Table 4.

TABLE 4 IDA New Project Announcements by Employment Size 1997, 1998¹⁰

County/Region	No. of Projects in each job size category					Total
	0-49	50-99	100-149	150-199	200+	
Donegal	0	0	0	0	0	0
Sligo	0	1	0	1	0	2
Leitrim	1	1	0	0	0	2
Roscommon	0	0	1	0	0	1
Mayo	0	0	1	0	0	1
Galway	2	1	0	2	0	5
Clare	0	0	0	0	1	1
The West	3	3	2	3	1	12
Rest of Ireland	8	5	13	4	21	51
Dublin	8	6	6	5	14	39
Ireland	19	14	21	12	36	102
West as % of Ireland	15.8	21.4	9.5	25.0	2.8	11.8
New jobs in each category Ireland	<i>670</i>	<i>962</i>	<i>2,298</i>	<i>1,905</i>	<i>18,041</i>	<i>2,3876</i>

A total of 102 projects were announced in these two years involving nearly 24,000 new jobs. Only 12 of these were located in the western counties. Only one project announced for the West envisaged creating more than 200 jobs which represents 8 per cent of project announcements; whereas the corresponding proportion nationally was 36 per cent. These data indicate that the West has tended to attract the smaller projects with less than 200 jobs. However 41 per cent of the IDA announcements in the rest of Ireland (excluding Dublin) were for projects in the 200+ bracket.

Analysis of announcements of expansion projects by IDA-supported companies for the same years¹¹ revealed that only three of the seven counties had expansion announcements. Nine of the 53 expansions announced nationally were located in counties Galway, Mayo and Sligo. The vast bulk of the jobs (2,575 out of 3,198) were scheduled for Galway. A similar pattern was evident when start-ups were analysed. Of the 202 start-ups across the country in 1997/98, just 24 (12%) were located in the West while 109 were in Dublin and 69 in the remainder of the country. Only three of the projects started in the western region employed more than 50 people, confirming the region's tendency to attract smaller projects.

⁹ While the table does not indicate the dispersion of net new jobs within Galway, IDA company announcements in both 1997 and 1998 indicate a concentration on Galway city with 2,913 announced in the city as opposed to only 75 in the county over that period.

¹⁰ Source: IDA 1998.

¹¹ See *Blueprint for Success* p. 70.

Examination of the level of financial support provided to foreign-owned firms by the IDA showed that just 12 per cent of grants in 1997 went to companies located in the West and 85 per cent of these went to Galway¹². The concentration of grant aid to Galway intensified during the 1990s from 28 per cent of the total in 1993 to 85 per cent in 1997.

All of this suggests a need to concentrate attention on targeting smaller overseas investment projects to the West. Otherwise, even increased policy emphasis on the regional spread of investment may merely attract more investment to cities such as Galway. While recognising and acknowledging Galway's success in attracting investment, it is important to ensure that future investment in the regions is more dispersed. Diseconomies associated with rapid growth have the potential to threaten the sustainability of the recent growth in the Irish economy. Examples include: very significant costs associated with increased travel times and other effects of traffic congestion; escalating house prices and the attendant economic and social consequences; increased demand for employees resulting in some skill shortages and increases in labour costs.

¹² See *Blueprint for Success* p. 72..

Investment in the West – Case Study 2

Baxter Ireland, Castlebar, Co. Mayo

Baxter International Incorporated of Illinois, USA, was founded in 1931. It is one of the world's leading producers and distributors of healthcare products and technologies for blood and circulatory system disorders. Baxter employs 42,000 people in over 100 countries.

Baxter Ireland, established for almost thirty years, employs 610 people at Castlebar and 160 people at Swinford. It is already a major contributor to the local and national economy, spending approximately £44 million annually on wages, raw materials and services.

At the Castlebar facility, a £24.2 million investment, announced in May 1999, will result in the creation of 220 jobs and the upgrading of the existing operation and the installation of new state-of-the-art technology, called Clearflex. Clearflex is a new manufacturing process for dialysis solutions. The Castlebar plant will become the company's centre of excellence for renal solutions for kidney dialysis treatment, supplying the entire European market with Clearflex products. To accommodate the expansion at Castlebar, Baxter is to purchase an adjacent 41,000 sq. ft. building, while at the existing facility a 10,000 sq. ft. extension will be constructed and significant modifications carried out. While the new Clearflex manufacturing process will be based in Castlebar, Baxter has also invested £5 million at its Swinford plant in a purpose-built manufacturing unit to supply the Japanese market. The facility produces medical accessories for renal therapy and vein access.

The main reasons for establishing in Castlebar were:

Location – This location meant that they had access to a cluster of other companies manufacturing healthcare and medical devices in the western region as well as all of their major Irish, European and Japanese customers.

Availability of Site – The availability of a significant development site was a factor in their decision.

Skilled Workforce – The availability of a skilled workforce within the area. The ability of the workforce to offer excellent customer service and to adapt to changing market trends is critical to the success of the Castlebar location.

Funding – The level of grant aid, especially the level of support in capital grants from the IDA, was a factor in the decision process.

Low Rate of Corporation Tax – The corporate tax rate was and will continue to be an incentive to locate in Ireland.

If Baxter Ireland is to continue to be successful, labour cost competitiveness must be maintained. In the 1970's Baxter were more labour cost competitive than their internal competitors in other countries. However this cost competitiveness was eroded during the 80's. Major improvements in production and automation in the late 80's and 90's have helped Baxter Ireland remain competitive. However at this time Ireland is less labour cost competitive than Spain and in line with the U.K. and Belgium operations. Baxter executives are critical of the road infrastructure particularly in relation to the movement of people. The development of Knock Airport and increased scheduled flights would help to alleviate this problem. Baxter has stated that the telecommunications infrastructure is adequate for present requirements.



Promoting Foreign Direct Investment in the West

3. Why Invest In The West?

Investment Opportunities

International experience has pointed to a variety of factors that influence investors' decisions to locate in a particular area.

Key determinants include:

- availability of suitable development sites;
- appropriate communications structures;
- ease of access;
- quality and availability of infrastructure and services;
- availability of skilled labour;
- quality of life in chosen location; and
- range of financial assistance and support services.

The relative importance of these factors can vary according to the nature, size and sector of the potential investment. For example, a supply of skilled labour is relatively more important in the Software and Electronics sectors than in Manufacturing. Similarly the existence of a high quality telecommunications infrastructure is more important in the teleservices and pharmaceuticals sectors than in engineering, and the availability of local sources of sub-supply can be more important in some sectors than others. However, due to global competition for investment, certain standards are required to ensure the interest of potential investors from overseas. Although the decision to invest in an area is a complex one, the absence of any basic requirements can place an area, such as the western region, at a distinct disadvantage relative to other areas in Ireland and abroad.

The Key Strengths of the Region

Before turning to the issues that need to be addressed in order to enhance the western region's attractiveness as a location for FDI, it is important to set out the key strengths of the region as a location. To some extent, the West's rural and peripheral image has tended to obscure its many strengths as a base for industrial development. Five key advantages of the region can be identified.

A Proven Record and Supportive Environment

Firstly, the West has a track record in industrial development. In 1998 it had 134 IDA assisted companies (representing 18,653¹³ jobs), and a wide variety of local indigenous firms, exporting to all parts of the world. The case studies in this provide evidence of the diversity and strength of the firms involved. From 2000 onwards investment will be further encouraged and strengthened by the availability of financial support associated with the Objective 1 status of six of the seven counties. In addition, inward investors are guaranteed a 12.5 per cent corporate tax rate, agreed with the EU, until 2025. There is a strong network of local support mechanisms in the region, with more than 500 people working in local economic development (e.g. LEADER companies, Local Development Partnerships, County Enterprise Boards, and other locally based development organisations).

¹³ Source: Forfas

Good Potential Workforce

Secondly, given the current and anticipated skill shortages in many of the more developed parts of the country, potential investors can draw on a considerable pool of workers, many of whom are young and well-educated. In 1999, almost 6,600 students will have graduated from colleges and universities located in the seven western counties. In 1998 the region accounted for more than 2,200 FAS trainees and a further 8,800 were participating in employment schemes. The region has a total population of 657,231 people, a workforce of 225,744¹⁴ and in April 1999¹⁵ there were 40,000 on the Live Register. There are probably a considerable number of women working at home who, while not formally registered as unemployed, are available for suitable employment. Indeed, during the 1990s the growth in the numbers of women in the workforce in the seven western counties has been quite striking and in line with the national average, increasing by 22 per cent between 1991 and 1996, compared to an increase for males of just five per cent. The sharp differential between the sexes is mainly due to women's increased participation in the workforce. Given the high rate of emigration from the West for many decades, it is likely that there is also a pool of emigrants who may be induced to return to the region, as evidenced by one of the case study examples.

