



The Impact of Infrastructure to Enterprise in the North-West Region

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REGIONAL ENTERPRISE PLAN
NORTH-WEST

MORLEY
ECONOMIC CONSULTING

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EXECUTIVE SUMMARY

The North-West Region has long lagged other regions in Ireland when it comes to key economic indicators. A review of national and regional strategies and reports, and consultations with key agencies in the Region, points to a legacy of significant underinvestment with no motorway network, limited rail connectivity, no gas connection, and underdeveloped power transmission lines.

IDA Ireland point to the importance of these “necessary infrastructure and property solutions; the availability of skilled and future ready workforce; and quality of life and placemaking” on its ability to deliver balanced regional development. Yet, despite commitments for impactful infrastructure development by successive governments, the current provision of projects-of-scale under the National Development Plan continues to be under allocated on a per capita basis.

Without investment in core enabling infrastructure, critical for the economic prosperity of a region, the North-West is disadvantaged in its ability to contribute to the national agenda for economic growth and regional development.

This report is unique in that it gives voice to the challenges facing businesses in the North-West. Case Studies show that the priorities facing these businesses relate to current enablers, as well as to the long-term strategic enablers identified by government and non-government agencies.

Improvements in accessibility infrastructure will help to promote the Regions ability to harness future opportunities in areas such as renewable energy and attracting high energy industries. The west of Ireland has ten times the potential of verified offshore resources compared to the east coast and offers significant opportunities to support Ireland in achieving its ambitious climate targets.

Such plans, however, necessitate upgrades to electricity transmission in the Region, connection to the national gas network, and upgrades to Killybegs Harbour – none of which have definitive government commitments to be addressed in the short- to medium-term.

From a business perspective, the areas of concern in the Region are much narrower and focus primarily on accessibility to the Region; enterprise space; and broadband provision.

The Case Studies show that many companies have adapted to the confines of the poor infrastructure. They also highlight how failures to address the shortfalls in infrastructure directly impacts business’ opportunity cost when it comes to day-to-day operations, and the ability to attract and retain staff and secure growth opportunities.

Examples were given by businesses of

- Recruiting talent who have a connection to the Region, otherwise it is considered “too far away” and “too hard to get to” by prospective employees;
- Not being able to ship product to Donegal because the Dublin-based distributor considers it a “difficult route”;
- Needing to carefully manage visiting executives’ trips from Dublin Airport to the Region to ensure continued investment; and
- Having to move between offices when online training days are scheduled to ensure a reliable broadband connection.

The N17, N4 and A5 are priority routes that must be upgraded as a matter of urgency.

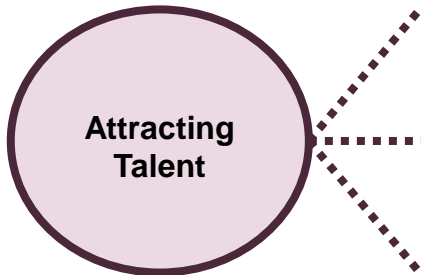
Improvements to the Sligo-Dublin rail line and connectivity to Letterkenny are considered critical to opening up the Region while improved air links to international hubs will make Irish West Airport Knock (IWAK) and Donegal Airport more viable options for businesses.

The impact that these investments can have in attracting enterprise investment should not be understated, with one Case Study giving the example of a prominent multinational choosing a Limerick City location over Letterkenny due, in part, to the proximity of Shannon Airport and the motorway infrastructure from Dublin. The decision resulted in the loss of a potential 400 jobs for the North-West.

Without continued commitments to address the concerns of businesses today – on accessibility, industrial space, and broadband provision – the Region risks falling further behind in terms of what it can offer as a viable and attractive location for business to invest in, and for people to want to live and work in.

Enabling Infrastructure – The Business Perspective

1. Accessibility to the North-West Region



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“The whole access of getting into [Donegal], getting out of [Donegal], that is definitely transcending into people’s image and perception of the North-West.”

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“The roads are a pillar that can be very much underestimated. In terms of people’s willingness to come up here, they see it as a huge trek.”

“

“Would I want to come and live [here]? Well, it doesn’t have roads, it doesn’t have all the basic infrastructure requirements that attract people to come and live in an area.”

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“We’ve had direct comments from multinationals visiting us that the place is inaccessible. They can’t get to it easily. It does definitely restrict the development in the Region.”

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“Senior management love being here, but they hate getting here. That’s their message... If they’re not encouraged to visit, or it’s very difficult to visit, that has a negative impact on site.”



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“[Courier services] won’t ship until there is enough [product] to ship... It could take three or four days to get [shipments] out of Ireland, or to us, because they’re being held in Dublin. That’s a big issue.”

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“Distribution into Donegal doesn’t happen... the distributor is Dublin based and it’s nearly not worth their while going that far. They go to south Donegal maybe once a month... It’s very frustrating.”

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“We have companies that won’t come up dedicated to visit us. They’ll only come up on a milk run, and they’ll put the work off until then.”



Shipping & Customer Experience

2. Enterprise Space & Ecosystem

“

“One of the areas that’s significantly lacking here is a pathway from incubation to an established business... Once you’re out of a start-up phase but you’re not big enough to take on an industrial unit that’s designed for a big multinational, there’s nothing in between. There is actually nowhere to go.”

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“There’s a lot of small businesses that we work with... that support us. It is important that those businesses are supported and that they grow and develop as well.”

3. Broadband

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“We’re about 500 meters away from fibre broadband that has been there for two years. We’re supporting 25 jobs here and they can’t extend the line to connect us.”

1. Enabling Infrastructure in the North-West Region

Ireland's North-West Region¹ has long been identified as one underperforming, compared to other regions in the country. A Region lacking any motorway infrastructure, limited rail connectivity, no connection to the national gas network, and an aging electricity grid, it is not surprising that it faces challenges in terms of economic attractiveness.

