

Joint Committee on Jobs, Enterprise and Innovation
Presentation by Western Development Commission (WDC)

21 April 2015

The Western Development Commission

The Western Development Commission (WDC) is a statutory body that was set up to promote both social and economic development in the Western Region (Donegal, Leitrim, Sligo, Mayo, Roscommon, Galway and Clare) by:

- Ensuring policy is directed at improving the social and economic situation in the region.
- Developing and delivering projects in identified regional growth sectors e.g. Creative economy, Renewable energy, niche tourism etc.
- Operating the Western Investment Fund (WIF) to provide loans and equity to business and local communities in the West. Thereby forming a base for indigenous enterprise growth.

The WDC would formally like to express its gratitude to the Committee members for the kind invitation to present before you here today on the Creative economy, which is a sector we have practically championed and supported since 2008,

Our Vision

‘A confident and ambitious Western Region where excellence, innovation and creativity are rewarded, and the rich quality of life, clean environment and unique heritage are valued and safeguarded.’

A role that makes a difference

Broadly speaking the WDC has now become the pre-eminent regional development agency in Ireland. As such the WDC is poised to drive regional growth¹. We have internationalised the organisation and diversified our access to finance and development offerings to meet the changing demands. Today through collaborative efforts we have grown employment, enterprise and identity in our region. In recent years the efforts of the WDC have supported circa 1899 regional jobs. Over 1 Million people have viewed our region through the www.lookwest.ie portal. In diverse emerging growth sectors the WDC has become a leading agent of change and growth with an ever increasing reputation. In Renewable bioenergy, the creative economy, medical devices, marine, tourism and the cultural sector, regional strengths have been harnessed and supported via the WDC and its growing network of collaborative partners.

In addition strong policy and regional analysis undertaken by the WDC continue to enable the state to invest in suitable “*access infrastructure*” (energy, broadband, transport) to realise the regions potential for all. Looking ahead the WDC is establishing a framework with regional, national, and international partners to realise up to 19,000 more jobs in the region.

¹ For examples of how this will be achieved see *Fig 1 – Examples of WDC Growth priorities*

Why the Creative Economy (CE)

Globally the CE is of growing importance both as a direct employer and contributor to economic value and indirectly as an enabler of critical aspects of other industrial sectors most notably innovation. Examples of this include:

- In the EU in 2003 the 'Cultural and Creative Sector' had a turnover of more than €654 billion; contributing to 2.6% of EU GDP. This compares with a % GDP of 0.5% for textiles and 1.9% for food, beverage and tobacco manufacturing.
- The overall growth of the sector's value-added in the EU was 19.7% in 1999-2003, which was 12.3% higher than the growth of the general economy.
- In 2004, 5.8 million people worked in the sector: 3.1% of total employment.
- Globally UNESCO show that trade in cultural goods has increased over the last decade from \$39.3 billion in 1994 to \$59.2 billion in 2002

In the context of the Western Region the CE contributes both directly to the national economy and indirectly in a range of non-quantifiable contributions. For example, there is interdependence between the sector and ICT, with each depending on the other for growth. In addition, it is known that culture is a main driving force for tourism, working to attract an increasingly affluent and discerning tourism market.

In an effort to accurately quantify the creative sector in the region the WDC commissioned a number of market intelligence pieces (**Creative West (2009) & CE Growth trajectories (2011)**) which profiled the businesses on the sector. Here are some of the key findings:

Creative West -

- The sector employs a significant number of people in the region – 11,000 people, 4.1% of total workforce in Sligo, 4.4% in Leitrim, 3.1% in Donegal.
- There are almost 5000 businesses operating in the sector (exactly 4,779)
- Most businesses are SME's or micro enterprises with 12 % employing more than 10 people
- The businesses are highly indigenous – 98% of the businesses sampled had HQ's in the region
- Turnover is around **€ 534 Million p.a.**
- The sector currently experiences an export deficit with two thirds of creative businesses exporting little or no goods or services – The estimated value of total exports from the region is € 72 Million.

Quality of life and inspiration from the region's landscape and culture are among the strongest motivators for creative people to live and work in the Western Region. They face a number of constraints however that can be addressed by policy and enterprise supports. Chief among these are high bandwidth broadband for creative businesses operating in rural areas, difficulties in finding and recruiting specific skills, and quite limited networking with others in the creative sector and wider business community. Creative businesses often do not fit easily

into the eligibility criteria for enterprise funding and may find it difficult to access finance. The **Creative West** report set out a series of recommendations for developing the sector in the region which have formed the basis of the WDC's support for the sector.

To further make the case for supporting the sector, in 2011 the WDC published an economic impact assessment, conducted by NUI Galway, measuring the potential impact of supporting export growth and facilitating networks of practice among creative businesses. It estimated that if these activities were supported there was potential to double the numbers working in the creative sector over the next 10 years.

In order to pursue the recommendations made and to help address some of the constraints faced by the sector, the WDC has worked with a number of partners on a range of initiatives.

