

September 2023

Fermanagh & Omagh District Council Socioeconomic Profile

Final Report

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I. Executive Summary

The Fermanagh and Omagh District Council area (FODC or the District) makes up one fifth of Northern Ireland's landmass, it is home to six percent of its people and over one tenth (11%) of its business population¹. The District's geographic position brings both major benefits, and economic challenges. The FODC area shares the longest stretch of Northern Ireland's 499-kilometre border corridor (192 kilometres; 39%) with the Republic of Ireland where it enjoys unique natural co-dependencies in trade, tourism and labour².

I.1 Demographics

The FODC area is home to 116,812 people. It has experienced a relatively slow population growth since 2002, the population has increased by 10,149 people, equating to a 10% point increase, 1.7% below the NI average. While it is a highly attractive place to live and work, its rural nature poses unique challenges with respect to demographics, economic infrastructure, and sectoral composition. The District has a lower than average proportion of working-age people, a relatively stable labour market, and concentrations of skills and experience in sectors such as agriculture, mining and quarrying, tourism, manufacturing and engineering and construction.

The total population in the FODC area is forecast to grow from 117,962 to just under 120,000 people by 2032 (119,898 | + 1.6%, 2020 - 2032). By 2043 the FODC population is expected to have fallen back from its 2032 peak, to 119,162. The 2043 population estimate represents growth of just one percent (1,200 people) on 2020 figures, considerably lower than the predicted NI increase (+4.6% 2020 – 2043). These population trends hold particular significance in the context of an ageing population, with potential implications for healthcare, social services, and other aspects of community support.

While the demographic trajectory in FODC to 2032 presents some economic opportunities, the overall demographic trend in FODC also presents uncertainties for future economic growth, including increasingly acute labour shortages within key economic sectors such as agriculture, tourism, manufacturing and construction. However, with uncertainty comes opportunity and FODC could therefore be considered as a potential location for developing and testing industrial automation technologies, particularly within the agricultural sector. There are also important and longstanding questions regarding investment in the District's infrastructures, including road and rail infrastructure, public transport, green and blue spaces, and walking and cycling infrastructure.

I.2 Employment, Entrepreneurship & Skills

The number of people in employment in the District has steadily increased over the past 8 years (+8.5% from 47,000 in 2013 to 51,000 in 2021) even during the COVID-19 pandemic. The average employment rate has fluctuated over the last 8 years, however following the

¹ ONS Business Workbook 2022 Table 1

² Estimated border length: FODC 192km

pandemic, the employment rate has increased significantly. This is due at least in part to the commitment of local businesses to supporting their employment base throughout the pandemic³.

Analysis of employment by sector shows that the District is a locus for talent, skills and employment opportunities within certain sectors, including agriculture, mining and quarrying, tourism, manufacturing and engineering and construction. The FODC area accounts for:

- More than 19% of NI employment in agriculture, forestry and fishing.
- More than 12% of NI employment in mining and quarrying.
- More than 8% of NI employment in construction.
- More than 7% of NI employment in manufacturing.

Further, the District is home to almost one third (c.29%) of all farms and 20% of farmed land in Northern Ireland. FODC is also home to more than 10% of Northern Ireland's construction businesses.

In recent times analysis of job post and economic activity data points to potential labour shortages and recruitment challenges facing the district, potentially driven by the post Covid-19 pandemic labour market. This will be more pronounced in certain industries, such as hospitality and health care, both of which are key industries for Fermanagh and Omagh. This reflects the situation across Northern Ireland and the UK⁴.

Analysis of job post data shows that, compared to Northern Ireland, the FODC area has higher *demand for labour* in manufacturing of machinery and equipment, human health activities and food and beverage service activities (driven by the region's substantial tourism economy). Compared to Northern Ireland, the FODC area also has higher *recruitment intensity*, and therefore potential labour shortages, with respect to real estate, rental and leasing activities (again likely driven by tourism demands), telecommunications and business support services (financial and insurance activities, advertising and market research). Challenges to recruit people in these sectors may act as a deterrent to other businesses considering FODC as a location and / or may be stifling economic growth.

Workplace-based wages across the FODC area have risen steadily over the past decade, by 36%⁵ between 2013 and 2021, whilst Northern Ireland has risen by 27%. However, workplace-based wages remain substantively below the Northern Ireland average, by around £2,600 (or 9% lower)⁶.

³ HMRC Coronavirus Statistics by Parliamentary Constituency show that just c.3.5% of eligible employees in FODC relevant Constituencies were furloughed as at September 2021: <https://commonslibrary.parliament.uk/research-briefings/cbp-9152>.

⁴ NISRA's April 2023 Labour Market Report shows that the Northern Ireland employment rate has continued to rise, up to 72% (16-64) meaning fewer workers are available to fill new roles. A January 2023 House of Commons research briefing highlighted high job vacancy numbers across the UK.

⁵ The workplace-based wages increase between 2013 and 2021 is a nominal value, without taking inflation into account.

⁶ Data on Gross Annual Pay is taken from NISRA national statistics: Gross Annual Pay - Annual Survey of Hours and Earnings (administrative geographies) and uses mean values.

Analysis of workplace and residence-based wages suggest that employment opportunities outside the FODC contribute an additional c.£1,853 to the median annual wage of FODC residents⁷.

Further, in 2022 the average annual wage in Belfast was £30,832, 15% higher than the FODC average annual wage (£26,869). The difference in wages is largely due to the composition of the local economy, with the highest wages in service sectors not prominent in the Fermanagh and Omagh economy, such as finance, professional services and information and communications. Sectors that are more prominent in the Fermanagh and Omagh economy, such as agriculture, retail and tourism/hospitality, tend to have lower wages. While a comparatively low cost of labour is attractive for local employers and increases the potential for FDI, it also poses a notable challenge for attracting and retaining employees in the District.

The level of economic inactivity across the FODC area has fallen since 2019, back to below 2018 levels, and is now below the Northern Ireland average. However, the rate of economic inactivity in the FODC area has remained persistently above the UK average, by 4 percentage points (as of November 2021), and has typically been above the NI average in the past decade.

According to Census 2021 data the FODC area accounts for 8% of self-employed people (n=10,145) in Northern Ireland⁸. Historically, FODC has recorded high proportions of self-employed people; the 2021 Census suggests that approximately 1 in 5 people (20%) in employment are self-employed, compared to the 15% NI average. Further evidence of historically strong entrepreneurial culture in the District is found within past Global Entrepreneurship Monitor (GEM) Northern Ireland Reports. However, in the 2022/23 report, the FODC total early-stage entrepreneurial activity (TEA) rate had decreased from 9.8% for the 2019-21 period, to 7.7% for the 2020-22 period – now in line with the average NI TEA rate (7.7%). It should also be noted that the overall TEA rate in Northern Ireland is significantly lower than the UK average⁹.

The proportion of people in the FODC labour market who are without qualifications has fallen by 13 percentage points, from 28% in 2009 to just 15% in 2021. Over the same period, the proportion of people achieving degree level qualifications and above has risen by 16 percentage points. While the FODC area therefore offers increasingly skilled pool of labour, evidence also suggests that continued efforts are needed to ensure that the supply of skills matches regional demand to mitigate the impact of potential future labour shortages. However, how the labour market reacts to the slowdown in economic growth as a result of high commodity prices, high inflation and the associated cost-of-living crises remains to be seen.

⁷ Data on the difference between POW and POR wages is taken from: NISRA/Department for Communities Local Labour Market Information (LMI) Dashboards. Analysis uses median figures. In 2020, the median annual gross pay offered by FODC-based businesses (i.e., workplace-based wages) was £26,036 whilst the place of residence (PoR) annual median gross pay for the FODC area was £27,889.

⁸ NISRA Census 2021 Economic Activity (Custom Table), accessible at: https://build.nisra.gov.uk/en/custom/data?d=PEOPLE&v=LGD14&v=ECONOMIC_ACTIVITY_FTb

⁹ Global Entrepreneurship Monitor Northern Ireland Report 2021.

I.3 Business Base & Economic Contribution

There are 8,445 registered businesses in the FODC area, representing 11% of all registered businesses in Northern Ireland¹⁰. A majority of businesses in the District are in the agriculture, forestry & fishing, construction, manufacturing and retail sectors.

The FODC area accounts for a small proportion (4%, n=10) of all NI businesses with a turnover exceeding £50m – instead the District is home to significant numbers of predominantly micro-sized businesses¹¹. While there are many positives associated with an SME driven business base, attracting additional medium and large size companies to the District may potentially offer a more resilient business mix.

The FODC area accounts for more than one fifth of all agricultural businesses, and just under one tenth of all production (manufacturing) and more than one tenth of construction businesses in NI.

In 2020 the FODC area contributed £2.41bn in GVA to the Northern Ireland economy – 5.5% of the total (£2.41bn of £43.7bn). FODC wholesale and retail businesses made the largest contribution to GVA in FODC, contributing a total of £449m (just under 20% of total FODC GVA and 7% of all wholesale and retail related GVA in Northern Ireland)¹². This was closely followed by FODC manufacturing businesses, which contributed 18.3% to total FODC GVA and 8% of all manufacturing GVA in Northern Ireland¹³. It is worth noting that FODC claims 7% of NI employment in manufacturing, but 8% of NI manufacturing GVA, meaning that the FODC manufacturing sector is above average in relation to manufacturing productivity. In 2021, productivity¹⁴ in the manufacturing sector in FODC was £74,100, compared to the £70,500 NI average. Further, manufacturing GVA in FODC has grown strongly in recent years, by 7.3% between 2020 and 2021 (from £440m to £472m) and by 5% per annum since 2018 (from £388m to £472m).

By 2030, FODC GVA is estimated to grow to just under £3.6bn¹⁵.

In 2020 the FODC area contributed 16% of Northern Ireland's total GVA in the agriculture, forestry, fishing, and mining and quarrying sectors, yet FODC has 20% of all NI farms and 19% of NI agricultural employment, this would suggest that the agriculture sector in FODC is not as productive. The agriculture sector in FODC is driven by small farms in less favourable areas; 97% of all farms in FODC are classed as 'less favoured area'¹⁶. Small farms in less favoured areas struggle to achieve economies of scale, secure reliable cash flow and implement innovative technologies.

FODC contributed 8% of Northern Ireland's entire manufacturing GVA and 6% of total GVA in the construction sector. Productivity in the FODC area was £48k, which is 4% below the Northern

¹⁰ ONS (2022) UK Business Workbook Table 1 note that figures are rounded.

¹¹ ONS (2022) UK Business Workbook Table 11 note that figures are rounded.

¹² Manufacturing GVA in Northern Ireland in 2020 was £5.7bn; ONS Sub-Regional Productivity 2022 (data relates to 2020).

¹³ Ibid

¹⁴ Productivity is defined as Gross Value Added (GVA) per Filled Job.

¹⁵ Estimate based on applying average annual growth between 2010 and 2020 (0.04%) to 2020 GVA figure of £2.41bn.

¹⁶ DAERA Farm Census 2018, accessed via NINIS

Ireland average. In turn productivity in Northern Ireland is 17% below the UK average, which is in turn 29% below the Republic of Ireland average¹⁷. While the gap between productivity in the FODC area, NI and the rest of the UK continues to warrant particular focus, it should also be noted that comparatively strong performance among FODC businesses between 2018 and 2020, particularly in the Information and Communications, Wholesale and Retail, Professional, Scientific and Technical and Manufacturing sectors, has helped to further narrow the productivity gap between FODC and NI. Since 2015, the productivity gap between NI and FODC has been progressively narrowing. In 2015, productivity in FODC was 13% lower than NI, but by 2020, FODC's productivity had improved, reducing the gap to just 4% lower than NI.

In 2020 the FODC area generated £1.17bn in external sales, accounting for 6% of Northern Ireland's £19.6bn external sales figure¹⁸. The District's share of external sales has increased significantly since 2011, by 83% (from £0.6bn in 2011 to £1.17bn in 2020).

I.4 Economic Dynamism & Stability

The rate of new business births in Northern Ireland has consistently been below the UK average by between 2% – 3%. Since 2018, business births across the FODC area have, in turn, typically been below the Northern Ireland average.

In the same way that business births provides an indication of economic dynamism, business survival rates provide an indication of economic stability. On this measure, Northern Ireland outperforms the United Kingdom, and the FODC area outperforms Northern Ireland. Across the FODC area 51% of businesses born in 2016 were still operating in 2020 – 12% points higher than the UK average and 4% points higher than the Northern Ireland average. This comparative stability is supported by a range of business support programmes of notable scale, supported in part by EU funding, available directly from Fermanagh and Omagh District Council and other agencies. Any reduction in such support clearly presents risks to this comparative stability.

I.5 Tourism

Most recent data for the FODC area shows an upward trend in both number of overnight trips and total estimated expenditure since 2016. The area is home to several prominent and unique tourism attractions including, for example the Fermanagh Lakelands – including the Cuilcagh Lakelands, as well as the UNESCO GeoPark and Omagh and the Sperrins.

New tourism strategies and plans in the FODC area provide evidence of the District's commitment to further growing the tourism sector, including the Fermanagh and Omagh Visitor Experience Development Plan (VEDP).

¹⁷ ONS Sub-Regional Productivity 2022 (data relates to 2020 which is the latest available). N.B. Analysis uses different data to that than was used in previous socio-economic profiling reports. UK – ROI comparison taken from the Productivity Institute 2022 Dashboard available at: <https://www.productivity.ac.uk/research/northern-ireland-productivity-dashboard-2022/>

¹⁸ Total exports excluding unassigned exports.

The FODC share of total NI visits since 2013 has increased by 1% point (from 6% in 2013 to 7% in 2019). FODC has added substantively to its tourism product offer over the period and needs to continue to invest in the future, including larger scale tourism product development, in order to further grow the local tourism economy.

I.6 Housing

Housing stock in the FODC area grew by 12% points between 2008 and 2022, from 44,904 to 50,099 dwellings. The area now accounts for 6% of total housing stock in Northern Ireland, in line with the District's population share.

The FODC area has continued to grow as an attractive place to both live and work. The most recent data on dwelling starts and completions (Q3 2022) suggests that the FODC area is expanding its share of housing relative to the rest of Northern Ireland, accounting for more 7% of new dwelling starts and 5% of completions.

The FODC area has some of the lowest house prices in Northern Ireland. In 2021 the average standardised house price in the FODC area stood at £142k, approximately 9% points lower than the NI average. However, average annual wages in FODC are also approximately 9% below the NI average, meaning that the average house in FODC will cost 6.1 times the average wage of a local resident, compared to 5.6 times in across NI as a whole¹⁹. Thus, the lower house price does not directly make it easier to purchase a house in Fermanagh and Omagh, based on wages offered to those working locally. However, as noted in section 2.2, if someone achieves a higher wage working outside the district, it may be advantageous to purchase a house in Fermanagh and Omagh.

Rents within the FODC area are also approximately 18% points below the Northern Ireland average, from just £497 per month in Fermanagh and Omagh²⁰.

I.7 Infrastructure

The road network across the FODC area has remained largely unchanged for the last five years. Road infrastructure in Fermanagh and Omagh is least well developed due to a distinct absence of motorways or dual carriage ways. More rural areas of the FODC area are poorly served by bus services and are devoid of rail infrastructure. Comparatively poor public transport infrastructure is coupled by a downward trend in the use of public transport across the District.

In a single year (2021-2022), there has been a 17% percentage point reduction in the proportion of premises that are unable to receive 30Mbit/s broadband, opening up improved access to digital first public services, remote working and improved business efficiencies.

However, in the FODC area, 12.4% of premises are unable to receive 30Mbit/s and 7.9% of premises are unable to receive 10Mbit/s, both of which are above the NI average (6.2% and 3.1% respectively).

¹⁹ Figures use 2021 standardised house prices and 2021 mean place of residence-based wages due to data availability.

²⁰ NIHE Performance of the Private Rental Market in Northern Ireland.

The significant progress on broadband coverage is largely due to Project Stratum – a £197m investment to deliver enhancements to internet connectivity across Northern Ireland.

However, the rural nature of the FODC area means that, while good quality high speed broadband may be available to support economic growth, poor coverage in harder to serve parts of the District are likely to exacerbate social isolation as public services and community interactions increasingly move online. Therefore, long-term infrastructure issues remain and require attention in FODC, Project Gigabit is an intervention which is currently being rolled out by the Department for Economy, aiming to target the parts of Northern Ireland that need publicly funded intervention, the first step taken was to identify areas left out because they are not commercially viable. The rural and remote nature of the FODC area indicates that Project Gigabit should bring about substantial improvements in broadband coverage.

1.7 Deprivation

Levels of deprivation in Northern Ireland have been measured using the Northern Ireland Multiple Deprivation Measure (NIMDM)²¹. The NIMDM uses Super Output Areas (SOAs) to identify small area concentrations of deprivation across NI. The measure is constructed from 38 different indicators relating to seven types of deprivation, namely income deprivation, employment deprivation, health deprivation, education deprivation, access to services, living environment deprivation and crime. By this measure of multiple deprivation, 3 (6%) SOAs across the FODC area fall within the top 10% most deprived areas of NI.

The FODC area claims six percent of the 10% most income deprived SOAs in Northern Ireland. In 2017 (latest available data) between 10% and 22% of households in the FODC area were living on less than 60% of median incomes in Northern Ireland²². The FODC area has an average of 20.3% child poverty¹⁹ and 8.4% of ageing poverty, both of which are above the NI averages²³.

Figures regarding Gross Disposable Household Income (GDHI), which can be used as a measure of living standards, show that in 2020, FODC was 5% points below the average level of GDHI in Northern Ireland²⁴.

By measure of Living Environment deprivation (i.e., access to good quality, suitable housing and outdoor space), the FODC area claims over one fifth (c.22%) of the 10% most deprived SOAs in Northern Ireland. Therefore, while the District is making progress on expanding the housing supply (see reference to new dwellings above), living environment deprivation figures suggest that a considerable proportion of existing housing stock is either of poor quality or unsuitable for the population it is intended to serve.

On the other hand, relatively few FODC SOAs are identified as being either health or education deprived, yet there are clusters of both health and education deprivation across

²¹ The seven domains are combined to form the overall measure of multiple deprivation (NIMDM) with the following weights: Income (25%), Employment (25%), Health (15%), Education (15%), Access to Services (10%), Living Environment (5%), and Crime and Disorder (5%).

²² NISRA NIMDM 2017 Income Deprivation by SOA

²³ Ageing poverty refers to those aged (65+), living in relative income poverty if the income of their household is less than 60% of the UK median household income.

²⁴ FODC 5% below.

the FODC area, particularly around Lisanelly and Devenish.

Similarly, the FODC area has been consistently below the NI average by measure of education deprivation, which is encouraging for the future skills of the District. However, inequalities in educational attainment exist within Fermanagh and Omagh; pupils entitled to free school meals and boys tend not to perform as well at school (when measured on achieving 5 GCSEs including English and Maths).

I.8 Summary

The evidence presented in this report demonstrates that the FODC area continues to be a key contributor to the Northern Ireland economy. It has significant economic strengths in sectors that are critical to Northern Ireland's economic performance, including in manufacturing and engineering, agri-food, tourism and construction.

Table I.1 below shows how the District's contribution to the Northern Ireland economy has changed in recent years, including decreasing shares of Northern Ireland's working age population and increasing GVA.