This report aims to identify the key areas of focus for infrastructure as they relate to enabling sustainable enterprise investment and development across the Region. Enabling infrastructure is therefore defined as any infrastructure that is considered critical in ensuring the economic prosperity of a region. To that end, the report primarily focuses on road, rail, airport, seaport, electricity, gas, telecommunications, office and industry space.²

This Section of the report sets out the broad range of infrastructure deficits that exist in the Region, and how addressing such deficits can act to bring the Region up to the same standard as other regions in Ireland and allow it to contribute in a more meaningful way to national and regional growth objectives.

The remainder of the report comprises Case Studies with indigenous and international businesses based in the Region, uniquely giving voice to the day-to-day challenges faced by businesses as a result of the current infrastructure deficits.

Bodies such as IBEC, the Northern & Western Regional Assembly (NWRA), and the Western Development Commission (WDC) have long reported the infrastructure issues in the North-West Region and the implications on future growth opportunities if such deficits continue to go unaddressed.

Recognising the persistently strong growth of Dublin and the Eastern and Midland Region, the National Planning Framework (NPF)³ specifically targets more balanced growth across the regions “to enable the potential of Ireland’s other cities and regions to be developed to a greater extent than to date.”

The NPF identifies connectivity, accessibility, and quality of life as areas of priority in enabling growth and competitiveness across the regions.

However, the Figure in Appendix A depicts the reality of the situation with regard to how the North-West has been “left behind”. The North-West Region has no motorway network; limited rail infrastructure – with no rail line in Donegal; no connectivity to Gas Networks Ireland; and reliance on underdeveloped electricity transmission lines.

While successive governments have committed to impactful infrastructure development in the Region to meet these objectives, the DPER Investment Tracker shows that just 43 of the 302 NDP projects-of-scale are to be delivered in the Northern and Western Region – 17 of these projects are located across Donegal (10 projects), Leitrim (1 project) and Sligo (6 projects).⁴

This represents just 14% of the total regional allocation of projects (with only 6% allocation in the three counties of interest) and compares to the 151 projects allocated in the Eastern and Midland Region (50% of total) and the 108 projects in the Southern Region (36% of total).

On a per capita basis, the Northern and Western Region is the only one of the three NUTS 2 Regions to be under-allocated projects of scale⁵ further reflecting the need for the “positive discrimination” necessary to bring the Region as a whole up to a national standard, and to address, and reduce, the economic, social, and regional disparities that currently exist.

1 The North-West Region comprises Donegal, Leitrim and Sligo. Due to data limitations, certain statistics and policy references will be made in the wider context of the Northern & Western Region which covers Donegal, Leitrim, Sligo, Galway, Mayo, Roscommon, Monaghan and Cavan.

2. Housing, along with innovation & education, while important enabling infrastructure for any region, are not the focus of this report.

3 [National Planning Framework, Government of Ireland \(2018\)](#)

4 [MyProjectIreland Interactive Map and Tracker, Department of Public Expenditure, NDP Delivery and Reform \(accurate as of February 2024\).](#)

5 [Pre Budget 2024 Submission, Northern & Western Regional Assembly \(September 2023\)](#)

In the context of these infrastructure deficits, the national and regional organisations⁶ consulted with for this study posed important questions –

- What is the plan for the Region?;
- How can the Region contribute to the national agenda?; and
- What will good look like in 20–30 years' time?

Establishing the answers to these questions will help to establish the level of infrastructure investment required to support ambitious and sustainable enterprise investment and growth in the Region.

According to IDA Ireland, targets for balanced, compact regional development cannot be achieved without the delivery of “necessary infrastructure and property solutions; the availability of skilled and future ready workforce; and an emphasis on quality of life and placemaking” in each region.⁷

The North-West Region ranks highly for quality of life⁸ however, without key infrastructure investments in the aforementioned areas, the North-West will continue to struggle to meet its potential, and the ambitious targets set out in Government policy.

While the IDA has already supported 57 companies to invest in the North-West Region, employing some 9,000 people, there is clearly scope to improve these opportunities when compared to other Regions in Ireland.

For example, just over 27,000 are employed in 159 IDA-backed companies in the Mid-West Region; the West Region where 128 IDA-client companies employ 31,000 people; and the South-West where 233 companies support more than 51,200 jobs.⁹

These regions all benefit from strong motorway and rail connectivity to Dublin. They also benefit from proximity to international airports at Ireland West Airport Knock (IWAK), Shannon Airport, and Cork Airport.

It is difficult to quantify the opportunity cost, for any region, of not investing in critical enabling infrastructure. However, when determining a plan for the North-West Region, and how the Region can contribute to the national agenda, we can look to these other regions, along the western and southern coast, as prime exemplars.

The Mid-West Region, for example, was the fastest growing region for foreign direct investment in 2017, with just over 1,000 jobs created in Limerick alone over a three-year period.¹⁰ Under the Limerick 2030 Economic and Spatial Plan, the county saw over €1bn invested in key enterprise and infrastructure projects, all of which have acted to improve the competitiveness and attractiveness of the Mid-West Region as a viable place for enterprise investment.¹¹

The implications for the North-West Region are starkly reflected the EU Regional Competitiveness Index 2.0 – ranking the Northern and Western Region 218th of 234 European regions for infrastructure.¹² The Region is now designated as a “Transition Region”, the only region in Ireland with such a status. Such a classification, leaves it comparable to “Less Developed Regions” in Greece, Romania, Slovakia and Bulgaria – a striking comparison for a highly developed economy like Ireland.

The potential for the North-West Region to meaningfully contribute nationally to economic growth and competitiveness is great.

The Region already has a strong track record in soft infrastructure, with businesses recognising the talent pool available – particularly within the catchment area within the North-West City Region. The creation of the Atlantic Technology University (ATU) has further bolstered the Regions capabilities with regard to human capital, R&D, and collaboration.

6 Regional Local Authorities, Regional Local Enterprise Offices (LEO), Údarás na Gaeltachta, Enterprise Ireland, and IDA Ireland.

