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Conor Healy, Cork Chamber CEO discusses the next steps for Government

We were delighted to welcome the election of Micheál Martin as Taoiseach. It was not only a historic moment for Cork and Ireland to have Micheál Martin elected as Taoiseach, but also an eagerly anticipated conclusion to months of uncertainty.

We are faced with major challenges with a global health pandemic, and the realities of Brexit back in sharp focus. In parallel the demand for a new, environmentally conscious, and inclusive Ireland has never been stronger. A strong leader and dynamic cabinet will be essential to ensure that Ireland not only survives the next few years but sets the bar on economic, environmental and social resilience. Deep changes must be made and political strength will be required to deliver on the vision set forth in the Programme for Government.

Most imminently and obviously for businesses struggling to manage cashflow from day to day, clarity is required on the continuity of business supports, and a more sector specific approach is required from this point on.

The Programme for Government provides a positive outline for an investment led recovery with strong focus on areas such as sustainable transport, infrastructure, urban living, placemaking and competitiveness.

The Programme creates a framework to accelerate the delivery of the Cork Metropolitan Area Transport Strategy, with a welcome and fresh emphasis on cycle and pedestrian infrastructure, and further commitment to Bus Connects and rail.

And while the emerging focus on the Land Development Agency to deliver on challenging sites is welcome, it cannot meet the volume of density required on its own. The private sector must be enabled to play a leading role, or we will fall far short of the goals of the National Planning Framework.

In Cork Chamber, we have called consistently for Government to strongly and overtly support the EU Green Deal and to make it a central pillar of our recovery. We firmly commend the intent set out in this regard, and ask that Ireland make every effort to be at the forefront of this vision for Europe.

Over the past two years, Cork businesses have seen great stability in the capital and spatial commitments of Project Ireland 2040. Ongoing commitment to Project Ireland 2040 must remain strong, with every effort made to sustain confidence by making bold investment decisions that will differentiate Ireland internationally.

There is no shortage of vision and policy for Cork and this Government now has the opportunity to create a visible legacy for all of Cork to see.

SURVEY RESULTS

QUARTER 2

The second economic trends survey of 2020 captures the sentiment of the Cork business community at a time of unprecedented uncertainty during the rapidly evolving Covid-19 public health emergency. The survey which reports on member experiences during April, May and June asked the thoughts of the business community on their experience of Q2 and the outlook for Q3 2020 on business confidence, the overall operating landscape, skills, threats and opportunities. The survey also explored priorities for Budget 2021, investment in sustainable mobility and Covid-19 business supports.

“ There needs to be greater thinking about how we re-generate activity in our city. There has been for too long in my view an over taxation through rates etc for businesses to operate under, this has now come further to the fore with Covid-19. Additionally, the establishment on the western & north side of the City style "Park & Ride" facility is key for Economic & Environmental reasons. ”

Mark O'Sullivan, Provest Private Clients Limited

“ While stepping up to the challenge of providing supports for many people during Covid-19, many charities and community groups income has been significantly reduced during this time. Big need to support this and the arts sector going forward. ”

Julie Connelly, Cork Volunteer Centre

“ Continued support and encouragement of the City Council to focus on making Cork a green city, and a sustainable city. There is much room for growth, and we have a once in a lifetime opportunity. ”

Ruth Fuller, Fuller Marketing

BUDGET 2021

TOP 3 BUDGET 2021 PRIORITIES

1. Covid-19 Business Supports
2. Infrastructural Investment
3. Housing Stimulus

Importantly, action on climate featured very strongly in other comments for those who chose other.

A FOCAL POINT OF BUDGET 2021 SHOULD BE THE ACCELERATED PLANNING AND DELIVERY OF SUSTAINABLE MOBILITY INFRASTRUCTURE COMMITTED TO IN THE CORK METROPOLITAN AREA TRANSPORT STRATEGY

YES 91%

NO 4%

This strategy is an enabler of the sustainable development of the Cork Metropolitan Area and was published earlier this year. It includes an investment strategy worth €3.5bn to 2040, covering walking, cycling, bus, suburban rail and light rail infrastructure investment for Cork.

