

**Cookstown District Economic Overview**

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## Cookstown District Economic Overview

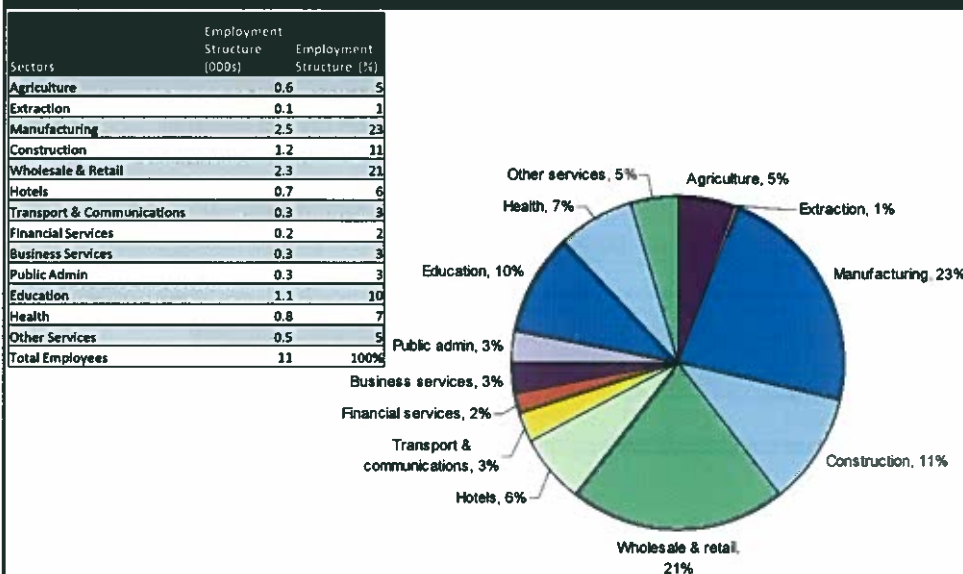
- ❖ Total District Population **35,944** in 2008 (NISRA Mid Yr Estimates)
- ❖ Forecast population growth of 1.2% in Cookstown District between 2007-2010, against NI forecast growth of 0.7% over same period.
- ❖ Cookstown District sustains 15,182 jobs and growth is forecast at 1.9% (2007-2010), against a growth of 1.1% forecast for Northern Ireland over same period.

❖ Wages	<u>Weekly gross pay (2009)</u>	<u>% increase from 2008</u>
<i>UK average</i>	£397.20	+2.3%
<i>NI average</i>	£356.70	+2.9%
<i>Cookstown</i>	£307.30	-5.5%

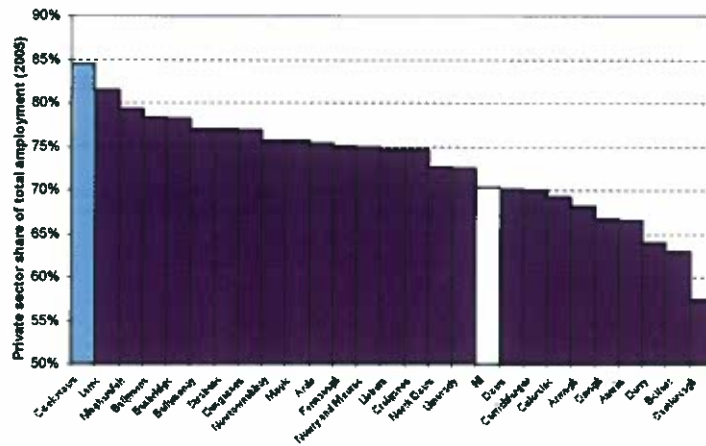
## Cookstown District Economic Overview

- ❖ Deprivation : Cookstown is 6<sup>th</sup> most deprived district of NI's 26 districts, with 11% of its population living in the most disadvantaged areas of NI.
- ❖ Unemployment :
  - Early 1990's - Unemployment levels circ. 14%
  - Sept 2007 - Unemployment rate 1.5% (6<sup>th</sup> lowest in NI)
  - Dec 2009 - Unemployment rate 4.9% (8<sup>th</sup> highest in NI)
- ❖ Strong Enterprise Culture
  - ❖ Relatively low levels of FDI (foreign direct investment).
  - ❖ 85%+ of businesses are SME's employing less than 10 people – these are the 'lifeblood' of the local economy.
  - ❖ 2,625 Vat Registered Businesses in Cookstown District (2008).
  - ❖ Approx 80 new business starts created each year through the 'Go For It' Programme.