7 [Driving Recovery and Sustainable Growth 2021-2024, IDA Ireland](#)

8 [North-West Relocation Survey, Collins McNicholas \(May 2019\)](#)

9 IDA Ireland data accurate as of 9 January 2024.

10 [Limerick and Mid-West Fastest Growing Regions From FDI Outside the Capital, Limerick.ie \(March 2017\)](#)

11 [Limerick Development Plan 2022-2028 - Economic Development & Employment, Limerick City and County Council \(2020\)](#)

12 [EU Regional Competitiveness Index 2.0 - 2022 Edition, European Commission](#)

The Region's location along the border with Northern Ireland has anecdotally resulted in sustained under investment in infrastructure over many years. However, now potentially new opportunities exist in this context for the wider Region – namely the critical mass of the North-West City Region (including the metropolitan area of Derry City, Letterkenny and Strabane – the fourth largest urban agglomeration on the island) and its impact on the wider North-West Region of Leitrim, Sligo and Donegal.

Addressing the infrastructure deficits in the North-West – road, rail, air connectivity, electricity, gas etc. – would allow the Region to harness these existing soft infrastructures and opportunities, and achieve similar growth as demonstrated in other regions across Ireland.

Sub-Sections 2.1 and 2.2 summarise the critical infrastructure needs of the North-West, highlighted in the literature and consultations, as they relate to accessibility and future growth opportunities for the Region as a whole.

1.1 Regional Accessibility

Accessibility to the Region is critical for enterprise investment and growth. This was the main area of focus for stakeholders and the Cases Studies (see Section 2 and Appendix B).

Roads: Upgrading the N17, N4 and A5 as a matter of priority will dramatically improve connectivity to the east and along the western corridor. The Government recently committed €600million to the A5 North-West corridor as part of the Shared Ireland project¹³, and just under €1million¹⁴ for upgrades to the N17. The financial commitment will need to be accompanied with earnest plans to progress both projects.

The N15, and N14 were also highlighted as priority routes in the Region that require significant investment.

Rail: Donegal is one of only a small number of counties that does not have rail infrastructure, further inhibiting accessibility to the most northern part of the Region.

The All-Island Strategic Rail Review¹⁵ consultation process identified no rail access along the Atlantic Corridor connecting principal towns and cities such as Derry, Donegal, Sligo and Galway, and no provision of rail freight routes to the North-West Region. The development of a new rail link from Letterkenny to Derry would “connect major urban centres of the North-West to each other and greatly improve access to Belfast and Dublin.”

Literature highlights that further building out a North-West City rail link southward, along the Western Rail Corridor, would provide important inter-linkages between separate lines that currently serve the Northern and Western Regions.¹⁶

Air: IWAK and Donegal Airport both perform important roles in connecting the North-West Region to national and international destinations, acting as economic drivers for the Region.

Inadequate road infrastructure and public transport options to both airports is currently limiting their ability to support greater traffic. The addition of greater connectivity to international locations from IWAK would also significantly improve the viability for business use for companies located in the Region.

The Public Service Obligation (PSO) for flights from Donegal Airport to Dublin Airport provides very important accessibility and acts to mitigate poor surface transport infrastructure that currently exists.¹⁷

City of Derry Airport also provides a valuable air access service for the North-West, particularly for those businesses located in North Donegal. The introduction of a flight between Derry and Dublin could be transformative for businesses in the Region.

¹³ [Department of the Taoiseach, Press Release \(20 February 2024\)](#)

¹⁴ [Department of Transport, Press Release \(22 February 2024\)](#)

¹⁵ [All-Island Strategic Rail Review, Draft Report for Strategic Environmental Assessment Consultation, Department of Transport \(July 2023\)](#)

¹⁶ [Submission to the All-Island Strategic Rail Review, Northern & Western Regional Assembly \(2022\)](#)

¹⁷ [Consultation on New Regional Airports Programme 2020-2024, WDC Submission \(2019\)](#)

1.2 Planning for Future Opportunities

When considering infrastructure deficits in the North-West, it is important not only to think about their impact today, but also the impact they will have, if left unaddressed, on the Region's ability to capitalise on opportunities into the future.

Upgrading electricity transmission lines and establishing a connection to the gas network would significantly improve the strategic opportunities available to businesses already based there. Such investment would also expand the opportunity for high-energy users to locate in the Region, as well as reinforcing the Regions ability to capitalise on energy associated development and renewable energy capabilities.

The west coast, and the North-West in particular, has the potential to play a very important role in Ireland's move towards renewable energy sources.

The west of Ireland has ten times the potential of verified offshore resources compared to the east coast, but infrastructure deficits must be addressed to fully harness this potential.

Much of the North-West Region is serviced by 110kV electricity grid. With the level of onshore wind currently generated, and the prospect for offshore wind generation, significant investment in capacity is required to facilitate the transmission to the national grid. As highlighted by WDC, "a long-term view is needed to ensure investment meets long term needs."¹⁸

The gas network also plays an important role in building out the offshore wind potential for the North-West, allowing for the production of green hydrogen gas.¹⁹ While there is no connection to the national gas network in the Region, biomethane injection is being considered as a solution for Sligo, through the Sligo Town Gas Network project. However, consideration of this option is still in the very early stages and dependent on national energy policy.²⁰

Adequate seaport infrastructure is critical if the North-West is to harness the full potential of offshore wind energy. Existing literature and consultations identified the role of Killybegs Harbour in this respect. There is an existing marine cluster in Killbegs with many transferrable skills between fishery/marine and offshore wind generation. Road and rail connectivity, and connectivity to the UK and mainland Europe, will need to be addressed in order to support the construction and operation of any offshore developments.

In that respect, TEN-T, which aims to facilitate multimodal transport chains connecting seaports, airports, rail and road terminals, is an important EU initiative that can help to deliver greater investment in transport infrastructure along this cross-border region and the Atlantic Economic Corridor.²¹ Progress is slow, however, and no upgrades have been completed since its Inception in 2016.

As previous research and submissions have demonstrated, there are clear deficiencies across a range of infrastructure that are acting to hold the North-West Region back from achieving its long-term potential.

In the short-term however, as the Case Studies in Section 2 will highlight, businesses are focused on current enablers and immediate barriers that are impacting day-to-day operations. While many of the businesses did speak more broadly to the need for future planning for the Region, primarily the areas of greatest concern related to accessibility, enterprise space, and broadband provision.

