



SOUTH WEST 2040

Advancing Ireland's Economic Future



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#SW2040



WELCOME

The South West region stands at one of the most consequential inflection points in its modern history. As we look toward 2040, we see a region of extraordinary potential—a dynamic, export-oriented economy anchored by world-class multinationals, a thriving indigenous enterprise base, Ireland's second-largest urban centre, and some of Europe's most spectacular natural assets. Yet potential, without decisive action, remains just that.

However, as this report outlines, the challenge is no longer one of planning - it is one of leadership.

The South West region enters the period to 2040 with significant advantages: a globally connected economy, a strong industrial base, leading education and research institutions, and a unique position at the centre of Ireland's energy transition. Yet these strengths will only translate into sustained growth if the conditions for delivery are firmly in place.

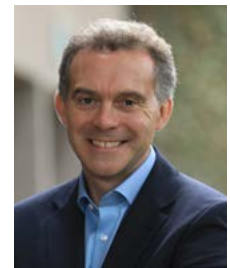
At KPMG, we have had the privilege of working alongside businesses, public bodies, and communities across the South West for decades. What strikes us, time and again, is the ambition that defines this region—and the persistent gap between that ambition and the enabling infrastructure, investment, and policy frameworks needed to realise it. Closing that gap is the central challenge of the next fifteen years.

The trends shaping our world are well known: the green transition, artificial intelligence and automation, demographic change, and the growing competition between regions globally for talent and investment. What is less often acknowledged is that these forces are not abstract—they are already reshaping how businesses invest, where people choose to live, and which regions thrive and which fall behind. The South West of Ireland cannot afford to be passive in the face of this transformation.

What is particularly evident from our work is the interdependence of the region's priorities. Infrastructure is not a standalone issue; it underpins housing delivery, economic growth, energy transition and quality of life. Similarly, the ability to attract and retain talent depends on the decisions made today in transport, housing and placemaking. Success into the future will depend on whether these elements are delivered in a coordinated and timely way.

I would like to thank the many contributors to this report, including those from business, the public sector and the wider community. Their insights reflect a shared commitment to the future of the South West—not only as an economic engine, but as a region where people can live, work and thrive.

However, ambition alone will not deliver transformation. The next fifteen years will require decisive execution, sustained collaboration, and a willingness to make choices that prioritise long-term strategic regional prosperity over short-term convenience.



Barrie O'Connell
Partner in Charge,
KPMG in Cork

FOREWORD

The South-West region has a well established reputation as a compelling and credible location for foreign direct investment. For many decades, multinational companies have chosen Cork and Kerry as locations where they can invest, grow and embed for the long term, supported by strong local ecosystems, skilled people and a collaborative culture that consistently delivers for enterprise.

Maximising regional opportunity is a central focus of IDA Ireland's strategy, *Adapt Intelligently: A Strategy for Sustainable Growth and Innovation 2025–2029*, reflecting the importance of strong regional development to Ireland's long term economic resilience and competitiveness. The South-West has a strong track record in delivering for the multinational companies that choose to invest here. Today, the region represents the largest concentration of foreign direct investment outside Dublin, with 245 IDA supported companies employing 53,535 people directly. Specifically in 2025 alone, IDA-supported companies in the South-West contributed €3.83bn in payroll locally; expended €2.65bn on Irish goods and services; and spent €529m on internal RD&I.

Looking ahead, the opportunity is not simply to sustain this success, but to build on it through higher-value, innovation-led growth. Realising this potential will depend on maintaining the conditions that support investment, particularly the timely delivery of enabling infrastructure and continued alignment between enterprise needs and regional development.

A key strength of the South-West is its talent base. The region benefits from a growing population and a strong pipeline of skills, underpinned by University College Cork, Munster Technological University and world class research centres including the Tyndall Institute. These institutions work closely with industry to produce graduates and skills aligned with enterprise needs. Maintaining this strong alignment between skills provision and enterprise demand,

particularly in areas such as digitalisation, advanced manufacturing and the low-carbon transition, is central to sustaining long term investment and innovation led growth.

The region also offers an attractive quality of life that continues to differentiate it internationally. Vibrant urban centres, strong communities, rich cultural and natural amenities, and competitive living environments all play an important role in attracting and retaining people.

Continued investment in infrastructure and placemaking is strengthening the region's proposition further. Major road and public transport projects, enhanced international connectivity through Cork Airport, and large scale regeneration initiatives such as that underway in Cork Docklands are improving accessibility and supporting compact growth. As the region continues to grow, the pace, sequencing and coordination of infrastructure delivery will be critical. Ensuring that transport, housing, water and energy infrastructure are delivered in a timely and integrated way will be central to sustaining competitiveness and enabling future investment.