## Cookstown's Employment Structure



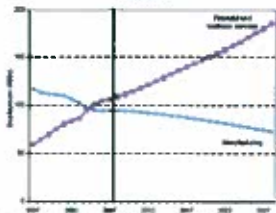
# Private Sector Employment



Cookstown's economy is less dependent on the public sector than any other Council area in NI . A small public sector is one explanation for lower wages.

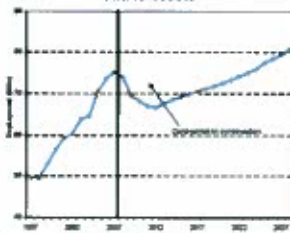
# Employment Trends & Forecasts for NI

Fig 4.3: Manufacturing and financial & business services employment trends and forecasts



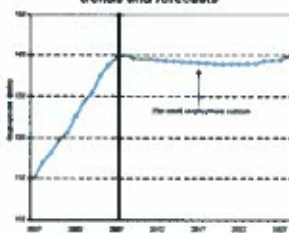
Source: DETI and Oxford Economics  
Note: Employment is full and part-time employee jobs and self-employment

Fig 4.4: Construction employment trends and forecasts



Source: DETI and Oxford Economics  
Note: Employment is full and part-time employee jobs and self-employment

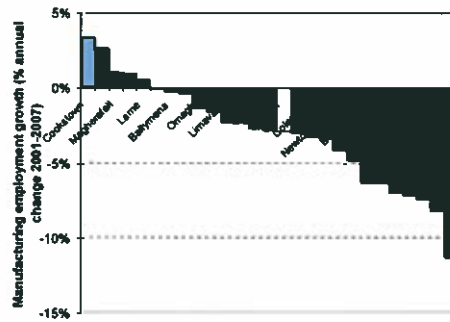
Fig 4.5: Retail & distribution employment trends and forecasts



Source: DETI and Oxford Economics  
Note: Employment is full and part-time employee jobs and self-employment

# Manufacturing .... Cookstown bucking the regional trend

One of the new Council's to enjoy a growth in Manufacturing (2001-2007)



However, the credit crunch will have an impact over the next few years

## Employment Trends

Recent changes in district council employment and dependence on construction and retail & distribution (1998-2008, 000s)

District	Construction and retail & distribution	Agriculture and manufacturing	Total employment	Construction and retail & distribution % total employment growth (excluding agriculture & manufacturing)
Armagh	1.9	-0.8	4.5	22%
Ballymena	1.2	-0.5	3.8	32%
Ballymore	1.8	-0.8	4.1	43%
Ballymena	2.1	-0.5	3.6	58%
Ballymore	1.2	-1.8	0.7	52%
Barrage	2.5	-0.3	4.3	33%
Belfast	2.5	-0.5	29.7	8%
Castlereagh	0.1	-0.7	0.7	0%
Castlereagh	1.5	-1.0	4.3	27%
Coleraine	1.8	-1.2	4.2	30%
Coleraine	1.5	0.1	4.9	29%
Coleraine	2.7	-3.3	0.8	29%
Down	2.9	-4.8	4.9	30%
Down	1.5	-0.3	2.5	24%
Down	2.0	2.2	3.0	40%
Down	2.5	-1.0	4.1	49%
Larne	0.4	0.2	0.8	50%
Larne	1.1	0.3	0.8	74%
Larne	2.1	0.2	7.8	23%
Larne	0.2	0.3	0.9	22%
Larne	0.2	0.3	0.9	22%
Larne & Moyra	4.7	-0.4	11.0	42%
Larne	1.5	-1.0	0.5	22%
Larne	1.8	-1.1	2.9	23%
Larne	1.8	-0.5	4.8	33%
Larne	1.4	-0.5	0.4	10%
All	10.4	-8.9	120.3	8%

