

# ECONOMIC TRENDS

Sponsored by



## Conservative Budget for Uncertain Times

**Reacting to Budget 2020, Cork Chamber welcomed the Brexit package as an important measure to protect Irish businesses. Failure by Government to address high rents and the lack of viability of new apartment construction is a cause of concern.**

**Affordable Apartments:** Our social fabric in the context of Brexit is as important for our overall competitiveness and so the heightened budget allocation for social housing is welcome. The extension of the Help to Buy Scheme and Living Cities Initiative are positive as 91% of our members support targeted and timebound measures to stimulate construction of new urban accommodation. However, at a time of historic high rents, an unsatisfiable demand for urban living, and a complete lack of apartment construction outside of Dublin, it will soon become apparent whether these measures will be enough. Government's own targets on home building cannot be achieved unless the viability gap of apartment delivery is bridged so that rents and sales prices can come down.

**Brexit:** The identification of agriculture, enterprise and tourism as sectors in need of support to help transition into new markets and products in the event of a no-deal Brexit is appropriate. In Cork, tourism and agri-food are particularly important to the economy and vulnerable to Brexit impacts. It is essential that all measures are made available in an easily accessible manner and without delay.

**Carbon Tax:** We welcome that the proposed Carbon Tax increases will be ringfenced to support policy interventions to increase the affordability of alternatives to our current carbon intensive lifestyle. However, businesses must be able to plan for increasing costs and need clarity on how carbon tax increases will be levied between now and 2030.

**Competitiveness, Diversity and Childcare:** The participation tax for women with two children who must pay for childcare is a staggering 94%. Childcare costs have a significant impact on female workforce participation. The continued commitment by Government to deliver on the National Affordable Childcare Scheme is positive, and it is our hope that this will be increased over future budgets to bring in line costs with the EU norms.

The move to increase commercial property stamp duty by 1.5% is an erosion of our competitiveness and an addition to the cost of doing business in Ireland.

Government has committed to ensuring tax equity and so the decision to increase the earned income tax credit for self-employed people is positive. The changes to R&D and KEEP are also welcome business measures.

## Q3 2019 JOBS AND GROWTH

### JULY

- Castletownbere-based Shellfish Ireland are to create up to 20 new jobs.
- Dursey Boat Tours expects to take on 20 staff.

### AUGUST

- Jacobs announces 200 new jobs in Cork, Dublin and Belfast
- Spearline to create 75 jobs in Skibbereen and opened new headquarters.

### SEPTEMBER

- 100 new jobs as building firm MMD Construction expand - almost doubling its workforce over the next two years.
- 40 jobs at '3Sixty' consultancy firm.
- Clearstream open new office at Navigation Square.
- Deutsche Börse announced 120 jobs and open new office alongside its post-trade services provider, Clearstream.
- ClickDimensions open new European Customer Operations Centre of Excellence planning to grow from 22 in its Cork office to 50 people in the next 2 years.
- West Cork Distillers announce up to 30 new jobs after the firm completed a significant buyout deal.



**Cork Chamber**  
Advancing business together

**MICHELLE O'SULLIVAN**  
Senior Public Affairs Executive  
E: michelle@corkchamber.ie  
T: 021 453 0132



CorkChamber.ie

# SURVEY RESULTS

## QUARTER 3

The third economic trends survey of 2019 reports on member experiences during July, August and September. This quarterly survey gathers information across a range of metrics to assess business confidence, and the overall perspectives on the operating landscape, national economy, skills and talent, and the threats to business growth. Q3 also included a focus on business competitiveness with regard to public transport priorities, and business insurance.

“ Insurance crisis. Premiums doubled last year and is barely sustainable. ”

**Eoghan McCarthy**  
Ballyhass Adventure Group

“ Direct business flights to and from Cork airport requires urgent attention. If FDI businesses cannot fly direct from major European, and at least a couple of North America cities they will not entertain Cork as a future location. ”

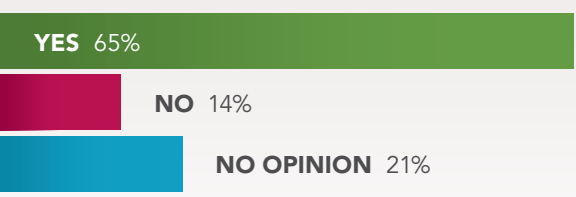
**Conor Lee**  
Tower Holdings Group

“ More focus on remote working /coworking as a disruption to the traditional model of 9 to 5. Flexible working can help sustainability goals. ”

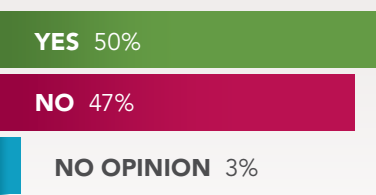
**Caroline Cooney-Hurrell**  
Cumulus Consulting Limited

## BUSINESS COMPETITIVENESS

### % SUPPORTING PRIORITISED DELIVERY OF CYCLE INFRASTRUCTURE AS PART OF CORK METROPOLITAN AREA TRANSPORT STRATEGY

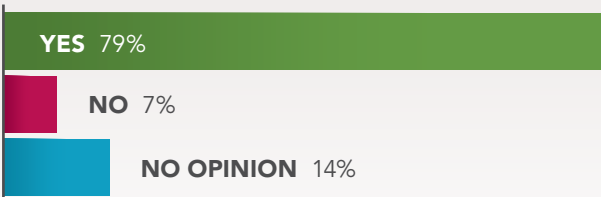


### % INDICATING PACE OF INFRASTRUCTURAL DELIVERY AS A THREAT TO BUSINESS

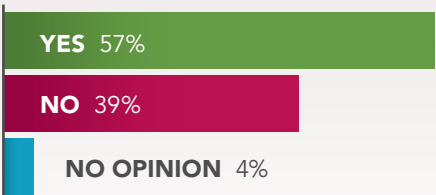


Here we report 65% of respondents in support of prioritised delivery of cycle infrastructure. Added to this, 50% of all respondents indicate that the pace of overall infrastructure delivery is a threat to their business.