The South-West is well positioned to build on its strong track record and, through continued collaboration between enterprise, education providers, local authorities and government, it will continue to attract and sustaining high value investment in the years ahead. Whether you're expanding internationally for the first time, or scaling up an existing site, choose IDA Ireland to partner with you at idaireland.com.



Deirdre O'Connor
Head of Strategic
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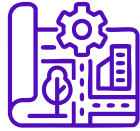
Executive Summary

The South West is central to Ireland's economic future. With a population of over 740,000, a globally connected industrial base and a unique concentration of energy assets, the region has the scale and capability to act as a genuine counterbalance to Dublin and a driver of national growth to 2040. South West 2040 is ultimately a people-led story. Realising the region's potential will require deliberate choices and sustained commitment, with people and capability at the heart of planning and investment decisions.

To unlock this potential, three strategic priorities require immediate national focus:

- **Designate offshore and onshore wind as critical infrastructure**, recognising the South West's unique role in delivering Ireland's energy transition at scale.
- **Recognise Cork as Ireland's second city**, playing a central role in anchoring and enabling growth across the South West, with strategic investment aligned to its capacity to support wider regional economic and infrastructure development.
- **Position the South West as Ireland's data centre and clean energy hub**, aligning digital infrastructure investment with the region's renewable energy advantage.

Alongside these priorities, five interconnected areas will determine whether the South West achieves its 2040 ambitions.



1. Infrastructure - Shift from Planning to Delivery

The region benefits from strong national and regional frameworks, but delivery remains constrained by fragmentation, sequencing challenges and skills shortages. Addressing this requires a step-change in execution, with clearer governance, faster decision-making and infrastructure delivered ahead of demand. Prioritising integrated transport and establishing a visible project pipeline will be critical to unlocking housing, investment and sustainable growth.



2. Energy - Position the Region as Ireland's Clean Energy Hub

The South West is already central to Ireland's energy system, with significant generation capacity and offshore wind potential. However, grid constraints and renewable curtailment limit progress. Accelerating grid investment, enabling offshore wind through port infrastructure and developing strategic energy hubs will allow the region to lead the transition to a zero-carbon economy while attracting energy-intensive industry, with a unique opportunity in data centres which will address a national challenge.



3. Climate Risk - Integrate Climate Resilience with Economic Transition

The region faces significant exposure to flooding, coastal erosion and climate risk, alongside emissions challenges in agriculture and tourism. A coordinated approach to adaptation and mitigation is required. This includes: scaling flood protection and nature-based solutions, transforming land use and farming systems, embedding climate resilience and pre-emptive planning in all infrastructure decisions, and developing sustainable, lower-carbon tourism models that protect natural assets while supporting economic activity.



4. People & Culture - Communities, Culture & Capabilities

The South West's long-term success will depend not only on how it grows, but on how that growth is experienced by its communities, its towns, and its people. A more coordinated response across housing, transport and skills is essential. Alongside this, sustained investment in place, culture and heritage will be critical to preserving the identity and quality of life that define the region. Strengthening talent pipelines, expanding lifelong learning, and enhancing liveability will ensure the South West remains a place where people choose not just to work, but to live, belong and build their future.



5. Technology - Lead in Applied, Responsible AI

The South West has a distinct advantage in applying AI within regulated, real-world sectors such as life sciences, manufacturing and energy. Realising this opportunity requires investment in skills, shared data infrastructure and leadership capability. By focusing on applied, responsible AI and supporting indigenous innovation, the region can position itself as a European leader in industrial AI deployment.

The South West Today

Population Dynamics: Why the South West Matters to 2040

From a population perspective, the South West is already operating at scale. Census 2022 recorded approximately **584,000 people in Cork** and **156,000 in Kerry**, giving the region a combined population larger than many European city-regions.

Looking ahead, **Cork City and Suburbs are projected to grow by c.40% by 2040**, a higher proportional increase than Dublin, adding approximately **96,000 additional residents**. This growth will further consolidate Cork's role as Ireland's second metropolitan counterweight.

However, the most significant signal for 2040 is not population size alone, but **demographic change**. Census 2022 highlights a pronounced ageing trend across both counties. By 2040, the population aged **65 and over is expected to increase by nearly 80,000 people**, representing a **67% increase** on 2022 levels. This shift will have far-reaching implications for healthcare capacity, housing typologies, labour supply and transport design.