Table I.1 – Summary of Key FODC Socioeconomic Data

Indicator	2018	Current (Year)	Change
% NI Working Age Pop.	6.5%	6%	↓
GVA	£2.25bn	£2.41bn (2020)	↑
% NI GVA	5.4%	5.5%	↑
% NI Businesses	11%	11% (2022)	→
% NI External Sales	6%	6% (2020)	→
% Jobs Taken by Residents	89%	89% (2011)	→

However, the evidence also highlights a range of critical challenges which, if not addressed, will inhibit the District's ability to continue performing this vital role within the Northern Ireland economy. Some of the most prominent challenges identified throughout the report include:

A long-standing and chronic deficit in transportation infrastructure: As home to more than 10% of NI's businesses, major agricultural producers, and a number of world-leading export businesses, the FODC area needs the infrastructure to move products to market quickly and maintain efficient supply chains. A high-quality transport network is of paramount importance. Despite its substantive economic contribution, the District has no airport, no rail infrastructure and no motorway. The road network across the FODC area has remained largely unchanged for the last five years and, although FODC accounts for one fifth of Northern Ireland's land mass, it has no motorway, 0.6km of dual carriageway, and A roads make up just 13% of all roads, reiterating a clear need for investment in infrastructure to support economic growth and population wellbeing. Further, good transport infrastructure is critical to the health and wellbeing of local people. Just over 20% of the SOAs in the FODC area fall within the 10% most deprived areas in Northern Ireland in terms of access to services, emphasising how investment in transport infrastructure is critical both for the local economy and the wellbeing of local people alike.

Slow population increase: FODC faces the implications of a very slow-growing population and a declining working-age population, which pose potential socio-economic implications. The slow population growth suggests limited demand for housing, potential strain on public services due to an ageing population, and reduced opportunities for economic expansion. A declining working-age population can result in labour shortages, reduced productivity, and challenges for businesses in finding skilled workers. It may also impact the sustainability of social welfare systems as fewer workers support an aging population, which requires attention at a national government level. Efforts to address these challenges should focus on attracting and retaining younger residents, promoting entrepreneurship, upskilling the workforce, and creating favourable conditions for economic growth to ensure a vibrant and sustainable future for the district.

Below average productivity and an uncertain productivity outlook: productivity, measured as GVA per filled job, in the FODC area was £48k, which is 4% below the Northern Ireland average. In turn productivity in Northern Ireland is 17% below the UK average, which is in turn 29% below the Republic of Ireland average. There is therefore a continued need for investment in local business supports that effectively increase productivity among the existing workforce (from investment in skills through to capital investment in new equipment and technologies that can enhance productivity). There is also a need to encourage growth among micro, small and medium sized businesses operating within higher value-adding sectors, such as manufacturing and engineering and life and health sciences.

FODC has the highest **proportion of micro-sized businesses** with a turnover less than £50k, 42% of all businesses in FODC have a turnover less than £50k, FODC makes up 17% of NI businesses with £50k or less.

Shortages of labour and skills in key sectors: Lack of access to workers and / or access to workers with the right skills acts as a major barrier to economic growth. Evidence presented in this report highlights a tight labour market and high intensity of demand for jobs in key sectors of the local economy. There is therefore a need to ensure that collaborative working between industry and the education sector delivers a strong pipeline of workers with the necessary skills to drive economic growth, and that the District is promoted as a destination for inward flow of workers.

Low wages: FODC faces the challenge of low wages, with average wages being almost 10% lower than the Northern Ireland average, and typically fluctuating between 10% – 15% below the NI average. This wage disparity poses significant potential socio-economic implications for the District. Lower wages can lead to reduced disposable income, impacting local consumer spending and economic growth. It may also contribute to a lower standard of living for residents and difficulties in attracting and retaining skilled workers. Addressing the issue of low wages requires targeted efforts such as promoting economic development, attracting higher-paying industries, improving skills and education, and encouraging entrepreneurship.

Deficit in Industrial Land: Businesses in the FODC have reported issues in relation to shortages in the amount of industrial land available to facilitate growth and expansion within the District. As of June 2023, 7% (n=3) of all commercial property for sale / to let was in the FODC Council area, equating to 53 acres for sale in total²⁵. This deficit could limit growth of existing businesses, deter investment in the District by new businesses due to lack of suitable space, and ultimately negatively affect local residents. Land deficit also limits the potential for Foreign Direct Investment (FDI) in the District. FODC is constrained in its ability to attract FDI due to the lack of capacity in relation to industrial land in the Omagh area, creating an indigenous business community which results in less dynamism due to lack of innovative ideas from new and evolving businesses outside the District. Existing businesses may struggle to find suitable locations for new facilities and/or to expand their operations and this is also likely to deter business from relocating in the FODC area.

Low levels of private investment in innovative businesses: Evidence presented in this report shows increasing levels of dynamism within the local economy, reflected in a narrowing gap between local business birth rates and the Northern Ireland average in recent years. However, analysis of private investment data shows that despite accounting for more than one tenth of Northern Ireland's businesses, the District accounts for just 0.5% of private investment. The FODC area is home to 10 companies that have received external grants or private investment to support their growth. This represents just under one sixth of the total number of grant and investment raising companies in Northern Ireland (3%, 10 out of 334). The total value of private investment raised by companies in Northern Ireland since 2007 is £675m, with a median value of £300k. By comparison, FODC investment raising companies have secured a total of just £3.4m since 2011 (just 0.5% of the Northern Ireland total), with a median value of £200k. Considerable focus is therefore required on linking high-potential businesses, particularly within high-value adding sectors, to existing sources of funding that can accelerate growth.

²⁵ <https://commercialpropertyfinder.nibusinessinfo.co.uk>

1. Introduction

At 2,857km² the District makes up one fifth of Northern Ireland's landmass, it is home to six percent of its people and 10% of its business population²⁶.

The District has a workforce of more than 51,000 people, (6% of all jobs in NI), 89% of which are taken up by local people²⁷, and generates 5.5% of Northern Ireland's Gross Value Added (GVA). Table 1.1 below presents a summary of key socioeconomic data for the FODC area.

Table 1.1 – Key FODC Socioeconomic Data

Data Source / Indicator ²⁸	FODC		NI
	#	%	
Total Population	116,812	6%	1,903,175
Land Mass (km ²)	2,857	20%	14,150
No. of Registered Businesses	8,445	11%	77,950
Total Employment	51,000	6%	856,000
Total GVA	£2.41bn	5.5%	£43.7bn

The District's geographic position brings both major benefits, and economic challenges. The FODC area shares the longest stretch of Northern Ireland's 499-kilometre border corridor (192 kilometres; 39%) with the Republic of Ireland where it enjoys unique natural co-dependencies in trade, tourism and labour²⁹. Figure 1.1 below shows the location of the FODC area.

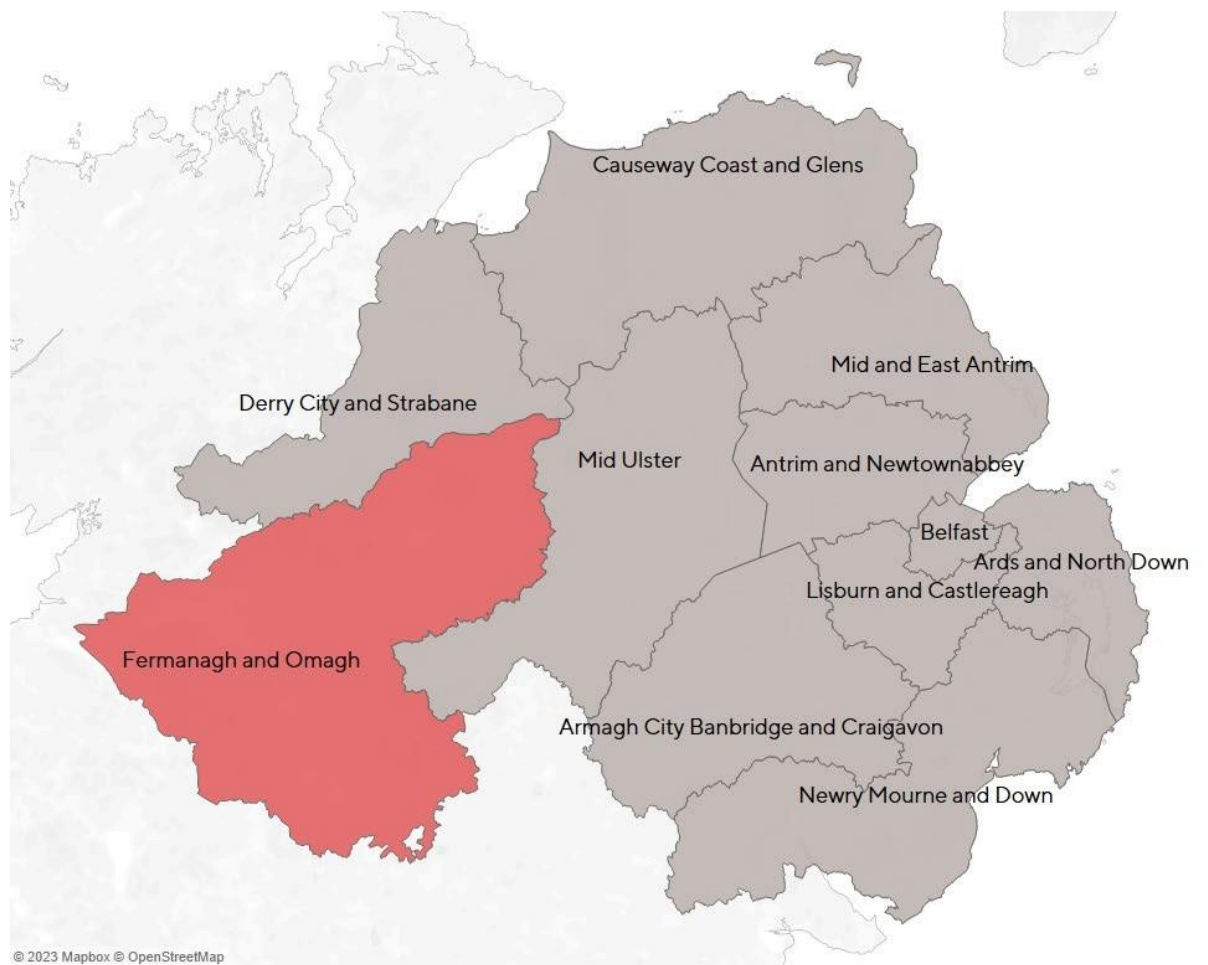
²⁶ Northern Ireland's total land mass is approximately 14,150 square kilometres: see NISRA Area Size by Administrative Geographies. N.B. data converted from 1992 to 2014 LGDs.

²⁷ Census 2011 CT0285NI available at <https://www.ninis2.nisra.gov.uk/public/Theme.aspx?themeNumber=136>. 39,322 of 167,950 jobs taken by local residents. This proportion is similar to that of Belfast City Region Deal council areas.

²⁸ Sources used in this table include: NISRA Census 2021 MS0A01 Usual Resident Population, VAT and or PAYE Registered Businesses – NISRA (2022), Labour Force Survey (2021) NISRA, Regional gross value added (balanced) by industry: all International Territorial Level (ITL) regions – ONS (2020)

²⁹ Estimated border length: FODC 192km.

Figure 1.1 – FODC Geography



The remainder of this report provides headline statistics regarding the District’s demographic and economic profile using a range of social and economic indicators on demographics, labour market, economic activity and skills, the business base and gross value added, housing, infrastructure and deprivation.

2. Demographics, Labour Market & Economic Activity

Demographic trends and the composition of a place's labour market underpin economic performance. Table 2.1 provides a summary of key demographic and labour market statistics for the FODC area.

Table 2.1 – FODC Population & Labour Market Data

Data Source / Indicator ³⁰	FODC	NI	FODC % of NI
Total Population	116,812	1,903,175	6%
Population Growth (2020-2032)	1,936	63,038	3%
Working Age Population	69,000	856,000	8%
Total Employment	51,000	881,000	6%
Employment Rate (16 – 64)	72.1%	70%	(+2%)

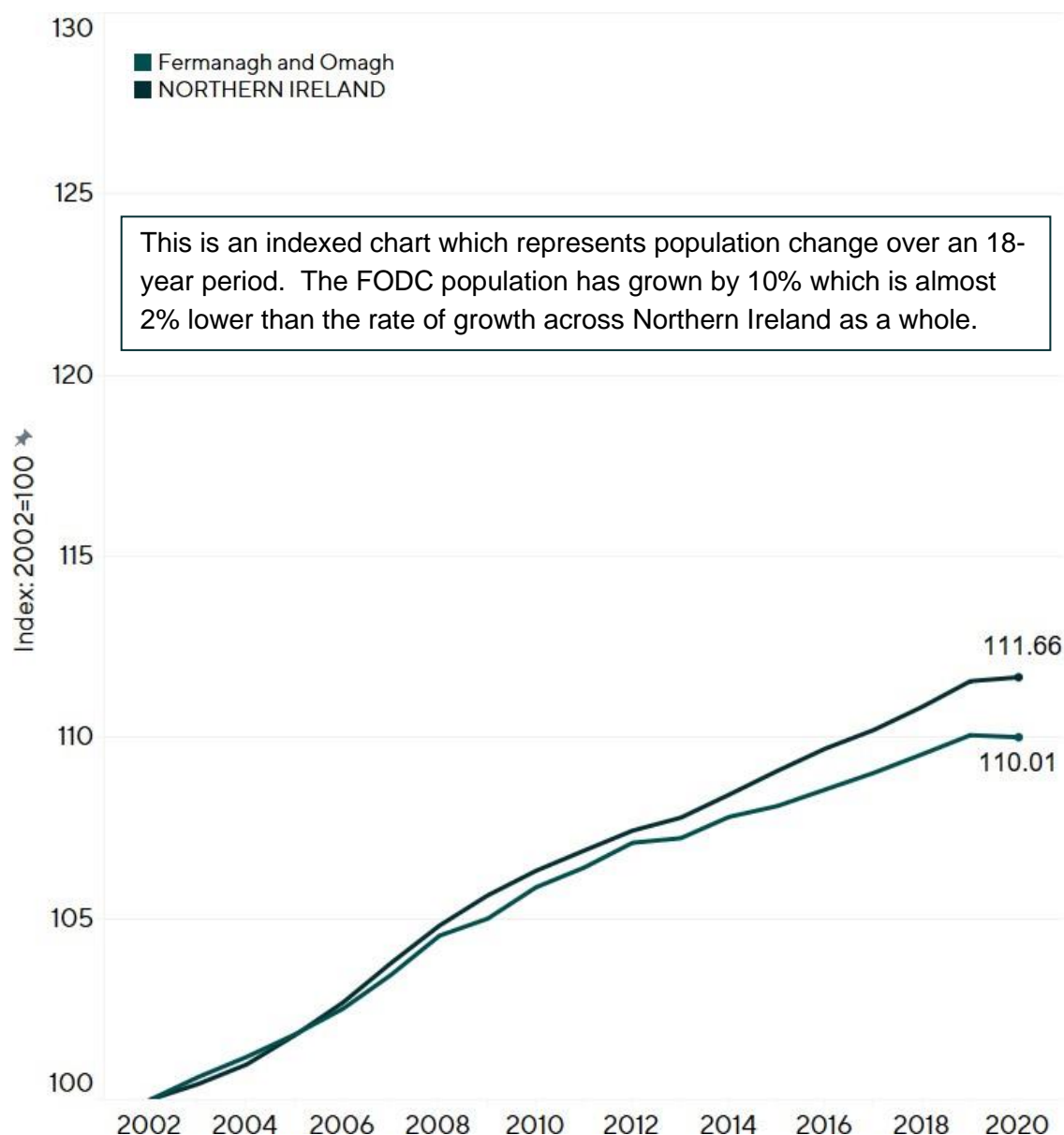
The proportion of working age people in FODC has declined by 3% points since 2010 (64% in 2010 and 61% in 2020). While it is a highly attractive place to live and work, its rural nature poses unique challenges with respect to demographics, economic infrastructure, and sectoral composition. However, the District benefits from clear concentrations of skills and experience in sectors such as agriculture, mining and quarrying, manufacturing and engineering, tourism and construction.

2.1. Demographics

The FODC area makes up six percent of Northern Ireland's total population. FODC has experienced a population growth of 10% since 2002, marginally below the Northern Ireland average (Figure 2.1).

³⁰ Sources used in this table include: NISRA Census 2021 MS0A01 Usual Resident Population, MID-2018 POPULATION Projections: Components of population change – NISRA (2021), Labour Market Status by Local Government District NISRA (2021), Labour Market Status by Local Government District NISRA (2021), Labour Market Status by Local Government District (NISRA) and Mid 2020 – Population Estimates

Figure 2.1 – Widening Gap in Population Growth (Index, 2002 – 2020)



Source: NISRA (2021)

The total population in the FODC area is forecast to grow from 117,962 to just under 120,000 people by 2032 (119,898 | + 1.6%, 2020 - 2032), presenting opportunities for future economic growth, including an increasing supply of labour available to more labour-intensive businesses, and an increasingly vibrant local economy that can support leisure, entertainment, tourism and retail businesses. In recent years, the gap in population growth between FODC and NI has widened due to falling birth rates and an ageing population. By 2043 the FODC population is expected to have fallen back from its 2032 peak, to 119,162. The 2043 population estimate represents growth of just one percent (1,200 people) on 2020 figures, considerably lower than the predicted NI increase (+4.6% 2020 – 2043). While the demographic trajectory to 2032 presents some economic opportunities, the overall

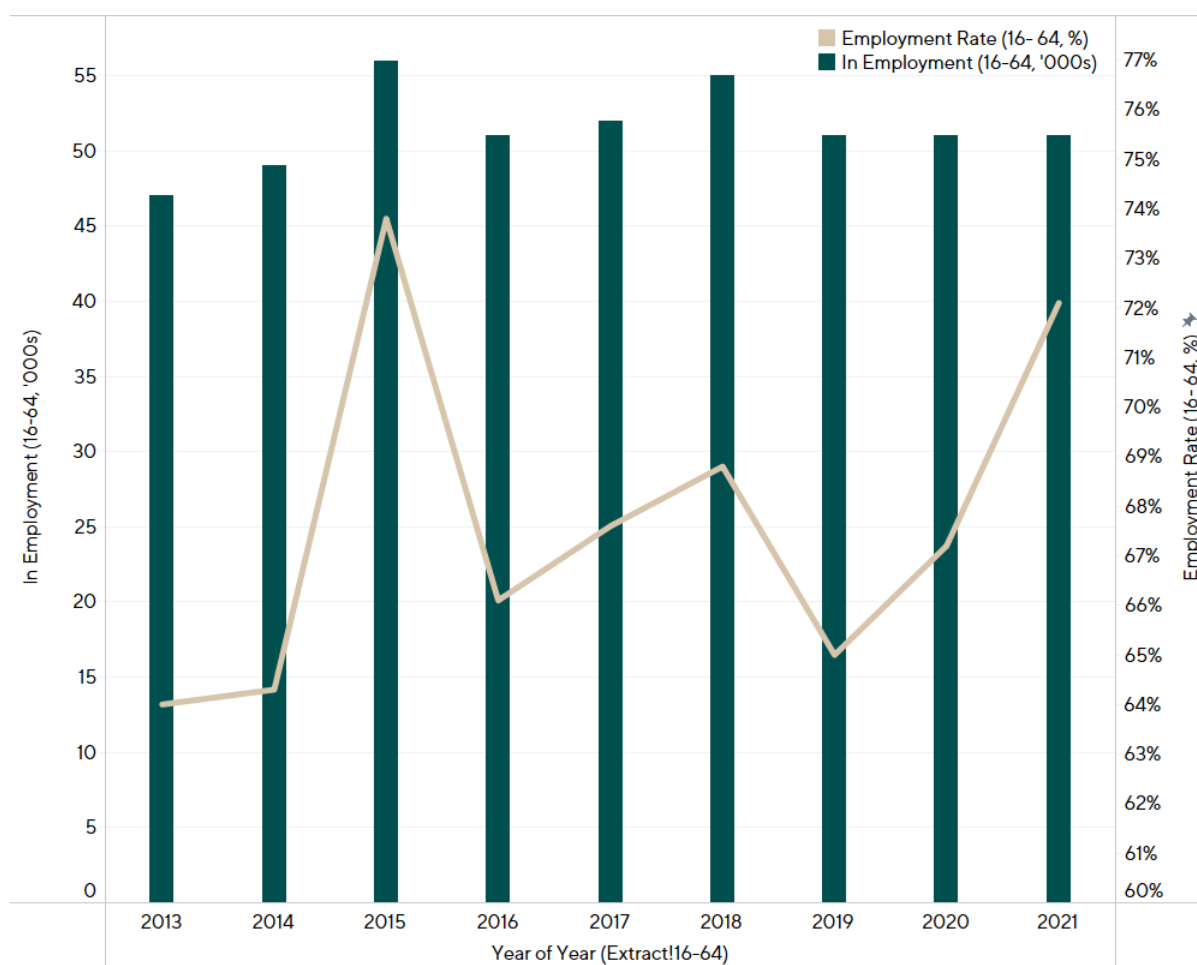
demographic trend in FODC also presents uncertainties for the growth of FODC's labour market due to a declining working age population and an ageing population.