A MORE SECTORAL BASED APPROACH IS NOW REQUIRED FOR THE COVID-19 BUSINESS SUPPORTS

YES 92%

NO 6%

“ Increase the 20% tax band by €5,000 and aim that income up to €50,000 should be at 20% tax by 2024. Also introduce a 45% tax rate over €200,000 reduce capital gains tax to 25% as it would promote sales activity. ”

Paul Dennehy, Bluechip Financial Consultants Ltd

“ Grants for small businesses and not loans at 4% even if they are Government backed, is what is needed for this sector. A continuation of the COVID employment package by sector would both encourage businesses to reopen and to employ again. If this dries up so will so many small businesses. ”

Eddie Nicholson, The Mardyke Entertainment Complex

“ We need immediate investment in addressing the climate and biodiversity emergency across all sectors. ”

Alice D'Arcy, STEAM Education Ltd

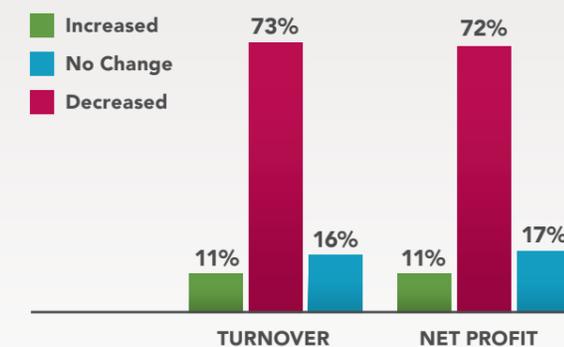
BUSINESS CONFIDENCE

CONFIDENT 73%

NOT CONFIDENT 27%

The latest survey shows an upturn in business confidence from a low of 54% in our Q1 survey at the height of the uncertainty as the Covid-19 emergency escalated rapidly in threat level, to 73% in the latest survey findings. For context, business confidence had been at 93% at the close of 2019.

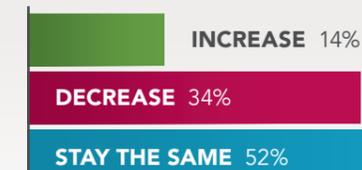
Q2 TURNOVER AND NET PROFIT ESTIMATIONS



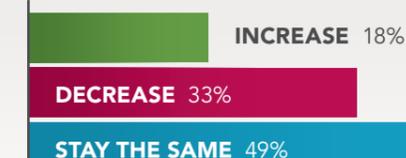
The survey shows that 24% of businesses expect an increase to turnover over the coming quarter 3, with 49% expecting a decrease to turnover over the same period. In relation to net profit, 19% of responding business expect an increase, while 52% expect a decrease.

EMPLOYMENT OUTLOOK

CHANGE TO EMPLOYEE NUMBERS OVER Q2 2020



EXPECTED CHANGES TO EMPLOYEE NUMBERS OVER THE NEXT 12 MONTHS



NUMBER OF BUSINESSES WITH VACANCIES ADVERTISED CURRENTLY

YES 17%

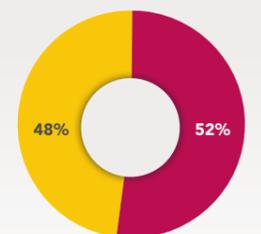
NO 83%

In Q1 2020, 24% of businesses reported open vacancies. Of the 17% currently with advertised vacancies, 6% of these businesses are reporting difficulty filling the open roles (i.e. remaining unfilled for greater than 3 months since initial advertisement). This is mostly in the area of engineering, and sales.

CONFIDENCE IN THE IRISH ECONOMY

Confident

Not Confident



Notably, in Q1 2020, 80% of respondents reported as not confident, with just 19% confident.

TOP 3 THREATS TO BUSINESS GROWTH

1. Covid-19
2. Changing consumer spending/reduced orders
3. Managing cashflow

Unsurprisingly, Covid-19 received an overwhelming consensus amongst responding businesses. The Top 3 threats reflect those reported in Q1 2020.

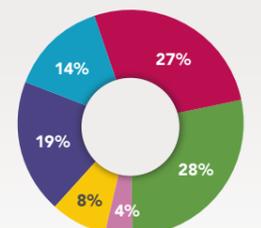
RESPONDING BUSINESSES

Sole Trader

Micro Enterprise (2-10)

11-50 **51-100**

101-200 **201+**



Responding business sectors: Life Sciences & Manufacturing (11%); Agriculture, Food & Drinks (5%); ICT & Digital Economy (6%); Tourism, Hospitality, Retail & Leisure (16%); Culture, Arts, Community & Media (6%); Built Environment (3%); Education & Training (6%); Services incl. Financial (33%); Health (2%); Transport, Energy & Maritime (12%)



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