Importantly, demographic change is not one dimensional. The **25–34 age cohort is also projected to grow strongly**, increasing by nearly **63%** from 2022, reinforcing the South West's attractiveness to early career talent and supporting long term economic sustainability.



Economic Outlook: From Scale to Value

Economically, the South West is uniquely positioned. Few regions in Ireland, and Europe, can demonstrate such a clear-end-to-end value chain from **research and development**, through **advanced manufacturing**, to **global export infrastructure**. Biopharma, life sciences, medtech, engineering, ICT and international services cluster around Cork Harbour, while agrifood, tourism and the marine economy anchor growth across towns, rural areas and coastal communities.

Looking to 2040, the next phase of growth is likely to be **value intensive rather than space intensive**. Competitive advantage will increasingly come from higher value activities layered onto existing strengths including: automation, advanced quality systems, data enabled compliance, and specialised professional and technical services, rather than from simply expanding physical production capacity.



Key Statistics

01 Population & Scale

- 740,000 people (Census 2022), representing 14–15% of the national population
- Cork City metropolitan area: ~305,000
- Population split:
 - County Cork: ~79%
 - County Kerry: ~21%
- Population density: ~53 persons per km²

02 Economic Profile

- Second largest GDP region nationally, after Dublin
- Regional GDP: €123–125 billion (2022–2023)
- Contributes 20%+ of national GDP, strongly driven by multinational manufacturing
- GDP per capita: ~€163,000
- Employment: 395,000–400,000 people (~14–15% of total national employment)

03 Key Sectors

- Advanced manufacturing (largest GDP contributor)
- Biopharma and life sciences (Cork Harbour is one of Europe’s largest pharma manufacturing clusters)
- Food and agri-business
- Technology and international services
- Tourism and the marine economy

04 Strategic Strengths

- Second largest economic region in Ireland
- Globally significant multinational manufacturing base
- Strong higher education, research and innovation ecosystem
- High-quality natural and coastal assets supporting tourism and liveability



Representing **14-15%** of the national population



Population split
~79% Cork **~21%** Kerry

05 Structural Challenges

- Exposure to multinational concentration and external shocks
- Seasonal and lower-paid employment in rural areas
- Housing and infrastructure pressure within the Cork metropolitan area
- Persistent accessibility and service deficits in more remote communities

1. INFRASTRUCTURE



What matters

The South West enters the next 14 years with a strong policy foundation in place. The National Planning Framework (NPF) and National Development Plan (NDP) provide long-term direction while local development plans, the Accelerating Infrastructure Delivery Taskforce, and the new Infrastructure Division within government all point to a more coordinated approach to how Ireland plans and delivers critical infrastructure.

The challenge as ever is turning plans into delivery. Over the past decade fragmentation in project sequencing, supply chain constraints, planning inefficiencies and inconsistent market engagement have all contributed to delays and cost escalation. A national investment commitment of €275 billion over the next decade means little if the conditions for delivery are not in place. That must change.

With population growth accelerating and demand intensifying across housing, utilities, transport and digital services, the region cannot afford incremental responses. Realising these opportunities requires coordinated action across government and industry.

Infrastructure delivery depends on engineering talent, construction expertise, project management and the digital skills increasingly demanded by new sectors. Shortages in these areas are already a systemic constraint, as outlined in the National Development Plan which outlines a potential need for 69,000-79,000 additional construction workers. The region's best lever is a visible project pipeline that gives industry the confidence to invest in workforce development and specialist capability over the long term. Deeper engagement

with third-level institutions is equally important to ensure the South West builds the skills base needed for growth in energy and advanced manufacturing.

Grid capacity is under strain and the pressure will only grow as electrification accelerates. Port infrastructure, offshore renewable energy (ORE) potential and emerging energy hubs give the region real assets to draw on in support of national climate targets. Getting this right matters beyond energy policy. A stronger regional role in renewables will attract investment and support industrial growth aligned with long-term sustainability commitments.

Congestion and car dependency remain significant barriers to growth, making investments such as BusConnects Cork, the N/M20 Cork-Limerick update, N22 Farranfore – Killarney, Cork Area Commuter Rail, Tralee Northern Relief Road and Cork Docklands regeneration critical structural decisions that will determine whether the region grows sustainably or not. All of these initiatives reduce emissions and enable transit-oriented development patterns that make sustainable growth possible. The Port of Cork's role in ORE adds a further dimension, positioning the South West as the centre of the national energy transition.