2.2. Labour Market

Over the past 15 years the FODC area has become an increasingly significant contributor to the Northern Ireland economy. The District accounts for 6% of total employment in Northern Ireland, the number of people in employment in the district has continued to increase steadily over the past 10 years and remained stable following the COVID-19 pandemic (Figure 2.2). Among other factors, this reflects the commitment of local businesses in the District to supporting their employment base throughout the pandemic.

FODC has a marginally higher proportion of people aged 0-15 than the NI average – just under 1% point higher – whilst the ageing population (65+) is also slightly above the NI average (by 0.6% points). The average employment rate (the proportion of those aged 16 – 64 who are in employment) has increased significantly in recent years, to above the NI average at c.72%, even during the pandemic.

Figure 2.2 – FODC Employment & Employment Rate (2013 – 2021)



Source: NISRA (2021)

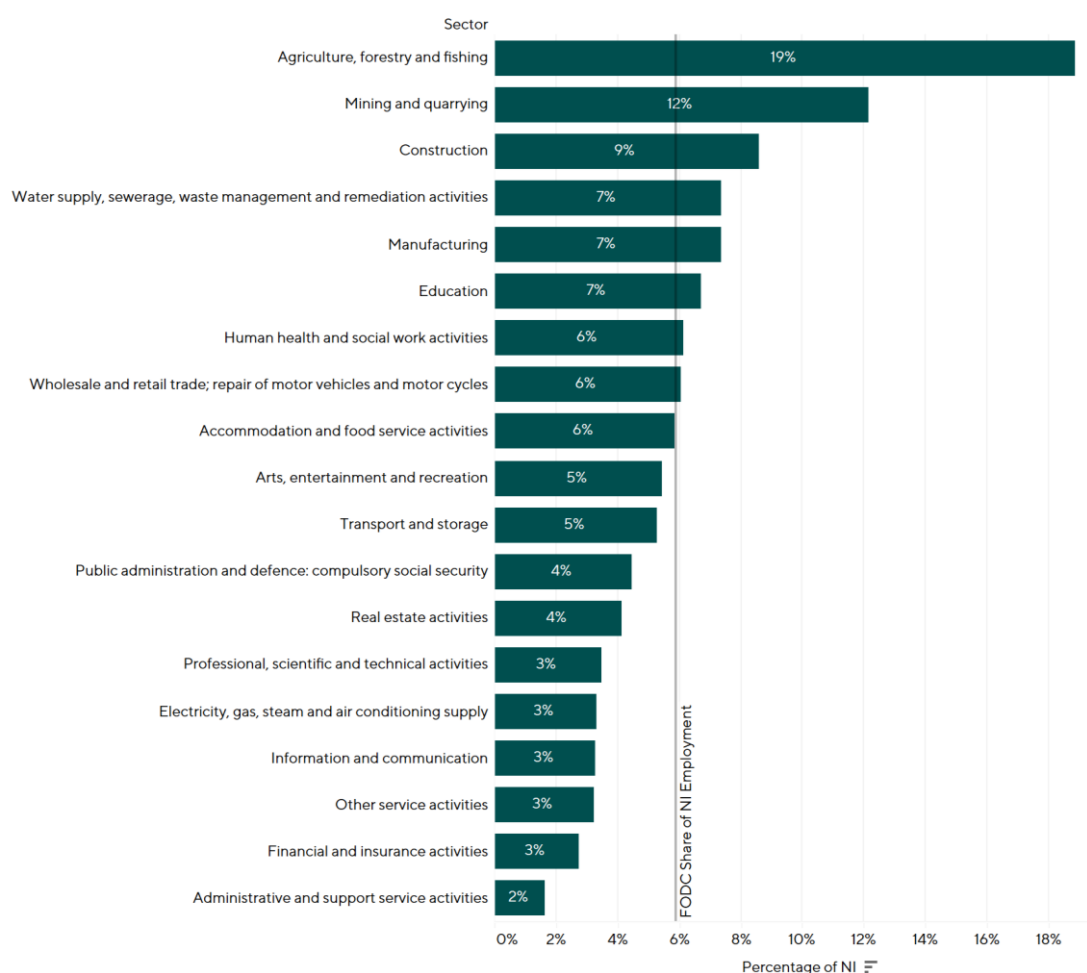
2.2.1. Contribution to NI Sectoral Employment

Analysis of employment by sector shows that the District is a locus for talent, skills and employment opportunities within certain sectors, including agriculture, mining and quarrying, tourism, manufacturing and engineering, and construction. Figure 2.3 overleaf shows that the FODC area accounts for:

- More than 19% of NI employment in agriculture, forestry and fishing.
- More than 12% of NI employment in mining and quarrying.
- More than 8% of NI employment in construction.
- More than 7% of NI employment in manufacturing.

Further, the District is home to almost one third (c.29%) of all farms and 20% of farmed land in Northern Ireland. FODC is also home to more than 10% of Northern Ireland's construction businesses.

Figure 2.3 – FODC Contribution to NI Sectoral Employment (2021)



Source: NISRA (2021)

2.2.2. Contribution to NI Sectoral Employment

Analysis of job post data gathered via the proprietary labour market data platform Lightcast³¹ provides further detail regarding the composition of the labour market in the FODC area compared to Northern Ireland more generally.

Over the period between January 2019 and December 2022 there were a total of 349,309 unique job posts across Northern Ireland. On average across Northern Ireland there were 4 job ads for every unique opportunity (a 'job posting intensity' of 4:1), compared to 3 ads for every unique opportunity in the FODC area. This suggests that, over the past four years, businesses in the FODC area have found it slightly easier to fill vacancies than the Northern Ireland average, but it also provides evidence of a tight labour market both in FODC and in Northern Ireland. In many cases FODC and Northern Ireland share demand for labour, for example in the Retail Trade which ranks highest in terms of unique job posts in both FODC and NI. However, there are also notable divergences, particularly with respect to manufacturing of machinery and equipment, manufacturing of food products, and accommodation. FODC sees comparatively lower demand for jobs in architecture, insurance, pharmaceutical manufacturing and professional services (insurance, information services, legal and accountancy services).

Table 2.2 – Industries with Highest Jobs Demand

FODC Top 10 Industries	Rank	NI Top 10 Industries	Rank
Retail Trade	1	Retail Trade	1
Manufacture of Machinery and Equipment	2	Human Health Activities	2
Human Health Activities	3	Computer Programming, Consultancy and Related Activities	3
Food and Beverage Service Activities	4	Education	4
Education	5	Financial Service Activities, Except Insurance and Pension Funding	5
Manufacture of Food Products	6	Food and Beverage Services	6
Public Administration & Defence	7	Legal and Accounting Activities	7
Accommodation	8	Activities of Head Offices; Management Consultancy	8
Wholesale Trade	9	Residential Care Activities	9
Residential Care Activities	10	Public Administration & Defence	10

Source: Lightcast

³¹ Lightcast is a labour market data modelling company, providing up-to-date labour market data. Lightcast provides industry, staffing and occupation data for worker-employees and proprietors. They also provide employment figures for proprietors, a subset of self-employment jobs that are registered for VAT or PAYE taxation. This data is derived from the BRES survey, and help fill out the landscape of employment in the UK. Proprietors cover about one million additional jobs, and a quarter of all self-employment in the UK. Lightcast industry data comprise 660 industries (at the lowest level) in 385 detailed geographies (Local Administrative Units). Providing job count data by industry from 2003 to 2030 and have information on earnings from the latest available year.

Analysis of job posting intensity in FODC compared to NI provides an indication of the industries in which potential labour shortages may exist. The most notable divergences are with respect to rental and leasing activities (likely driven by tourism demands), telecommunications, financial and insurance support services, other professional, scientific and technical activities and advertising and market research – all of which have higher recruitment intensity in FODC than in Northern Ireland overall. Challenges to recruit people in these sectors may act as a deterrent to other businesses considering FODC as a location and / or may be stifling economic growth.

Table 2.3 – Industries with Most Intense Jobs Demand

FODC Top 10 Industries	Rank	NI Top 10 Industries	Rank
Scientific Research and Development	1	Waste Collection, Treatment and Disposal; Materials Recovery	1
Rental and Leasing Activities	2	Scientific Research and Development	2
Publishing Activities	3	Publishing Activities	3
Real Estate Activities	4	Legal and Accounting Activities	4
Manufacture of Beverages	5	Manufacture of Basic Pharmaceutical Products	5
Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations	6	Manufacture of Beverages	6
Education	7	Other Personal Service Activities	7
Telecommunications	8	Residential Care Activities	8
Activities Auxiliary to Financial Services and Insurance Activities	9	Education	9
Advertising and Market Research	10	Activities of Head Offices; Management Consultancy	10

Source: Lightcast

Further analysis of in-demand jobs in the FODC area highlights high demand for certain specialised skills including a range of business development and business administration skills, for example, auditing, finance, sales and marketing and project management. Access to people with these skills is essential if higher value-adding companies e.g., manufacturing businesses in the area are to maximise their potential economic contribution. Further, ‘new product development’ is also listed as one of the in-demand specialist skills in the FODC area –pointing to a potential need to support the innovation ambitions of FODC businesses.

2.2.3. Economic Activity & Skills

The level of economic inactivity across the FODC area has fallen since 2019, back to lower than 2018 levels, and is now below the Northern Ireland average. However, the rate of economic inactivity in the FODC district has remained persistently above the UK average, by 4 percentage points as of November 2021. Table 2.4 provides a summary of key labour market and skills data for the FODC area.

Table 2.4 – FODC Labour Market & Skills Data

Data Source / Indicator ³²		FODC	NI	UK	FODC % of NI
Number Economically Inactive		17,000	314,000	8.7m	5%
Economic Inactivity Rate		25.1%	26.7%	21.1%	-1.6% (below NI)
Unemployment		2k	32k	1.4m	6%
Self-Employment		10k	127k	4.2m	8%
Skills and Qualifications	Degree Level & Above	21k	439k	-	5%
	Below Degree Level Estimate	37k	558k	-	7%
	No Qualifications	11k	145k	-	8%

Historically, economic inactivity in FODC has typically been above the NI average, with the exception of 2015, when economic inactivity dropped to 23%, compared to 27% in NI.

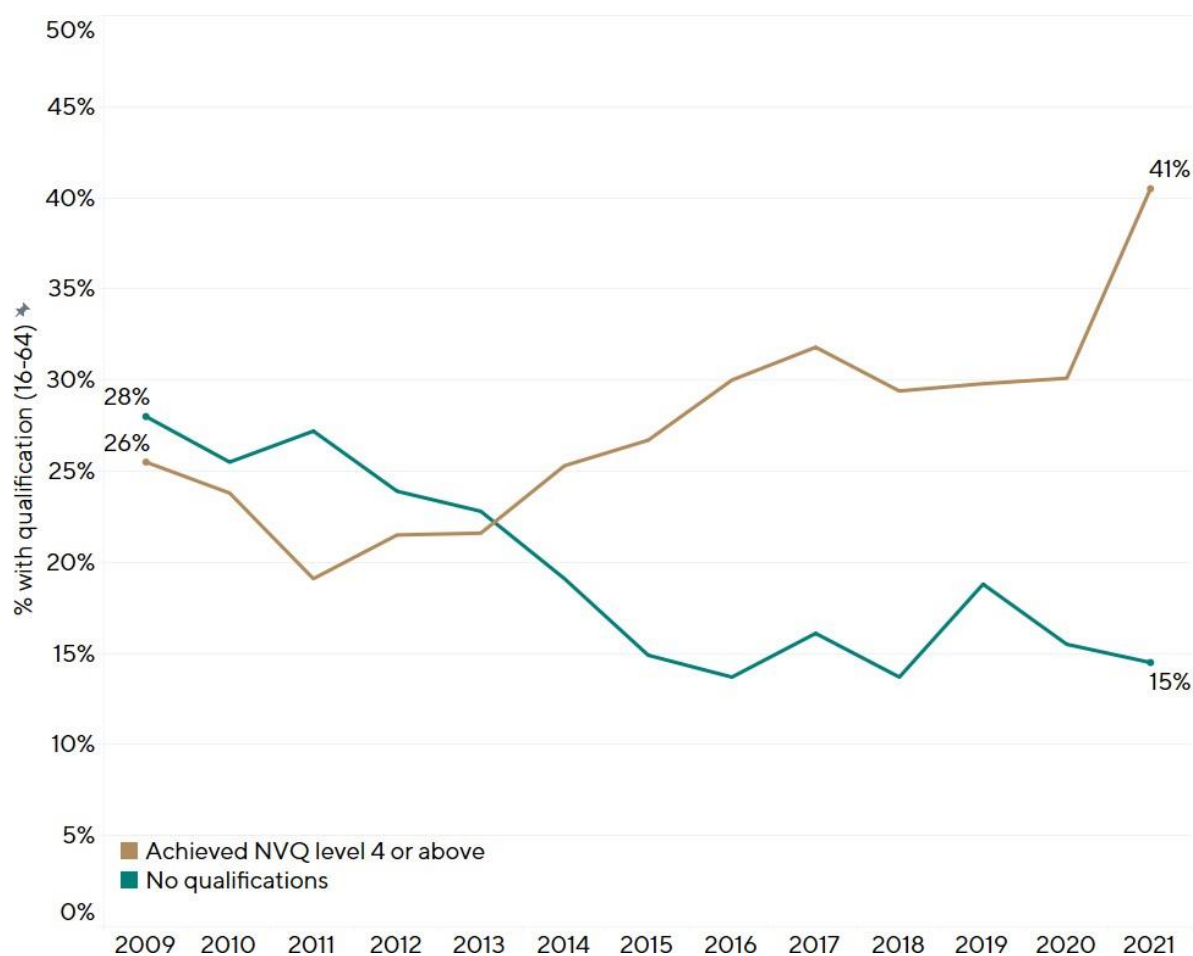
Compared to Northern Ireland, in 2021, the District's comparatively low economic inactivity rate may be due to several factors, including (among others) typically higher rates of entrepreneurship and self-employment. According to Census 2021 data, the FODC area accounts for eight percent of self-employed people in Northern Ireland and has the highest proportion of self-employed people of any NI LGD (19.6% of all those in employment)³³. This is likely to reflect the sectoral composition of the FODC LGD³⁰ and the District's entrepreneurial culture.

The proportion of people in the FODC labour market who are without qualifications has fallen by 13% points, from 28% in 2009 to just 15% in 2021. Over the same period, the proportion of people achieving degree level qualifications and above has risen by 15% points, however FODC remains 1.5% behind the NI average (40.5% in FODC and 42% in NI).

³² Sources used in this table include: Labour Market Status by Local Government District NISRA (2021), NISRA Census 2021 Economic Activity (Custom Table), Qualifications – NISRA (2020), UK figures from ONS Labour Market Summary a01 nov2021

³³ Proportions of self-employed people in other LGDs range from 11% in Belfast to 19.3% in both Causeway Coast and Glens and Newry Mourne and Down.

Figure 2.4 – FODC Qualifications Trend 2009 - 2021



Source: NISRA (2021)

2.2.4. Cost of Labour

Workplace-based wages across the FODC area have risen steadily over the past decade, by 36% points between 2013 and 2021. However, wages remain substantively below the Northern Ireland average, by around £2,600 (or 9% lower)³⁴. Table 2.5 presents a summary of key wage data for the FODC area.

³⁴ Data on Gross Annual Pay is taken from NISRA national statistics: Gross Annual Pay - Annual Survey of Hours and Earnings (administrative geographies) and uses mean values.

Table 2.5 – FODC Wage Data

Data Source / Indicator ³⁵		FODC		NI
		#	%	
Wages	Average Annual Wage (PoR)	£26.9k	(-9%)	£29.5k
Place of ResidenceWages	FT Hourly Median Gross Pay	£13.98	(-3%)	£14.37
	PT Hourly Median Gross Pay	£9.72	(-4%)	£10.08
Public Sector Proportion		30%	(+3%)	27%
Private Sector Wages (PoR)		£25,366	(+3%)	£24,560

Non-FODC wage premiums

Analysis of workplace and residence-based wages suggest that employment opportunities outside the FODC contribute an additional c.£1,853 to the median annual wage of FODC residents³⁶.

Hourly rates

In 2021, the full-time hourly median gross pay in the FODC area was £13.98, compared to an hourly part-time rate of £9.72. The full-time hourly pay was (30%) higher, than that of the part time hourly pay.

Since 2016, the part-time hourly pay has seen an increase of £1.87 (from £7.85 to £9.72), equivalent to a 24% point increase. The full-time hourly pay has increased by £2.16 (from £11.82 to £13.98), equivalent to an 18.3% point increase.

Northern Ireland has a higher hourly median gross pay for both full-time (£14.37) and part-time (£10.08) workers, adding to challenges faced by businesses trying to attract and retain employees in the FODC area.

Part-time, Full-time & Overall Average Annual Wages

Analysis of part-time, full-time and average annual wages shows that the value of part-time jobs relative to full-time jobs in the FODC area has been stagnant. In 2018 part-time work in the FODC area generated wages worth 41% of an average annual full-time role, in 2021 part-time work was still worth 41% of average annual full-time wages in the District. This is in contrast to the overall Northern Ireland trend, where the value of part-time work has increased from 36% of average annual full-time wages in 2018 to 39% in 2021. The stagnant trend in values of part-time work poses particular challenges for economic sectors that rely on part-time jobs to meet seasonal or otherwise variable demand.