Available and Affordable Development Sites

Thirdly, limited availability of suitable, affordable development sites has become a real issue in many of Ireland's more established industrial centres, with the high cost of land and buildings inhibiting potential investment. The West has over 2,000 acres of land and 400,000 square feet of advance building space currently available, much of it in public ownership, enabling it to offer investors a viable and cost effective alternative.

Quality of Life

Fourthly, the region has considerable strengths as regards quality of life, with a clean environment, quality educational facilities, cost-effective housing, a low crime rate, a vibrant cultural heritage, and a wealth of leisure pursuits. Increasing in-migration to the region in recent years provides evidence of the willingness of many people to relocate provided suitable employment is available.

Commercial and Residential Tax Incentives

Fifthly, part of the region benefits from the new Tax Reliefs for the Upper Shannon region. The scheme is targeted at all of the counties of Longford and Leitrim and parts of counties Cavan, Roscommon and Sligo, based on District Electoral Divisions, broadly covering south Sligo, north Roscommon and west Cavan. The incentives consist of accelerated capital allowances in respect of expenditure on the construction or refurbishment of industrial and commercial buildings. Reliefs are also available for expenditure on owner occupied accommodation and on rented residential accommodation where the lease is for a minimum of three months and the accommodation is used as the sole or main residence of the lessee throughout the period of the lease. Under the 1999 Urban Renewal Scheme the towns of Shannon, Ballina, Bunrana, Sligo and Tuam will benefit from the availability of residential and commercial tax incentives. In addition a recently announced tax scheme will benefit a significant number of towns with populations between 500 and 6,000. In total 38 towns within the region are eligible for inclusion in this scheme.

¹⁴ Source: CSO, Census 1996

¹⁵ Source: CSO, Live Register May 1999.

Sterling Fluid Systems, Letterkenny, Co. Donegal

Sterling Fluid Systems has recently announced that it is to open a new communications centre in Letterkenny, Co. Donegal. Sterling Fluid Systems is a leading global supplier of fluid handling solutions, employing approximately 3,500 people and ranking in the top echelon of pump companies in the world. The new IT centre being established in Letterkenny, Co. Donegal will eventually create 16 new jobs (currently 4 are employed) and further increase the technology base in the area. It will provide communication and information technology (IT) support to more than 50 Sterling locations around the world. In particular, the centre will focus on technologies aimed at providing customers with access to the full range of skills, resources and products available from Sterling's global operation. Sterling is currently using a 128kb/s lease line that will be connected directly to a service provider. This communications capability will have to be considerably expanded to meet the growing demands on the network from employees and customers.

The main factors that influenced the location decision were:

Existing contacts within the region – Sterling was already familiar with the Letterkenny area, having worked successfully with a local software company for a number of years.

Availability of skilled workforce – One of the main factors that led Sterling to choose Letterkenny as the location for this strategically important new centre was the proximity of the Letterkenny Institute of Technology with its potential pool of skilled people.

Availability of Broadband Telecommunications Infrastructure – The availability of economical and effective global communications was essential to the location of this project.

Support of IDA Ireland – The level of grant aid and other support from IDA Ireland also influenced the decision.

Factors Influencing Investment - The Needs of Investors

In order to explore the region's suitability for inward investment, the Western Development Commission has assessed the factors that are important to investors' location decisions. In Table 5 investors' assessment of the relative importance of a range of factors is outlined. These are based on a survey of IDA supported companies undertaken by Indecon for the WDC.

Table 5 Factors Which Influence Investment Decisions of Overseas Investors

Investment Factors	Score on Indecon Survey ¹⁶
Broadband Telecommunications	79
Availability of skilled labour force	77
Access to ISDN Telecommunications	72
Cost Base	72
Quality of life & access to leisure facilities	71
Airport < 50 miles	65
Advance Building	64
Availability of a large local labour force	58
Availability of Development Site	50
Financial incentives & other supports	50
Quality of National Road Network	50
Quality of Road infrastructure to rest of Ireland	43
Proximity to a city of 30,000+ population	42
Proximity to other firms in same industry	42
Proximity to large town (3,000 – 30,000 population)	39
Proximity to sub suppliers	36
Third Level Education	35
Direct Rail Access	28

In the Indecon survey considerable differences emerged between companies in Galway and elsewhere in the West in terms of the weights attached to various factors. For instance, only 17 per cent of firms surveyed outside Galway considered availability of a highly skilled local labour force as being essential, as against 43 per cent in Galway. Similar differences were evident in the importance attached to the availability of high standard telecommunications and ISDN services. However, these patterns are not surprising when one considers that a much higher proportion of firms surveyed in the Galway area were engaged in high-tech activities where these factors are obviously more important.

¹⁶ This figure represents the percentage of respondents who stated that the particular criterion was *essential* or *very important* to the choice of location within Ireland. This survey was conducted by Indecon in 1999 on a sample of I.D.A. supported companies in Galway, Sligo, Leitrim and Roscommon. 25 companies were contacted for this survey and 14 responded. The companies were asked to complete two tables. The first requested their assessment of the importance of various factors influencing their location within Ireland i.e. why they located in one part of Ireland as opposed to other areas. The second table requested each company to provide an assessment of how Galway compares to other parts of the West on range of location factors.

The results of the second element of Indecon's survey of overseas companies - relating to companies' assessment of Galway versus other parts of the West in terms of various location factors - are presented in Table 6. This shows the percentage of firms giving an excellent or good rating to Galway on the various factors versus the ratings for other parts of the western region. Not surprisingly, Galway scores very highly on a number of counts. All the firms surveyed rated Galway as either excellent or good on the following factors: the level of grants and other financial supports, proximity to a city with a population of 30,000+; proximity to a university or third level institution; the availability of high quality telecommunications; and access to ISDN services.

The ratings for other parts of the West drop substantially compared with those for Galway. Of particular note are the very low ratings given to other parts of the region in relation to the factors such as the quality of road infrastructure to Dublin and local availability of international flights.

Table 6 Indecon Survey of IDA Supported Companies in Galway, Sligo, Leitrim, Roscommon and Donegal – Rating of Location Factors

Areas rated by companies	Galway	Other West
Level of Grants and Other Financial Supports	100	80
Cost Base	38	70
Availability of a large local labour force	75	64
Availability of Highly Skilled Local Labour Force	88	55
Proximity to a City with a population of 30,000+	100	40
Proximity to a large town or city of 3,000 to 30,000	100	82
Proximity to Other Firms in Same Industry Sector	86	60
Proximity to a University or third level institution	100	40
Quality of Road Infrastructure to Dublin	50	18
Quality of Road Infrastructure to other parts of Ireland	25	27
Proximity to sub suppliers	86	60
High quality Telecommunications Infrastructure	100	82
Access to ISDN Telecommunications	100	89
Availability of Vacant Industrial Buildings	63	55
Availability of Serviced Industrial Land	57	60
Availability and Speed of Rail links to Dublin	38	18
Local Availability of International Flights	25	9
Quality of Life and Access to Leisure Facilities	88	73
Other Please Specify		

Note: Firms were asked to provide their assessment of how Galway compares to other parts of the West on a range of location factors, using the following scale: 1 = Excellent; 2 = Good; 3 = Fair; 4 = Poor.

Table contains % of firms giving an excellent or good rating on each factor.

Investment in the West – Case Study 4

Logstrup Ireland Ltd., Tuam, Co. Galway

Logstrup, a Danish company, was established in Tuam in 1982. It manufactures electrical control panels and has increased its labour force from 40 to 60 since its establishment. The Tuam site is primarily a manufacturing location with all European sales and marketing functions conducted through the parent company in Denmark. Products for the European market are shipped directly to a warehouse in Denmark via an Irish freight forwarder. However all Irish sales and distribution are conducted via the Tuam based operation.

Logstrup does not require a significant number of skilled staff. Most employees are machine operators and are provided with ongoing training by the company. Logstrup has found its employees to be very loyal and staffing costs are around 50 per cent of those in Denmark. This factor, coupled with a low corporate tax rate, has meant that the Tuam plant has been very competitive and profitable for Logstrup.

The main reasons for establishing in Tuam were:

Availability of Site – The availability of a quality advance building was a major factor in the decision to locate in Tuam. The building was previously leased by another Danish company and was an ideal location for Logstrup when it became available.

Competitive Wage Structures – The availability of a large competitive workforce within the area was also an important factor in the decision.

Funding – The level of grant aid was also a factor.