- Cookstown's employment dependence on construction and retail sectors
- Represents 2<sup>nd</sup> largest growth in NI
- More than double the average NI growth levels in these sectors
- Two sectors worst affected by economic downturn

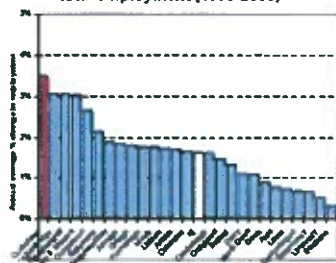
Source: DETI and Oxford Economics  
 Note: Employment is full and part-time employee jobs and self-employment. Cells shaded in purple indicate a share greater than 50%. Cells shaded in blue indicate a share less than 20%.

## Cookstown's Sectoral Employment Changes

Sectors	1997-2007	2007-2017	2017-2027
Agriculture	-0.3	-0.3	-0.2
Extraction	0.0	0.0	0.0
Manufacturing	1.1	0.7	0.4
Electricity, gas & water	0.0	0.0	0.0
Construction	1.4	0.1	0.6
Distribution & retailing	1.2	0.3	0.3
Hotels & restaurants	0.2	0.2	0.4
Transport & communications	0.2	0.1	0.2
Financial services	0.1	0.1	0.1
Business services	0.1	0.3	0.3
Public administration & defence	-0.1	0.0	0.0
Education	0.1	0.1	0.2
Health	0.2	0.1	0.1
Other personal services	0.3	0.2	0.2
<b>Total</b>	<b>4.5</b>	<b>1.9</b>	<b>2.5</b>

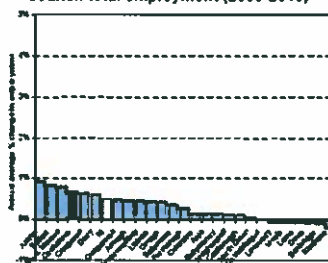
## Employment Trends & Forecasts

Fig 4.6: % recent change in district council total employment (1998-2008)



Source: DETI and Oxford Economics  
 Note: Employment is full and part-time employee jobs and self-employment

Fig 4.7: % forecast change in district council total employment (2008-2018)



Source: Oxford Economics  
 Note: Employment is full and part-time employee jobs and self-employment

- Cookstown has the best employment growth record over the last decade (1998-2008)
- The forecast up to 2018, marks a slowdown across NI, but Cookstown still remains in a strong position going forward.

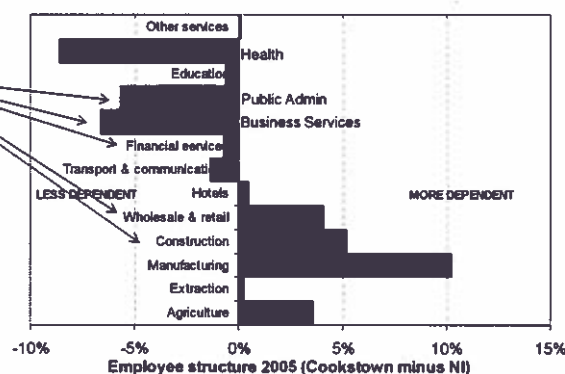
## Migrant Workers...

- ❖ Approx **1,075** Migrant Workers from \*A8 Ascension Countries in Cookstown District (2007/2008).
- ❖ Around half of the workers registering are from Lithuania with a further quarter from Slovakia.
- ❖ Many migrants are returning home or moving on to other EU member states as a result of the current economic downturn

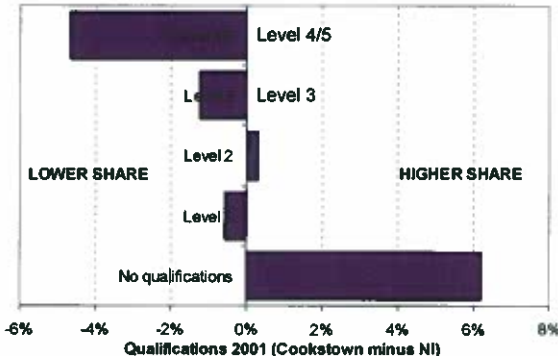
\* Eight central and Eastern European countries (referred to as the "A8" countries) joined the European Union in May 2004. The A8 countries are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