Addressing these immediate challenges for enterprises will help to create a strong enterprise-base in the North-West, and a stable foundation on which government agencies can develop ambitious strategic plans for the Region.

¹⁸ [Consultation on the Draft EirGrid Transmission Development Plan 2021-2030, WDC Submission \(2022\)](#)

¹⁹ [National Hydrogen Strategy, Department of Environment, Climate and Communications \(2023\)](#)

²⁰ [Sligo Town Gas Network - Preliminary Front End Engineering Design, IT Sligo, Fingleton White \(2020\)](#)

²¹ [Public Consultation on the Development of the Trans European Transport Network \(TEN-T\), WDC Submission \(2019\)](#)

2. The Business Perspective

The North-West Region has numerous enabling infrastructure deficits, all of which are impacting the Region's ability to support enterprise investment and contribute effectively to national growth and competitiveness targets.

This Section of the report outlines the key deficiencies from the perspective of a range of businesses operating in Donegal, Leitrim and Sligo. The Case Studies are contained in Appendix B.

The remainder of this Section will outline the key themes to flow from these Case Study consultations. Quotes from the consultation process, all of which are included anonymously, are used to illustrate the impact of infrastructure deficits on day-to-day operations.

The key area of concern for the majority of businesses is accessibility to the Region, via road, rail and air, and the impact this has on their ability to attract and retain talent, as well as facilitating trade delegations and visitors to their sites.

Infrastructure around enterprise space is also an area of concern for a number of businesses. Broadband infrastructure is broadly very strong in the main towns but is significantly lacking in more rural locations in the Region.

Housing, while not a focus of this report, was raised as a "massive issue" in the Region that needs to be addressed to improve the attractiveness of the Region and to allow young people and skilled talent to work and live there. Issues relating to housing are contained in the individual Case Studies in Appendix B.

2.1 Accessibility to the Region

Access routes into and out of the Region are considered amongst the most important infrastructure deficits across the three counties.

“For me, the roads are a pillar that can be very much underestimated. In terms of people's willingness to come up here, they see it as a huge trek.”

“The whole concept of connectivity to the North, and that sustainability side of it. We could open up a lot more options if that Western [Rail] Corridor was there, probably more than we think.”

“Ireland West Airport [Knock] is top class compared to Dublin Airport, but from a growth perspective... it's a challenge... In the past 20 or 30 years there has been no infrastructure upgrade to get to Ireland West Airport [Knock]. There's been nothing.”

Inadequate road, rail, and air connectivity impacts businesses on several fronts – (i) it limits their ability to attract skilled talent to the area; (ii) it creates challenges for welcoming trade delegations and visitors to the site – which can impact investment and growth opportunities; and (iii) it is shown to impact shipping and delivery timelines, and customer experience.

(i) Attracting Talent

The ability to attract talent, particularly skilled staff and senior management can be a challenge in the the North-West Region, with inadequate commuting options feeding a perception that the Region is difficult to access.

“The whole access of getting into [Donegal], getting out of [Donegal], that is definitely transcending into people's image and perception of the North-West.”

“If we're recruiting, we tend to know we need to look for people with a Donegal connection because the general feeling is “it's too far away. It's too hard to get to.”

The ATU has played an important role in providing a new pool of talent for the Region and many businesses work closely with the University to ensure that graduates have the skills required to fill positions. Certain businesses also highlighted the importance of apprenticeship programmes being run through the ATU.

“The University here has been great. It would be great to see a wider range of apprenticeships being run out of the University in Sligo... The apprenticeship route is getting a lot of traction.”

“Locally, we do what we need to do with the local University to make sure we’re investing in future innovations and supporting the next wave of employees that we will bring on site.”

From an employer's perspective, addressing the deficits in the accessibility to the North-West (i.e., upgrading the N17, N4 and A5 as a matter of priority; upgrading the rail infrastructure through Sligo and Leitrim to facilitate faster trains, more direct routes, and connected travel; and providing a rail link in Donegal, connecting to either Derry or Sligo), would significantly increase the catchment area of talent for the Region, as well as improving the offering to workers looking to move there from outside the Region.

(ii) Investment and Growth Opportunities

As with any business, growth opportunities are dependent on the company's ability to attract investors and senior management to their site. Bringing investors, trade delegations, and senior management on site, showing them the operations, the talent, and capabilities of the site is hugely important in securing investment. This is a challenge in the North-West, given the inadequate road, rail and air connectivity.

“We’ve had direct comments from multinationals visiting us that the place is inaccessible. They can’t get to it easily. It does definitely restrict the development in the Region.”

“Senior management love being here, but they hate getting here. That’s their message... If they’re not encouraged to visit, or it’s very difficult to visit, that has a negative impact on site.”

Air connectivity is critical for this component of business operations, and IWAK provides an important link to international locations. However, there are limitations in terms of the road infrastructure linking IWAK with the North-West; and a limited selection of daily and seasonal flights that reduces the viability of the airport as an option for many businesses.

“We had an Italian trade delegation come in December. We had to drive to Dublin Airport to collect them, and then we sent them back on the train... There’s a flight to Milan [from IWAK] that would have been our preference... but the flight was off for the Winter.”

Typically, investors will fly into Dublin Airport and then rely on the road and rail infrastructure to complete the journey to Sligo, Leitrim or Donegal but this comes with its own challenges.

“We had a group of senior executives visit in 2022 and the vast majority did not see the need for that trek to Donegal... It took them four hours on the bus from Dublin, they spent four hours here, and go four hours back to Dublin again.”

“We hold quarterly meetings in Dublin, not [on site] because [executives] are flying from the US and UK. If they were to come to those quarterly meetings in [the North-West], our US colleagues would be missing two extra days. A day to get here, and a day to get back to Dublin.”

Other regions do not incur these challenges when it comes to enterprise investment and growth. Strong motorway links, rail links, and airports in Shannon and Cork, have facilitated important investments in these regions over the years.

One Case Study gave an example of a prominent multinational that recently chose a Limerick City location over Letterkenny because of Shannon Airport and the motorway infrastructure from Dublin. The decision resulted in a loss of a potential 400 jobs for the North-West.