Low Rate of Corporation Tax – The low rate of corporation tax was a major factor in the decision to locate to Ireland.

The company is very satisfied with the decision to locate to Tuam and has found that the relatively low cost of labour, the rate of corporation tax and the loyalty of it's workers gives it a major competitive advantage.

4. A Spatial Investment Strategy For The West – Investment Locations

Although it would be unwise to generalise from the Indecon survey, given the relatively small number of firms surveyed, it does give a strong indication of the importance of specific factors, particularly infrastructure, which influence the destination of FDI. Thus, in order to identify locations in the West suitable for small and medium-sized FDI, the Western Development Commission has assessed ninety-three potential investment locations, aside from Galway city, on the basis of their infrastructural status and the availability of various other factors that influence investment location.

Ten centres were identified as the first tier of locations, as they meet the majority of the investment criteria. These include the availability of a development site or advance unit; a quality local labour force, reasonable access to markets and export routes through the existing road, rail and air network; ISDN and/or broadband telecommunications access; and a track record in business investment and growth. Table 7 contains a summary of each of the ten first tier locations in terms of their ability to meet the industrial investment criteria referred to above. These centres are Ennis/Shannon, Castlebar/Westport, Ballina, Tuam, Roscommon, Carrick-on-Shannon, Sligo, Ballinasloe, Letterkenny and Buncrana (See Map page 25).

These centres can become focal points for small and medium-sized overseas firms. It is anticipated that there would be a catchment area of about twenty miles around each of them from which rural-dwellers could commute to work. More fundamentally, FDI in such centres can create a critical mass of economic and social activity to underpin development in the surrounding region, particularly in the smaller towns.

Each 'first tier' location is surrounded by a hinterland of smaller urban centres. While the first tier of locations can serve as the main magnet for FDI, it must also be recognised that a 'second tier' of smaller centres can serve as attractive locations for individual investors and for indigenous sub-supply industries, thereby benefiting directly or indirectly from inward investment to the region. Examples of investment in such towns are included as case studies in this report.

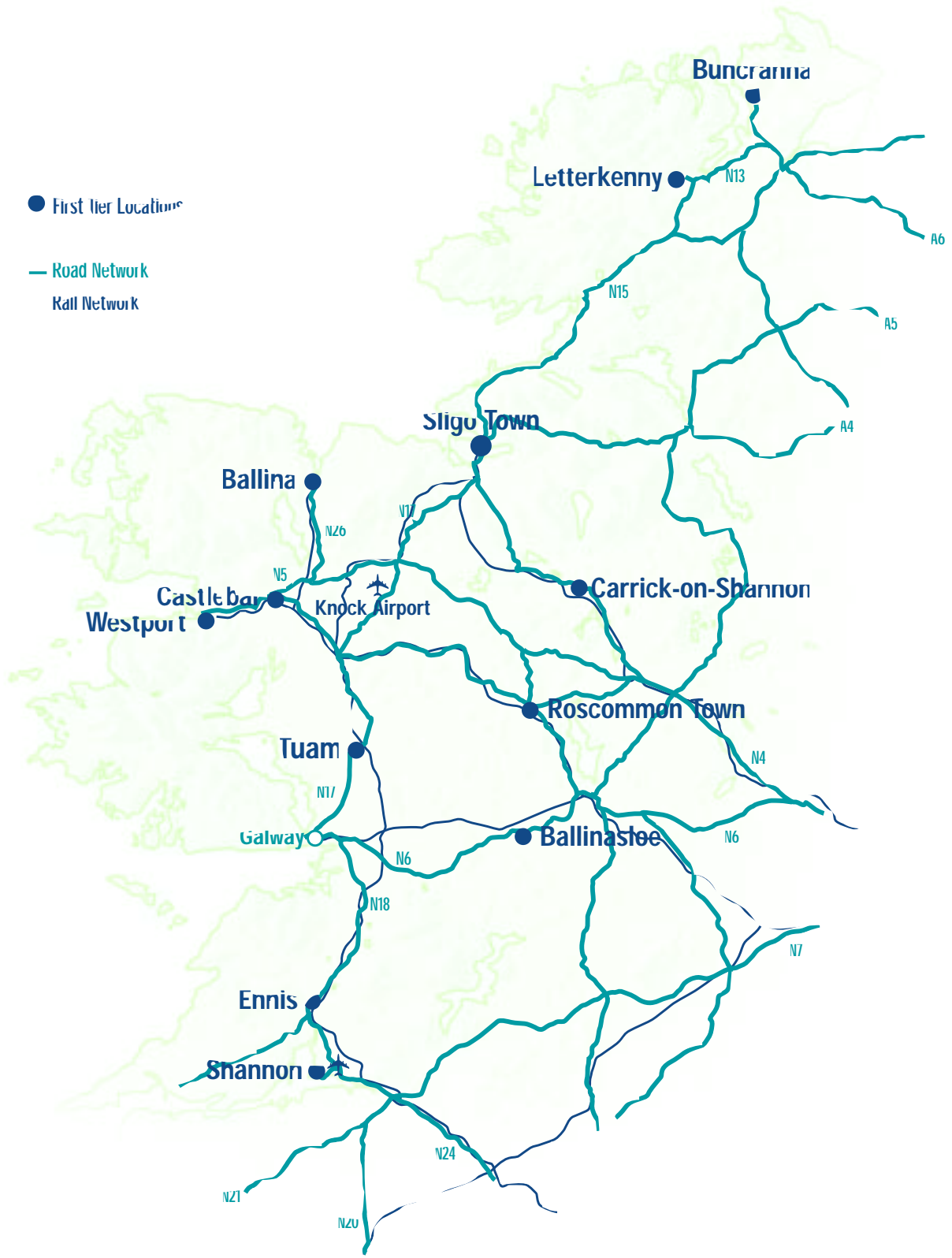
Towns which are emerging as focal points in this context, in that they already possess a significant number of the investment criteria include: Claremorris and other towns in the catchment area of Knock airport, Ballaghaderreen, Castlerea, Donegal town, Ballyshannon, Loughrea, Gort, Ballymote, Tobercurry and Manorhamilton. The WDC has a database of the facilities available in these towns as well as nearly seventy others, which is being made available to each local authority and to the IDA (see Appendix 4). Indeed, a number of these latter smaller towns have already succeeded in attracting foreign investment.

Table 7 First Tier Locations in the Seven Western Counties on the Basis of Availability of Investment Factors¹⁷

Investment Criteria	Castlebar/ Westport	Ballina	Tuam	Roscommon Town	Carrick-on-Shannon	Sligo	Ballinasloe	Letterkenny	Buncrana	Ennis/ Shannon
Population	11,105	8,762	5,627	3,915	1,868	18,509	5,723	11,996	4,805	25,665
National Road	✓	✓	✓	✓	✓	✓	✓	✓		✓
Direct Rail Access	✓	✓		✓	✓	✓	✓			✓
Airport < 50 Miles	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISDN Telecom	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Broadband Telecom	✓	✓	✓	✓		✓	✓	✓		✓
Advance Building		✓	✓	✓	✓	✓	✓	✓	✓	✓
Development Site	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Workforce > 1,500	✓	✓	✓	✓		✓	✓	✓	✓	✓
3rd Level Education	✓		✓			✓		✓		✓
Research Facility	✓					✓		✓		
FÁS Training Centre		✓				✓		✓		✓
Adequate Water	✓		✓		✓	✓	✓	✓	✓	✓
Adequate Sewerage				✓			✓			✓

¹⁷ Source: CSO, Census 1996. Includes town environs.

First Tier Investment Locations



Investment in the West – Case Study 5

Harmac Medical Products, Castlerea, Co. Roscommon

Harmac Medical Products, Inc. of Buffalo, New York, was founded in 1968 and is a privately owned US company. It is a full service contract manufacturer to the worldwide healthcare industry and currently employs 500 people worldwide. It is recognised as a market leader in its sector and its customers include the world's largest healthcare companies. The company custom manufactures medical products for some of the world's largest medical product corporations. Harmac's principal products include a wide variety of disposable medical and laboratory products such as enteral feeding bags and sets, blood storage bags, drug delivery systems, cell culture trays, blood filters, a wide range of tubing, biopsy needle and intravenous administration sets.

The Tánaiste announced in May 1998 that Harmac Medical Products had finalised agreements with IDA Ireland for a £2 million project to create 100 new jobs at Castlerea, Co. Roscommon. About 20 per cent of these are for third level graduates. The plant is situated in the 2,530 square metre (27,235 sq. ft.) IDA Advance Factory which Harmac has now acquired and which had a cleanroom facility already installed.