## The Need for a Balanced Economy

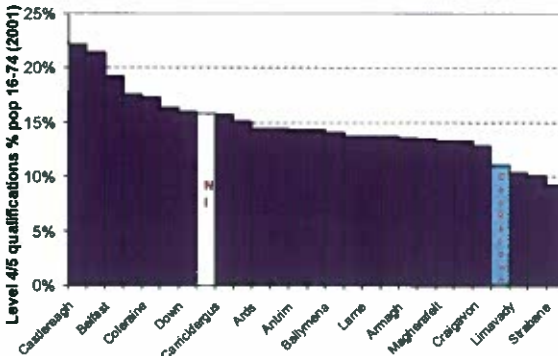
Some  
Priority Areas  
with  
Growth  
Potential



# Are skills holding Cookstown back?



# Consider Opportunities to Develop Graduate Levels

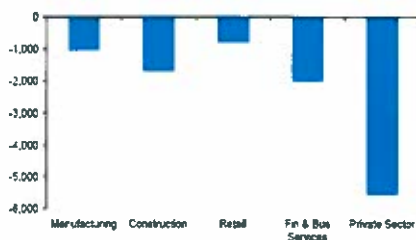


## Impact of the Economic Downturn ..... in Cookstown District

- ❖ Local employers are reducing staffing levels. Job shedding, forced redundancies and reduced working hours are prevalent, as is the non-replacement of workers.
- ❖ Construction and retail are the two sectors worst affected in Cookstown District.
- ❖ Unemployment levels rising, most sharply in Mid Ulster.
- ❖ Reduced wage levels are likely to 'take hold' given the current economic climate
- ❖ The vision to raise earning levels is a particular challenge for areas where the agriculture based economy is still strong and the knowledge based economy is underrepresented, such as Cookstown.
- ❖ Significant downturn in the local housing market has consequently resulted in reduced house prices. This has also stemmed the demand for new residential dwellings, impacting upon the local construction sector, which is mainly geared towards the domestic market.
- ❖ Reduction in local household spending patterns (distinct effect in Cookstown, given it is the sixth most deprived area from Northern Ireland's 26 districts).
- ❖ Non reliance on FDI as the area has a high predominance of indigenous businesses.
- ❖ The 'credit squeeze' will have a negative impact on the numbers of new businesses created (last year this circ. 70+ pa in Cookstown District – this level will be difficult to achieve under the current climate).
- ❖ Innovation levels in Cookstown District businesses are higher than the NI average, however, it is anticipated that local businesses may postpone planned investments for the next few years due to the economic downturn.
- ❖ Input costs are rising sharply for local businesses and across the wider economy.
- ❖ The high numbers of migrants living and working in Mid Ulster are diminishing, as many are returning to their country of origin or new EU member states to obtain work.

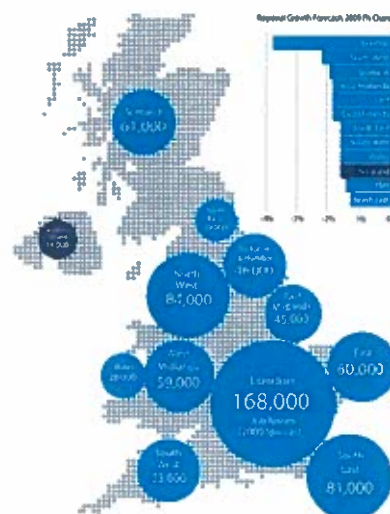
## Actual Job Losses Across NI (Q3, 2008) & Forecast Regional Growth and Job Losses for 2009

Job Losses in the Third Quarter of 2008



Source: DETI Quarterly Employment Survey

Forecast Regional Growth and Job Losses In 2009



Oxford Economics (2009)

## So where do we go from here ?



## Cookstown's Local Economic Development Strategy (2007-2010)

### Four priority themes:-

1. Economic/Sectoral Diversification
2. Employability and Skills
3. Infrastructure
4. Town and Village Regeneration

*Copies of LED Strategy available today or can be downloaded from Council's website [www.cookstown.gov.uk](http://www.cookstown.gov.uk)*