(iii) Shipping and Customer Experience

Shortcomings in the road infrastructure, in particular, in the North-West Region has had a knock-on effect on businesses ability to ship product and create a positive customer experience. Companies gave examples of distribution channels being impacted by the road infrastructure, and the impact this has on lead-in times, general business operations, and competitiveness.

“*[Courier services] won't ship until there is enough [product] to ship... It could take three or four days to get [shipments] out of Ireland, or to us, because they're being held in Dublin. That's a big issue.*”

“*Trucks still have to go with products, post vans, couriers, all those service vehicles still have to go [on the road]... you have roads that are not fit for purpose.*”

Similarly, the wait time to have specialised works carried out on sites can be protracted due to the perceived distance to the North-West Region, and Donegal in particular, from other areas in Ireland.

“*We have companies that won't come up dedicated to visit us. They'll only come up on a milk run, and they'll put the work off until then... We've had to wait three months... and we've seen exorbitant costs being charged for travel to come to the site... I suspect that's not happening if you're in Galway.*”

Inadequate road, rail and air connectivity between the North-West and the rest of Ireland is clearly placing additional burdens on businesses in the Region. Current challenges facing all sectors of the economy today e.g. inflation, supply chain issues etc. are compounded in the North-West by a lack of motorway or dual-carriage way into the Region; limitations on rail infrastructure, particularly in Donegal, and inadequate air connectivity to international markets.

Accessibility to the Region is key if businesses are to be encouraged to set up operations there, and workers are to be encouraged live and work there.

2.2 Enterprise Space & Ecosystem

The quality and supply of enterprise space available for businesses was raised by a number of Case Studies. Certain businesses flagged the lack of industry space in the Region and the implications this has for companies looking to expand operations.

“*One of the areas that's significantly lacking here is a pathway from incubation to an established business... Once you're out of a start-up phase but you're not big enough to take on an industrial unit that's designed for a big multinational, there's nothing in between. There is actually nowhere to go.*”

The Hive, W8 Centre, Northwest Business Park, ATU Sligo Innovation Centre, Finisklin Business Park, Letterkenny Technology Park and Údarás Digital Hub were all mentioned as important enterprise infrastructure in the Region. Sites such as these are important in harnessing a positive business ecosystem, facilitating synergies and collaboration.

“*There's a lot of small businesses that we work with... that support us. It is important that those businesses are supported and that they grow and develop as well.*”

Growing that ecosystem, with appropriately scaled enterprise and industry space, is important for businesses already in the Region, and for attracting IDA-backed investments into the future.

2.3 Broadband

The majority of Case Studies, especially those based in business parks or larger towns, are well serviced by broadband infrastructure. Issues arise for those operating in more rural areas.

“*We're about 500 meters away from fibre broadband that has been there for two years. We're supporting 25 jobs here and they can't extend the line to connect us.*”

Further improvement to this infrastructure will extend investment opportunities in the Region to more rural areas, and also facilitate remote working which has become an important aspect of employment in recent years.

3. Conclusion & Recommendations

This report builds on an extensive literature base by presenting the impact that underfunding in critical infrastructure has had on businesses operating in the North-West. As both Sections 1 and 2 have demonstrated, the deficiencies in road, rail, air, electricity, gas etc. infrastructure in the Region is directly impacting the day-to-day operations of businesses and the prospects for the Region as a whole.

Over the past decade, expenditure on roads, airports, third level institutes, and R&D has been lowest in the Northern and Western Region, and typically below State averages.²² There is clearly scope, from a central government expenditure perspective, to address these deficiencies and help bring the Region to the standard set nationally.

The businesses that participated in this study have highlighted the need for action to be taken on accessibility to the Region. Road, rail, and air infrastructure are all critical components that must be addressed if the Region is to be considered for the same investment opportunities as other regions along the west and southern coast.



The N17, N4 and A5 are priority routes, and while newly committed funding is very welcome, both projects must be progressed as a matter of urgency. Upgrading connectivity to the east and west, along the Atlantic Economic Corridor, will open up opportunities for businesses in the Region to attract investment and attract the talent needed to grow sustainably. The TEN-T Network will help to deliver upgrades, but progress must be expedited for projects in the North-West.



The Sligo-to-Dublin train line is very important for the Region. Improvements to the service, in terms of speed and timetables i.e., train to arrive in Sligo for 9am, would significantly improve the viability of the service for businesses and commuters.

Donegal, as one of only a few counties with no train line, lacks direct train access to any regional city in the Republic or in Northern Ireland.



Where deficiencies in road and rail infrastructure continue to exist, air infrastructure in the Region provides a critical service for employers. The PSO between Donegal and Dublin Airport is one that businesses in the county want to see maintained. The Region's proximity to IWAK is also a benefit and improved infrastructure to access the airport, along with improvements in air links to international hubs, would significantly improve the viability of the airport from a business perspective.



Beyond the issues with accessibility, businesses highlighted the need for an adequate supply of enterprise space, particularly industry space for small and medium business, and the need for



broadband to be improved outside of the main towns of Letterkenny, Sligo town, and Carrick-on-Shannon.

The North-West has a lot working in its favour. The establishment of the ATU has brought huge opportunity for the entire Region and businesses have borne witness to the positive effect it has had on the local enterprise environment. Collaboration amongst the key agents and stakeholders is also strong, with a clear willingness to work together to achieve success for the Region.

Any plan for the Region must harness these strengths while earnestly addressing the infrastructure deficits that exist. The potential for the Region to contribute to national economic growth and competitiveness targets relies on these deficits being addressed. The potential to harness the clear opportunities around renewable energy also relies on this.

With targeted infrastructure investment to improve accessibility and connectivity, existing literature, stakeholder consultations, and business Case Studies highlight the potential for the Region to compete with other successful regions in Ireland, as a viable and attractive location for business to invest in and for people to live and work in.