Harmac commenced business in Ireland in August 1998 and currently employs 50 people at its Castlerea plant. Most of the skilled workforce are in their 30's and some have returned to the area from employment elsewhere. The company states that they have found an abundance of skilled workers willing to relocate to the Roscommon area.

The main reasons for locating in Roscommon were:

Location – The central location meant that they had access to all of their major customers within an hour's drive.

Availability of Site – The availability of a world class cleanroom was a major factor in their decision.

Skilled Workforce – The availability of a skilled workforce within the area and the willingness of workers to return to Roscommon for a better quality of life was also an important factor in the decision. Workers tended to be more loyal as they had established firm roots in the area.

Research Facility – The proximity of Athlone Institute of Technology, a recognised centre of excellence in Polymer Science, was also a consideration.

Funding – The level of grant aid was also a factor in the decision process.

The company stated that the parent company initially had concerns about the road infrastructure but concluded that it was adequate at present. Telecommunications infrastructure is also adequate for present requirements.

5. Implementing A Spatial Strategy For FDI In The West – What Needs To Be Done?

Changes in Development Policy

Although Ireland provides an attractive package of incentives to overseas investors, bodies such as the IDA acknowledge¹⁸ that attracting industry to the regions requires a particular effort involving the provision of special incentives in favour of regional locations. The Western Development Commission believes that significant changes in development policy are needed so that the seven western counties, all of which are characterised by relatively small urban centres, can develop rapidly. Changes in development policies need to involve an integrated approach to incentives, infrastructure provision, quality of life enhancement and human resources. Such an integrated approach, focused on regional targets for job creation will also necessitate adjustments to institutional structures operating in the region.

Targeting Support to Smaller Urban Centres

A key part of the integrated development strategy outlined in *Blueprint for Success* is the recommendation to change industrial development incentives to reflect the need to enhance the relative attractiveness of the smaller urban centres in the West as potential locations for small and medium sized overseas firms. This could be achieved by providing positive incentives for investors to locate in such areas. This would involve the abolition or significant reduction in incentives offered to small and medium sized foreign direct investment projects if they decide to locate in major cities with populations in excess of around 40,000 (within city boundaries). These cities will continue to attract the main share of overseas industry because they have competitive advantages for small and medium-sized, as well as large, foreign direct investment. But by providing grant assistance for SME firms to locate in such cities, in addition to the very favourable corporate tax rate, the prospects for continued prosperity in major cities could be threatened by labour market shortages, house price escalation and traffic congestion. Restricting such incentives to smaller centres would play an important role in enhancing the relative attractiveness of the first tier towns listed above as locations for FDI.

Transport Infrastructure

Road Access

The coverage and condition of the road network is of particular importance for economic development. This is reflected in the extent of its usage. For example, figures for Ireland indicate that for internal transport, roads account for 89 per cent of freight traffic and 96 per cent of passenger traffic. However, investment in roads infrastructure has tended to be based on historic traffic levels, with limited consideration given to the wider economic and social benefits of investment. This policy has helped to lock the West into a cycle of low investment, with poor road infrastructure discouraging new economic development, and low levels of economic development involving low levels of road traffic.

¹⁸ See IDA Annual Report 1998.

The quality of road transport linkages between the western counties and other regions and external access points around the country is, therefore, of crucial importance in relation to trade and investment. The national primary and secondary route network links the major cities, towns and ports around the country and, as pointed out above, the vast bulk of freight is transported using the road network. A poor quality national primary road system increases travel times and transport costs and increases the peripherality of many parts of the western region. In maximising the growth potential of the region it is therefore necessary that a very high priority be given to improving the quality of the national road network both within the region and between the region and other parts of the country. In *Blueprint for Success* the Western Development Commission recommends an allocation of £340m to road infrastructure out of a total of £1.2 billion of EU-assisted expenditure over the period 2000-2006. Most of this (£307m) is allocated to national primary and secondary roads. An additional £667.9m was recommended under the public capital investment programme, making a total of £1,007.9m over the seven-year period. The full list of these proposed investments is included in Appendix 1.

The WDC's recommendations for investment are based on local authorities' priorities and reflect a detailed assessment of the likely potential usage/traffic along each route, the linkage between investment and the overall integrated development strategy and the predicted impact of investment in assisting the dispersal of economic activity in the region. This results in very high priority being given to national roads linking the seven western counties with major centres of population and with the main external access points to export markets (i.e. national ports and airports). A high priority was also given to targeted investments in road infrastructure linking the major towns in the West with potential catchment areas.

Rail Access

Rail transport provides an alternative to the country's increasingly congested road network. The West is served by four rail routes which provide passenger and freight services, viz. Sligo-Dublin, Westport/Ballina-Dublin, Galway-Dublin and Limerick-Dublin which, although outside the region, serves Clare via a commuter link to Ennis.

Around one million passengers are estimated to use the Dublin-Galway line each year, compared with about 600,000 using the Dublin-Sligo line and around 450,000 using the Dublin-Westport/Ballina route. Insufficient investment in these lines in recent years has resulted in a reduction in the ability of the rail service to provide a viable alternative to road transport. In particular, the speed of service on the Sligo and Mayo lines fall well below Operational Programme targets; the safety of the line and the limited frequency of the service also give cause for concern.

The level of track quality, as indicated by the percentage of high-speed continuously welded track along each route, is highest on the Dublin-Limerick route, followed by the Dublin-Galway line (77%). Almost £52 million is currently committed to investment programmes on the rail lines to the West of Ireland, with the Dublin-Sligo line requiring particular attention. Over the 2000-2006 period, Iarnród Éireann estimate that additional investment in infrastructure of the order of £58 million will be required on the Dublin-Sligo, Dublin-Westport/Ballina and Limerick-Ennis lines.

Air Access

Airports are a key element of infrastructure in an island economy, and without adequate air services the potential for inward investment cannot be realised. The key issue is, of course, the availability of air services and airports are only relevant to the extent to which they facilitate such services.

The western region is currently served by a number of national airports located outside of the region as well as by five main internal airports. The service offered by the West's airports is limited in terms of frequency

and destination of flights, and regional airports are facing growing competition from cheaper scheduled flights to and from Dublin. In order to enable the West's airports to better meet the demands of potential investors there is a need to:

- increase the number of direct flights to national and international destinations;
- schedule flight times to allow same day travel into and out of the region and connection with onward flights from other key airports;
- establish regular freight services to key markets; and
- improve road, rail, and bus access to the airports from existing and potential centres of industry.

The absence of a national or regional policy on the development of regional airports in Ireland means that there is no strategic view on the optimum number and location of airports for the West. As a result, the available sources of business and public funding are spread across a number of smaller providers, rather than targeted at improving services at, or access to, one or two key locations. At present, none of the existing providers are in a strong enough position to offer an adequate service for business users.

Energy

Demand for electricity has largely outgrown supply, and although the ESB is making a considerable investment in its low voltage rural networks, the West is poorly represented in terms of high voltage lines. This acts as a deterrent to bulk energy users in the manufacturing and engineering sectors. However, the average cost of industrial electricity in Ireland compares favourably with that in other European countries.

Environmental Infrastructure

The availability of high standard water supply and waste treatment facilities is an essential component of the overall infrastructure required to attract and sustain industrial investment. The absence of competitively priced services can seriously impede new investment and limit the growth of existing industry. Despite the fact that the West as a whole is rich in natural water resources, inadequate infrastructure means that the quality and availability of supply are often deficient. In the past, much of the West's waste water was discharged through sea outfalls, often with only primary treatment. However, growing demand for facilities and the need to protect the natural environment means that more thorough treatment is required.

Although there has been significant investment in water and waste infrastructure in recent years, local authorities in the West estimate that further substantial investment over the period 2000-2006 is required to provide a service which will meet long-term demand and enable compliance with EU standards. The provision of adequate waste disposal facilities in the West is also an issue, with many existing landfill sites perilously close to saturation. For instance, Sligo has no operational sites and must export waste to neighbouring Donegal.

In *Blueprint for Success* the Western Development Commission recommended total expenditure of £301m on water and waste projects over the period 2000-2006. This reflects our view that basic infrastructure such as water and sewerage, are essential requirements in attracting FDI to the seven western counties. A costed list of recommended projects is presented in Appendix 2. These would support a number of the 'first tier' locations for industrial development as well as surrounding towns. In addition to public expenditure, the potential contribution of other sources of funds (including from pricing mechanisms and from private finance initiatives) should also be actively pursued. This is particularly relevant in the case of waste disposal projects.