Despite progress under the National Broadband Plan, topography, dispersed settlement patterns and grid constraints continue to slow digital infrastructure deployment across the region. Demand is growing, driven by AI, life sciences, advanced manufacturing and data-intensive industries. The South West needs to keep pace and the Cork Internet Exchange and the potential for data centre expansion are important assets. This is a challenge the South West is uniquely positioned to solve with significant renewable energy potential. The question is whether the region acts on them decisively enough ensuring that energy, grid and digital infrastructure are aligned to enable the South West to scale.



Grid capacity is under strain and the pressure will only grow as electrification accelerates



1. INFRASTRUCTURE

Making it happen

Resilience in the South West will be built through an integrated pipeline of place-based, infrastructure-led and nature-based projects that reduce climate risk and facilitate the low-carbon future. Coordinated action across coastal protection, catchment water management, agricultural transition and sustainable tourism is essential to safeguarding the communities and landscapes that define the region.

We suggest the following:

- Establish clearer governance structures to ensure joined-up decision-making across government departments, agencies and delivery bodies, reducing fragmentation in infrastructure planning and execution. Alongside this, define and embed a clear risk appetite across all levels of governance to support faster infrastructure delivery.
- Prioritise speed and time-to-delivery as core project metrics, recognising the direct impact that delays have on overall project costs, economic outcomes and investor confidence.
- Accelerate project timelines by leveraging existing supply chains. Major regional projects such as Luas Cork could be aligned with national infrastructure pipelines (e.g. Metrolink), maximising the availability of skilled labour and supply chain capacity.
- Activate diaspora and international talent pipelines to address construction skills shortages, through targeted global recruitment, streamlined visa and permit processes, and coordinated industry-government campaigns to position the South West as a compelling destination for skilled workers.
- Prioritise the delivery of integrated public transport networks as a critical dependency for unlocking large-scale housing development and sustainable urban growth, particularly in key regional cities such as Cork.
- Align infrastructure delivery with population growth trends ensuring that transport, housing, and utilities are delivered ahead of, rather than in response to, demand pressures.





Voices

Continued momentum behind the reforms set out in the Government's Accelerating Infrastructure Delivery Report and Action Plan is critical to addressing barriers to infrastructure delivery.

Streamlining the complex regulatory and approvals processes for water and wastewater infrastructure will be essential to fully leverage investment and ensure projects are delivered on time for the communities, businesses and environment that depend on them.

Uisce Éireann has long advocated for a more efficient planning and consenting regime, including prioritisation of strategic projects by An Coimisiún Pleanála, a clear and consistent approach to exempted development and land acquisition, and streamlined approvals. Collectively, these measures could reduce delivery timelines by up to four years and significantly accelerate infrastructure delivery



Mairéad Conlon

Asset Strategy Senior
Manager, Uisce Éireann

2. ENERGY



2. ENERGY

What matters

The South West has a diverse portfolio of energy assets and infrastructure. Cork Harbour forms the industrial and commercial heart of the region while Co. Kerry is one of the country's most important locations for renewable energy generation. Cork supplies over 25% of national energy demand and is home to around 20% of Ireland's installed electricity generation capacity, centred on the Whitegate oil refinery and the Aghada and Whitegate gas-fired power stations.

Cork county also has c.12% of Ireland's installed wind generation capacity and over fifty solar farms have been granted planning in recent years. Co. Kerry accounts for c.13% of national wind generation and in May 2025 provided 82GWh of zero carbon renewable electricity, the most of any county in Ireland. Tarbert power station has been an integral part of the grid and generation system for sixty years and has transitioned from heavy fuel oil to modern generators running on renewable fuel. The Tarbert site, along with others in Co. Kerry, is also being developed for large-scale battery electricity storage.

The 900MW Tonn Nua wind farm located off the south coast will connect to the national grid in East Cork and Great Island in Waterford. Port of Cork is expanding deepwater capacity in Ringaskiddy for offshore wind logistics and the Ireland Strategic Investment Fund has committed funding for new port infrastructure for offshore wind assembly and storage.

The Celtic Interconnector will connect to the Irish grid in East Cork and is scheduled to come online in early 2028. This will be Ireland's first interconnector to mainland Europe and will increase Ireland's security of electricity supply. In the gas sector,

ESB, Bord Gáis Energy and CarbonX are developing plans to repurpose the depleted Kinsale gas field for hydrogen storage. A group of energy companies have established the Celtic Hydrogen Cluster, targeting hard-to-decarbonise sectors through offshore wind power.

Lir, the National Ocean Test Facility designed for laboratory testing of offshore wind, wave and tidal energy devices, is also located in Cork. Munster Technological University, with campuses in Tralee and Cork, provides the skills pipeline from sustainable energy and offshore operations to HV engineering and energy storage.

