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Cork Harbour. A gateway to transformative change in Europe's transition to renewable energy.

Cork Harbour has the capacity to become an unparalleled hub for floating offshore wind energy in the Celtic Sea from 2025, presenting an opportunity for a new industrial sector to emerge in the region. The recently launched 'Cork Harbour 2025: Ready to Float OffShore Wind' report which calls on the government to enact key policy changes to ensure that Cork Harbour is in a position to unleash its potential as a key contributor to Ireland's Climate Action targets, or risk losing out on significant private sector investment.

The European Commission estimates that Europe will need to produce 450GW of offshore wind energy by 2050. A resource assessment study of the Celtic Sea estimates that there is the potential for the development of up to 50GW of floating offshore wind capacity. Cork Harbour is in the process of being transformed into an offshore renewables hub by the private sector in a bid to realise this potential, with circa €200m of investments already underway by companies such as Green Rebel Marine, Mainport, Doyle Shipping Group (DSG), Simply Blue Energy, DP Energy and the Port of Cork. These companies are part of a group which has come together with Cork Chamber to produce the Cork Harbour 2025: Ready to Float report.

Conor Healy, CEO of Cork Chamber said *"The private sector investment that is already underway needs to be supported by progressive policy decisions at government level in order for Cork to play a key role in harnessing the power of offshore wind to support Ireland's critical climate action targets. Floating offshore wind is the economic opportunity of our generation. The prospect exists for Cork Harbour to be the hub of a whole new industrial sector, something not seen since Ringaskiddy was designated as a cluster for pharmaceuticals by the IDA in the 1970s".*

The report finds that Cork Harbour already benefits from a number of key geostrategic advantages, which make it the optimal location for designation as a strategic hub for floating offshore wind projects under the Ireland 2040 National Development Plan. The report calls on the government to include floating wind projects in the Celtic Sea as a means of reaching its climate action target of 5GW of offshore wind by 2030. It also calls for appropriate support and zoning in the forthcoming Cork County Development Plan.

As one of the largest natural harbours in the world, with extensive maritime and energy infrastructure, the harbour is positioned in close proximity to the Celtic Sea, and ideally located to support developments off the east, south and west coasts as well as projects off the coasts of France and the UK. Regional transport infrastructure, supply chain developments and the availability of a skilled workforce further reinforced the report's conclusion that Cork Harbour presents a unique economic opportunity.



SURVEY RESULTS

QUARTER 4

The final economic trends survey of 2020 captures the sentiment of the Cork business community during October, November and December, a time when we moved into Ireland's second level 5 lockdown, commencing in October and finishing on December 1st, while also the final quarter ahead of concluding the EU-UK transition period.

LONG-TERM RESILIENCE PLANNING

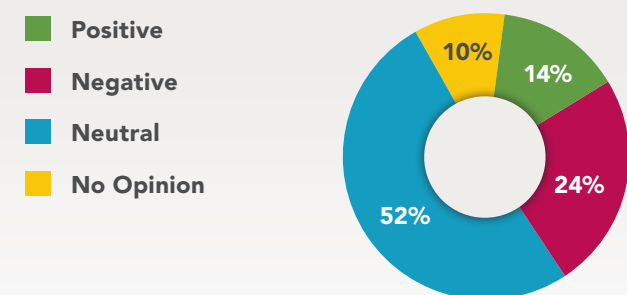
It is increasingly important for businesses to explore all aspects of sustainability, and to seek out ways to enhance this across activities and operations. When asked about current actions, the top five areas being focused on currently are:

1. "Exploring how to become a greener business"
2. "Engaging and educating employees on sustainability"
3. "Adopting new innovations"
4. "Actively monitoring energy, water and resource usage" and "Have set/or are setting a long-term vision for the business in the context of sustainability"
5. "Active policy to prioritise the use of greener, more sustainable products and processes"

This was closely followed by identifying and managing risks, while a significant number also highlight this as **not** being a business priority currently.

UK-EU TRADE AND COOPERATION AGREEMENT

When asked on whether the UK-EU TCA will prove positive or negative for business in 2021, you answered:

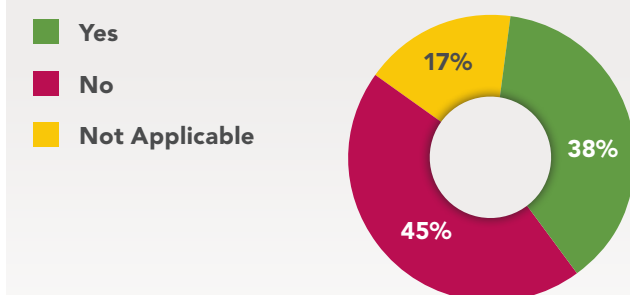


The impact on insurance provision was also highlighted here, as due to the terms of the TCA, passporting rights are no longer available to UK insurers to conduct business in the EEA. While also highlighted is

In this, the final survey for 2020, we report on business experiences, the outlook on the first quarter of 2021 and the year ahead, and the overall operating landscape in the context of Brexit and Covid. Additionally, the survey explores business resilience and sustainability, and the activities being adopted to address these critical considerations. All response data is tempered by the evolving pandemic public health emergency and associated restrictions initiated as we closed out on Q4, and entered an unpredictable 2021.

Ireland's positioning now as the only English speaking country in the eurozone.