Telecommunications

The availability of a high capacity telecommunications infrastructure can minimise many of the disadvantages of geographical peripherality, particularly for investors in the software development, multimedia and internationally traded services sectors. However, although the western counties have seen significant improvements in the area of telecommunications infrastructure – digitalisation of the network is now almost

complete and high-speed ISDN services are widely available in the cities and large towns throughout the West – considerable investment is still required, particularly in many of the smaller towns. It is essential that a world class telecommunications service is in place to encourage investment into the region, otherwise it will be diverted elsewhere.

The new Regulatory Framework for Telecommunications pertaining to ISDN and Broadband communications is crucial to the western region's competitiveness with existing main urban centres. It seems likely that all major telephone exchanges will be connected to a high capacity national backbone, but the key issue for the seven western counties relates to the levels of service on local access network. While the infrastructure plans of telecom providers change in response to market demand, and in response to competitive strategies, the implications for investment in the West would be serious if telecom companies did not provide optical fibre access to cities or towns with a population below 1,900–2,000.

Lack of local access to broadband networks in the smaller urban and rural locations in the West could seriously reduce their potential as sites for activity such as software development and customisation, call centres and certain other internationally traded services. Certain minimum safeguards need to be built into the Regulatory Framework so that telecommunications is an advantage rather than an impediment to investing in the west. Towns in the West with a population over 3,000 and county towns should be designated as mandatory centres for rural 144 kb/sec. service. Moreover, the commitment expressed to rapid rollout in rural and western areas should be heavily weighted in the licence application procedure. It is also critical that the pricing regime is structured to ensure that it is viable for companies to provide services in rural areas.

Serviced Land and Accommodation

Extensive research for the WDC identified a considerable bank of development sites in the seven western counties, amounting to almost 2,000 acres. The vast bulk of this (1,350 acres) is in public ownership, mainly by the IDA, local authorities, Shannon Development and Udaras na Gaeltachta more than 500 acres is privately owned and local communities have around 25 acres available. The availability of site is a prominent factor that influenced the location decisions in several of the case studies in this report. When contrasted with the shortage of land elsewhere, this is a very significant resource and could be a major factor in attracting inward investment to the region as well as facilitating more dispersed indigenous investment. Details of this landbank are provided in Appendix 4.

There is a need for a more detailed description of the available landbank in the region and for such information to be more widely available and on a county by county basis, since it is relevant beyond the need for overseas investment. The existing database of the Western Development Commission can be used as a starting point for the compilation of a comprehensive database of sites within each county. Regularly updated, it could provide accurate and timely information to both investors and development agencies, and could also be used to determine infrastructural requirements. Public-private partnerships may be an appropriate vehicle for the development of key locations.

Quality of Life

Quality of life considerations can be a significant factor in determining choice of location for inward investment and this is evident from some of the case studies. The western region has many attractive quality of life features and it is important that towns seeking to attract mobile investment are in a position to offer a pleasant living environment as well as good quality educational, leisure and recreational facilities and services (such as health and childcare). Tax incentive schemes for urban and rural renewal should dovetail with an increased emphasis on building social and leisure facilities in each location. Community-based organisations can play an important role in enhancing the social, cultural and recreational infrastructure and should be encouraged and facilitated to do so.

Human Resources

The fact that availability of local labour is a key factor in investment decisions has been pointed out throughout this report. As yet, the western counties have not experienced, to any significant degree, the labour shortages which are becoming evident in more developed parts of Ireland. Indeed, there is considerable evidence of workers' willingness to relocate to the region. However, there is a major dearth of information regarding the human resource base of the region, so that it is not possible to properly assess the labour market potential. There is an urgent need to compile a skills database that addresses:

- The availability of labour within the region, particularly in the 'first tier' locations
- The skill profile of labour in each of these locations and in other towns
- The specific training requirements of the labour force within the regions

It should also be possible to make some assessment of the likely pool of migrants who might be willing to return in the event of significant labour market opportunities emerging in the region.

Third level educational institutions in the West play an important role in fostering economic development and in enhancing potential labour force skills. There is a need for strong links between third level institutions and those involved in promoting FDI.

Institutional Arrangements

The establishment of the Western Development Commission is an explicit recognition by Government that development policies have, heretofore, failed to address the economic and social needs of the region. In particular, traditional approaches to attracting investment have not succeeded in delivering the prosperity enjoyed by the rest of the county at a time of significant social and economic growth. This is now widely acknowledged and is given legitimacy by the retention of Objective 1 status by six of the seven counties.

It is also recognised that a more strategic and co-ordinated approach to regional development is required from the different institutional structures at local, county, regional and national level. The process of attempting to integrate local development and local government and give local authorities a more strategic role in relation to economic and social development is, as yet in its early stages. But the requirement that each county prepare an integrated county development plan should require them to make explicit their commitment to, and involvement in, a strategy to attract FDI into the region. The exact remit of the new Regional Assemblies is as yet unclear, but the establishment of new institutional arrangements provides an unparalleled opportunity to construct a coherent and focused approach to providing the conditions that will attract overseas investment.

The IDA's announcement in June of its intention to target investment to the regions is to be welcomed. The combination of this strategy with a public-private partnership programme to boost investment in industrial property will address some of the difficulties which have caused the western counties to lag behind. However, given the character of the region it is important that SME foreign investment be a particular target. The pursuit of large-scale investment may not be appropriate in some areas because of infrastructural weaknesses or issues relating to labour supply. A more targeted approach would recognise local needs and work with local interests to build on available strengths.

In this context, the relationship between the various local economic and community development bodies and the local authorities need to be strengthened. More and more it is what local areas and communities have to offer that will attract new investment. For example, as an information source for potential investors, it is necessary for local interests to be able to access a comprehensive countywide database, setting out the relevant strengths of each county. Moreover, local authority infrastructure provision must be clearly underpinned by an economic development strategy, which is responsive to the requirements of FDI, and a promotional package that is proactive and flexible.

Targets for FDI in the Region

Table 8 contains employment scenarios for the western counties for the IDA-supported company sector which show what would be required in order to assist the manufacturing and services sector in the West to catch up with the growth performance achieved in other parts of the country.

TABLE 8 Scenarios for Employment Creation¹⁹

Scenarios for Employment Creation in the IDA-Supported Company Sector						
County/Region	Employment - 1997 - Persons	Average Annual Growth 1993-97	Employment In 1997 Counterfactual	Scenario 1 Employment at End 2006	Scenario 2 Employment at End 2006	Scenario 3 Employment at End 2006
6 Western Counties (excluding Galway)	11,388	1.6	17,569			
Galway	7,265	9.2	7,265			
7 Western Counties	18,653	4.2	24,834	47,011	37,630	26,981
Dublin	33,302	10.8				

Notes:

- (1) Counterfactual assumes 6 counties grew at the same rate as Dublin over the period 1993-1997
- (2) Scenario 1 - employment in the 7 Western Counties at the end of 2006 assuming compound growth similar to Dublin over 1993-1997
- (3) Scenario 2 - employment in the 7 Western Counties at the end of 2006 assuming compound growth at 3/4 of Dublin rate over 1993-1997 (i.e. 8.1% average per year)
- (4) Scenario 3 employment in the 7 Western Counties at the end of 2006 assuming compound growth similar to performance over 1993-1997

Examining first the historical performance, the figures indicate an average annual growth rate of 4.2 per cent for IDA-supported employment over the period 1993–97 for the seven western counties, 9.2 per cent for Galway and 1.6 per cent for the remaining six counties in the region. This compares with an average growth rate of 10.8 per cent for Dublin. If employment in the six western counties had grown at the same rate as Dublin over the period 1993–97 (i.e. the counterfactual) then the seven western counties would have reached a level of employment for 1997 of 24,834, as against the actual level reached of 18,653. The difference, 6,181 jobs, represents the 'deficit' in employment associated with the relatively poor performance in attracting FDI jobs to the West, compared to Dublin.

Scenario 1 for employment growth in the IDA-supported sector assumes that employment across the seven western counties expands at the same rate over the period 1998–2006 as that recorded in Dublin over the period 1993–97. Under this scenario employment would reach a level of 47,011 at the end of 2006, an average annual rate of job creation over nine years of around 3,150. The latter figure represents an extremely high target but this would be required if the objective was to bring the performance of the western counties up to that achieved in Dublin over the five-year period 1993-97. A lower, but possibly still optimistic, Scenario 2 assumes an average annual growth rate equivalent to three-quarters of that achieved in Dublin during 1993-97. This would produce an employment level of 37,630 at the end of 2006 (or an average annual rate of job creation of about 2,100). Finally, the third scenario assumes that employment in the seven counties increases at the same rate as that recorded during 1993-97. This would result in a level of employment of 26,981 at end 2006, implying an average annual rate of job creation of about 925.