## Future Opportunities

- ❖ **Council's Local Economic Development Programme**
  - ❖ *Ongoing Projects:-*
    - ❖ Workspace Development
    - ❖ Engineering Innovation Programme
    - ❖ Multi-Sectoral Tendering Programme
    - ❖ Town and Village Regeneration Programmes
    - ❖ Developing our underrepresented Business Services Sector
- ❖ **Rural Development Programme for the South West Region**
  - ❖ Covers the areas of Cookstown, Dungannon, Magherafelt and Fermanagh
  - ❖ Lead Council : Cookstown
  - ❖ £20 million funding available across the themes of:-
    - ❖ Diversification into non-agricultural activities
    - ❖ Business Creation and Development
    - ❖ Tourism
    - ❖ Basic Services
    - ❖ Village Renewal and Development
    - ❖ Conservation and Upgrading of Heritage
    - ❖ Rural Childcare
    - ❖ Youth

## Opportunities arising from Desertcreat College, Cookstown

- ❖ Cookstown has been selected as the location for the new £150 million Training College to accommodate the Police, Fire and Rescue & Prison Services.
- ❖ College will act as centre of 'world excellence'.
- ❖ Currently at Design/Business Case Stage.
- ❖ Two year construction period - Operational from 2012+
- ❖ Estimates of Jobs –
  - ❖ During the build of the college in years 1 and 2, it is estimated that 305 Cookstown residents will be employed in the construction phase.
  - ❖ 69 Cookstown residents employed indirectly as a result of the purchases made by the construction contractor and/or expenditure by construction workers.

## Leisure & Lifestyle Provision

The Cookstown District offers a high quality range of leisure and recreational opportunities, including:-

- ❖ The **Mid Ulster Sports Arena** - a centre for sporting excellence – a new purpose built outdoor sports facility designed to meet the needs of pitch based sports including Gaelic Games, Rugby and Soccer
- ❖ An award-winning **Leisure Centre** - activities include ten pin bowling, Spaceworld, a soft play adventure area, modern fitness suite, swimming pools etc
- ❖ **Lough Fea** - is one of many delightful lakes dotted throughout the Sperrins Region; this natural beauty spot is an anglers dream and is surrounded by a 4km (1 hr walk) path
- ❖ **Ballyronan Marina** - a picturesque boating and tourist facility on the shores of Lough Neagh which incorporates a picnic area, play park and beach area – the ideal location for sailing, canoeing and windsurfing activities
- ❖ The **Bumavon Arts & Cultural Centre** - a purpose built Arts and Cultural facility with a 35 t-seater auditorium based in the centre of Cookstown which stages over 100 arts and cultural events and exhibitions annually
- ❖ **Four high quality hotels** with excellent facilities, together with a wide range of modern restaurants and bars

## Summary

- ❖ Economy is in a 'state of flux' - need to carefully monitor future economic indicators.
- ❖ Key sectors likely to remain; manufacturing, construction, engineering, food, retail..... turbulent times ahead and there was never a more important time to invest in innovation, research and development, etc, to ensure survival and growth in the future.
- ❖ 'Don't keep your eggs in one basket' – work towards having a more balanced economy, to reduce the risk of economic shocks.
- ❖ Focus on sectors offering potential growth that in turn will attract graduates, higher end jobs and raise wage levels.
- ❖ Significant shortfall of food scientists/technologists in NI.
- ❖ Loughry Campus provides approx 50 food scientist graduates p.a. – sector could easily accommodate twice that level.
- ❖ Capitalise on the opportunities arising from Desertcreat College in Cookstown.

## Cookstown – ready, willing and able

- ❖ Area has a strong work ethic, employment growth and enterprise record.
- ❖ Economic Downturn – incumbent on us all to gear up for the changes ahead (businesses, schools, colleges, Councils, Invest NI, other public sectors bodies, etc).
- ❖ Long term process – but the market is fast moving.
- ❖ Competitiveness and innovation is key.
- ❖ Are skills the road to wealth? Essential to match the economic needs to industry skills requirements.
- ❖ What can you do to help?

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