

ECONOMIC TRENDS

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Use of Carbon Tax Revenue

Cork Chamber recently made a submission to the public consultation on the Use of Carbon Tax Revenues. In this, we highlighted the need for 'certainty' amongst the business community, and the importance of this certainty in underpinning future business planning decisions and investment. We requested that the final approach adopted for the application of a Carbon Tax increase clearly state the long-term pathway, providing clear timelines and detail on the application of this tax increase to 2030.

Without a doubt, if we are to meet new energy demands, measures such as retrofitting homes, investing in the grid and generating renewable energy will be essential for Ireland's sustainable future. We need a strong policy framework and supports, and the removal of barriers to this transition.

Currently, Ireland is consistently missing national and international carbon emission reduction targets with GHG's nearly three million tonnes outside the pathway identified to meet 2020 targets. Even from a purely economic perspective, the cost of inaction is far off balance with the benefits of action considering the financial penalties payable of up to €150 million yearly. Ireland is missing out on opportunities to shift to a clean energy and tech society, and the benefits that this will bring to our wider economy, society and environment.

It is crucial that this tax increase is applied in a way that is fair and equitable for business and communities to make this transition, and in a way that negates fuel poverty and social inequity. Cork Chamber added support for the ring-fencing of existing and future revenues from the Carbon Tax to aid a fair transition to a low carbon economy. Due to the scale, challenges as well as opportunities, the ring-fencing of funds should be used to accelerate this transition, with the tax revenue clearly directed to support policy interventions and to increase the affordability of alternatives.

To read the full Cork Chamber submission go to the Submissions and Report section of the Cork Chamber website.

Q2 2019 JOBS AND GROWTH

APRIL

- Oxford Global Resources announced 25 new corporate jobs
- EDPAC International announced the creation of 50 new jobs

MAY

- Poppulo plans to create 125 jobs as part of an international expansion
- Crest Solutions announced 80 new jobs
- ILC Dover to create 70 jobs at Blarney Business Park
- RIMES, data management and regtech specialists open a new office in Cork

JUNE

- Irish-based Global Shares adds 50 jobs in Clonakilty
- KSN Project Management open Cork office
- Stryker to invest €200m in RDI at Cork plants
- The NRG Store to create 20 new positions over the next two years
- Cornish clothing brand Seasalt opened its first Irish store creating 10 new jobs



SURVEY RESULTS

QUARTER 2

The second economic trends survey of 2019 reports on member experiences during April, May and June. Q2 included a focus on Budget 2020 with survey responses on business priorities forming an intrinsic part in developing our Cork Chamber budgetary submission.

“Focus on housing, greenways, increased cycle paths. I would love to see free public transport for all children. It would alleviate so much congestion.”

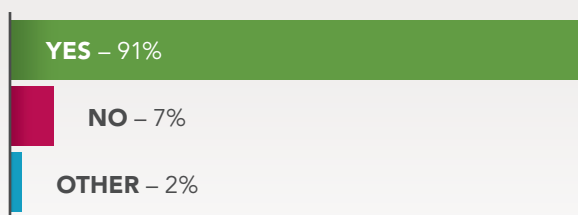
Ruth Fuller,
Fuller Marketing

“Accelerated housing programme, infrastructure enhancement and Brexit affected business supports.”

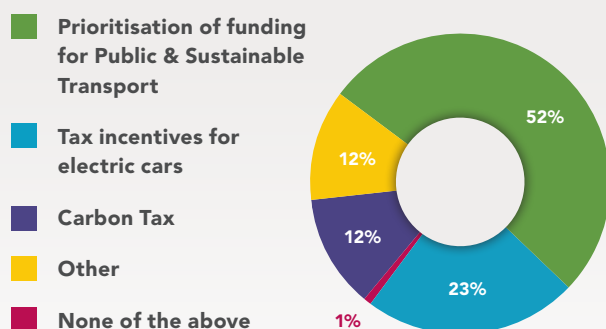
John Mullins,
Amarenco Solar

BUDGET 2020

% SUPPORTING TARGETED / TIMEBOUND MEASURES TO STIMULATE CONSTRUCTION OF MORE URBAN ACCOMMODATION

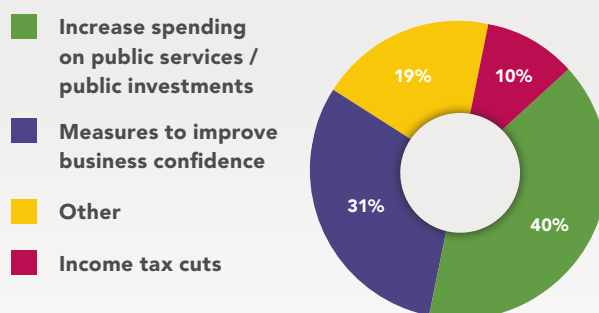


% SUPPORT FOR BUDGET MEASURES TO ADDRESS CLIMATE COMMITMENTS



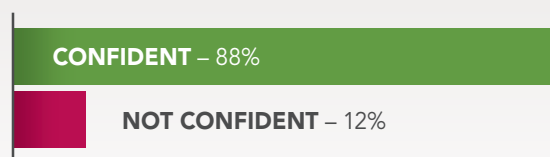
With the Climate Action Plan 2019 just recently published, Government have made significant commitments to decreasing our collective national carbon footprint. Responding to the survey 12% chose 'other', indicating that a combination of measures is most appropriate, and the majority at 52% highlighting the opportunities for public and sustainable transport.