²² [A Region in Transition - The Way Forward \(2019\), Northern & Western Regional Assembly](#)

Appendix A: National Infrastructure Provision

Figure: National Infrastructure Provision



Source: NWRA (2021)

Appendix B: Business Case Studies

Case Study 1: Anonymous

Sector: Manufacturing

Employed: 10+

Summary: This manufacturing company has been operating in the Region for 10+ years. When it comes to business investment and growth opportunities, accessibility to the North-West Region, via rail, road, and airport infrastructure is critically important for the company.

- **Accessibility:**



The company highlighted the important benefits to the Region of the current rail line between Sligo and Dublin and how certain improvements could help to strengthen business opportunities, as well as benefiting tourism in the Region more broadly. In particular, the need for more frequent and faster services towards Sligo to facilitate employees commuting to Sligo for 9am; and better-connected travel options for those relying on other modes of transport i.e., bike/bus to get to their final destination.



The road infrastructure north of Sligo prohibits product distribution into Donegal as the company's distributor, based in Dublin, considers it a "difficult route". The company pointed out that even if there is a move towards public transport and more active travel across the Region and country – there will always be a commercial need for good road infrastructure. Roads in the Region, particularly the N17, are considered not currently fit for purpose.

IWAK is the closest airport to the company, but international trade delegations typically arrive in Ireland via Dublin airport and complete the journey to the North-West either by road or rail. There is a desire to use IWAK but greater connectivity to mainland European hubs, and more frequent flights, would be required for it to become a sustainable option. Such investment would significantly improve the business and tourism opportunities in the Region.

Infrastructure for active travel, not just for tourists, linking surrounding greenways with Sligo town would help to improve the attractiveness of Sligo as a place to live and work.

The Sligo-Dublin train really is a great asset to the Region, with the frequency and price making it more attractive than driving. However, the service on the Sligo half of the line could be improved with more early and late trains coming into and leaving Sligo. Commuters are catered for very well on the Dublin end, and I'm sure Sligo would benefit from the same focus.

- Co-Founder

Case Study 2: Anonymous

Sector: Manufacturing
Employed: 20+

Summary: The key enabling infrastructure issues facing this company include the availability of suitable enterprise space, and accessibility to the Region.

- **Enterprise Space:**



The company highlighted the lack of appropriate enterprise space for those who no longer require incubation space but are also not big enough to take on a large industrial unit. There is currently no clear pathway for businesses as they expand beyond the start-up phase.

- **Accessibility:**



At a minimum, the company would like to see a dual carriage way into the North-West Region. The road infrastructure impacts deliveries and shipping, with large shipping companies servicing the Region infrequently. Shipments have been held in Dublin and/or Midland warehouses until there are sufficient quantities to warrant a journey to the Region. This impacts the company's lead-times on projects.



Although their clients love the Region, they have received direct comments from multinational clients that the area is inaccessible, and they feel that this restricts investment and development in the Region.

Clients have used IWAK to visit the site but there are insufficient flights per day, particularly from the UK, to make it a viable business airport. Clients will fly into Dublin airport and then must find their way to the Region.

- **Other:**



Housing: Housing is considered the biggest issue when it comes to attracting talent to the area. People want to work and live in the Region but the lack of affordable housing to buy and rent is prohibiting this move, and directly impacting the business.



Atlantic Technology University: The ATU has been a very positive addition to the business ecosystem in the Region and the company would like to see a wider range of apprenticeship programmes available through the ATU.

People in the North-West, and the whole Region, have got very used to working and exporting - working internationally, working professionally - we've been dealing with it a long time... You have to find work-arounds. You have to do things differently.

- Co-Founder and CEO

Case Study 3: Anonymous

Sector: Manufacturing
Employed: 20+

Summary: After 40+ years in operations, this manufacturing company has become accustomed to many of the infrastructure deficits in the Region. Broadband, accessibility, and attracting talent were highlighted as some of the key issues for the business.

- **Broadband:**



While urban areas of the Region are well serviced, black spots still exist in more rural areas and this has impacted day-to-day operations on site. When online training courses are scheduled, the staff from their rurally located office must relocate to one of the urban sites in order to be certain of a reliable broadband connection. The company has felt “overlooked” and “let down” by the inadequate provision of broadband in rural areas of the Region.

- **Accessibility:**



The company believes upgrades to the N17 and N4 would greatly enhance accessibility to the Region. While all employees are local, there is acknowledgement that the Region needs to be made more attractive for young people, through improved connectivity, to attract professionals.

- **Other:**



Atlantic Technology University: The important role of ATU for business in the Region was highlighted and acknowledgement for the positive contribution made to the manufacturing sector.

I’ve been very ambitious with our growth strategy and expanding the business over the past few years, and it’s paid off. Our location enables us to easily reach the many [sectoral] companies located in the Region. The N4 has been a great benefit, and it would be great to see the N17 improved. We are very lucky to have Knock airport located so close.

- Managing Director

Case Study 4: Anonymous

Sector: Professional, Scientific & Technical Activities

Employed: ≤10

Summary: For this company, enterprise space and ecosystem was highlighted as an important area needing to be improved in the Region. On-Site work is a significant component of the company’s work and so the quality of road, rail, and air infrastructure is very important. It is considered that improvements to each of these areas could significantly improve the business environment across the Region.

- **Accessibility:**



Roads connecting the Region to the rest of the country are thought to be “not good enough” with a bypass of Carrick-on-Shannon needed, as well as what is considered a much-needed upgrade of the N4 between Longford and Mullingar.



While acknowledged as being an important piece of infrastructure for the Region, there is insufficient car park capacity at Carrick-on-Shannon, with only 20 spaces to cater for commuters. This inhibits the viability of the train service for journeys to on-site locations.



IWAK is considered to be superior to Dublin Airport in terms of its convenience but opportunities for growth are limited due to the infrastructure (road) upgrades required to improve the airports attractiveness as a viable alternative to Dublin, or Shannon airports.

- **Enterprise Space and Ecosystem:**



The company has been based in an enterprise space in the Region for the past 10+ years. While there are definitive positives with the space, allowing the company to “plug and play” into what it considers to be a “top-class facility”, there are some challenges in relation to the co-working environment and privacy.

The company acknowledges the opportunities for the county they are based in but there is frustration that not enough is being done to harness the existing business ecosystem for investment and growth. There is a fear that without improved synergy and connection between the various local authorities, there is a risk that businesses may be left behind.