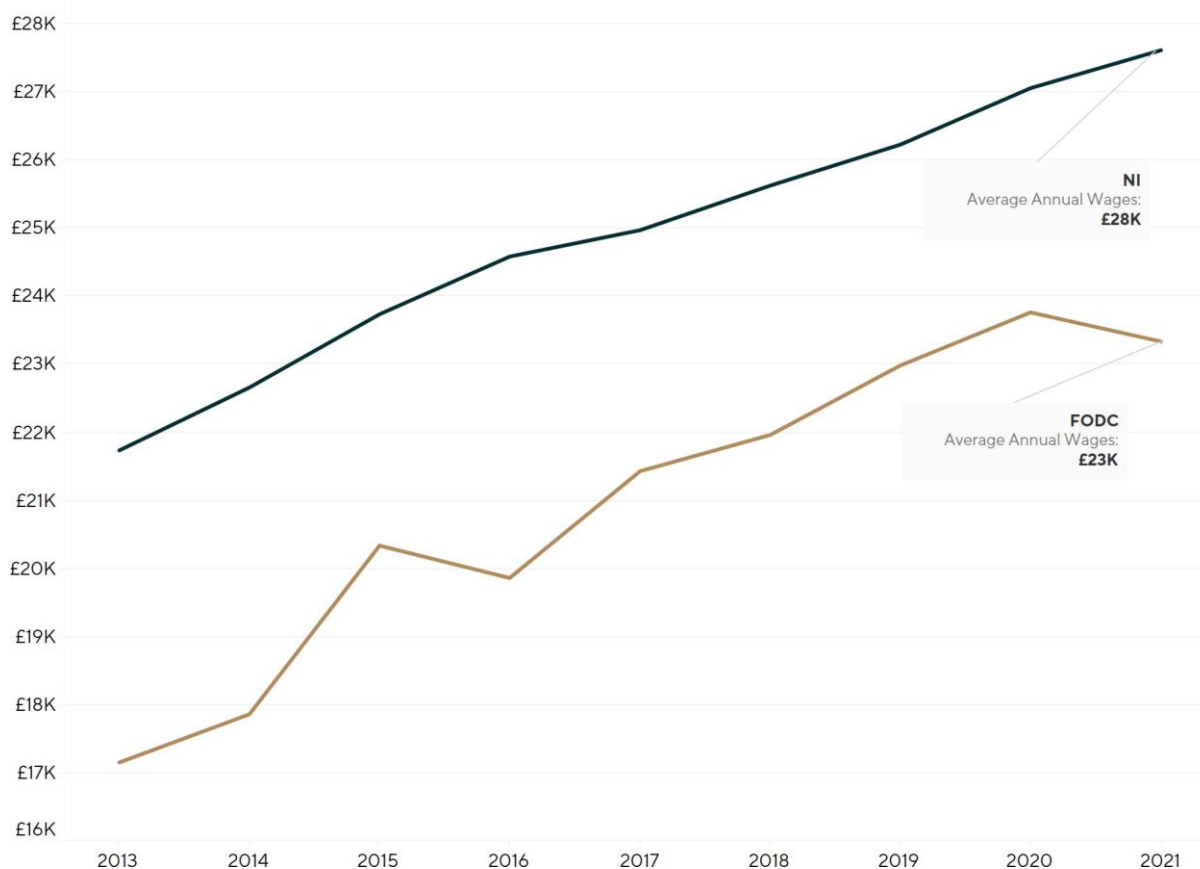
³⁵ Sources used in this table include: Gross Annual Pay - Annual Survey of Hours and Earnings (administrative geographies) NISRA (2021), Estimates from the Annual Survey of Hours and Earnings (ASHE) for Paid Hours worked and Gross Pay by place of work and place of residence NISRA (2022), Annual Survey of Hours and Earnings (ASHE) – NISRA (2022)

³⁶ Data on the difference between POW and POR wages is taken from: NISRA/Department for Communities Local Labour Market Information (LMI) Dashboards. Analysis uses median figures. In 2021, the median annual gross pay offered by FODC-based businesses (i.e., workplace-based wages) was £26,036 whilst the place of residence (PoR) annual median gross pay for the FODC was £27,889.

It therefore follows that the difference between full-time and aggregate average annual wages has been increasing across the FODC since 2018. Full-time wages in FODC in 2018 were worth 20% more than the average annual wage. By 2021 full-time wages in the FODC area were worth 21% more than the overall average annual wage. This is once again in contrast to the wider NI trend where the gap between full-time and overall average wages has fallen from 28% in 2018 to just 21% in 2021.

In 2022 the average annual wage in Belfast was £30,832, 15% higher than the FODC average annual wage (£26,869). This difference in wages is largely due to the composition of each local economy, with wages in service sectors, particularly finance and business services, typically being above wages in sectors that are more prominent in the FODC economy i.e., agriculture, construction, manufacturing, mining and quarrying and tourism.

Figure 2.5 – Average Annual Wages (2013–2021)



Source: NISRA (2021)

Public vs Private Sector

The percentage breakdown of employee jobs in the public sector for Fermanagh and Omagh District Council in 2020 was 30%³⁷. It is worth noting that the average percentage of public sector employees in the FODC area is higher than the overall average for Northern Ireland (30% in FODC compared to 27% across NI in 2021). This suggests that the FODC area is more reliant on the public sector for employment in the District.

Average full-time private sector earnings in 2021 were £25,366, compared to £24,560 for NI, equating to 3% higher in FODC. Average public sector wages across NI are considerably higher at £33,921.

2.3. Summary

- The FODC area has seen a gradual increase in its population, which is expected to reach just under 120,000 people by 2032. While some other LGDs are experiencing more rapid growth, the FODC area has its own unique appeal to residents and workers but it must continue to make improvements in order to remain competitive.
- The District's labour market is stable and has a relatively high proportion of working-age people.
- The FODC area is a locus for talent, skills, and employment opportunities within certain sectors, including agriculture, mining and quarrying, tourism, manufacturing and engineering and construction.
- The level of economic inactivity across the FODC area has fallen since 2019, and now has an economic inactivity rate lower than the NI average.
- Wages across the FODC area have risen steadily over the past 7 years, with full-time pay higher than part-time pay.
- Despite offering well-paid opportunities, the cost of labour in the FODC area remains below the Northern Ireland average.

³⁷ The Business Register and Employment Survey is a business census which provides employee jobs estimates. This is based on the location and number of jobs rather than the number of persons with a job; therefore, someone with two jobs will be counted twice. It excludes agriculture employee jobs and self-employed (not on a PAYE system).

3. Business, Trade & Economy

Firmographic data shows that the structure of the FODC economy is dominated by micro-sized companies, with comparatively low shares of small and medium sized businesses compared to Northern Ireland. The FODC area accounts for just 4% of all large NI businesses and is therefore more reliant on the contribution of micro businesses and SMEs. Table 3.1 below provides a summary of key firmographic and productivity statistics for the FODC area. Table 3.2 provides further detail regarding the size of FODC businesses relative to Northern Ireland.

Table 3.1 – FODC Firmographic & Productivity Data

Data Source / Indicator ³⁸		FODC		NI	UK
		#	%		
VAT and PAYE Registered Businesses	Total	8,445	11%	77,950	
	Micro	7,940	11%	69,805	
	Small	430	6%	6,775	
	Medium	65	6%	1,135	
	Large	10	4%	235	
Business Survival Rate (5-year)		51%	(+4%)	47%	38%
Business Birth Rate		8.9%	(-1.1%)	10%	12%
GVA per filled job (Productivity) ³⁹		£48k	(-4%)	£50k	£58k
External Sales		£1.17bn	6%	£19.6bn	

Table 3.1 – FODC Firmographic & Productivity Data

Business Size	FODC (%)	NI (%)	FODC % of NI
Micro (0-9 employees)	7,940 (93.9)	69,805 (89.5)	11%
Small (10-49 employees)	430 (5.1)	6,775 (8.6)	6%
Medium (50-249 employees)	65 (0.8)	1,135 (1.5)	6%
Large (250+ employees)	10 (0.1)	235 (0.3)	4%
Total	8,445 (100)	77,950 (100)	11%

Source: ONS (2021)

³⁸ Sources used in this table include: ONSukbusinessworkbook2022, BUSINESS DEMOGRAPHY ONS (2020), Geographic Breakdown of Business demography, quarterly experimental statistics, Quarter 1 2017 to Quarter 3 2022 ONS, ONS Subregional Productivity July 2022, Northern Ireland Broad Economy Sales & Exports Data 2011 – 2020 NISRA

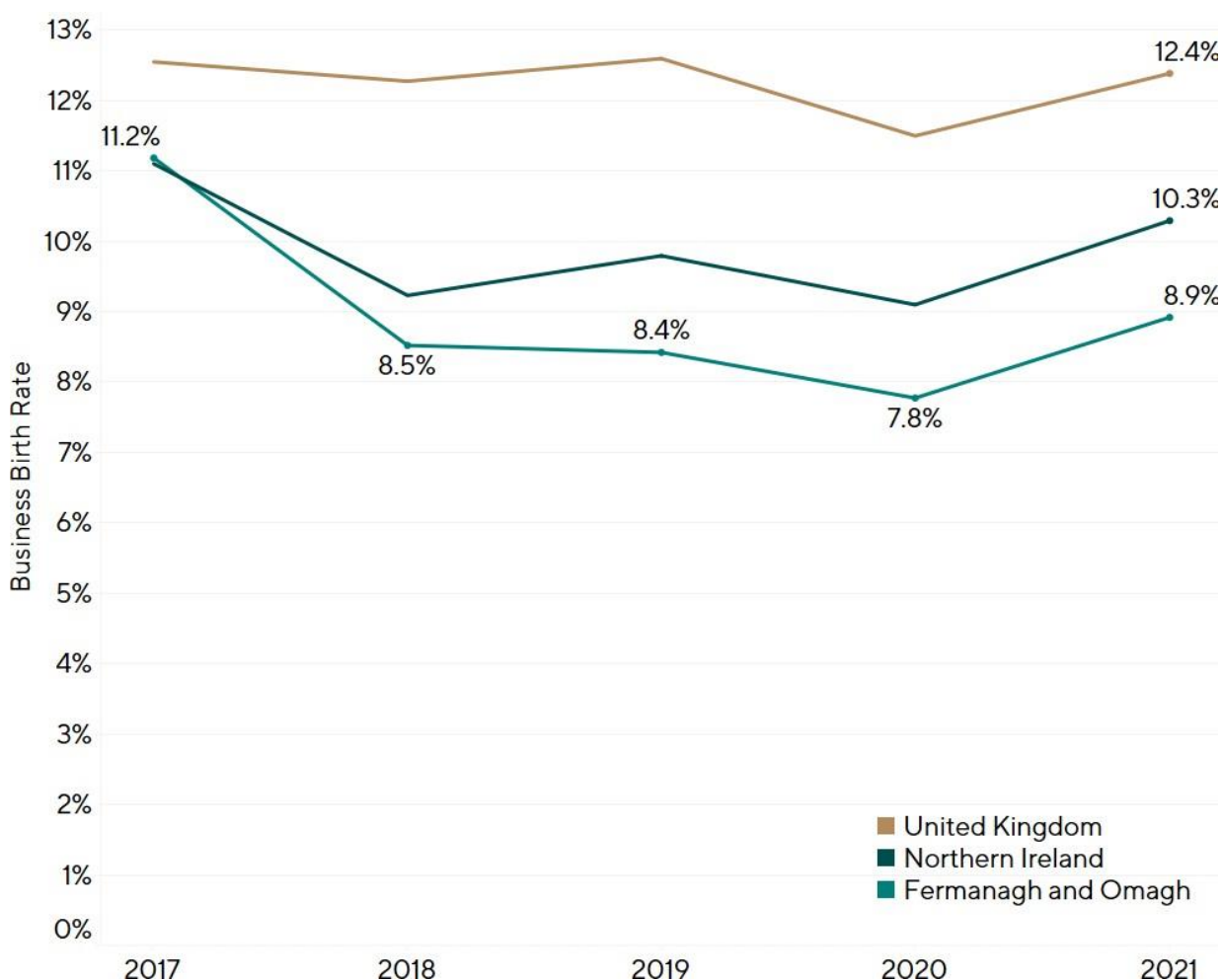
³⁹ GVA per filled job is used in UK national statistics as a measure of labour productivity. GVA per filled job apportions the Gross Value Added (i.e., gross profits, employee remuneration, amortisation and depreciation) by a regional workforce to the number of jobs in the District.

3.1. Business Births & Survival Rates

New businesses are vital for the creation of employment, the development of new ideas, and improvements in productivity. The business birth rate measures the number of new businesses created in any given year as a proportion of the total number of active businesses in that year. A higher business birth rate is indicative of increased dynamism in the economy.

The rate of new business births in Northern Ireland has consistently been below the UK average by between 2% – 3%. Business births across the FODC area have, in turn, typically been below the Northern Ireland average. FODC must sustain and leverage the District's historically strong entrepreneurial culture through support for new business starts, it will also require addressing long-standing challenges including deficit of industrial land and poor physical connectivity.

Figure 3.1 – FODC Business Birth Rate 2017 - 2021



Source: ONS Business Demography (2021)

In the same way that business births provide an indication of economic dynamism, business survival rates provide an indication of economic stability. On this measure, Northern Ireland outperforms the United Kingdom, and the FODC area outperforms Northern Ireland, as illustrated in Table 3.2 below.

Table 3.2 – FODC Business Survival Rates

Geography	1-Year Survival Rate	2-Year Survival Rate	3-Year Survival Rate	4-Year Survival Rate	5-Year Survival Rate
FODC	91.3%	75.0%	62.5%	55.8%	51.0%
Northern Ireland	92.4%	74.1%	61.3%	53.0%	47.3%
United Kingdom	95.2%	71.1%	54.1%	44.9%	38.4%

Source: ONS Business Demography (2021)

Across the FODC area 51% of businesses born in 2016 were still operating in 2021 – 12% higher than the UK average and 4% higher than the Northern Ireland average. This comparatively high rate of 5-year survival suggests that the FODC area benefits from a favourable, lower risk business environment. A low-risk business environment can offer many advantages, but it is important to acknowledge potential drawbacks of a stable business environment such as complacency, whereby businesses may become resilient to change and less inclined to invest in R&D. As a result, there may be a lack of innovation, hindering the growth and competitiveness of businesses in the long term. A stable business environment can also promote risk aversion, businesses may be hesitant to take bold initiatives or expand, due to the fear of destabilising the established status quo.

3.2. Investment Raising

The FODC area is home to 10 companies that have received private investment to support their growth. This represents just three percent of the total number investment raising companies in Northern Ireland (3%, 10 out of 334). The total value of private investment raised by companies in Northern Ireland since 2007 is £675m, with a median value of £300k. By comparison, FODC investment raising companies have secured a total of just £3.4m since 2011 (just 0.5% of the Northern Ireland total), with a median value of £200k. This is partly due to the sectoral profile of the District – more established manufacturing and engineering companies have less need to raise investment compared to, for example, companies working in software development or other technology companies that have higher start-up rates.

Patterns of investment raising in the FODC area reflect sectoral strengths discussed elsewhere in this report. Eighty percent of FODC investment raising companies operate within three of the District's key sectors including Manufacturing and Engineering, Agri-Food and

Construction. The analysis points to a strong need for raising awareness of current and future high-potential businesses within the FODC among established investment networks, and of the availability of investment options among businesses with growth ambitions.

3.3. Collaborative Research & Innovation Activity

Analysis of active collaborative research projects available via UKRI Gateway to Research shows that of 1,724 active collaborative research grants across the UK with start dates between 2018 and 2022 just 19 of those (1%) are within NI. This is a significant under-representation given that Northern Ireland makes up almost 3% of the UK business base. None of the 19 NI companies involved in collaborative research projects since 2018 are located within the FODC area, this is not unexpected, given that the FODC area has no University and is therefore further removed from academic collaboration, in comparison to other areas in NI.

3.4. Summary

- The FODC area has comparatively low shares of small and medium-sized businesses compared to Northern Ireland and accounts for very few of large businesses in NI.
- The business birth rate in the FODC area has been typically below the Northern Ireland average, but the gap has declined post-COVID, pointing to increased economic dynamism in the District.
- The FODC area outperforms Northern Ireland in business survival rates, with 51% of businesses born in 2016 still operating in 2021, suggesting a favourable, lower-risk business environment.
- The FODC area is home to 10 companies that have received private investment to support their growth, representing just three percent of the total number of investment-raising companies in Northern Ireland and just 0.5% of total investment raised.
- Northern Ireland is under-represented with respect to collaborative research funding from UKRI, and of 19 collaborative research projects funded in NI since 2018 none are by a company in FODC.

4. Economic Contribution

The FODC area accounts for more than one fifth of all agricultural businesses, just under one tenth of all production (manufacturing) businesses and more than one tenth of all construction businesses in NI. Table 4.1 provides a summary of key metrics regarding the contribution that the FODC area makes to the Northern Ireland economy.

Table 4.1 – FODC Economic Contribution Data

Data Source / Indicator ⁴⁰		FODC		NI	UK
		#	%		
GVA by Sector	Agriculture	£122m	16%	£787m	
	Manufacturing	£441m	8%	£5,692m	
	Construction	£172m	6%	£2,927m	
	Wholesale and Retail	£449m	7%	£6,414m	
Productivity		£48k	(-4%)	£50k	£58k
External Sales		£1.17bn	6%	£19.6bn	

4.1. Gross Value Added

In 2020 the FODC area contributed £2.41bn in GVA to the Northern Ireland economy – 5.5% of the total (£2.41bn of £43.7bn). Wholesale and retail businesses made the largest contribution to GVA in FODC, contributing a total of £449m (just under 20% of total FODC GVA and 7% of all wholesale and retail related GVA in Northern Ireland)⁴¹. This was closely followed by FODC manufacturing businesses, which contributed 18.3% to total FODC GVA and 8% of all manufacturing GVA in Northern Ireland.

It is worth noting that FODC claims 7% of NI employment in manufacturing, but 8% of NI manufacturing GVA, meaning that the FODC manufacturing sector is above average in relation to manufacturing productivity. In 2021 manufacturing productivity in FODC was £74,100, compared to £70,500 in NI as a whole. Further, manufacturing GVA in FODC has grown strongly in recent years, by 7.3% between 2020 and 2021 (from £440m to £472m) and by 5% per annum since 2018 (from £388m to £472m).

In 2020 the FODC area contributed 16% of Northern Ireland's total GVA in the agriculture, forestry and fishing and mining and quarrying sectors, yet FODC has 20% of all NI farms and 19% of NI agricultural employment. The agriculture sector in FODC is driven by small farms in

⁴⁰ Sources in this table include: Regional gross value added (balanced) by industry: all ITL regions ONS (2020), ONS Subregional Productivity July 2022, Northern Ireland Broad Economy Sales & Exports Data 2011 – 2020 NISRA

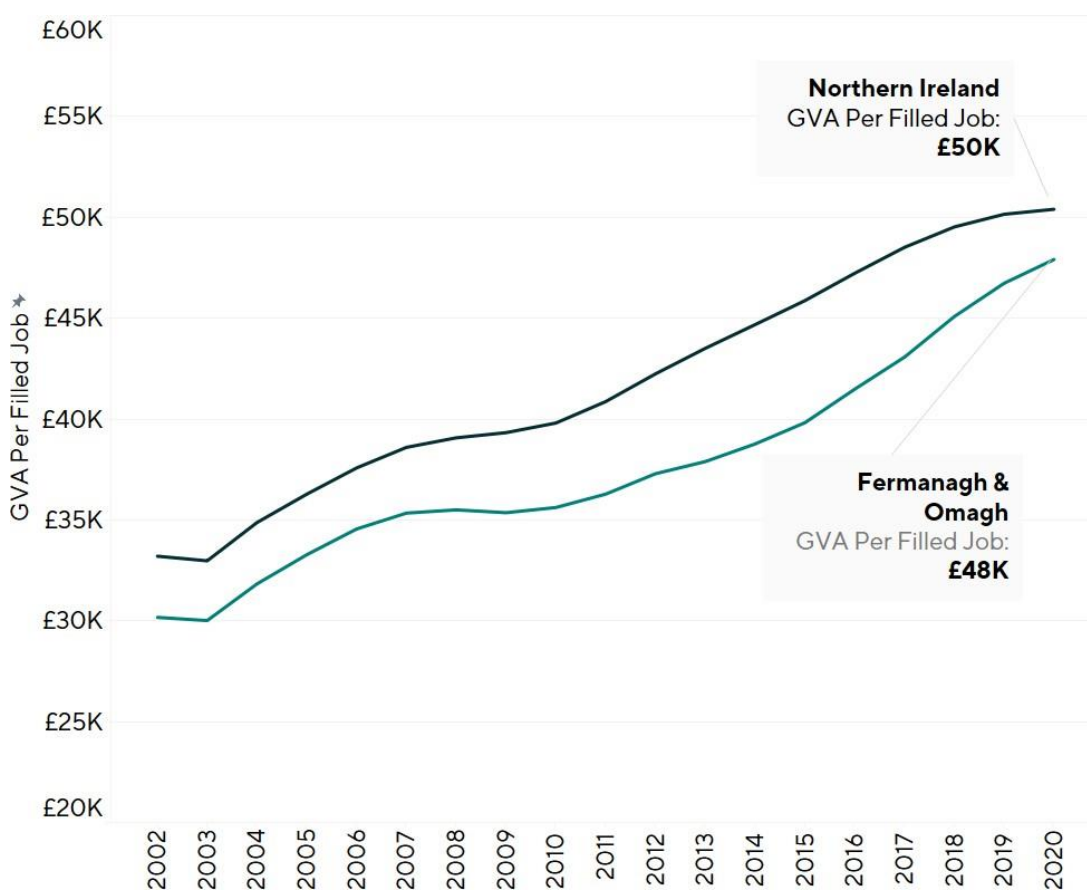
⁴¹ Manufacturing GVA in Northern Ireland in 2020 was £5.7bn; ONS Sub-Regional Productivity 2022 (data relates to 2020).

less favourable areas (97% of all farms in FODC are classed as being within a ‘less favoured area’⁴²). Small farms in less favoured areas struggle to achieve economies of scale, secure reliable cash flow and implement innovative technologies.