### % SUPPORT LEGISLATION FOR E-SCOOTERS AND E-BIKES



### % REPORTING CHANGE IN INSURANCE COSTS AS PERCENTAGE OF OVERHEADS



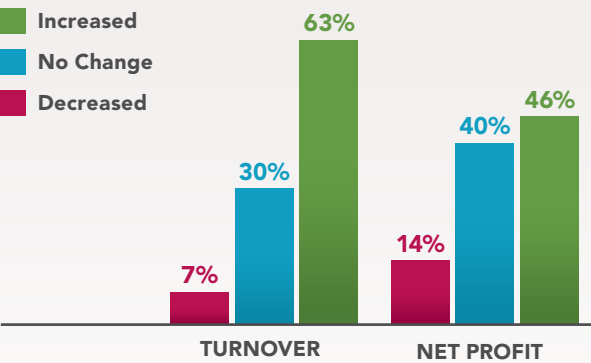
Business insurance is very much to the fore, with many businesses especially across the services and leisure sectors being impacted due to rising premiums. Our Q3 survey reported 57% of respondents indicating a change in insurance costs as a percentage of overheads.

## BUSINESS CONFIDENCE



Q2 reported a decrease in business confidence from the previous 96%. In Q3 we have seen this stabilise at 88%.

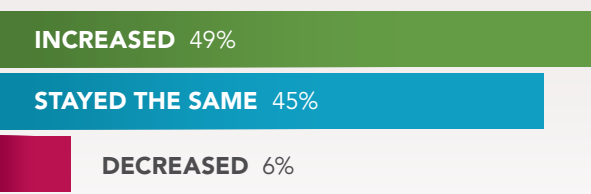
## TURNOVER AND NET PROFIT ESTIMATIONS



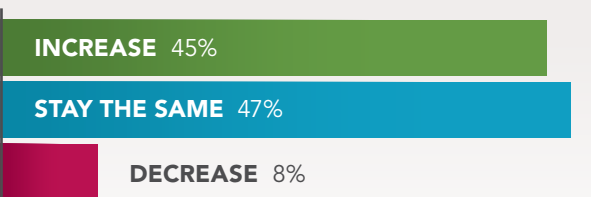
Furthermore 61% of respondents expect an increase to turnover over the next 12 months, with 51% expecting net profits to increase.

## EMPLOYMENT OUTLOOK

### CHANGE TO EMPLOYEE NUMBERS OVER Q3 2019

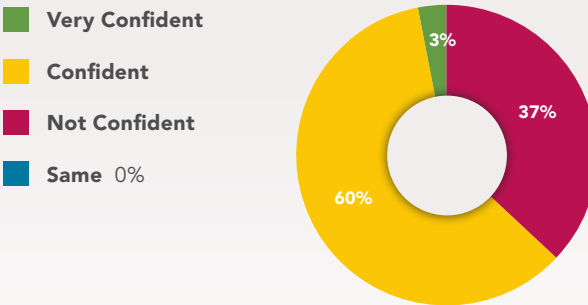


### EXPECTED CHANGES TO EMPLOYEE NUMBERS OVER THE NEXT 12 MONTHS



Employee numbers stayed relatively static from Q2 to Q3, with 49% reporting an increase in staff numbers over Q3. In Q2, 50% reported an increase. However, there is a notable decrease in those expecting an increase to employee numbers over the next 12 months to 45%, compared to 56% in Q2. When asked in relation to current vacancies, 48% indicated that they are hiring with 28% reporting difficulty in filling their vacancy (remaining unfilled for greater than 3 months) most notably for engineers and experienced management across a range of sectors.

## CONFIDENCE IN THE IRISH ECONOMY

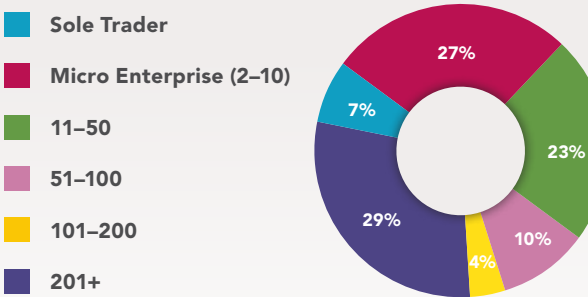


In Q2, 77% of respondents reported confidence in the Irish economy, a notable decrease to the 60% of respondents in Q3.

## TOP 3 THREATS TO BUSINESS GROWTH

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

## RESPONDING BUSINESSES



The responding businesses represent a broad range of sectors: Industry/Manufacturing (11%); Science & Technology (9%); Tourism, Travel Culture & Arts (8%); Construction (10%); Multisectoral (7%); Services incl. financial (49%); Transport (6%).



## We get to know you, not just your business

Choose Ulster Bank Business Banking and make our team yours

Visit [ulsterbank.ie/businessmatters](https://ulsterbank.ie/businessmatters)

**Ulster Bank Ireland DAC.** A private company limited by shares, trading as Ulster Bank, Ulster Bank Group, Banc Uladh, Lombard and Ulster Bank Invoice Finance. Registered in Republic of Ireland. Registered No.25766. Registered Office: Ulster Bank Group Centre, George's Quay, Dublin 2, D02 VR98. Ulster Bank Ireland DAC is regulated by the Central Bank of Ireland.