In the South West region the level of electricity generation is greater than the capacity of the grid, resulting in renewable generation going to waste. This is known as dispatch down. Of the 39 transmission grid projects planned in the South West the majority are in Co. Cork. EirGrid maintains that despite these investments dispatch down in the South West is expected to increase.

Cork is part of the EU's Trans-European Transport Network (TEN-T) road network and is served by an international airport. EU regulations covering aviation, maritime and road transport are driving new demands for clean fuel infrastructure across the region.



Co. Kerry is one of the country's most important locations for renewable energy generation



2. ENERGY

Making it happen

With electrical interconnection, gas storage and fuel processing all converging in the region, the South West is well placed to lead Ireland's renewable energy expansion—offshore wind, large-scale storage, future fuels and a strong pipeline of onshore renewables. However, action must be taken now to enable the South West to deliver a 2040 vision.

We support and advocate these initiatives:

- Utilise the 388 hectares zoned Special Policy Area in the Cork Harbour Whitegate area to deliver major energy-related development.
- Deliver the port infrastructure investment required to establish offshore development and services.
- Auction the remaining offshore wind sites off the south coast to grow Ireland's offshore renewable energy industry.
- Deliver grid enhancement to expand wind and solar generation, including demand-side solutions such as attracting data centre investment to Cork and North Kerry.
- Develop skills programmes through MTU and further education providers to meet the workforce needs of the zero carbon energy sector.
- Support the development of the Celtic Hydrogen Cluster.
- Ensure local industry expertise informs Government planning and investment decisions in the energy sector.





Voices

Unlocking the vast potential of the South West hinges on integrating a diverse array of technologies. Success will depend on harnessing offshore and onshore wind, solar power, storage solutions, advanced data centres, more interconnection capabilities, and build out of additional electricity grid infrastructure as well as smarter utilisation of the existing grid, alongside more efficient demand-side management for industrial energy use around Cork. No single technology can accomplish this ambitious vision alone. What's essential is a unified, strategic approach, one that combines both the expansion of grid infrastructure and the intelligent management of demand and generation. The South West is ideally positioned to take the lead in this transformation. If we deliver effectively, the rewards will include enhanced energy security, sustained economic growth, electricity price stability, less volatility from imported fossil fuels and a pioneering model for sustainable electricity that could reshape Ireland's energy landscape.



Kevin O'Donovan

SVP European Wind & Solar, Statkraft

3. CLIMATE RISK



What matters

The South West is one of the most climate-exposed regions nationally due to its direct Atlantic exposure, extensive coastline, low-lying coastal settlements, high-rainfall catchments, and strong economic dependence on climate-sensitive sectors. The South West accounts for a disproportionately large share of the national dairy herd and associated processing capacity, making it a national emissions hotspot. Tourism also faces growing pressure to reconcile growth with decarbonisation.

Responding effectively to climate change requires a commitment to adaptation and mitigation. Reducing exposure to physical risk and addressing the region's emissions profile in agriculture and tourism are inseparable objectives. Both sectors are highly climate-dependent and central to the regional economy. Progress on one cannot be made at the expense of the other.

Repeated major flood events across the South West highlight persistent and increasing exposure to flooding. The region also experiences some of the most severe coastal erosion nationally, with sea level rise amplifying the impacts of storm surge on soft coastlines.

The frequency and intensity of heavy rainfall events is increasing and rates of sea level rise are rising faster than the national average. This will intensify flooding across low-lying coastal towns and river catchments, including Cork city, and accelerate erosion of soft coastlines. Without appropriate protection measures, projected sea level rise and increased precipitation will result in more frequent and severe flooding and erosion.

Building on schemes such as the Lower Lee Flood Relief Scheme future development should embed climate resilience into spatial planning and infrastructure investment, treating natural and cultural assets as a resource rather than a constraint.

The South West is at the heart of Ireland's dairy-dominated agricultural sector. Its grass-fed farms are highly sensitive to climate variability, with productivity tightly coupled to climate conditions. Changes already under way have decreased predictability and increased volatility. Projections indicate an increase in average temperature – good for grass growth – but also more frequent heavy rainfall, flooding, summer moisture deficits, and drought.

National climate targets and evolving CAP supports are accelerating a shift away from production expansion towards more resilient lower-input systems. Long-term sustainability will require a reorientation of farming practice, with better soil and water management and greater diversity of land use. Hedgerow restoration and targeted rewetting are among the measures that can reduce emissions while delivering wider benefits for biodiversity and flood resilience.

The South West's coastal landscapes and environmental quality make it highly attractive to visitors and increasingly exposed to the impacts of climate change. Tourism is also a significant source of emissions, particularly through transport and accommodation.