4.2. Productivity

Productivity in the FODC area was £48k, which is 4% below the Northern Ireland average. In turn productivity in Northern Ireland is 17% below the UK average, which is in turn 29% below the Republic of Ireland average⁴³. While the gap between productivity in the FODC area, NI and the rest of the UK and Ireland continues to require attention, it should also be noted that comparatively strong performance among FODC businesses between 2018 and 2020, particularly in the Information and Communications, Wholesale and Retail, Professional, Scientific and Technical and Manufacturing sectors, has helped to close the productivity gap between FODC and NI.

Figure 4.1 – FODC Productivity



Source: ONS Sub-Regional Productivity (2002 – 2020)

Relatively strong productivity growth in the FODC area has been driven by growth in key

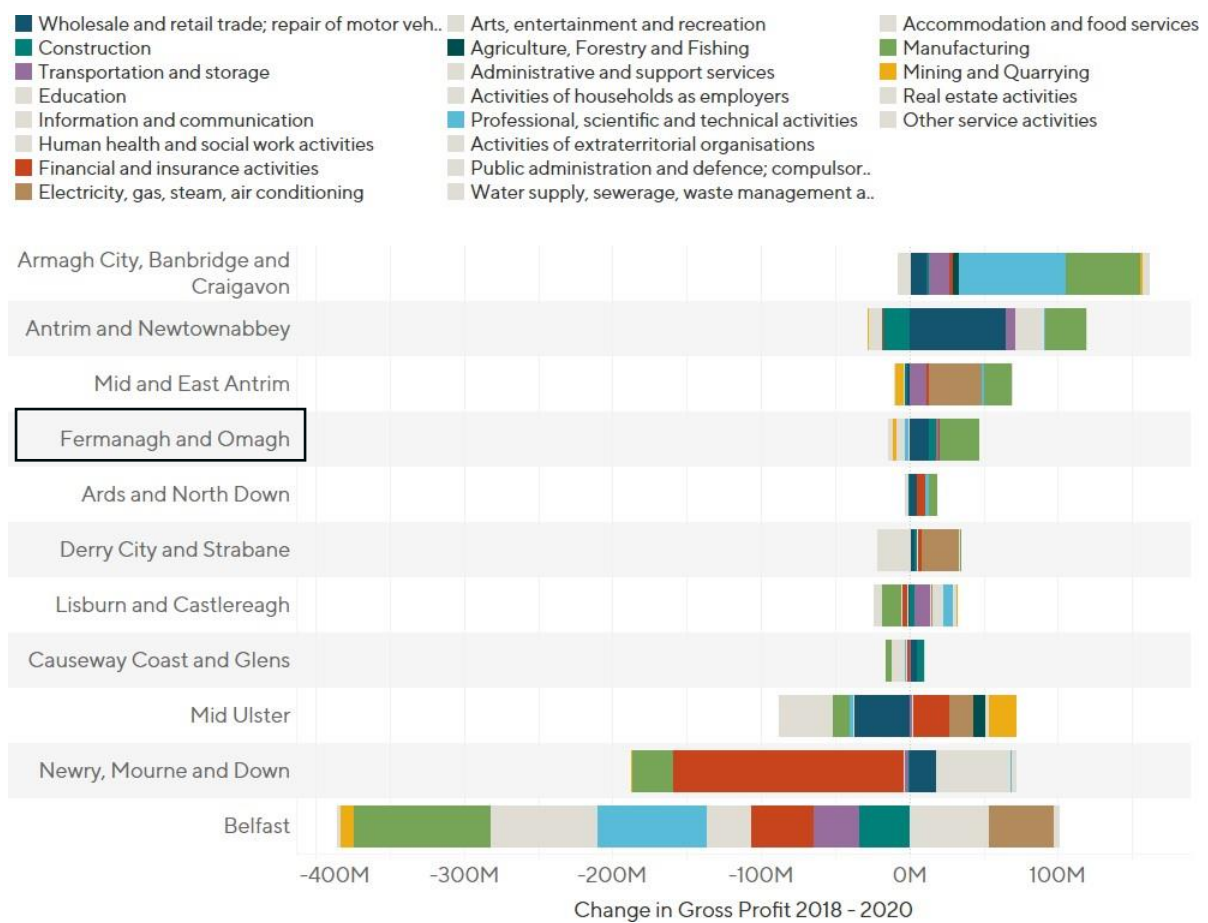
⁴² DAERA Farm Census 2018, accessed via NINIS

⁴³ ONS Sub-Regional Productivity 2022 (data relates to 2020 which is the latest available). UK – RoI comparison taken from the Productivity Institute 2022 Dashboard available at: <https://www.productivity.ac.uk/research/northern-ireland-productivity-dashboard-2022/>

sectors including agriculture, mining and quarrying, health and life sciences, and manufacturing and engineering. Analysis of sub-regional productivity data by industry shows that between 2018 and 2020 the rate of GVA growth in FODC has been accelerating at above average rates in agriculture, health and life sciences and manufacturing and engineering.

Analysis of company level data over the 2018 – 2020 period further highlights these strong sectoral performances, with local businesses performing better than their counterparts in manufacturing and engineering, health and life sciences (contained within the professional, scientific and technical sector), wholesale, real estate, agriculture and mining and quarrying (Figure 4.2).

Figure 4.2 – FODC Sectoral Performance



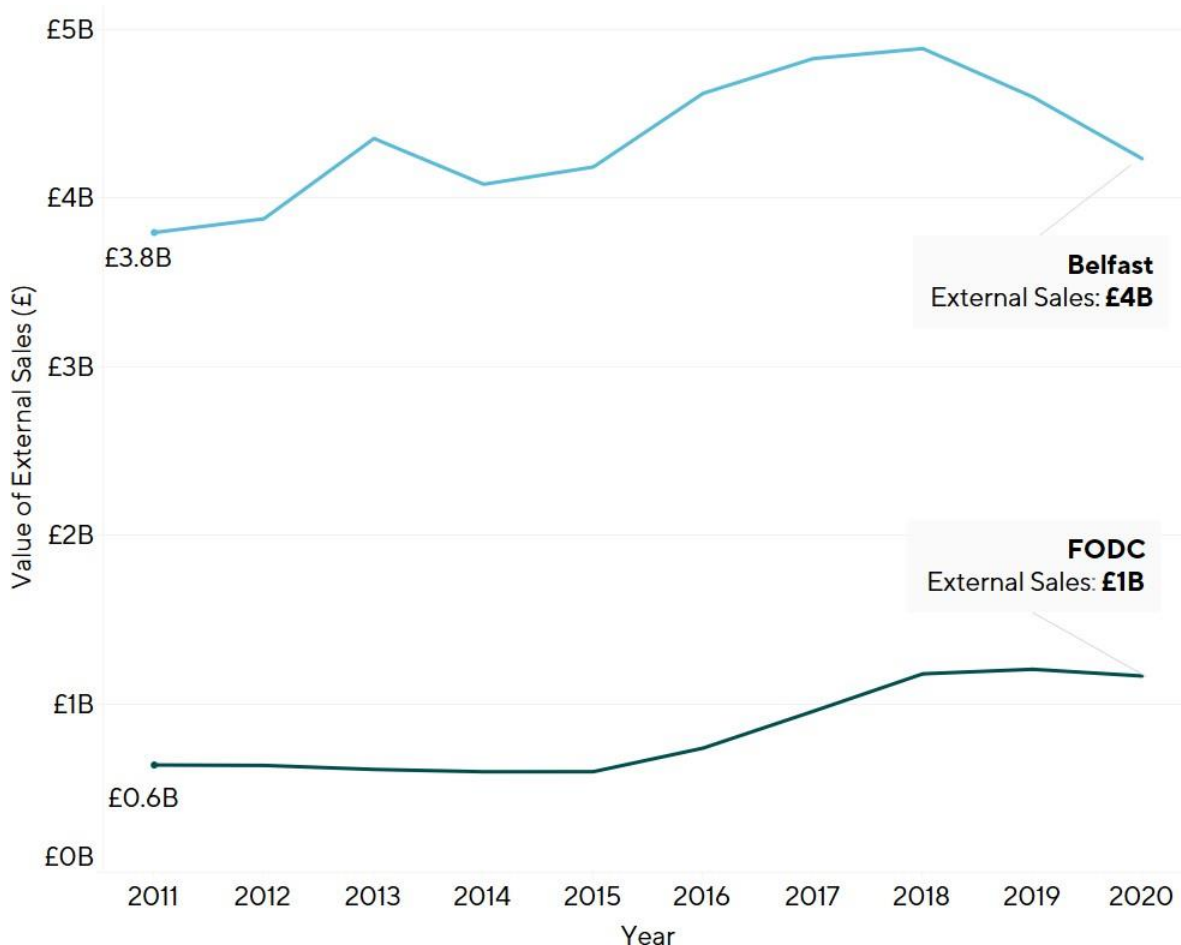
Source: Bureau van Dijk

4.3. External Sales

FODC generated £1.17bn in external sales in 2020 (Figure 4.3), accounting for 6% of Northern Ireland’s £19.6bn external sales figure and around one quarter of the value of external sales

from Belfast.

Figure 4.3 – FODC vs Belfast External Sales 2011 - 2020



Source: NISRA (2020)

4.4. Summary

- In 2020 the FODC area contributed £2.41bn in GVA to the Northern Ireland economy – 5.5% of the total (£2.41bn of £43.7bn).
- FODC manufacturing businesses made the second largest contribution to GVA in the FODC area, contributing a total of £441m (18% of total FODC GVA and 8% of all manufacturing related GVA in Northern Ireland).
- FODC claims 7% of NI employment in manufacturing but 8% of NI manufacturing GVA, meaning that the FODC manufacturing sector is above average in relation to manufacturing productivity.
- Manufacturing GVA in FODC has grown strongly in recent years, by 7.3% between 2020 and 2021 (from £440m to £472m) and by 5% per annum since 2018 (from £388m to £472m).
- Productivity in the FODC area was £48k in 2020, 4% below the Northern Ireland average,

which is 21% below the UK average and 50% below the RoI productivity level.

- FODC generated £1.17bn in external sales in 2020, accounting for 6% of Northern Ireland's £19.6bn external sales figure.
-

5. Tourism

The tourism data used in this section is available to 2019 (latest available at the time of writing), with the exception of ‘Out of State Spend’ which was available to 2022. Table 5.1 provides a summary of key metrics regarding the tourism economy in the FODC area.

Table 5.1 – FODC Tourism Data

Data Source / Indicator ⁴⁴	FODC		NI
	#	%	
No. of Overnight Trips	427,568	8%	5,475,376
Spend on Overnight Trips	£79,374,431	8%	£1,043,996,095
No. of Visitors	1,171,676	7%	16,513,368

5.1. Overnight Trips & Tourism Spend

Most recent data for the FODC area shows an upward trend in both number of overnight trips (denoted by bars) and total estimated expenditure (denoted by triangles) since 2016.

Figure 5.1 – FODC Overnight Trips & Tourism Spend



⁴⁴ Data used in this summary table is taken from Tourism Statistics (NISRA) 2013-2019

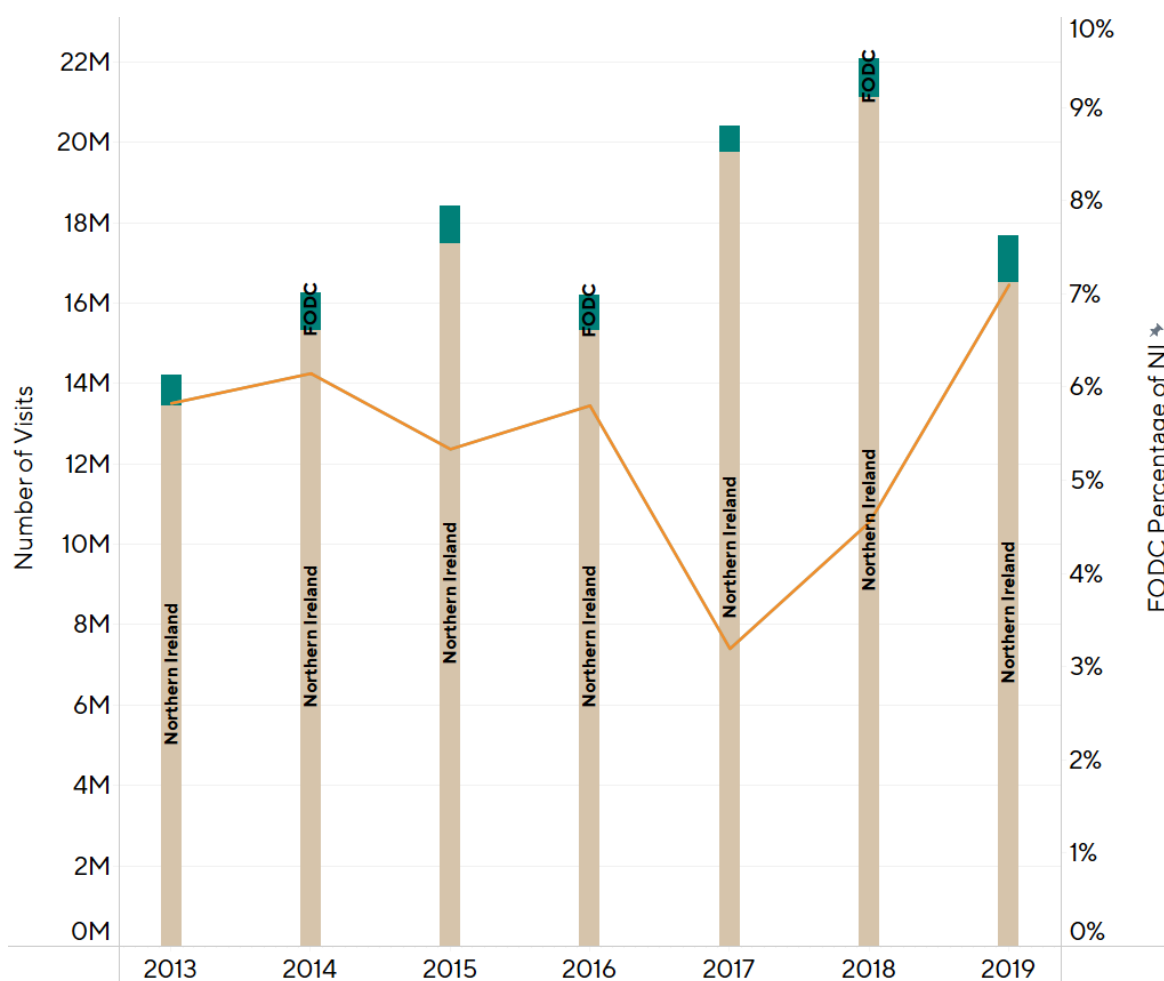
Source: ONS

The District is home to several prominent and unique tourism attractions including, for example, Fermanagh Lakelands, Cuilcagh Lakelands UNESCO GeoPark and Omagh and the Sperrins. As of 2019, the FODC area accounted for 8% of Northern Ireland's total overnight trips and 8% of associated visitor spend. New tourism strategies and plans are in development across the District, including the Fermanagh and Omagh Visitor Experience Development Plan (VEDP). Average estimated spend per night across the FODC area in 2019 was £186, 3% points below the Northern Ireland average. While updated data reflecting the impact of more recent additions to the FODC tourism offer will likely bolster overnight trips and expenditure, scope still remains to grow these aspects of the tourism economy in future. Further, there is no reliable data on day trips which, if available, would further increase the value of tourism to the local economy. As a result of poor data, the business brought to FODC through tourism is not well understood.

5.2. Day Trips & Visitor Numbers

The FODC share of total NI visits since 2013 has increased by 1% (from 6% in 2013 to 7% in 2019). The District experienced a significant decline in the share of NI visitors in 2017 (dropping to 3%), the District has since rebounded (Figure 5.2).

Figure 5.2 – FODC Visit Numbers & Proportion of NI Visitors (2013 – 2019)



Source: NISRA Local Government District Tourism Statistics Microdata, 2013 - 2019

The top day trip attractions in the FODC area in 2019 included Belleek Pottery Visitor Centre and the Ulster American Folk Park in Fermanagh and Omagh (c.295,000 visits collectively).

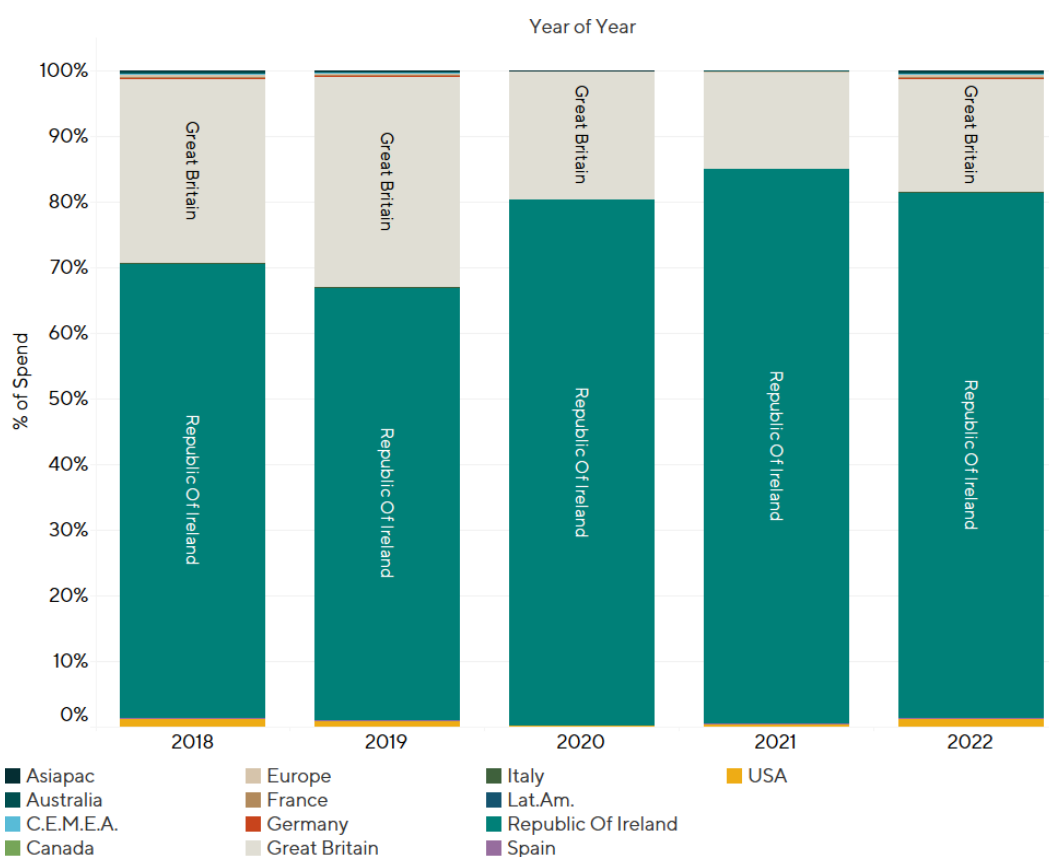
5.3. Out of State Spend

Figure 5.3 below, outlines the change in out of state consumer spend⁴⁵ from 2018 to 2022. The overall out of state consumer spend in FODC has increased by 124% from 2018 to 2022, with an evident increase in the Republic of Ireland spend. In 2018, the RoI spend was responsible for 69% of FODC total out of state spend, whilst in 2022 the RoI share increased to 80%.