This scenario analysis highlights the scale of change needed if the seven western counties are to catch up with the highest performing region in the country. This would require increasing the average annual growth in employment in IDA-supported companies from 4.2 per cent per annum to just under 11 per cent per annum.

¹⁹ See *Blueprint for Success* p.131.

The Western Development Commission believes that setting targets for job creation resulting from FDI in the region would ensure a focused and concentrated approach to enabling the West to attract its share of investment from overseas. An eight per cent increase in the average annual growth in FDI employment over the years 2000-2006 is regarded as a minimum target. As shown above, this would result in 2,100 jobs per year from foreign direct investment in the seven western counties. Furthermore, given the skewed pattern of job creation in the region to date, it is also important that priority be given to the spatial spread of jobs in order to promote more balanced intra-regional development.

It is evident that there is a continued need for overseas investment in the economy of the seven western counties, not just to create jobs but in order to diversify the economic base and improve the technological capacity. Consequently action needs to be taken in a number of areas, and on a variety of issues and in the next section we set out specific recommendations. It is the Western Development Commission's intention to see that integrated support is forthcoming and that ambitious targets are realised.

Investment in the West – Case Study 6

Donnelly Vision Systems, Manorhamilton, Co. Leitrim

Donnelly Vision Systems was originally owned by a German company Frese, who came to Ireland in 1978 and created 25 jobs at the Manorhamilton site. This plant was purchased by Donnelly (based in Michigan, USA) in 1994 and was expanded to create 100 jobs in total. Currently the company employs 138 people. The company manufactures a wide range of mirrors for the automotive industry. The Irish headquarters is based in Naas, Co. Kildare. About seven percent of the workforce is skilled or semi-skilled, with 12 per cent described as management staff, the remainder is unskilled.

The main reasons for their establishment in Leitrim were:

Low labour costs – The relatively low cost of labour in Leitrim was an important consideration in the decision.

Capital grant aid – The availability of grant aid was the third factor which influenced the investment decision.

Quality of Life/Fishing – The decision to come to Ireland in 1978 was influenced by the original German owner's interest in the availability of good fishing lakes in the locality rather than purely business criteria.

The company is generally satisfied with the decision to locate in Manorhamilton, however it does face a number of difficulties:

The company is very unhappy with the level of transport infrastructure. The management state that there are significantly high transportation costs because of their location compared to the headquarters in Naas.

Lack of any significant industrial base is also mentioned as a problem. Experienced industrial workers are difficult to recruit. Lack of a local support infrastructure means that the company has to rely on one or two local engineering/toolmaking companies for light engineering work.

The company currently find it very difficult to recruit mature staff and there is a very high staff turnover. They are unable to compete with other more lucrative industries such as the construction or medical devices sectors.

Management point out that current wage structures must be maintained or they will become uncompetitive.

6. Summary Of Recommendations

1. The promotion of FDI in the Western counties requires a **co-ordinated policy approach** to the provision of incentives, infrastructure, quality of life enhancement and development of human resources. Such an integrated approach, focused on regional targets for job creation, will also necessitate adjustments to institutional structures operating in the region.
2. A key element of the policy changes needed is the provision of **positive incentives** for investors to locate outside of major cities. Otherwise, large centres may continue to attract the lions share of inward investment and exacerbate the considerable problems of congestion which already exist.
3. In order to maximise the potential of the region to attract FDI, it is necessary that a very high priority be given to improving the **quality of the national road network** both within the region and between the region and other parts of the country. The Western Development Commission has produced a detailed list of recommendations for investment in road infrastructure, amounting to just over £1bn. over the period 2000-2006, which has been carefully prioritised and costed.
4. The potential of inward investment cannot be realised without **adequate air services** and there are a number of key changes needed in passenger and freight services which would better serve the demands of potential investors. These include rescheduling and the provision of more flights, developing freight services to key markets and improving access to airports.
5. There is a need for significant investment in **environmental infrastructure** such as water and waste disposal. The Western Development Commission recommends total expenditure of £301m on water and waste projects over the period 2000-2006. This reflects our view that basic infrastructure such as water and sewerage is an essential requirement in attracting FDI to the seven western counties. A costed list of recommended projects is presented in Appendix 2. These would support a number of the 'first tier' locations for industrial development as well as surrounding towns. In addition to public expenditure, the potential contribution of other sources of funds (through pricing mechanisms and from private investment) should also be actively pursued. This is particularly relevant in the case of waste disposal projects.
6. Certain minimum safeguards need to be built into the **regulatory framework for telecommunications** so that it is an advantage rather than an impediment to investing in the West. Towns in the West with a population over 3,000 and county towns should be designated as mandatory centres for rural 144-kb/sec. service. It is also critical that the pricing regime is structured to ensure that it is viable for companies to provide services in rural areas.
7. There is a need for a more **detailed description of the available landbank in the region** and for such information to be more widely accessible and on a county by county basis, since it is relevant beyond the need for overseas investment. The existing database of the Western Development Commission can be used as a starting point for the compilation of a comprehensive database of sites within each county. Regularly updated, it could provide accurate and timely information to both investors and development agencies, and could also be used to determine infrastructural requirements.
8. Rural and urban renewal schemes involving tax incentives should be implemented as part of a co-ordinated regional effort to **improve quality of life in the region**. Access to services is a key aspect of this and it is necessary to recognise and promote service provision as a central element in the drive to attract investment into the region. Health, education and childcare services are particularly relevant in this context. Community-based organisations can play an important role in enhancing the social, cultural and recreational infrastructure and should be encouraged and facilitated to do so.

9. There is an urgent need to comprehensively address the issue of **human resources** in the region in a systematic way. From the point of view of attracting FDI into the region, such an exercise needs to begin with the compilation of a database that addresses:
- the availability of labour within the region, particularly in the ‘first tier’ locations and their catchment areas
 - the skill profile of labour in each of these locations and in other surrounding towns
 - the specific training requirements of the labour force within the West.

It should also be possible to make some assessment of the likely pool of migrants who might be willing to return in the event of significant labour market opportunities emerging in the region.

Third level educational institutions in the West play an important role in fostering economic development and in enhancing potential labour force skills. **There is a need for strong links between third level institutions and those involved in promoting FDI.**

10. The analysis in the report draws attention to the scale of change needed if the seven western counties are to catch up with the highest performing region in the country. The WDC believes that **setting targets for job creation resulting from FDI in the region** would ensure a focused and concentrated approach to enabling the West to attract its share of investment from overseas. An eight per cent increase in the average annual growth in FDI employment over the years 2000-2006 is regarded as a minimum target. This would result in 2,100 jobs per year from foreign direct investment in the seven western counties. Given the skewed pattern of job creation in the region to date, it is also important that priority be given to the spatial distribution of jobs in order to promote more balanced intra-regional development.
11. In this report the Western Development Commission has identified a ‘first tier’ of locations in the West that are already particularly suitable for overseas investment. The establishment of **private/public sector partnerships** in these towns should be encouraged in the first instance. Such bodies could play a vital role in setting and achieving local investment targets, in helping to establish appropriate sites and other infrastructural requirements and in the promotion of the towns as attractive investment locations. Such partnerships should clearly reflect their towns’ status as hubs of wider catchment areas that include smaller surrounding towns. Partnerships in these smaller towns should also be encouraged. This will ensure more effective spatial planning and intra-regional balance.
12. **Local authorities in the seven western counties should facilitate the development of the investment locations that are specified in this report.** Within its development planning process each local authority could ensure that specified locations in the each county are “designated industrial zones” and that fast-track planning procedures are put in place to ensure rapid response to the needs of investors.

Finally, the Western Development Commission is committed to promoting and monitoring the take-up of these recommendations at all levels. The organisation will work actively at national policy level to advance and facilitate the strategy outlined in this report. At regional level, the encouragement of local partnerships and the work of the WDC’s Manufacturing and Services Sector Council will be critical elements of its promotion and monitoring role.