When asked if your business will be affected by the increased cost of sourcing products/ supplies from the UK post Brexit due to increased bureaucracy, customs duties or VAT charges, you responded:

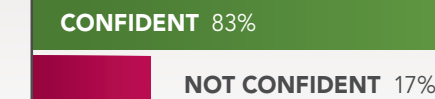


PANDEMIC & BREXIT SUPPORT

When asked on what, if any, improvements that should be made to the current supports, the below comments provide a snapshot:

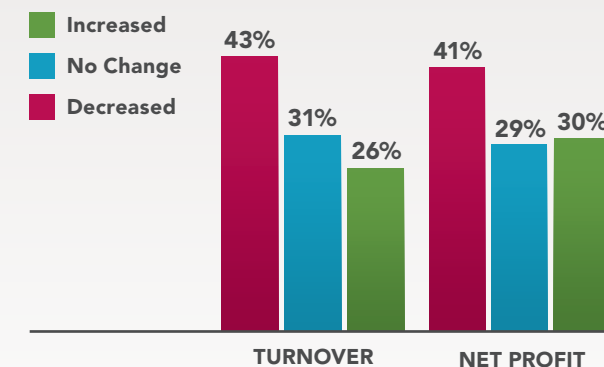
- “ Increase PUP from €203 to €350 as before. ”
Fevant Fonong, Fonong Investment and Consultancy Ltd
- “ Extension of supports until the end of June until a significant % of population is vaccinated, and logistics chain adapts to onerous regulatory demands. ”
Hugh Bruton, Brittany Ferries
- “ Get product moving freely through customs. Delays of 12 days and counting at present with correct paperwork is simply unsustainable. ”
Anonymous
- “ A grant for businesses to become more sustainable - extend the actual support till end of March 2022. ”
Bastien Peyraud, The Imperial Hotel
- “ More information on supply lines of materials and product particularly from UK sources. ”
Michael O'Sullivan Greene, O'Leary & O'Sullivan Developments Limited

BUSINESS CONFIDENCE



In Q4 2020 we see business confidence has climbed back with 83% of respondents noting confidence, at 68% in the previous quarter.

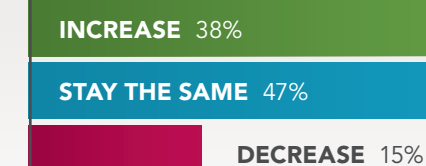
Q3 TURNOVER AND NET PROFIT ESTIMATIONS



The latest survey shows that 29% of respondents anticipate an increase in turnover in the first quarter of 2021, with 32% expecting turnover to decrease over the same period. In respect of net profits, 26% of respondents expect an increase in Q1.

EMPLOYMENT OUTLOOK

EXPECTED CHANGES TO EMPLOYEE NUMBERS OVER THE NEXT 12 MONTHS



NUMBER OF BUSINESSES WITH VACANCIES ADVERTISED CURRENTLY

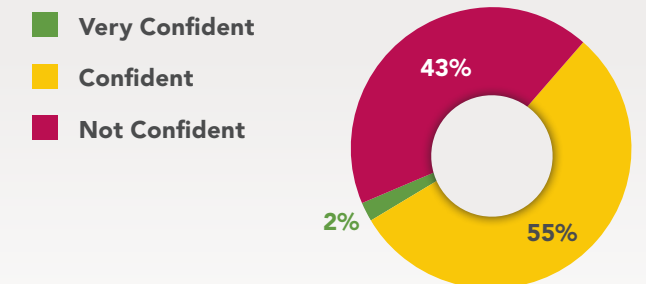


For the same quarter in 2019, 55% of respondents expected an increase to employee numbers over the coming 12 months. Finally, 27% of respondents indicated a reduction in employee numbers in Q4 2020, while

24% noted an increase. For context, 36% of respondents in the same quarter in 2019 indicated an increase to employee numbers, with just 7% indicating a reduction.

Of the 42% indicating vacancies, 19% are reporting difficulty filling the open roles (i.e., remaining unfilled for greater than 3 months since initial advertisement). These vacancies are predominantly in engineering, digital skills and finance.

CONFIDENCE IN THE IRISH ECONOMY



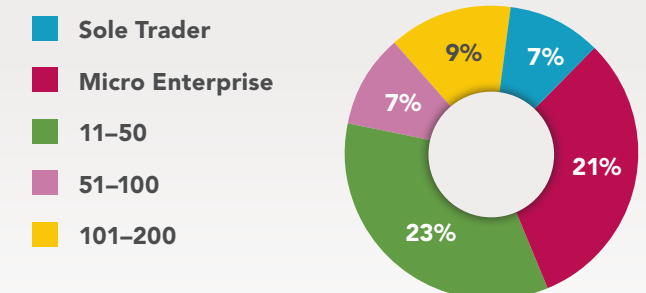
The survey reports a marked improvement in confidence in the Irish economy with 55% of respondents noting their confidence, up from 29% in the previous quarter. There is also a notable decrease in those reporting as not confident, now at 43%, while at 71% in the previous quarter.

TOP 3 THREATS TO BUSINESS GROWTH

1. Covid-19
2. Changing consumer spending/reduced orders
3. Skills availability

As with the previous quarter, Covid-19 ranked as the very definitive top threat to business growth. Surprisingly, Brexit did not feature in the Top 3 ranking.

RESPONDING BUSINESSES



The responding businesses represent a broad range of sectors: Life Sciences & Manufacturing (9%), Agriculture, Food & Drinks (2%); ICT & Digital Economy (8%), Tourism, Hospitality, Retail & Leisure (14%), Culture, Arts, Community & Media (4%), Built Environment (9%), Education & Training (4%), Services (including Financial) (41%), Health (3%), Transport, Energy & Maritime (6%).

UPSKILLING YOU



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- QQI Certified programme delivery
- Programme design & delivery
- Skillnet Ireland funding available

W: www.corkchamber.ie/training

E: training@corkchamber.ie

P : 021 4530141

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