In 2022, 24% of RoI spend in FODC was in the entertainment category, closely followed by 23% on automotive and fuel and 21% on food, groceries and chemists. Given that FODC shares the longest stretch of Northern Ireland's border with RoI, the out of state spend in the District is particularly sensitive to fluctuation in fuel prices and any variation in inflation between the two jurisdictions. In 2022, the vast majority of all out of state spending in FODC was in Enniskillen, where 84% of total out of state spending was spent, and 16% of out of state spending was in Omagh.

⁴⁵ The data used for consumer spending only captures a proportion of the electronic payments made in Northern Ireland and excludes cash payments. This data doesn't include payments from all types of cards but does include some mobile payments. Also, payments to large UK or international merchants are sometimes excluded, depending on whether their card machines are registered to the store's NI address, or registered to HQ in England. Additionally, it is important to clarify that this spending does not solely refer to tourism expenditures; rather, it encompasses all expenditures made by non-residents outside of Northern Ireland.

Figure 5.3 – FODC Out of State Expenditure (2018 – 2022)



Source: TourismNI

Between 2019 and 2022 out of state spend from Great Britain has fallen from 32% to 17%, but still makes up a notable proportion of tourism expenditure in FODC. Expenditure by visitors from the US has rebounded to 1.2% of total out of state spending, following a decline between 2019 and 2021 due to the COVID pandemic.

5.4. Future Tourism Development Projects

The FODC District's tourism economy will be further enhanced in the short to medium term via a series of planned projects which are set out in the Visitor Experience Development Plan (VEDP) for Fermanagh Lakelands and Omagh and the Sperrins⁴⁶ including:

- Transformation of the Ulster American Folk Park (UAFP): the transformation of the visitor attraction will not only benefit the inbound tourists/visitors but also the local people. The UAFP will target strategic capital investment and offer inclusive opportunities for learning, wellbeing and skills development for local tourism and also a particular focus on North America.
- Development of the Cuilcagh Lakelands Landscape: a series of five internal projects will enhance the awe inspiring natural landscape surrounding the Marble Arch Caves and Geopark and the surrounding Marlbank area, including the development of a Net Zero

⁴⁶ https://fodc.online/2022-2032_Visitor_Experience_Development_Plan/

Marble Arch Caves Visitors Centre.

- Omagh and the Sperrins: further investment to build on the visitor experience at Gortin Glen Forest Park and expansion of the 'Giants of the Sperrins' tourism theme will encourage visiting families to stay in the area for longer, reaping the benefits of the exposure to the natural environment and unstructured play.

These initiatives are expected to enhance the tourism economy in the FODC in the short to medium term, attracting more visitors and providing new opportunities to increase the scale of the tourism economy in the District vis-à-vis other industries. The VEDP recognises the tourism potential of the area and aims to reposition the Fermanagh Lakelands and Omagh and the Sperrins as world class sustainable and regenerative tourism propositions, where visitors immerse themselves in its rich natural and cultural heritage, to the benefit of local communities, businesses and the environment.

5.5. Summary

- The majority of tourism data used in this section is available up to 2019, including overnight trips and estimated spend, day trip attractions and visitor numbers, and qualitative information on potential future tourism projects.
 - The most recent data for the FODC area shows an upward trend in both the number of overnight trips and total estimated expenditure since 2016.
 - The FODC area accounted for 8% of Northern Ireland's total overnight trips and 8% of associated visitor spend in 2019.
 - Average estimated spend per night across the FODC area in 2019 was £186, just 3% below the Northern Ireland average.
 - The FODC area has been attracting a slow increase in the share of total NI visits since 2013, from 6% in 2013 to 7% in 2019.
 - Future tourism development projects in the FODC area include the transformation of the Ulster American Folk Park, development of the Cuilcagh Lakelands Landscape and further investment in Omagh and the Sperrins.
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6. Housing

Availability of good quality, affordable housing is a vital component of a thriving economy – essential for supporting the existing employment base, and increasingly factoring into decision-making about where future workforces choose to locate. Table 6.1 provides a summary of key metrics regarding housing and housing costs in the FODC area.

Table 6.1 – FODC Housing Data⁴⁷

Data Source / Indicator	FODC		NI
	#	%	
Total Housing Stock	50,099	6%	822,083
Dwelling Starts	495	7%	7,513
Dwelling Completions	358	5%	7,430
Average Standardised House Prices	£141,902	(-9%)	£155,240
Average Rent	£497	(-22%)	£608

The past few years have seen unprecedented changes in patterns of working within the services sector⁴⁸. Coupled with improving broadband coverage, an increase in remote and hybrid working creates new scope for generating economic growth in places that would not previously have benefitted as significantly from the service economy. Good quality affordable housing, therefore, arguably, takes on an even more important role in economic growth, particularly in more rural places where costs of living can be more affordable for those working in typically city professions.

6.1. Housing Stock

Housing stock in the FODC area grew by 12% points between 2008 and 2022, from 44,904 to 50,099 dwellings. The District now accounts for 6% of total housing stock in Northern Ireland, which is in line with the District's population share. Given that the population in FODC is expected to grow at rates below the Northern Ireland average over the next decade, the rate of growth in housing stock will need to be adapted in recognition of this. With more supply than demand, the prices of housing may decline or remain stagnant, this can affect property values and potentially result in reduced investment in the housing market. Broader economic consequences of an oversupply of housing may result in reduced construction activity, fewer job opportunities in the construction sector, and potentially slow economic growth in related industries.

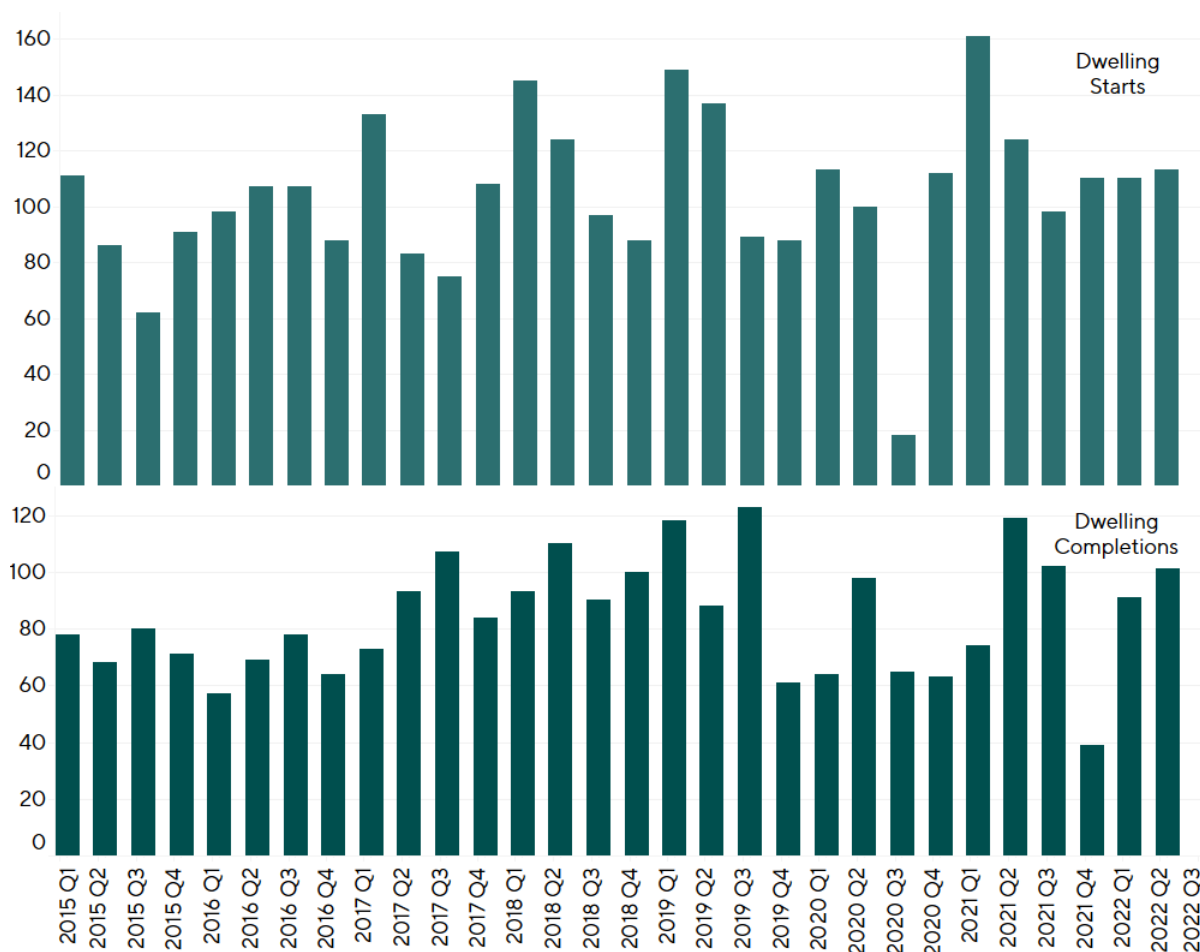
In 2021, data on dwelling starts and completions suggests that the FODC area is expanding its share of housing relative to the rest of Northern Ireland, accounting for 7% of new dwelling starts and 5% of completions. Since 2016, FODC has increased its proportion of NI's dwelling starts (5% in 2016 and 7% in 2021). In relation to the number of dwelling completions in FODC as a

⁴⁷ Sources in this table include: Northern Ireland Housing Statistics 2008-2022, Northern Ireland New Dwelling Statistics (2015-2022) – LPS/NISRA, Northern Ireland House Price Index - Record of Published Index and Prices (2005-2022) LPS/NISRA, Performance of the Private Rental Market in NI (Ulster University and Housing Exec.) (2020)

⁴⁸ <https://post.parliament.uk/research-briefings/post-pb-0049/>

proportion of NI, the District's proportion has increased slightly (4.3% in 2016 and 4.8% in 2021).

Figure 6.1 – FODC New Dwelling Starts & Completions Q1 2015 – Q3 2022

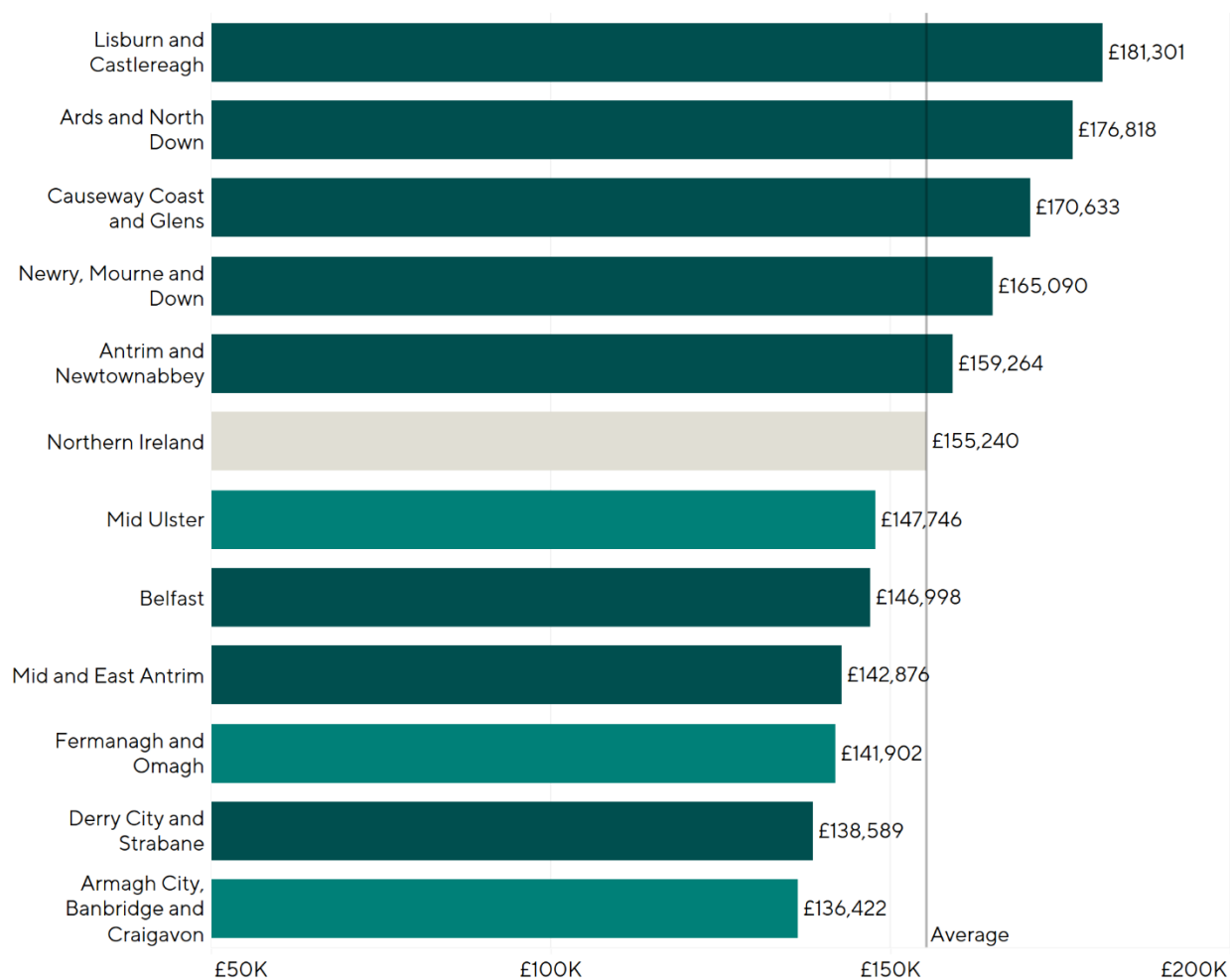


Source: Department for Communities NI

6.2. Standardised House Prices & Rents

FODC has some of the lowest house prices in Northern Ireland. In 2021 the average standardised house price in the FODC area stood at £142k, approximately 9% lower than the Northern Ireland average.

Figure 6.2 – FODC Standardised House Prices 2021



Source: Land and Property Services Northern Ireland (2021)

Rents within the FODC area are also approximately 18% below the Northern Ireland average, from just £497 per month in Fermanagh and Omagh, NI average = £608 per month).

Comparatively low house prices and rents add to the District's appeal as an affordable place to live and work. However, average annual wages in FODC are approximately 9% below the NI average, meaning that the average house in FODC will cost 6.1 times the average wage of a local resident, compared to 5.6 times in across NI as a whole⁴⁹.

6.3. Summary

- Housing stock in the FODC area grew by 12% between 2008 and 2022, from 44,904 to 50,099 dwellings.
- FODC accounts for 6% of total housing stock in Northern Ireland.
- FODC accounted for 7% of new dwelling starts and 5% of completions in 2021.

⁴⁹ Figures use 2021 standardised house prices and 2021 mean place of residence-based wages due to data availability.

- The average standardised house price in the FODC area in 2022 was £142k, approximately 9% lower than the Northern Ireland average.
 - Rents within the FODC area are approximately 18% below the Northern Ireland average, from just £497 per month in Fermanagh and Omagh (NI average = £608 per month).
-

7. Infrastructure

Infrastructure refers to a very wide range of physical assets that are integral to the efficient and effective functioning of any economy. Infrastructure includes but is not limited to transport (roads, railways, active travel infrastructure), buildings (commercial office space, factories, cultural spaces), and communications infrastructure including telecommunications and broadband infrastructure. Table 7.1 presents a summary of key metrics regarding physical and telecommunications infrastructure in the FODC area.

Table 7.1 – FODC Infrastructure Data⁵⁰

Data Source / Indicator	FODC		NI
	#	%	
Proportion of Motorways and A Roads	320km	13%	2,413km
Percentage of Journeys by Public Transport, Walking & Cycling	15%	(-10%)	25%
Ultra-Fibre Broadband (UFBB) and Full-Fibre Availability (average)	36%	(-35%)	71%
Proportion of Premises Unable to Receive 30Mbit/s Broadband Coverage	12.4%	(-6.2%)	6.2%
4G Coverage	71%	(-6%)	77%

Good infrastructure offers a major opportunity for local economies such as FODC to leverage other competitive advantages regarding, for example, access to affordable housing and lower costs of living. This opportunity is increasingly relevant as the services sector adopts more flexible working practices.

7.1. Road & Rail

The road network across the FODC area has remained largely unchanged for the last five years. Despite accounting for 15.5% of all roads in NI, road infrastructure in Fermanagh and Omagh is least well developed due to a distinct absence of motorways or dual carriage ways. Although FODC accounts for one fifth of Northern Ireland's land mass, motorways and dual carriageways make up less than 0.01% of all roads in Fermanagh and Omagh, reiterating a clear need for investment in infrastructure to support economic growth and population wellbeing.

⁵⁰ Sources in this table include: Northern Ireland Transport Statistics (2020-21) DfI and NSIRA, DfI Walking, Cycling and Public Transport in Northern Ireland 2021/2022, Fixed-laua-data | 2021 download speeds for LGD, Shared Rural Network - Forecast for 4G coverage pre-SRN by LGD (excl. Belfast)

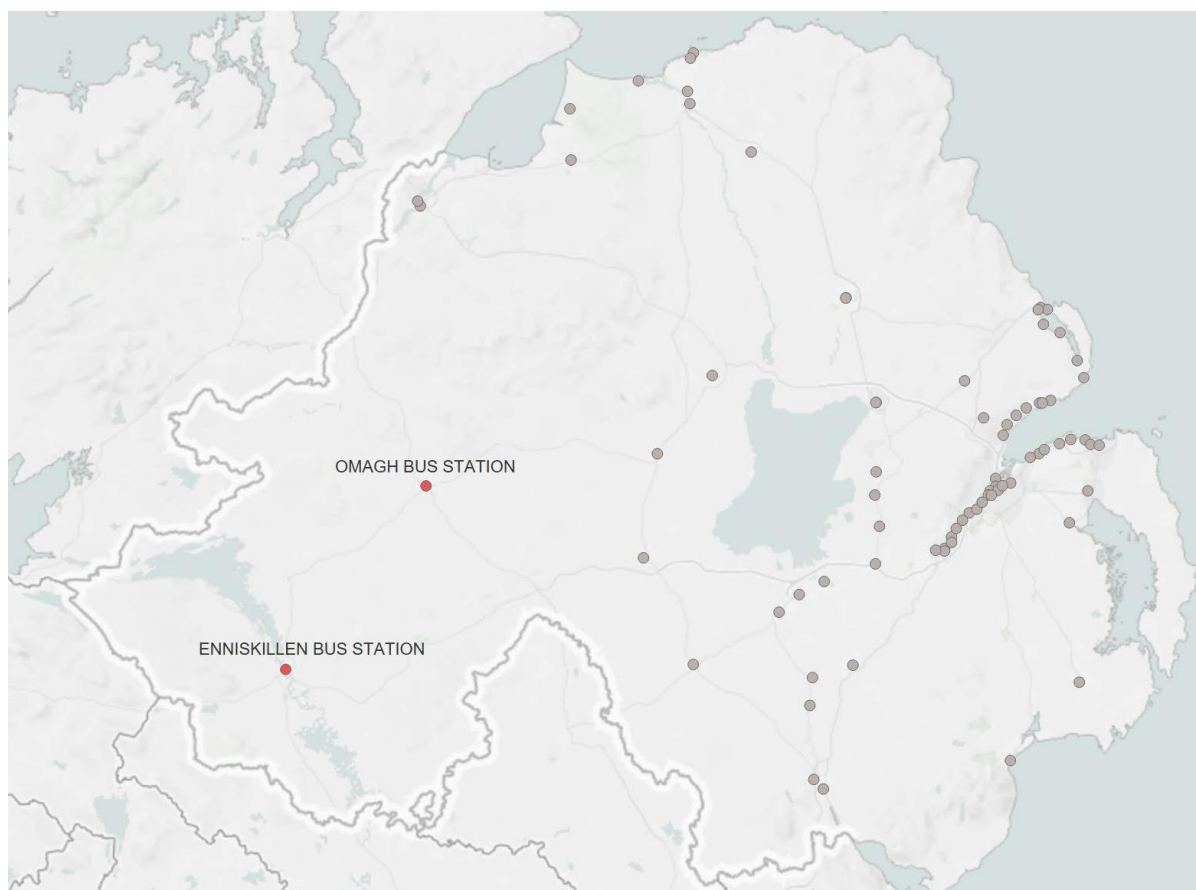
Table 7.2 – FODC Road Infrastructure (Length of Road by Type, 2017-2021)

		2017	2018	2019	2020	2021
Fermanagh & Omagh	Length of Motorway & Dual Carriageway (km)	0.6	0.6	0.6	0.6	0.6
	Percentage of All Roads	0.02%	0.02%	0.01%	0.01%	0.01%

Source: Department for Infrastructure Northern Ireland

Similarly, rural areas of the FODC area are less well served by bus services, in relation to the frequency of services. The entire District is also devoid of rail infrastructure. Figure 7.2 shows the main bus and rail stations in Northern Ireland⁵¹.