WHERE SHOULD THE EMPHASIS OF BUDGET 2020 LIE



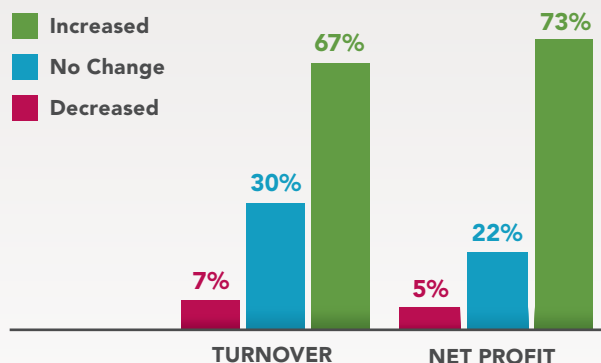
The 'other' sentiments were predominantly focused on housing, infrastructure and transport investment. Members inform and validate the approach of the Cork Chamber budgetary committee. Watch out for the launch of our Budget 2020 submission in the coming weeks.

BUSINESS CONFIDENCE



Q2 business confidence has seen a decrease from 96% in Q1, to a current 88%.

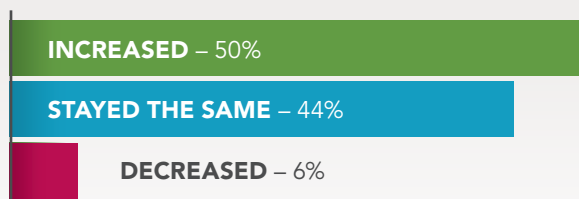
TURNOVER AND NET PROFIT ESTIMATIONS



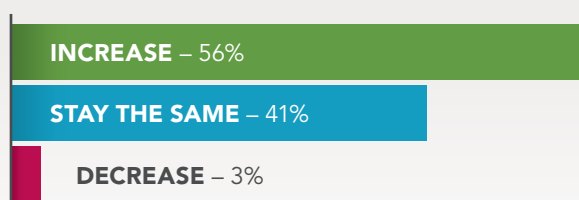
This compares very healthily to the Q1 results where 59% of respondents indicated increased turnover, and 49% responded that the net profit had increased during the first quarter. In Q2, 73% of businesses forecast an increase in turnover during the next 12 months, with 67% expecting net profits to increase during this same period.

EMPLOYMENT OUTLOOK

CHANGE TO EMPLOYEE NUMBERS OVER Q2 2019



EXPECTED CHANGES TO EMPLOYEE NUMBERS OVER THE NEXT 12 MONTHS



In Q1 39% had indicated an increase in employee numbers, compared to the 50% reported for Q2. 58% of respondents have vacancies advertised with 43% indicating that the vacancy has remained unfilled for greater than 3 months since the initial advertisement. This is an increase on the 34% reporting hard to fill vacancies in the Q1 survey. These vacancies lie across a variety of sectors and specialisations, predominantly engineering.

CONFIDENCE IN THE IRISH ECONOMY

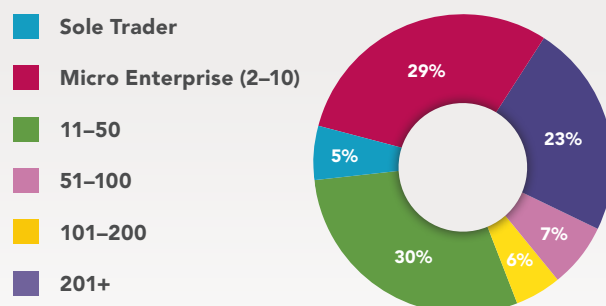


In Q1, confidence was at 79%, dropping marginally to 77%, and very confident moving from 8% to 7%.

TOP 3 THREATS TO BUSINESS GROWTH

1. Brexit
2. Availability of Housing / Rental Accommodation for Employees
3. Skills Availability / Managing Cashflow

RESPONDING BUSINESSES



The responding businesses represent a broad range of sectors: Industry/Manufacturing (15%); Science & Technology (12%); Tourism, Travel Culture & Arts (7%); Construction (12%); Multisectoral (4%); Services incl. financial (45%); Transport (5%).

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