A lot has been achieved in [this county] over the years but there certainly needs to be greater investment in terms of infrastructure, business investment and State visits. It appears to be all about Dublin and the cities which won't future proof Ireland. [This county] can't do it on its own, that's the bottom line. We certainly have something to offer.

- Founder and Managing Director

Case Study 5: Anonymous

Sector: Information & Communication
Employed: ≤10

Summary: Overall, the company is happy with their location and much of the operations of the company is outsourced to Dublin. Key infrastructure requirements in the Region focused on enterprise space and broadband.

- **Enterprise Space**



Before moving into an office space in one of the main town centres in the Region, the company was based in an enterprise space for one year. Their experience there was very positive, but privacy was an issue in the co-working environment.

- **Broadband**



Broadband was excellent in the enterprise space and is very good in their current town-centre location. The service is weaker outside of the town centre and working from home is not an option. Staff must travel into the office, where broadband is strongest, to rectify any issues that arise outside of standard working hours.

[The enterprise space] was very good. It offered excellent broadband, and that's probably what attracted us [there] in the first place... We love it here... [It's] very well resourced, but once you leave that nucleus of [the town centre] you do experience [issues]. For me, broadband issues are the only thing that I could complain about.

- CEO

Case Study 6: Anonymous

Sector: Professional, Scientific & Technical Activities
Employed: 50+

Summary: A broad number of infrastructure opportunities were identified by this company – from those that can help to support industry, to those that can improve the attractiveness of the North-West for talent and ensure future growth opportunities for the Region as a whole.

- **Enterprise Space:**



As a business focused on innovation and R&D, growth in the sector is hampered by a lack of industry space for sectors with larger warehousing needs, and space to develop prototypes for clients. Fire testing too has become an important issue in recent years but there is no facility of the scale required (10,000 – 15,000 sqft) in the republic of Ireland. The company believes the North-West can be a leader in providing this type of infrastructure.

- **Sea Ports and Renewable Energy:**



An innovative ambitious approach to infrastructure is required to ensure future investment and growth in the Region. The company sees Sligo Port and Killybegs Harbour playing an important role in the Region – not only to improve options for exporting businesses, but also for the offshore wind potential. They see a significant opportunity for renewable energy and the positive impact that can be created for both the regional, and national economy. The electricity and storage infrastructure in the Region will need to be upgraded to fully harness the potential of renewable energy in the North-West.

- **Accessibility:**



The company believes that a perception that the North-West is far from Dublin is bolstered by inadequate road and rail infrastructure.

We need to think more innovative... We need to be more open minded to what we can achieve here [in the North-West]... We should be looking further into what we can develop here, developing jobs here.

- Principal CEO

Case Study 7: Anonymous

Sector: Financial & Insurance Activities
Employed: 500+

Summary: Accessibility to the county and Region is hugely important to this company for their daily operations; ability to attract investment; and attract and retain highly skilled staff.

- **Accessibility:**



The road network between the Region and Dublin is key for this company and one which is considered not fit for purpose. International business partners have commented on the lack of infrastructure investment in the road network over the past 24 years. The A5 was highlighted as needing urgent upgrades, described as “windy” and “dangerous”.



An air link between City of Derry Airport and Dublin Airport was suggested as an alternative to the road and could help to reduce commuting times for employees and international investors.

Without sufficient investment in road, rail, and air infrastructure in the Region, it is challenging for the company to attract high skilled talent. While the Region can offer a superior quality of life, challenges arise in terms of getting into and out of the Region, as well as the provision of standard infrastructure and services [e.g. housing, health].

The provision of an adequate rail service throughout the entire Region would also bolster its links to the rest of the country.

- **Renewable Energy**



The company sees a need for ambitious future planning for the Region – with significant incentivisation to be given to wind energy projects which could see the North-West become an exporter of energy in the future.

- **Other**



Atlantic Technology University: ATU has been a “game changer” for the company. They are engaging in projects with them and see the University as a huge help in the branding of the Region.

It doesn't matter what the infrastructure project is, that's actually irrelevant. The only issue is execution. Yes, we need roads. Yes, we need houses. Yes, we need public transport. Yes, we need public services... It's going to have to start with something.

- Director Strategic Initiatives

Case Study 8: Anonymous

Sector: Professional, Scientific & Technical Activities
Employed: 1,000+

Summary: This internationally owned company opened its North-West office 20+ years ago. Accessibility to the county is critical for the company’s ability to continue to attract highly skilled talent and grow further into the future. Road, rail, and air connectivity in the North-West were identified by the business as key infrastructures that need to be addressed to open up the Region for future investment.

- **Accessibility:**



Offices located in the North-West and Dublin Regions are closely linked with employees working between both locations. This means that the connectivity between Dublin and the North-West Region is very important. The road network, and particularly the A5, is considered “outdated” and not fit for purpose. With limited rail infrastructure, staff must rely on having a private car or public transport – both of which rely on road infrastructure.



As with other FDI in the Region, there is an emphasis on the importance of visiting executives – for attracting future investment, enabling growth, and transforming operations. While the road infrastructure has not directly impacted investment in the site, it does require a lot of managing, with executives typically flying into the Region from Dublin Airport. Airports in the Region provide an important alternative for staff when commuting between both offices.

The company has plans to develop the site, expanding its R&D arm, however the current road infrastructure makes this more challenging. Securing investment requires US executives to visit on site, a journey which can leave many defaulting to “Dublin is easier”.

We have a lot in our favour but the infrastructure, it's something that if you don't solve, you'll look back on it in time and say "we should have done more about that"... We're going to do things anyway, regardless of infrastructure, regardless of what's going on, but it might be easier, and faster, and more fruitful, if we didn't have these issues.

- Senior Global Management (Ireland)

Case Study 9: Anonymous

Sector: Manufacturing
Employed: 250+

Summary: This manufacturing company established its European base in the North-West 15+ years ago. The company identified four key areas of its operations that have been impacted by the deficiencies in infrastructure in the Region – their ability to attract talent; their competitiveness; the customer experience; and the senior management experience. Accessibility to the county and the wider Region is critical to addressing these shortcomings.

