



## Wholesale & Retail in the Western Region

This *WDC Insights* summarises the key findings of the report 'Wholesale & Retail in the Western Region: Regional Sectoral Profile'<sup>1</sup>; the first in a series of Regional Sectoral Profiles analysing individual economic sectors in the Western Region.

Wholesale & Retail plays a critical role in the regional and rural economy as it is more widely dispersed than many other sectors. It is a highly visible sector and its performance has a major impact on the viability and vibrancy of towns. It also provides important job options for people with lower skill levels and younger people. There has been growing policy interest in this sector in the past number of years.

### Employment in Wholesale & Retail in the Western Region

42,510 people were employed in Wholesale & Retail in the Western Region in 2016 (Table 1)<sup>2</sup>. At 12.7% of total employment, it is the region's second largest employment sector, after Industry. It is somewhat less important in the region than nationally (13.3%), where it is the largest employer. Among western counties, Wholesale & Retail is most significant in the largely rural counties of Mayo (14.4%), Roscommon (13.9%) and Donegal (13.5%), and least important in Clare (11.2%).

Wholesale & Retail employment in the region in 2016 was 0.7% below 2011 but 3.6% above 2006. Over the decade, Leitrim, Galway County and Roscommon saw the strongest growth. Most counties had marginal change 2011-2016, with only Galway city (+2.4%), Sligo (-5.9%) and Mayo (-2.7%) showing notable change. The decline in Sligo over both periods is a worrying trend.

**Table 1: Number employed, percentage change, share of total employment and self-employment in the Wholesale & Retail sector in the Western Region and state, 2016**

County	No. Employed	% Change 2006-2016	% Change 2011-2016	Wholesale & Retail as % of Total Employment	% of Wholesale & Retail that is Self-employment
Clare	5,523	-2.0%	0.0%	11.2%	17.8%
Donegal	7,866	1.8%	0.9%	13.5%	15.5%
Galway City	4,287	3.4%	2.4%	12.3%	10.3%
Galway County	9,024	8.3%	-0.4%	12.0%	16.4%
Leitrim	1,534	13.5%	0.6%	12.1%	18.3%
Mayo	7,400	5.2%	-2.7%	14.4%	15.3%
Roscommon	3,585	6.7%	-0.9%	13.9%	16.4%
Sligo	3,291	-4.4%	-5.9%	12.7%	14.6%
Western Region	42,510	3.6%	-0.7%	12.7%	15.5%
State	266,673	3.6%	1.7%	13.3%	12.7%

Source: CSO, Census 2016: Summary Results Part 2, Table EZ011; CSO, Census 2006: Volume 7 - Principal Economic Status and Industries, Table C0713

1. Download from <https://www.wdc.ie/publications/reports-and-papers/>

2. Data in this section is from CSO, Census 2016: Summary Results Part 2 and CSO, Census 2016: Profile 11 – Employment, Occupations and Industry. Census data refers to the location where a person lives, though they may work elsewhere.



Wholesale & Retail is the largest employment sector for 16 of the region's 40 urban centres. Factors such as distance from larger centres and economic diversity determine its relative importance. Over half of western towns experienced a fall in the number working in the sector between 2011 and 2016.

Self-employment in Wholesale & Retail is more common in the Western Region (15.5%) than nationally (12.7%). Self-employment in the sector in the region fell 8.9% (2011-2016), far greater than the 1% decline in total self-employment, indicating this sector suffered a far greater contraction than others.

## Wholesale & Retail Enterprises in the Western Region

In 2016 there were 8,404 Wholesale & Retail enterprises registered in the Western Region; 3% below 2008, but an improvement on the low point of 2014.<sup>3</sup> In 2016, the Western Region was home to 18% of all Wholesale & Retail enterprises in the state but only 15.9% of all employment, indicating smaller scale enterprises.

Roscommon is where Wholesale & Retail accounts for the highest share of total enterprises (22.3%), followed by other rural counties (Donegal, Mayo and Leitrim). Galway<sup>4</sup> is where it is least important (18.3%), due to its greater enterprise mix. Three western counties (Leitrim -1.1%, Mayo -0.8% and Sligo -0.6%) had a decline in the number of Wholesale & Retail enterprises 2014-2016; three of only six counties nationally.

## Key Policy Issues

**Increased consumer mobility & rural areas:** The trend of travelling to large urban centres to avail of wider retail choice presents opportunities for the region's largest centres, though often creating problems of congestion and accessibility. It may also have negative implications for more rural areas. Wholesale & Retail plays a bigger role in rural counties and particularly in small and medium-sized rural towns at some distance from larger centres and serving a wide hinterland.

**Town centre renewal:** Towns are trying to adapt to their changing role. Retail is just one of the services they provide and for many it is declining in relative importance. Taking a broad approach to town centre renewal, addressing accessibility and the public realm, is critical to making towns more attractive as retail and service destinations. [A Framework for Town Centre Renewal](#)<sup>5</sup> is a useful guide for towns in setting out a plan for their future.

**Growth of online sales:** Online sales continue to grow but the majority of spending leaks out of Ireland. While online can be seen as a threat to traditional retail, it also presents an opportunity to expand beyond local markets. Only 44% of retail SMEs can process transactions online.<sup>6</sup> Initiatives such as the [Trading Online Voucher](#), increased online sales training, the pilot [Online Retail Scheme](#) and roll-out of high speed broadband are important to realise the potential.

**Declining self-employment:** While self-employment remains higher in the region than elsewhere, it is declining. The sector's composition is changing, with fewer family run enterprises. This impacts on the local distinctiveness of the retail offering of individual towns. Initiatives to support new Wholesale & Retail businesses, as well as succession planning, are needed to maintain a healthy retail mix.

**Quality of employment and skills development:** While Wholesale & Retail offers many high quality jobs, it also employs a lot of younger and lower skilled workers. Improving the quality and security of jobs in this sector is important for worker rights and also for the sector's future. Responding to current retailing trends requires increased training e.g. increasing demand for personalised services, and staff must be equipped with the necessary skills.

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

3. Data in this section is from CSO, [Business Demography 2016](#)

4. Business Demography data does not distinguish between Galway City and Galway County.

5. Retail Consultation Forum (2017), [A Framework for Town Centre Renewal](#)

6. IE Domain Registry (2018), SME Digital Health Index 2018