Figure 7.2 – FODC Formal Public Transport Infrastructure



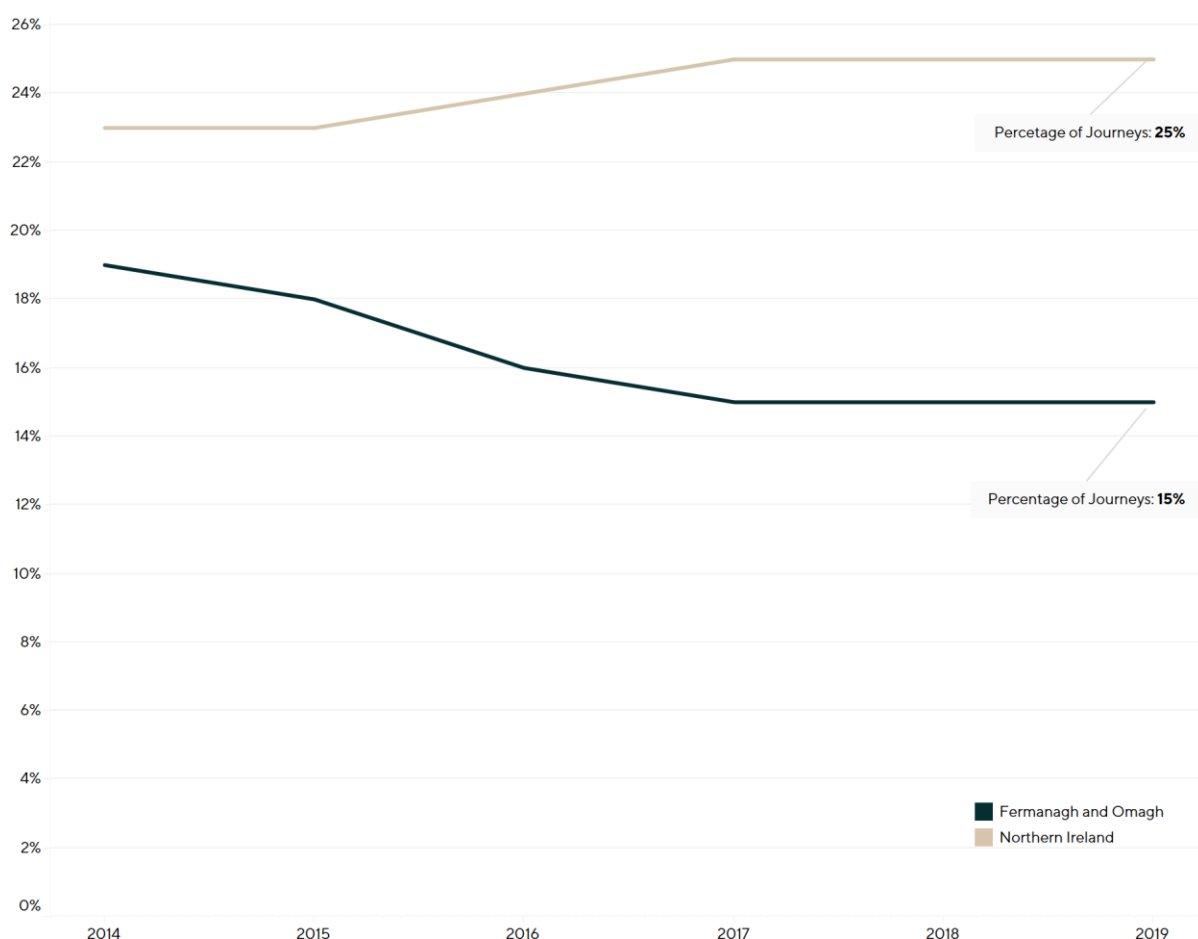
Source: Translink, Open Data NI

Comparatively poor public transport infrastructure is coupled by a downward trend in the use of public transport across the District. Figure 7.3 shows the percentage of journeys made by public

⁵¹ Note that the Figure only includes major bus stations – there are many more bus stops not shown on the map.

transport, walking or cycling in the FODC area compared to the Northern Ireland average. While the more rural nature of the District naturally increases reliance on non-public modes of transport, the divergence between FODC and Northern Ireland percentages since 2015 emphasises a need for investment in public transport, walking and cycling infrastructure. Further, the COVID-19 period is not reflected in this data, and is likely to have reduced people's desire to use public transport.

Figure 7.3 – FODC Journeys by Public Transport, Walking & Cycling (2014 – 2019)



Source: NISRA

Between 2021-2022, a Department for Infrastructure residents survey highlighted a particular need for investment in green and blue infrastructure to facilitate journeys by walking and cycling⁵². It should be noted that developing this infrastructure in a predominantly rural area is more challenging than in urban locations. Across the FODC area two fifths of respondents were not satisfied with walking infrastructure and just under 50% of respondents were not satisfied with cycling infrastructure. These challenges will be helped by new strategies and plans to develop green and blue infrastructure across the District.

⁵² NISRA Continuous Household Survey 2021/22: Sample size of FODC residents was (314).

7.2. Land Deficit

Businesses in the FODC area have reported shortages of industrial land available to facilitate growth and expansion within the District. As of June 2023, just 7% of all commercial property for sale / to let was in the FODC Council area, equating to 53 acres in total and less than the Northern Ireland average⁵³. This land deficit issue could pose limitations to businesses and ultimately negatively affect residents in the area. Existing businesses may struggle to find suitable locations for new facilities and/or to expand their operations and this is also likely to deter business from relocating in the FODC area. Shortages of industrial land also limits the potential for foreign direct investment (FDI) in the District, which can have negative knock-on effects for the economy more generally due to a lack of competition. If not addressed this will have a direct negative effect on job opportunities in the District and will in turn limit economic growth.

7.3. Communications Infrastructure

Access to high quality communications infrastructure is increasingly necessary for economic growth across sectors, from online retail sales to industrial internet of things (IIOT), and to facilitate access to public services that are increasingly 'digital first'. In 2021, just under thirty percent (c.29%) of premises across the FODC area were unable to receive internet speeds of more than 30 megabits per second (Mbit/s). In 2022 the proportion of premises unable to receive 30Mbit/s broadband coverage was just over 12% - a c.17% point reduction in one year.

Table 7.3 – FODC Fixed Line Broadband Coverage <30Mbit/s (2021 - 2022)

Region	2021	2022
Fermanagh and Omagh	29.00	12.40
Mid Ulster	17.90	11.30
Armagh City, Banbridge and Craigavon	10.60	6.00
Newry, Mourne and Down	9.90	6.30
Causeway Coast and Glens	10.60	5.60
Mid and East Antrim	9.40	5.40
Derry City and Strabane	8.50	5.60
Antrim and Newtownabbey	6.50	6.40
Lisburn and Castlereagh	6.20	4.00
Ards and North Down	4.60	4.30
Belfast	1.10	1.00

Source: Ofcom

⁵³ <https://commercialpropertyfinder.nibusinessinfo.co.uk>. Local Government Districts in Northern Ireland have on average 4 commercial properties for sale or to let, meaning FODC has on average less commercial property for sale, compared to the NI average.

While significant progress has been made to improve broadband coverage in recent years, the FODC area continues to lag behind the rest of Northern Ireland when it comes to addressing gaps in basic broadband coverage. For example, in 2021, 8.2% of premises were unable to receive broadband with speeds of more than 2Mbit/s – 6% more premises than the Northern Ireland average of 2%. Similarly, 13.5% of FODC premises were unable to receive 5Mbit/s, almost 10 percentage points above the NI average (c.3.8%).

In some rural areas within Fermanagh and Omagh District Council (FODC), there have been challenges with slow internet speeds. While successful businesses in the District that rely on quality broadband have managed to thrive, the issue mainly affects home users in rural areas. For them, activities like streaming or working from home might not be feasible due to the limited internet connectivity. Efforts are underway to address these issues and improve internet connectivity in rural areas to support both businesses and residents in the region.

The significant progress on broadband coverage is due to Project Stratum – a £197m investment to deliver enhancements to internet connectivity across Northern Ireland. In Spring 2022, a further 8,500 premises were added to the Project Stratum broadband intervention scheme, including 2,500 harder-to-reach properties that were out of scope of the original contract, plus a further 6,000 premises. Ultimately, the Project aims to deploy a new full-fibre network to 85,000 premises by March 2025⁵⁰, the full-fibre solution is capable of offering speed of up to 1 gigabit per second to almost 97% of premises in the target intervention area. In May 2022 the UK government announced a new connectivity programme – Project Gigabit – which will build on Project Stratum, connecting rural communities across Northern Ireland.

7.4. Mobile Connectivity

The Shared Rural Network (SRN) project was agreed between the UK Government and the UK mobile operators in March 2020, with the aim of improving 4G mobile coverage. In Northern Ireland, this means that 4G mobile coverage by at least one Mobile Network Operator (MNO) is expected to reach 98% of landmass by 2026. Table 7.4 below demonstrates the anticipated improvements in mobile coverage, but also highlights comparatively poor coverage in Fermanagh and Omagh even post-SRN.

Table 7.4 – Forecast for 4G coverage pre and post-SRN by LGD (excluding Belfast) (2021)

Local Authority	4G Coverage			
	All MNOs		At Least 1 MNO	
	Pre-SRN	Forecast post-SRN	Pre-SRN	Forecast post-SRN
Antrim and Newtownabbey	86%	94%	99%	99%
Ards and North Down	85%	99%	99%	99%
Armagh City, Banbridge and Craigavon	82%	93%	99%	99%
Causeway Coast and Glens	77%	87%	96%	99%
Derry City and Strabane	61%	76%	92%	97%
Fermanagh and Omagh	71%	79%	96%	98%
Lisburn and Castlereagh	88%	96%	99%	99%
Mid Ulster	73%	87%	99%	99%
Mid and East Antrim	81%	88%	98%	98%
Newry, Mourne and Down	67%	80%	94%	98%

Source: Shared Rural Network (2021)

7.5. Summary

- In 2022, the proportion of premises unable to receive 30Mbit/s broadband coverage was just over 12%, indicating a c.16.6% point reduction since 2021, whereby just under thirty percent of premises across the FODC area were unable to receive internet speeds of more than 30Mbit/s.
- Road infrastructure across the FODC area is underdeveloped, with motorways and dual carriageways accounting for less than 1% of the local road network.
- The FODC area has a comparatively poor public transport infrastructure, with a downward trend in the use of public transport across the District.
- Two fifths of respondents to a recent national survey were dissatisfied with walking infrastructure in the District and just under 50% of respondents were not satisfied with cycling infrastructure.
- Project Stratum, a £197m investment, has delivered enhancements to internet connectivity across Northern Ireland, resulting in significant progress on broadband coverage. However, connectivity issues exist in FODC.

8. Deprivation

Deprivation has been measured using the Northern Ireland Multiple Deprivation Measure (NIMDM)⁵⁴. The NIMDM uses Super Output Areas (SOAs) to identify small area concentrations of deprivation across NI. The measure is constructed from 38 different indicators relating to seven types of deprivation, namely crime, education, employment, health, income and living environment. Table 8.1 presents summary metrics regarding deprivation in the FODC area.

Table 8.1 – FODC Deprivation Data⁵⁵

Data Source / Indicator	FODC		NI
	#	%	
GDHI per head	16,395	-5%	17,301
Income Deprivation	15%	+2%	13%
Education Deprivation	32%	-2%	34%
Proportion of NEET	1.7%	-1.2%	2.9%

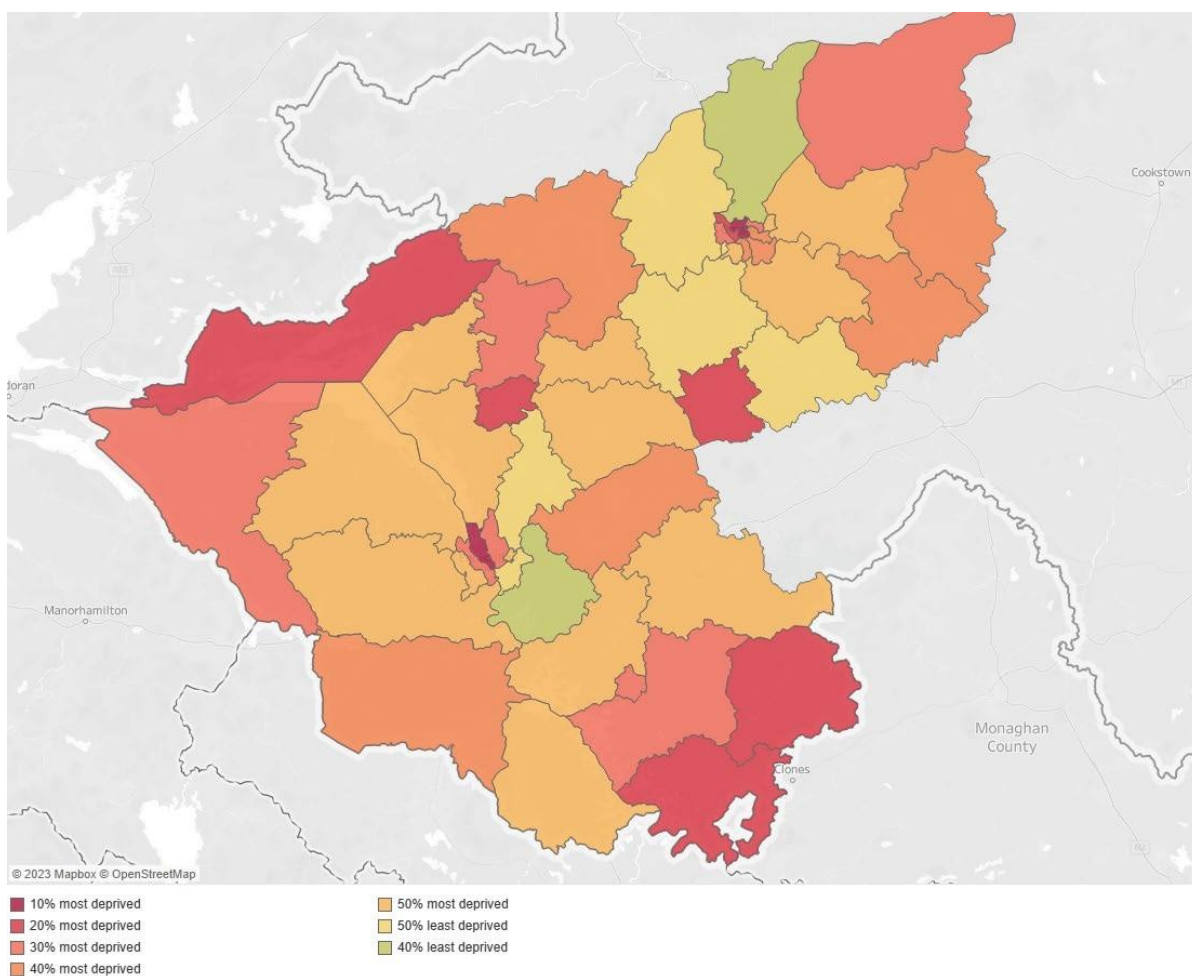
8.1. NIMDM Rank

Across the FODC area, 6% of SOAs are in the top 10% most deprived areas of Northern Ireland. The extent of deprivation within the FODC area is evident in Figure 8.1 overleaf and a list of the most deprived SOAs in the FODC area is presented in Table 8.2.

⁵⁴ The seven domains are combined to form the overall measure of multiple deprivation (NIMDM) with the following weights: Income (25%), Employment (25%), Health (15%), Education (15%), Access to Services (10%), Living Environment (5%), and Crime and Disorder (5%).