- **Accessibility:**



The road infrastructure is considered a critical factor in attracting talent and future investment to the Region. As the business sees it, you need access to the Region to attract people to want to live and work there. At the moment, it is considered “a huge trek” by skilled talent, making it difficult for the company to scale up.



International colleagues are particularly negative about the road, air, and rail infrastructure in the Region. While senior management enjoy their time in the county, they find the experience of getting there burdensome. There is a fear that if senior management is not encouraged to visit, or if they find the trip too difficult or time consuming, that this could have a negative impact on the site's operations and on the ability of management to engage and shape future career progression paths.

The customer experience too has been negatively impacted by the deficiencies in road, rail, and air connectivity to the county, with some customers commenting that they would not have made the journey if they knew how long it would take. The business acknowledges that the success of the site is directly proportional to the number of these senior management visits and the overall customer experience.

The company's competitiveness is also impacted by accessibility to the county. For example, there have been challenges getting trades people from outside the Region to complete work on site. Some companies will not make dedicated visits to the site. This has negative implications for the day-to-day running of the company.

Would I want to come and live [here]? Well, it doesn't have roads, it doesn't have all the basic infrastructure requirements that attract people to come and live in an area. And we have people struggling to take up job offers because of that.

- General Manager

Case Study 10: Anonymous

Sector: Financial & Insurance Activities
Employed: 100+

Summary: This company, operating in the Financial and Insurance Activities sector, has 20+ years' experience as a key employer in the county. Connectivity to other regions and accessibility to the county are very important for the company's ability to attract and retain staff, and to ensure growth and investment in operations.

- **Accessibility:**



For this company, the road network is a critical component of the infrastructure in the North-West that needs to be improved. With significant travel between the Region and Dublin, the company referenced the A5, in particular, as a “dangerous” road. Within the county itself, the provision of public transport is limited and almost all staff require a car to get to and from the site.



For visiting executives, the road infrastructure and limited air connectivity between Dublin Airport and the Region means certain business meetings are scheduled to take place in Dublin, rather than on site. This means employees working in the North-West location must allocate time to drive to Dublin on roads that are considered not fit for purpose.

The deficiencies in road, air, and rail infrastructure also impacts the company's ability to attract talent. There is a focus on people with a county connection as others typically feel “It's too far away. It's too hard to get to.”

- **Other:**



Housing: The supply of quality housing is a massive issue in the North-West and has impacted on a person's ability and willingness to take up a position with the company.



Atlantic Technology University: The company works very closely with ATU, through the development of courses, to grow junior talent organically.

If you don't drive, you're not going to be able to get to the office. There's no bus connections, there's no trains... Trying to get a flight in is a real issue but once you fly in, trying to get here is then another issue. There's no direct train access from any city.

- CEO (Ireland)

Case Study 11: Anonymous

Sector: Manufacturing
Employed: 1,000+

Summary: This manufacturing company has a long-established presence in the North-West with multiple sites. For this company, accessibility to the Region is critical in order to ensure growth into the future, and the availability of specialist trades and talent.

- **Accessibility:**



Whether in relation to talent, or investors visiting the site, the company's location is considered “a trek”. The road infrastructure is deemed to be of a much lower quality than what is found in other regions – with routes such as the A5 and the N17 considered to be very poor.



The company sees growth opportunities arising from the expansion of the rail network along the western coast, in terms of opening up connectivity for potential employees, and providing more sustainable ways of travel between regions.

Dublin’s status as an international airport and the maintenance of links with airports in the west of Ireland are seen as critical for the future of the business. The company relies on “champions” within the business to ensure people visit the site. Without these champions, and given the deficits in infrastructure, the company believes it would be at a considerable disadvantage to other regions when it comes to attracting new investment.

- **Broadband:**



The availability of quality broadband outside of town-centre areas is an issue for those wishing to work from home. The company believes the provision of a strong broadband network needs to keep pace with business requirements.

- **Other:**



Atlantic Technology University: The ATU is providing an important pipeline of talent. The company works closely with ATU to ensure they are supporting the next wave of employees for the site.



Housing: While housing supply is acknowledged to be slightly better in the North-West versus Dublin – it presents significant challenges for workers, particularly those who move from abroad. The company sees it becoming a severe restraint on attracting and retaining talent if not addressed.

[Executives] will start looking at infrastructure... They'll ask questions like "what's the investment in this Region over the last 20 years?"; "What's the level of connectivity?"; "What's the shipping costs?"... When all that starts hitting your bottom line, well "Why do we produce this here? Why don't we produce it nearer to Dublin?"

- Site Services Manager

Case Study 12: Anonymous

Sector: Manufacturing
Employed: 250+

Summary: This manufacturing company has been operating in the Border Region for 40+ years. Although based in the Border Region, the key issues in this Case Study mirror those faced by businesses in the North-West – accessibility to the county; the ability to attract talent; broadband provision; and the enterprise ecosystem.

- **Accessibility:**



The company's location makes it difficult to attract talent as access routes into the county are not very good. There is no rail line which restricts commuting options into



the county. Shift work is an important component of the business but with no local transport to support this (i.e., late bus), there is a requirement on staff to live very locally to the site or have access to a car.

- **Enterprise Ecosystem:**



The business identified the positives that could come from the creation of a cluster or hub of sector related businesses in the area. This would open up the possibility to outsource or near-source with a business in a partnership type relationship.

- **Broadband:**



While the provision of broadband is very strong and reliable in the main towns of the county, there are challenges with working from home, with significant blackspots in rural areas. This limits the flexibility for staff to work off site.

- **Other:**



Housing: The business highlighted the challenges with housing supply in the county, noting that accommodation and housing for staff is under “immense pressure”. The business attracts a large number of skilled employees from abroad, all of whom require town-based accommodation as they have no car when they first arrive in the country.

I think with better infrastructure it would be easier to [expand operations and attract talent] because with infrastructure you are put on the map. People don't even know [this county] because no one passes through it, because we don't have the routes to pass through it.

- HR Manager