Ireland's Tourism Climate Change Sectoral Adaptation Plan (2025–2030) identifies flooding, coastal erosion, storms and changing climate suitability as priority risks, particularly in Atlantic-facing regions such as Cork and Kerry. While an extended tourism season represents an opportunity, increased demand must not come at the cost of the natural assets that define the South West's appeal.

Long-term competitiveness will depend on managing climate risk while repositioning the region as a high-quality, nature-positive destination that attracts visitors through the quality of its offer rather than footfall volume.



3. CLIMATE RISK

Making it happen

Resilience in the South West will be built through an integrated pipeline of place-based, infrastructure-led and nature-based projects that reduce climate risk and facilitate the low-carbon future. Coordinated action across coastal protection, catchment water management, agricultural transition and sustainable tourism is essential to safeguarding the communities and landscapes that define the region.

We suggest the following:

- Embed pre-emptive climate resilience assessment in all major infrastructure planning, ensuring no significant project proceeds without robust, upfront climate risk evaluation, delivered efficiently and without delay, in line with international best practice and to secure long-term value and protection.
- Develop scalable financing models for climate adaptation and mitigation, mobilising private capital through targeted incentives and strengthened public–private partnerships, with clear governance to make resilience investments bankable, coordinated and regionally aligned.
- Advance priority coastal flood schemes (Lower Lee, Midleton, Bantry, Kenmare) and expand living shoreline and dune restoration along Atlantic-facing beaches, building on the Maharees Peninsula initiative.
- Where coastal defence is not viable, pursue managed realignment and planned relocation of vulnerable assets in line with the National Coastal Change Management Strategy.
- Increase upstream catchment storage through re-meandering and floodplain reconnection to reduce peak flood flows, with targeted soil and land management across high-rainfall catchments to protect water quality and strengthen agricultural resilience.
- Restore river corridors through fencing, buffer strips and woodland planting to deliver wider benefits for water quality and biodiversity.
- Retrofit Sustainable Urban Drainage Systems across Cork City and key towns, incorporating permeable streets and retention basins to manage surface water at source.
- Promote agroforestry and diversification into mixed farming and bio-economy feedstocks, alongside sustained improvements to soil health and nutrient efficiency across agricultural land.
- Shift tourism demand away from peak summer months through longer-stay visitor programmes that protect coastal and cultural assets.
- Decarbonise visitor transport through EV fleet electrification and expanded charging infrastructure at hotels and attractions. Encourage modal shift through public transport connections and active travel networks.
- Scale destination-level decarbonisation pilots, using the Dingle Peninsula Decarbonisation Zone5 as a replicable model, to match tourism demand with local energy generation and encourage off-season visits.





Voices

Pre-emptive resilience assessment and funding are critical priorities for the South West as it looks to 2040. International best practice requires that no major infrastructure proceeds without a robust assessment of climate risk; getting decisions right at the outset is the most effective form of long-term protection. Alongside this, financing models must evolve. Mobilising private capital at scale will be essential to deliver adaptation and mitigation. This includes exploring targeted tax incentives to attract corporate investment and developing strong public-private partnerships that make climate resilience investable, bankable and deliverable in a coordinated and regionally aligned approach with clear governance structures.



Mike Hayes

Global Head
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4. PEOPLE & CULTURE



What matters

The South West enters the period to 2040 with a scale and momentum that few Irish regions outside Dublin can match. With a combined population of over 736,000, a globally connected economy anchored in Cork Harbour and strong linkages across Cork and Kerry, the region already functions as Ireland's second economic engine. Importantly, this momentum must now give rise to better housing access, stronger connectivity and higher quality places.

Projected growth strengthens that position. Cork City and suburbs are expected to grow by approximately 40% by 2040, adding close to 100,000 residents. Kerry's towns and rural communities are pursuing a more diversified model, centred on knowledge hubs, tourism and renewable energy. The opportunity is significant, but it depends on sequencing land use decisions with infrastructure capacity and capital investment.

The South West also benefits from a strong skills base. Over half of the population holds a third-level qualification, supported by UCC, MTU, the ETBs and apprenticeship networks. This supports major clusters in biopharma, life sciences, advanced manufacturing and agri-food, and positions the region well to capture value from digitalisation and the energy transition, if skills pipelines remain responsive and reskilling is a recognised feature.

Culture and place are central to this opportunity. The coastline, natural environment and heritage towns are core to talent attraction and long-term resilience. Regions that align economic growth with quality of life and a strong sense of place are better placed to sustain it.