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Appendix 1

WDC Recommendations on Road Infrastructure

Western Development Commission Proposals
for Inclusion in Public Capital Programme

Road Improvement Projects

Table A1.1 Recommended Road Improvement Projects - Sligo

Route Code	Description	Estimated Cost £ Million
N4	Doorly - Castlebaldwin	10.6
N4	Inner Relief Road, Sligo	12.0
N15	Creevykeel - Bunduff	4.5
N16	Teesan - Gortnagrelly	15.5
N17	Annaghmore - Drumbane	22.1
R284	Leitrim Village - Sligo Town	2.0
R291	Rosses Point - Sligo Town	2.0
R292	Strandhill - Sligo Town	2.5
R294	Boyle - Ballina	3.0
Total		74.2

Table A1.2 Recommended Road Improvement Projects - Leitrim

Route Code	Description	Estimated Cost £ Million
N4	Rooskey/Drumod Bypass	7.0
N16	N16 realignment	30.0
R200	Drumkeeran - Dowra	1.0
R201	Mohill - Drumsna	5.0
R202	Upgrade to National Secondary Route	3.0
R207	Drumshanbo - Glenfarne	1.5
R208 Part	Carrick-on-Shannon to near Ballinamore	4.0
R209 Part		
R210 Part		
R280 Part		
R280	Upgrade to National Secondary Route	5.0
R281	Kinlough - Glenfarne	3.0
R282	Manorhamilton - Garrison	2.5
Total		62.0

Table A1.3 Recommended Road Improvement Projects - Mayo

Route Code	Description	Estimated Cost £ Million
N5	Westport - Castlebar	20.4
N5	Re-alignment	30.0
N5	Improvements between Swinford and County Boundary	30.0
N17	Claremorris/Knock	34.0
N26	Schemes between Ballina and Foxford	26.0
N26	Foxford Bypass	5.0
N26	Ballina Bypass	10.0
N58	Foxford - Bohola	7.0
N59	Ballina/Crossmolina	4.8
N59	Westport Bypass	5.0
N60	Castlebar - Balla	12.0
N60	Ballyhaunis Bypass	6.0
R321	Bohola - Knock	6.0
R311	Castlebar - Newport	10.0
Total		206.2

Table A1.4 Recommended Road Improvement Projects - Galway

Route Code	Description	Estimated Cost £ Million
N6	Oranmore - Loughrea	35.0
N6	Ballinasloe Bypass	19.0
N6	Loughrea Bypass	15.5
N17	Claregalway Bypass	17.5
N17	Claregalway/Galway	14.0
N59	Upgrade to National Primary Status	N/A
N84	Shrule - Galway City	3.8
R336	Upgrade to National Secondary status and build Corrib Bridge	18.0
Total		122.8

Table A1.5 Recommended Road Improvement Projects - Donegal

Route Code	Description	Estimated Cost £ million
L874	Fintragh Road	1.0
N14	Lifford - Manorcunningham	27.0
N15	Ballyshannon - Bundoran Bypass	26.7
N15	Ballybofey Bypass	23.0
N56	Mountcharles/Killybegs Junction	11.0
N56	Letterkenny - Ellistrin section	4.0
N56	Mountcharles-Inver	2.5
N56	Ellistrin - Termon	7.0
N56	Killbegs Junction-Ardara	9.8
R238	Letterkenny Relief Road - Ballymacool Link Road, Phase 2	3.0
R238	Buncrana - Bridgend section	1.5
R238	Redcastle - Merville	3.0
R245/246	Letterkenny - Kerrykeel section	2.0
R232	Laghey - Pettigo section	1.0
R232	Killbegs Business Park Road	1.0
R250	Letterkenny - Fintown section	1.0
R251	Termon Dunlewy section	3.9
R252	Ballybofey - Fintown section	2.0
	Buncrana Industrial Road	2.5
	Carnamauggagh Loop Road, Phase 3	4.0
	Rashedog - Churchill	1.0
	Dunkineely Bypass	3.5
Total		141.4

Table A1.6 Recommended Road Improvement Projects - Clare

Route Code	Description	Estimated Cost £ Million
N18	Newmarket-on-Fergus Bypass	37.0
N18	Barefield/Ennis Bypass	33.7
N18	Gort-Crusheen Bypass	32.0
N67/68/85	Improvements	86.9
	Regional Road Improvements	17.9
Total		207.5

Table A1.7 Recommended Road Improvement Projects - Roscommon

Route Code	Description	Estimated Cost £ Million
N61	Tulsk/Roscommon	5.1
N5	Improvements	80.0
N60	Improvements	34.0
N61	Upgrade	53.0
N63	Improvements	19.0
R361	Improvements	N/A
Total		191.1



Appendix 2

WDC Recommendations on Environmental Infrastructure Projects

Western Development Commission Proposals for Inclusion in Public Capital Programme

Table A2.1 Recommended Environmental Infrastructure Projects – Water*

Water Supply Schemes	Estimated Cost £ Million
Donegal County Council	
Foyle Catchment Water Quality Management Plan	22.0
Swilly Catchment Water Quality Management Plan	22.9
Lough Altan Regional Water Supply Scheme	11.2
Ballyshannon Regional Water Supply Scheme	8.9
Small Capital Water & Waste Schemes	8.5
Water Conservation Programme	7.0
Leitrim County Council	
North Leitrim RWSS	7.0
South Leitrim RWSS Stage 4 Phase 2	6.8
Roscommon County Council	
North Roscommon RWSS	0.7
Northeast RWSS	3.0
Boyle RWSS	2.8
Central Roscommon RWSS	8.8
Sligo County Council	
Additional storage for Lough Talt RWSS	0.4
Mayo County Council	
Erris RWSS extension to peninsula	1.4
Lough Mask RWSS – extension to Newport and Mulranny	6.0
Galway County Council	
Stage 2 of Tuam RWSS	30.0
East Galway RWSS	8.0
Loughrea RWSS	8.0
Gort RWSS	8.0
Dunmore/Glenamaddy RWSS	3.0
Portumna RWSS	8.0
Ballinasloe RWSS	10.0
Clare County Council	
Newmarket-on-Fergus Water	5.9
Lisdoonvarna Water Scheme	6.2
Total Costs of All Very High Priority Water Supply Schemes for Inclusion	204.5

* Projects designated by Local Authorities as “Very high priority”

Table A2.2 Recommended Environmental Infrastructure Projects – Waste*

Waste Treatment Schemes	Estimated Cost £ Million
Donegal County Council	
Wastewater Schemes in Coastal Gaeltacht Towns and Villages in Donegal	15.6
Sligo County Council	
Sligo Main Drainage	16.0
Rathcormack Sewerage Scheme	0.4
Ballincar Sewerage Scheme	0.8
Rosses Point Sewerage Scheme	0.4
Leitrim County Council	
Drumsna Sewerage Scheme	0.6
Lurganboy Sewerage Scheme	0.5
Carrick-on-Shannon Sewerage Scheme	1.0
Roscommon County Council	
Castlerea Sewerage Scheme	5.2
Extension of Ballingar/Creagh Sewerage Schemes	2.5
Mayo County Council	
Ballina Main Drainage Stage 2	4.0
Castlebar Environs Sewerage Scheme	5.0
Treatment and extension to Westport Sewerage network	20.0
Extension to Cong Treatment Plant	0.6
Extension to Knock Treatment Plant	3.0
Extension to Crossmolina Treatment Plant	1.8
Extension to Newport Treatment Plant	0.5
Galway County Council	
Headford Sewerage Scheme	1.5
Leenane Sewerage Scheme	0.3
Loughrea Stage 1 Sewerage Scheme	2.9
Tuam Main Drainage Scheme	9.0
Clare County Council	
Lisdoonvarna Sewerage	4.0
Kilkee Sewerage	0.1
Ennis to Ballymaley Sewerage Ext.	1.1
Total Cost of All Very High Priority Waste Treatment Schemes for Inclusion	96.8

* Projects designated by Local Authorities as “Very high priority”

Appendix 3

Summary of Western Development Commission Proposals for Inclusion in Public Capital Programme 2000-2006

Summary of Western Development Commission proposals for inclusion in Public Capital Programme.