- To help tackle the issue of **low export activity** the WDC has implemented a number of initiatives:
 - **Creative Edge**, a 2-year €1.2m transnational EU-funded project also involving NUIG, focused on increasing access to international markets for creative enterprises. We developed the MyCreativeEdge.eu website which provides an online showcase for creative enterprises which is advertised to the diaspora in the US and UK. Over 550 creative enterprises are now profiled on the site and it receives about 2,000 visits each month.
 - The WDC has just received approval for a new 3-year, €2m transnational project called **Creative Momentum**. It will further develop new routes to export markets for creative enterprises, as well as providing international networking opportunities with creative enterprises from Northern Ireland, Iceland, Sweden and Finland, and providing support for business skills development and innovation.
 - For the past three years the WDC has partnered with the Design & Crafts Council of Ireland on their **International Fair Fund** to support craft makers from the region to attend overseas Trade Fairs, their key route to overseas markets. We have supported 14 makers from the region.
- To address the barrier of **low access to finance**:
 - The WDC has long experience in providing venture capital and loans to businesses across the Western Region and in 2012 decided to use this expertise to launch a micro-loan fund specifically for the creative industries. **The WDC Micro-Loan Fund: Creative Industries earmarked €1M** and provides loans of €5,000-€25,000 and to date has funded 12 creative enterprises across the Western Region.
- To help address a recognised **skills gap** in the region in the area of feature film script writing, we partnered with the Galway Film Centre to support 6 script writers on a Feature Film Script Writing Mentoring Programme last year. Film and TV is an area of growing economic importance for the region with the likes of Jimmy's Hall, Black Ice and Calvary filmed here. Developing script writing skills in the region should increase the pipeline for future films. Galway has also been designated a UNESCO City of Film, one of only five internationally, which is a potential that that needs to be leveraged.
- **Creating global perception of the West Region as an innate unique creative and cultural area** - 2015 marks the 150th anniversary of the birth of WB Yeats and as such its

commemoration has been designated the national commemoration by the state. It is being marked by a year-long series of activities for **Yeats 2015**. The WDC has been asked to co-ordinate the initiative and is playing a leading role in implementing this initiative on behalf of the government and a key objective is to ensure a lasting legacy for the creative and cultural sector in the region.

- **Transforming regional support perspective to the CE sector** - The WDC also worked with local authorities to widen and deepen the support system for the CE. An example is the work with Sligo County council on the **4CNW** project which linked creative enterprises with mainstream enterprises e.g. agri-food, life sciences, as a method of stimulating innovation in the wider regional economy.

The **Action Plan for Jobs** identified the creative sector as one of the key sectoral opportunities for economic growth and job creation in Ireland. It is important that the potential of the creative industries to contribute to sustainable job creation and enterprise growth at a regional level be recognised and the sector supported.

The **Commission for the Economic Development of Rural Areas (CEDRA)** has already identified creative industries as a key growth sector for rural economic diversification and recommended the development of a coordinated strategy for the sector that places specific focus on its potential to contribute to the rural economy. This sector holds such potential for job creation, innovation and regional and rural development that it is imperative that it be facilitated to develop and internationalise.

Summary

In essence the WDC has sought to innovatively showcase and support this highly indigenous and sustainable sector within our region. The next step in the vision is to grow the sector to a €1bn annual turnover in the coming years with product development and exports being the key areas of development. The WDC is working with national and regional partners as well as businesses to implement this using private sector, national and EU funding.

To enable this transformation and have the Creative economy truly become of global stature it is essential to evolve the national support narrative to access broader enterprise development programs for the CE sector.

Due to the highly indigenous, specialized and geographically rooted nature of enterprises in the Creative sector the WDC would strongly recommend consideration of a permanent regional creative sector development function to be established. This would greatly accelerate realization of a vision to create a global indigenous sector in the west with revenues in excess of €1 billion.

Once again many thanks for the kind invitation and consideration of the committee members.

Ian Brannigan WDC

Figure 1 –examples of WDC growth priorities -

Key Growth Areas	Current initiatives	Aim/Outcome
Access to Finance (Solving the issue of access to growth capital)	<ol style="list-style-type: none"> 1. Western Investment Fund (WIF) – 2. Creative industries micro loan fund - 	<ol style="list-style-type: none"> 1. Venture capital fund helping scores of western firms develop and grow 2. Targeted microloan program to kick start western creative firms
Regional Analysis and Policy (identifying regional issues and designing solutions)	<ol style="list-style-type: none"> 1. Broadband 2. Transport infrastructure 	<ol style="list-style-type: none"> 1. Next Gen BB development 2. Travel to work and Strategic policy influencing
Renewable Energy (developing the largest regional opportunity for growth)	<ol style="list-style-type: none"> 1. ROKWood 2. BioPAD 3. Strategic Biomass District Heating (DH)scheme 	<ol style="list-style-type: none"> 1. FP7 initiative to develop short rotation crop sector 2. Initiative to develop local biomass supply chains and sector 3. Secured loan finance from EU (€5 M) to develop PPP model with municipality to deliver renewable DH scheme to western town.
Creative Economy (Diversifying the regional economy to help its sustainability - supporting micro business)	<ol style="list-style-type: none"> 1. www.MyCreative edge.eu 2. Creative edge. 3. MOU with Craft Council of Ireland. 4. Scriptwriting excellence program. 	<ol style="list-style-type: none"> 1. Shop window for hundreds of rural creative businesses 2. With NUIG developing stimulus for whole creative sector. 3. MOU for crafts – driving growth through trade fair funds and export drive. 4. Growing commission capture (TV & Film) in the region.
Tourism (supporting niche tourism and the regional and national brand)	<ol style="list-style-type: none"> 1. Lookwest.ie 	<ol style="list-style-type: none"> 1. Unique regional portal that has achieved over 1 M visits. Attracting people to invest and visit the west of Ireland
Yeats2015 (designing and delivering on the national commemoration of WB Yeats 150 th anniversary in 2015 – showcasing the regions creativity globally)	<ol style="list-style-type: none"> 1. Designing for the state the Yeats2015 initiative. 	<ol style="list-style-type: none"> 1. A global showcase for the region and a chance to attract a fctsd €10 M in additional visitor spend to the state.
CEDRA (Commission for economic development of rural areas)	<ol style="list-style-type: none"> 1. Developing the initiatives to deliver on CEDRA recommendations. 	<ol style="list-style-type: none"> 1. Step change in the value and diversity of Ireland's rural economy.