The challenge to 2040 is how growth is absorbed and experienced across the region. By 2040 the population aged 65 and over is expected to increase by almost 80,000, intensifying pressure on healthcare, social care and labour supply. At the same time strong growth is projected in the 25-34 age cohort. If well supported this younger working population can underpin expansion; if not, it will follow housing and transport accessibility.

Housing and infrastructure are therefore people issues, not just planning ones. The Cork metropolitan area faces acute pressures and many towns and rural communities experience accessibility gaps and weaker services. Left unresolved these frictions risk eroding the advantages that attract people to the region.

Workforce readiness is the second challenge. Technological change and rising retirements are creating persistent shortages, from technicians and healthcare professionals to engineers and data-literate operators. Artificial intelligence is already reshaping roles, requiring continuous reskilling rather than one-off qualifications.

Finally there is the question of alignment. Success will depend on whether decisions about housing,

transport, skills and placemaking are made in a joined-up way across local authorities, agencies, employers and educators; and backed by coherent capital programmes.

South West 2040 is ultimately a people-led story. The talent base, institutions and sectoral momentum are in place for Cork to become one of Europe's leading regional cities by 2040. This outcome is not guaranteed and the next five years are pivotal. Realising the region's potential will require deliberate choices and sustained commitment, with People and Capability at the heart of planning and investment decisions.



4. PEOPLE & CULTURE

Making it happen

Project Ireland 2040 anticipates 60,000 new jobs across the city region yet eight in ten employers already report difficulty securing qualified talent. Sectoral growth demands more people and technology acceleration requires different skills. At the same time demographic change is intensifying pressure on retention. A South West specific response is needed, not simply a regional implementation of national policy.

We support and advocate these initiatives:

- Launch a coordinated diaspora engagement strategy. Supported by IDA Ireland and Enterprise Ireland, a targeted programme could strengthen senior and specialist talent supply. Position the South West as Ireland's capital of lifelong learning while protecting its affordability and quality of life proposition.
- Enable later-life participation and career transitions, particularly in sectors facing acute shortages. This is both a social and an economic imperative as workforce demographics shift.
- Place culture and identity at the heart of growth. Investment in public realm, heritage, arts and community infrastructure strengthens belonging and cohesion. Culture should be viewed as a foundation for inclusive growth and not an optional add-on.





Voices

MTU spans the counties of Cork and Kerry, with both coastal and inland dimensions, so a whole range of preferences can be accommodated within our university offerings. All of our courses are co-produced with industry, and student work placements are a key part of our programmes. This close engagement with employers is fundamental to our agility. We are focused on subject-specific skills and also on ensuring our students develop transferable skills such as critical thinking, teamwork, problem-solving, and communication. With sustained multi-annual funding, I believe the South West can be home to universities that drive the regional economy and transform society. That is what we should all be aiming for.



**Professor
Maggie Cusack**

President,
MTU

5. TECHNOLOGY



What matters

AI is reshaping how economies grow and how businesses compete. In the South West that shift is already underway and the region is well placed to make the most of it. Ireland's National Digital and AI Strategy sets out clear ambitions for stronger digital capability, sector-specific adoption, and a long-term skills roadmap. For the South West this represents opportunity but national strategy only delivers regional benefit if the foundations are in place. That means investment in skills, infrastructure and governance that are aligned with the region's industrial profile.

The South West is home to a significant cluster of multinationals and indigenous firms spanning life sciences, biopharma, medical devices, advanced manufacturing, agrifood, energy and cybersecurity. These are the data-intensive and heavily regulated sectors where AI can deliver the greatest productivity gains.

The South West is not a consumer-tech story. Its competitive edge lies in applying AI in regulated production environments, safety-critical systems, and complex supply chains. Getting AI right in these settings is harder but the advantage it creates is more durable. That is a credible and distinctive proposition for European investors.

The opportunity is not confined to attracting inward investment. The South West has a strong university and applied research base that is already generating activity in AI, cybersecurity, robotics, health tech and climate tech. Munster's growing role in renewable energy and digital infrastructure adds another dimension. The region can build a coherent story around technology and sustainability together, which matters increasingly to investors and to the people they want to recruit.

The opportunity is real but several structural challenges need to be confronted directly. Demand for AI, data and cybersecurity skills continues to outpace supply, with a similarly acute shortage at leadership level. Upskilling pathways are fragmented, and the South West faces strong competition from Dublin and other European cities for critical talent. Focus is also required on ensuring there is integrated understanding and learning that reflects how AI, data, cybersecurity, software and decision making interact in practise.