⁵⁵ Sources in this table include: Regional gross disposable household income (GDHI): all ITL regions ONS (2020), Northern Ireland Multiple Deprivation Measure 2017 (NIMDM2017)

Figure 8.1 – FODC SOAs by Deprivation Decile



Source: NISRA

Table 8.2 – Most Deprived FODC SOAs

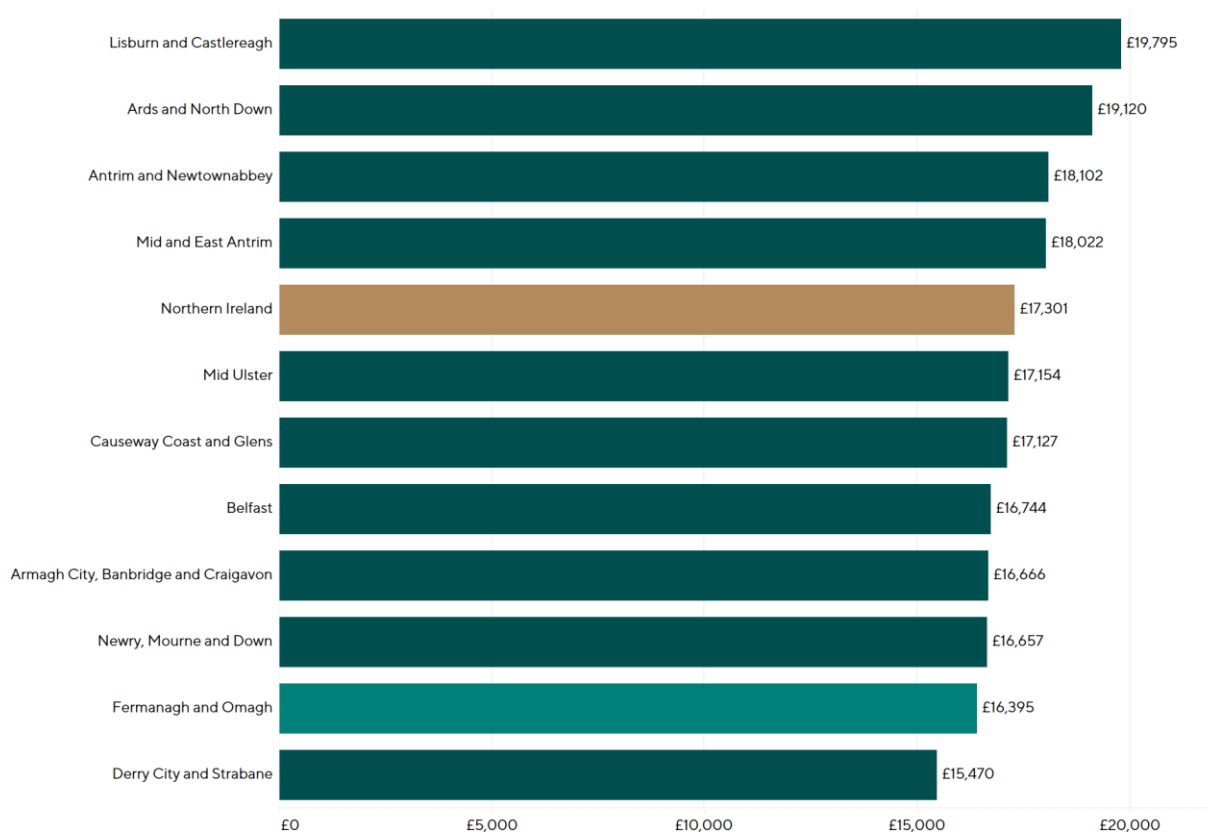
SOA	Council Area	Level of Deprivation
Devenish	FODC	Top 10% most deprived
Lisanelly_2	FODC	Top 10% most deprived
Lisanelly_1	FODC	Top 10% most deprived
Newtownbutler	FODC	Top 20% most deprived
Rosslea	FODC	Top 20% most deprived
Fintona	FODC	Top 20% most deprived
Irvinestown	FODC	Top 20% most deprived
Belleek and Boa	FODC	Top 20% most deprived
Strule	FODC	Top 20% most deprived

8.2. Components of Deprivation

The FODC area claims almost one tenth of the 10% most income deprived SOAs in Northern Ireland. In 2017 (latest available data) between 10% and 22% of households in the FODC area were living on less than 60% of median incomes in Northern Ireland. The FODC area has an average of 20.3% child poverty and 8.4% of ageing poverty, both of which are above the NI averages.

More recent data suggests that the 2017 income deprivation measures are still reflective of the District's position. Figures regarding Gross Disposable Household Income (GDHI), which can be used as a measure of living standards, show that in 2020, FODC was below the average level of GDHI in Northern Ireland⁵⁶.

Figure 8.2 – GDHI Per Head (2020)



Source: ONS

Living Environment Deprivation⁵⁷ considers the quality of, and access to suitable housing. By this measure, the FODC area claims over one fifth (c.22%) of the 10% most deprived SOAs in Northern Ireland. Relatively few FODC SOAs are health deprived, yet there are clusters of

⁵⁶ GDHI represents the amount of money individuals have for spending or saving. This is money left after expenditure such as taxes associated with income and social contributions, property ownership and future provision of pension income.

⁵⁷ The purpose of the Living Environment Domain is to identify, at the small area level, the prevalence of shortcomings in the quality of housing, access to suitable housing, and the outdoor physical environment

health deprivation across the FODC area including, in particular, Lisanelly and Devenish, both of which fall within the top 10% of health deprived SOAs in Northern Ireland.

Similarly, the FODC area has been consistently below the NI average by measure of education deprivation, which is encouraging for the future skills of the District. Further, the average proportion of 16–18-year-old school leavers not in education, employment or training (NEET) and the proportion of school leavers not achieving five or more GCSEs at A*-C (and equivalent) are both below the Northern Ireland average.

8.3. Summary

- 6% of Super Output Areas (SOAs) in the FODC area are in the top 10% most deprived areas of Northern Ireland.
 - The FODC area claims almost one tenth of the 10% most income deprived SOAs in Northern Ireland.
 - Between 10% and 22% of households in the FODC area were living on less than 60% of median incomes in Northern Ireland in 2017.
 - The FODC area has an average of 20.3% child poverty and 8.4% of ageing poverty, both of which are above the NI averages.
 - In 2020, FODC was below the average level of Gross Disposable Household Income (GDHI) in Northern Ireland.
 - The FODC area claims over one fifth (22%) of the 10% most deprived SOAs in Northern Ireland by the measure of Living Environment Deprivation.
 - There are clusters of health deprivation in the FODC area, including Lisanelly and Devenish, both of which within the top 10% of health deprived SOAs in Northern Ireland.
 - The FODC area has been consistently below the NI average by the measure of education deprivation, with the average proportion of 16-18-year-old school leavers not in education, employment or training (NEET) and the proportion of school leavers not achieving five or more GCSEs at A*-C (and equivalent) both below the Northern Ireland average.
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9. Conclusions

The analyses presented in this socio-economic profile highlight the increasingly significant contribution that the FODC area makes to the Northern Ireland economy. It also highlights the fundamental drivers of future economic growth - favourable demographics, plentiful natural resources and comparatively low costs – that will continue to make the FODC area a vital part of the Northern Ireland economy. However, the analysis also identifies a number of key challenges which, if left unaddressed, may severely stifle future economic growth and more importantly therefore detrimentally affect the prosperity and wellbeing of local people.

Table 9.1 below uses the data and analyses presented throughout the report to summarise the Strengths, Weaknesses, Opportunities, and Threats to future economic growth in the FODC area. The analysis is presented with respect to key analyses contained in the report i.e.:

- Resources, Demographics & Labour Market
- Business, Trade & Economy
- Tourism
- Housing
- Infrastructure
- Deprivation

A closing summary of key points arising from the socio-economic profile is provided below the SWOT analysis.

Table 9.1 – FODC SWOT Analysis

Strengths		Weaknesses	
Resources, Demographics & Labour Market	<ul style="list-style-type: none"> • 20% of NI landmass (n=2,857km²). • 6% of population. • Stable employment rate. • 89% of local jobs taken up by local people. • Lower job-posting intensity (3:1 compared to 4:1 across NI). • Increasing wages (£23.3k, +36% 2013 – 2021) yet still comparatively low labour costs. 	Resources, Demographics & Labour Market	<ul style="list-style-type: none"> • Tight labour market with high local demand for jobs in key sectors and competition for roles with other parts of NI. • Population growth -1.7% on NI average. • Wages remain considerably below (9%) NI average making it difficult to attract and retain employees. • Skill levels are still below NI average. The strong educational outcomes in FODC do not currently flow into the labour market, with young people leaving to get a tertiary education but not returning. • Lower hourly full-time and part-time pay rates making contract and part-time roles less attractive in the FODC area compared to other parts of NI.
Business, Trade & Economy	<ul style="list-style-type: none"> • Home to more than one tenth (11%) of NI businesses. • £2.41bn in GVA to NI economy (5.5%). • Strong manufacturing and engineering sector contributes 8% of NI-wide GVA in this sector. • Low levels of economic inactivity in 2021, below the NI average. 	Business, Trade & Economy	<ul style="list-style-type: none"> • Productivity remains below NI and UK averages (by 4% and 21% respectively). • Typically higher levels of economic inactivity in FODC, higher than the NI average up until 2021 (with the exception of 2015). • Comparatively low business birth rate compared to both NI and UK (-1.1% and -3.1% respectively). • Home to just c.4% of large NI businesses. • Just 3% of NI private investment raising companies and

			0.5% of total private investment raised.
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	<ul style="list-style-type: none"> • Significant contributions to NI GVA within other sectors including wholesale and retail, agriculture, mining and quarrying and construction. • Narrowing the productivity gap to NI due to strong performance in key sectors. • The District’s share of external sales has significantly increased since 2011, increasing by 83% (from £0.6bn in 2011 to £1.17bn in 2020). • Locus for talent, skills & employment in key sectors including: <ul style="list-style-type: none"> ○ Mining & Quarrying. ○ Manufacturing & Engineering. ○ Construction. ○ Agriculture. ○ Tourism. • Falling economic inactivity to below NI average. • Strong entrepreneurial culture (in line with NI average). • Increasingly dynamic business base (gap to NI business birth declined since 2019). 		<ul style="list-style-type: none"> • NI accounts for just 1% of collaborative research projects funded by UKRI since 2018. No collaborative research project has been led by a FODC company has been funded in that timeframe. • High reliance on the Public Sector, relative to other LGDs in NI (30% in FODC compared to 27% in NI).
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	<ul style="list-style-type: none"> • Strong business survival rate compared to NI and UK (+4% and +12% respectively). • Lower reliance on private finance to support business growth. 		
Tourism	<ul style="list-style-type: none"> • Lower reliance on private finance to support business growth. • Upward trend in overnight stays and total tourism expenditure (2016 – 2019). • Several prominent and unique tourism attractions. 	Tourism	<ul style="list-style-type: none"> • The average estimated spend per night is c.3% below the NI average estimated spend. • Slow increase in the share of total NI day trips and visitor numbers (1% from 2013 – 2019).
Housing	<ul style="list-style-type: none"> • Expanding share of new dwelling starts and completions relative to NI (7% and 5% respectively). • Comparatively low standardised house prices (£142k, 9% below NI average). • Comparatively low rents (18% below NI average). 	Housing	<ul style="list-style-type: none"> • The population projections are relatively low for FODC for the next 20 years, the District should avoid creating a surplus of unnecessary housing, as this has the potential to result in wider economic issues.
Infrastructure	<ul style="list-style-type: none"> • Notable improvements in broadband coverage in recent years due to Project Stratum. 	Infrastructure	<ul style="list-style-type: none"> • Underdeveloped roads infrastructure (less than 1% of NI motorways and dual carriageways) presents risks to

	<ul style="list-style-type: none"> • Notable improvements in 4G mobile data coverage, up to 98% coverage by at least one operator by 2026. 		<p>entire local economy, and transportation and storage sector in particular.</p> <ul style="list-style-type: none"> • Comparatively poor public transport infrastructure and downward trend in use of public transport, walking and cycling. • Two fifths of FODC respondents dissatisfied with walking infrastructure and just under 50% dissatisfied with cycling infrastructure. • Land deficits reported by local businesses. • Broadband coverage continues to pose social challenges in rural areas. • 4G mobile coverage remains below NI averages in rural parts of the FODC area.
Deprivation	<ul style="list-style-type: none"> • Comparatively low levels of multiple deprivation. • Comparatively low levels of education deprivation. 	Deprivation	<ul style="list-style-type: none"> • 6% of FODC SOAs fall within the top 10% most deprived areas of NI.
Opportunities		Threats	
Resources, Demographics & Labour Market	<ul style="list-style-type: none"> • Youthful population (1% more people aged 0-15, than the NI average). 	Resources, Demographics & Labour Market	<ul style="list-style-type: none"> • High demand for labour in retail trade, manufacturing of machinery and equipment, manufacturing of food products, and accommodation. • Low population growth forecast (1% by 2043).

	<ul style="list-style-type: none"> • Increasingly skilled population (13% fewer people without qualifications 15% increase in those with degree level qualifications). • Continuing to educate and train people according to the current and future needs of local businesses will support future economic growth. • Opportunity to build upon the strong educational outcomes, to retain and reattract young people back into the District. 		<ul style="list-style-type: none"> • High competition for labour with other NI locations in manufacturing & engineering. • Comparatively low wages present challenges for attracting & retaining employees e.g., average annual Belfast wage +17% compared to FODC. • Comparatively low hourly rates / decreasing comparative value of part-time roles pose challenges for attracting and retaining part-time workers. • Higher average public sector wages disincentivise uptake of lower paid private sector opportunities.
<p>Business, Trade & Economy</p>	<ul style="list-style-type: none"> • Continue to support strong entrepreneurial culture via sustained investment in business start-up and scale-up funding. • Raise awareness of current and future high-potential businesses within the FODC area among established investment networks. • Encourage research, development and innovation activity within strategically significant businesses and SMEs alike via both UK and RoI- supported grant funding, collaborative research and knowledge exchange resources. 	<p>Business, Trade & Economy</p>	<ul style="list-style-type: none"> • Level of start-up funding is not commensurate with previous EU-supported levels presents a threat to economic dynamism in the District. • Under-representation of collaborative research between academia and industry in NI limits the potential for later stage research and innovation to drive economic growth. The absence of a University in the District further removes the area from academia. The concentration of micro-businesses in FODC also makes it less likely for businesses to engage with collaborative research.

<p>Tourism</p>	<ul style="list-style-type: none"> • New tourism strategies and plans provide opportunities to increase the scale of the FODC tourism sector relative to NI and other local industry sectors. • Specific planned tourism projects offer concrete opportunities to grow tourism economy including UAFP, Cuilcagh Lakelands and Gortin Glen Forest Park. 	<p>Tourism</p>	<ul style="list-style-type: none"> • Lack of investment for major tourism development projects prevents the District from achieving increased scale within tourism economy. • Lack of investment in medium and smaller scale tourism development projects slows momentum within tourism economy. • Lack of reliable data on day trips and visitor numbers mean accurate planning and investment in tourism infrastructure is more challenging. • Worsening deficits in transport infrastructure damage local tourism economy.
<p>Housing</p>	<ul style="list-style-type: none"> • Promoting the District as an affordable place to live and work. • Review the continued development of good quality, affordable housing stock to stay in line with population and economic growth. 	<p>Housing</p>	<ul style="list-style-type: none"> • Housing stock is currently growing at a faster rate than the population projections. If not reviewed, there is the risk of housing stock in surplus (exceeding demand), which may result in the increase of derelict and unoccupied houses.
<p>Infrastructure</p>	<ul style="list-style-type: none"> • Investment in road, rail and public transport infrastructure could unlock further economic growth. 	<p>Infrastructure</p>	<ul style="list-style-type: none"> • Land deficit inhibits economic growth or worse, drives strategically important FODC businesses out of the District.

	<ul style="list-style-type: none"> • Increased hybrid working patterns provide opportunities to attract professional services workers to more rural areas if telecommunications infrastructure is appropriate. 		
Deprivation		Deprivation	<ul style="list-style-type: none"> • c.6% of 10% most income deprived NI SOAs. • 10% - 22% of households in the FODC area are living on less than 60% of median incomes in NI. • 20.3% child poverty and 8.4% of ageing poverty. • Gross Disposable Household Income is below NIaverage. • 22% of the 10% most living environment deprived SOAs in NI. • Clusters of health deprivation across the District.

9.1. Summary

The evidence presented in this report demonstrates that the FODC area continues to be a key contributor to the Northern Ireland economy. It has significant economic strengths in sectors that are critical to Northern Ireland's economic performance, including in manufacturing and engineering, agri-food, health and life sciences, tourism and construction.

However, the evidence also highlights a range of critical challenges which, if not addressed, will inhibit the District's ability to continue performing this vital role within the Northern Ireland economy. Some of the most prominent challenges identified throughout the report include:

A long-standing and chronic deficit in transportation infrastructure: As home to over one tenth of NI's businesses and many world-leading export businesses, the FODC area needs the infrastructure to move products to market quickly and maintain efficient supply chains. A high-quality transport network is of paramount importance. Despite its substantive economic contribution, the District has no airport, no rail infrastructure and no motorways. The road network across the FODC area has remained largely unchanged for the last five years and, although FODC accounts for one fifth of Northern Ireland's land mass, motorways and A roads make up just 13% of all roads, reiterating a clear need for investment in infrastructure to support economic growth and population wellbeing. Further, good transport infrastructure is critical to the health and wellbeing of local people. Just over 20% of the SOAs in the FODC area fall within the 10% most deprived areas in Northern Ireland in terms of access to services, emphasising how investment in transport infrastructure is critical both for the local economy and the wellbeing of local people alike.

Slow population increase: FODC faces the implications of a very slow-growing population and a declining working-age population, which have significant socio-economic implications. The slow population growth suggests limited demand for housing, potential strain on public services, and reduced opportunities for economic expansion. A declining working-age population can result in labour shortages, reduced productivity, and challenges for businesses in finding skilled workers. It may also impact the sustainability of social welfare systems as fewer workers support an aging population. Efforts to address these challenges should focus on attracting and retaining younger residents, promoting entrepreneurship, upskilling the workforce, and creating favourable conditions for economic growth to ensure a vibrant and sustainable future for the district.

Below average productivity and an uncertain productivity outlook: productivity, measured as GVA per filled job, in the FODC area was £48k, which is 4% below the Northern Ireland average. In turn productivity in Northern Ireland is 17% below the UK average, which is in turn 29% below the Republic of Ireland average. There is therefore a continued need for investment in local business supports that effectively increase productivity among the existing workforce (from investment in skills through to capital investment in new equipment and technologies that can enhance productivity). There is also a need to encourage growth among micro, small and medium sized businesses operating within higher value-adding sectors, such as manufacturing and engineering and life and health sciences.

FODC has the highest proportion of micro-sized businesses with a turnover less than £50k, 42% of all businesses in FODC have a turnover less than £50k, FODC makes up 17% of NI businesses with £50k or less.

Shortages of labour and skills in key sectors: Lack of access to workers and / or access to workers with the right skills acts as a major barrier to economic growth. Evidence presented in this report highlights a tight labour market and high intensity of demand for jobs in key sectors of the local economy. There is therefore a need to ensure that collaborative working between industry and the education sector delivers a strong pipeline of workers with the necessary skills to drive economic growth, and that the District is promoted as a destination for inward flow of workers.

Low wages: FODC faces the challenge of low wages, with average wages being around 10% lower than the Northern Ireland average, and typically fluctuating between 10% and 15% lower than NI. This wage disparity poses significant potential socio-economic implications for the District. Lower wages can lead to reduced disposable income, impacting local consumer spending and economic growth. It may also contribute to a lower standard of living for residents and difficulties in attracting and retaining skilled workers. The comparison to Belfast, where wages are 17% higher, further highlights the wage gap and potential disparities in opportunities between the regions. Addressing the issue of low wages requires targeted efforts such as promoting economic development, attracting higher-paying industries, improving skills and education, and encouraging entrepreneurship. By raising wages and improving overall economic prosperity, Fermanagh and Omagh can enhance the quality of life for its residents and create a more sustainable and inclusive local economy.

Deficit in Industrial Land: Businesses in the FODC area have reported issues in relation to shortages in the amount of industrial land available to facilitate growth and expansion within the District. As of June 2023, 7% (n=3) of all commercial property for sale / to let was in the FODC Council area, equating to 53 acres for sale in total⁵⁵. This deficit could limit growth of existing businesses, deter investment in the District by new businesses due to lack of suitable space, and ultimately negatively affect local residents. Land deficit also limits the potential for Foreign Direct Investment (FDI) in the District. FODC is constrained in its ability to attract FDI due to the lack of capacity in relation to industrial land in the Omagh area, creating an indigenous business community which results in less dynamism due to lack of innovative ideas from new and evolving businesses outside the District.

Low levels of private investment in innovative businesses: Evidence presented in this report shows increasing levels of dynamism within the local economy, reflected in a narrowing gap between local business birth rates and the Northern Ireland average in recent years. However, analysis of private investment data shows that despite accounting for more than one third of Northern Ireland's businesses, the District accounts for just 0.5% of private investment in innovative businesses. The FODC area is home to 10 companies that have received external grants or private investment to support their growth. This represents just under one sixth of the total number of grant and investment raising companies in Northern Ireland (3%, 10 out of 334). The total value of private investment raised by companies in Northern Ireland since 2007 is £675m, with a median value of £300k. By comparison, FODC investment raising

companies have secured a total of just £3.4m since 2011 (just 0.5% of the Northern Ireland total), with a median value of £200k. Considerable focus is therefore required on linking high-potential businesses, particularly within high-value adding sectors, to existing sources of funding that can accelerate growth.