County	Roads £ million	Water £ million	Waste Treatment £ million	Total £ million
Sligo	74.2	0.4	17.6	92.2
Leitrim	62.0	13.8	2.1	77.9
Mayo	206.2	7.4	34.9	248.5
Galway	122.8	75.0	13.7	211.5
Donegal	141.4	80.5	15.6	237.5
Clare	207.5	12.1	5.2	224.8
Roscommon	191.1	15.3	7.7	214.1
Total	1,005.2	204.5	96.8	1,306.5

Appendix 4

List of Employment Development Sites in Public Ownership in the Seven Western Counties

COUNTY DONEGAL: Employment Development Sites in Public Ownership

Location	Milford	Milford	Lifford	Lifford	Falcarragh
Owner	IDA	IDA	Lifford/Strabane Commission	Lifford/Strabane Commission	Udaras na Gaeltachta
Available	no	yes	yes	yes	yes
For Sale / To Rent	Sold		Rent	Sale or rent	Sale or rent
Site Size (acres)	2,485 sq. ft.	4.7	4,000 sq / ft	5	7

Location	Gweedore Industrial Estate	Gweedore Enterprise Units	Kilcar	Falcarragh	Burtonport
Owner	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta
Available	Planning Stage	5 Units	yes	yes	In process of purchase
For Sale / To Rent	Rent	Rent	Rent	Rent	Rent
Site Size (acres)	55	1,000 - 50,000 sq / ft	6	3/4 acre	1

Location	Fintown	Termon	Gortahork	Downings	Dungloe
Owner	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta
Available	Undeveloped	yes	yes	yes	yes
For Sale / To Rent	Rent	Rent	Rent	Rent	Rent
Site Size (acres)	1/2 acre	1 1/2 acres	5	2	7,000 sq / ft

COUNTY DONEGAL: Employment Development Sites in Public Ownership

Location	Buncrana	Finner	Letterkenny	Killybegs Enterprise Park	Buncrana
Owner	Donegal County Council	Erne Enterprise	Donegal County Council	Donegal County Council	IDA
Available	no	yes	yes	serviced and zoned	yes
For Sale / To Rent	acquire site	rent	sale	acquire site	
Site Size (acres)		2 x 1,000 sq. ft.	150	80	

Location	Buncrana	Letterkenny Office Park	Letterkenny Business Park	Letterkenny Pharmacia	Moville
Owner	IDA	IDA	IDA	IDA	IDA
Available	yes	yes	yes	no	yes
For Sale / To Rent				site development needed	
Site Size (acres)	2.5	7	25		11.5

Location	Donegal Town	Ballyshannon	Ballyshannon	Letterkenny Bypass/N15	Carndonagh
Owner	IDA	IDA	IDA	Donegal County Council	IDA
Available	yes	yes		yes	no
For Sale / To Rent				Office space	
Site Size (acres)	5	3,324 sq. ft.	11	12	7,166 sq. ft.

COUNTY LEITRIM: Employment Development Sites in Public Ownership

Location	Mohill Enterprise Centre	Carrick-on-Shannon	Drumshambo	Manorhamilton	Mohill	Rooskey
Location	Mohill Enterprise Centre	Carrick-on-Shannon	Drumshambo	Manorhamilton	Mohill	Rooskey
Owner	Mohil Community & Development Assoc Ltd	IDA	IDA	IDA	IDA	IDA
Available	yes	yes	yes	yes	yes	yes
For Sale/To Rent	rent	23,000 sq. ft. (planning stage)				
Site Size (acres)	5	15	2.5	3	5	3

Location	Rooskey
Owner	IDA
Available	yes
For Sale/To Rent	
Site Size (acres)	3

COUNTY SLIGO: Employment Development Sites in Public Ownership

Location	Sligo Town	Tobercurry	Strandhill	Collooney	Ballymote
Owner	IDA	IDA	Sligo North West Airport Strandhill (Tax designated)	IDA Finisklin Ind. Est.	IDA
Available	yes	yes	yes	yes	no
For Sale/To Rent			8 sites available	sale	sale in progress
Site Size (acres)	30	3	40	4	4

COUNTY MAYO: Employment Development Sites in Public Ownership

Location	Ballyhaunis Enterprise & Technology Centre	Galway Road Claremorris	Swinford Road Kiltimagh	Rossport near Belmullet	Bunacurry Achill Island
Owner	Ballyhaunis Region Initiative for Community Enterprise	Claremorris I.R.D.	IRD Kiltimagh Ltd	Udaras na Gaeltachta	Udaras na Gaeltachta
Available	in progress	yes	yes	yes	yes
For Sale/To Rent	rent	rent	sale or rent		
Site Size (acres)	4.5	Enterprise units	0.5	2	6

Location	Doolough Near Gweensalia	Pollatomish	Muings Near Belmullet	Inbhear Near Belmullet	Ceathru Thaidhg Near Belmullet
Owner	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	5	4	21	3	4

Location	Belmullet	Belmullet Attycunnane	Castlebar	Foxford
Owner	Udaras na Gaeltachta	Udaras na Gaeltachta	IDA	IDA
Available	yes	yes		
For Sale/To Rent				
Site Size (acres)	7.5	6.6	21	1.5

COUNTY MAYO: Employment Development Sites in Public Ownership

Location	Kilkelly Road Knock	Ballina Road Crossmolina	Kilkelly Road Swinford	Asahi Killala	Ballina Road Killala
Owner	Mayo County Council	Mayo County Council	Mayo County Council	Mayo County Council	Mayo County Council
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	4	5	7	133	3

Location	Killala	Leenane Coast Road Louisburgh	Swinford Road Foxford	Westport Road Newport	Mulranny Road Newport
Owner	IDA	Mayo County Council	Mayo County Council	Mayo County Council	Mayo County Council
Available		yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	5	2.7	3	7	2



COUNTY ROSCOMMON: Employment Development Sites in Public Ownership

Location	Race Course Road Roscommon	Race Course Road Roscommon	Race Course Road Roscommon	Circular Road Roscommon	Ballaghaderreen
Owner	Roscommon County Council	Roscommon County Council	IDA	Roscommon County Council	Roscommon County Council
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	8.269	1.96	19.5	1.26	13

Location	Industrial Estate Ballaghderreen	Industrial Estate Castlerea	Station Road Castlerea	Monksland Athlone	Monksland Athlone
Owner	IDA	IDA	IDA	Roscommon County Council	Roscommon County Council
Available	yes	yes	yes	yes	yes
For Sale/To Rent					sale
Site Size (acres)	6.5	21	2.9	12.67	13.76

Location	Lough Allen Power Station Site	Windmill Road Elphin
Owner	ESB	Roscommon County Council
Available	no	yes
For Sale/To Rent	derelect	sale
Site Size (acres)	40	7.5

COUNTY GALWAY: Employment Development Sites in Public Ownership

Location	Kilkerrin	Clonbur	Caherlavine Loughrea	Pollboy Ballinasloe	Inveran
Owner	Udaras na Gaeltacht	Udaras na Gaeltacht	Galway County Council	Galway County Council	Udaras na Gaeltacht
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	20	13	0.2	7.7	0.5

Location	Tulach Near Carraroe	Furbo	Lettermore	New Business Park Creagh Road Ballinasloe	Creagh Road Ballinasloe
Owner	Udaras na Gaeltacht	Udaras na Gaeltacht	Udaras na Gaeltacht	IDA	Ballinasloe Area Community Development
Available	yes	yes	yes	yes	yes
For Sale/To Rent				27,000 sq. ft. (Jan. 2000)	27,000 sq. ft.
Site Size (acres)	10	4	2	40	6

Location	Glenamaddy	Gort	Loughrea	Weir Road Tuam	Dunmore Road Tuam
Owner	IDA	IDA	IDA	IDA	IDA
Available			yes		
For Sale/To Rent					
Site Size (acres)	2	5	4.5	24	7



COUNTY GALWAY: Employment Development Sites in Public Ownership

Location	Galway City	Loughrea	Ballinasloe	St Brigid's Road Portumna	Portumna Town Development
Owner	IDA	Tynagh & District Dev. Ass.	Lawrencetown Community Enterprise Group, Ballinasloe	Western Health Board	
Available		yes	yes	yes	no
For Sale/To Rent		rent	rent	sale	sale
Site Size (acres)	92	0.33	0.25	9	4

Location	Eyrecourt	Cornamona	Rosaveel	Spiddal	Spiddal
Owner	Eyrecourt Dev. Group	Udaras na Gaeltacht	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta
Available	yes	yes	yes	yes	yes
For Sale/To Rent	sale				
Site Size (acres)	0.25	4	10	1.5	9

Location	Casla	Screeb	Carna	Carraroe	Athenry
Owner	Udaras na Gaeltacht	Udaras na Gaeltachta	Udaras na Gaeltachta	Udaras na Gaeltachta	IDA
Available	yes	yes	yes	yes	
For Sale/To Rent					
Site Size (acres)	7	1.5	9	3	2.5

COUNTY CLARE: Employment Development Sites in Public Ownership

Location	Ennis Galway Road	Ennis	Tulla	Ballyvaughan	Kildysart
Owner	Clare County Council	Shannon Development	Shannon Development	Shannon Development	Shannon Development
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	26	42	300 sq. ft. x 3 offices	2	3

Location	Kilkee	Kilrush	Kilrush	Killaloe	Ballycasey
Owner	Shannon Development	Shannon Development	Kilrush U.D.C.	Shannon Development	Shannon Development
Available	yes	yes	yes	yes	yes
For Sale/To Rent					
Site Size (acres)	0.5	3,000 sq. ft.	8	1.5	2 vacant units

Location	Miltown Malbay	Tuamgraney
Owner	Shannon Development	Shannon Development
Available	yes	yes
For Sale/To Rent		
Site Size (acres)	18,000 sq. ft.	1,500 and 2,000 sq. ft.