Infrastructure is a major deciding factor for investment. Housing, transport, energy supply and laboratory space all shape whether businesses can grow here and whether people choose to stay. AI-driven growth is also energy-intensive, which creates real pressure on grid capacity and raises legitimate questions about alignment with climate commitments.

Moving AI from pilot to production is proving harder than many organisations anticipated. Fragmented data and legacy systems are common obstacles. In regulated sectors the consequences of weak governance are more serious. It can stall adoption entirely or undermine trust in systems that communities and businesses depend on.

AI will reshape roles across the economy, most immediately in process-heavy functions, and this requires a coordinated response. Without it the gains from technology adoption will concentrate in some firms and sectors while others and their workforces are left behind.

Cybersecurity can no longer be treated as an individual business issue. As AI and cloud adoption accelerate the attack surface grows and a major cyber incident can cascade across supply chains and essential services. This is a regional vulnerability that requires a regional response.

The South West's technology opportunity is not about chasing the latest trend. It is about doing the hard work of embedding AI in regulated industries, in complex production environments, and in services that people rely on. With the right investment in skills, infrastructure and governance, the region can make a credible case as a European leader in responsible AI. That is a strong foundation for Cork 2040 and for the long-term growth the region needs.

5. TECHNOLOGY

Making it happen

The South West region has strengths in life sciences, technology, agri-food, tourism and manufacturing. AI will influence all of these sectors though its value will vary by industry. Many of the regions largest sectors are predominantly process-driven and regulated environments where AI must be transparent and auditable. Compliance is not a secondary consideration but a design constraint from the outset. The challenge is deploying AI it to run complex and regulated systems better. With the right focus, the region could become a reference point for AI applied in real-world production environments.

We support and advocate these initiatives:

- Establish a research-led, cross-industry innovation cluster. Create a regionally anchored, research-driven cluster that brings together industry, academia and public stakeholders to identify, prioritise and coordinate high-impact AI and digital opportunities for the South West. This cluster should take shared ownership of strategic use cases, accelerate translation from research to deployment, and ensure knowledge, investment and capability are retained within the region. These clusters can serve as incubation beds and enablers for many of the initiatives outlined below.
- Focus AI on production and real-world impact. Prioritise applied AI in live operational environments through production AI acceleration zones. These are settings where solutions are tested against constraints such as uptime, audit requirements, operator interaction, and sector-specific risk.
- Build shared data and AI foundations. Develop common, sector-focused data and AI infrastructure on a pre-competitive basis. Strong data governance frameworks and interoperable architectures will reduce duplication and lower costs, enabling AI solutions to be reused across organisations, including SMEs.
- Connect AI adoption to long-term resilience goals. Position AI investment as essential infrastructure for meeting regulatory and sustainability demands. This strengthens executive ownership and improves funding discipline.
- Develop an AI and cyber ready workforce - The South West must strengthen end to end talent pathways, from graduate education to leadership development and workforce reskilling. Emphasis should be placed on hybrid "domain plus AI" skills that combine sector expertise with AI literacy, ensuring technology augments rather than replaces human judgement.
- The curriculum-to-industry gap must also be bridged with strengthened collaboration between education providers and industry to ensure that curricula evolve in line with real-world business needs. A more tightly integrated education-to-employment pipeline will ensure graduates and reskilled workers possess immediately relevant, business-ready capabilities.
- Strengthen regional digital robustness. Treat Cybersecurity and operational resilience as core regional infrastructure, integrating tested preparedness across organisations to support secure digital growth and AI adoption at scale.
- Support start-ups and indigenous scale-ups. Provide targeted accelerators, improved access to capital and stronger university spin-out mechanisms. Incentives to scale locally will help ensure that value created in the region is retained and reinvested.





Voices

From an industry perspective, there are three persistent gaps we need to address. First is the scale gap. We simply do not have enough graduates with strong foundations in AI, cybersecurity, and core engineering disciplines. Second, there is a curriculum integration gap. Graduates need exposure to systems-level learning and modern, industry-relevant tools such as Python and Rust alongside strong software engineering fundamentals. Third, a leadership capability gap also exists. Building AI literacy at leadership level is essential so that executives can make informed decisions and guide organisations through rapid technological change. Industry-academia collaboration is a key lever in addressing all three.



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LET'S TALK

At KPMG we're all about helping make cities and regions better places. Our experience and expertise in Irish cities and regions as well as in urban areas worldwide, makes us uniquely placed to help decision - makers, policy stakeholders, infrastructure leaders and private companies who want to move quickly to make our cities and regions better places.

If you would like to find out more about how we can help you achieve your ambitions for the South West or further afield - please contact Chris Wood, christopher.wood@kpmg.ie



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