

# Economic Trends

QUARTER 4 2021

## Cork poised for development and investment in 2022

- €90m investment in Cork-Dublin rail line
- €14m in Government funding announced for Cork Airport as COVID19 continues to strain the industry
- Positive development for Cork Event Centre with announcement that final detailed design to be completed
- Works begin on the MacCurtain Street Public Transport Improvement Scheme
- Morrison's Island Public Realm and Flood Defence Project goes to tender

Despite the many well documented challenges to our economy, there is great cause for optimism at the start of 2022.

### Infrastructure Investments

A €90m investment in the Cork-Dublin rail line looks set to cut rail journey times between the two cities. It's another step in the right direction towards a sustainable future for the rail network after a deal between Iarnród Éireann and French train manufacturing specialist Alstom to acquire new rail stock. This announcement is complemented by the commencement of works on the MacCurtain Street Public Transport Improvement Scheme that will move in stages to upgrade the adjoining quays and culminate in a much needed upgrade to the streetscape of MacCurtain Street itself.

The Morrison's Island upgrades which are now moving to tender will create a new south facing walkway and remove approximately 80% of city centre flooding. It will create improved cycle access and public spaces where today there is only dilapidation and car parking. Currently cars have more access to this aspect of the Lee than people. Having been scrutinised at every step of the planning process from a Council vote to an Bord Pleanála and the High Court, it is positive to see that investment can now be made to minimise flooding potential for the area, and bring a neglected bank of the Lee back to life.

The highly anticipated Event Centre also adds to Cork's offering, and it is very encouraging to see that the project has advanced to final detailed design and that is expected

to be completed in the third quarter of 2022. As we move through Q1 2022 and look ahead to progress on the National Development Plan and CMATS, the future looks positive for Cork. However, Cork Chamber continues to urge for a vital upgrade to the N25 Carrigtwohill to Midleton dual carriageway. A joined-up approach on such projects contribute to boosting investment, housing development, job growth and business confidence.

### International Connectivity

There was also further positive news for connectivity in Cork with the announcement of €14 million in funding for Cork Airport as part of an overall support package of €108 million for Irish Airports. Economic recovery is high on the agenda for 2022 and maintaining and strengthening Cork's international connectivity will be critical to the region's success. Cork Chamber looks towards recovery in 2022 by increasing the attractiveness of the Cork region and what it has to offer.

### Recognising Success

The business community began the year by celebrating the Cork Chamber 'Outstanding Contribution to Business Award' presented to Jim Woulfe. The award recognises his lifelong career in agri-food with Dairygold for over 40 years, alongside contributions to other business, state and educational institutions through his board representation.

Now in their 24th year, the coveted Cork Chamber Cork Company of the Year Awards were also launched this month to celebrate the best of Cork business from new, emerging companies and international organisations. The robust judging process is set to commence to reveal the 2022 finalists and some great success stories in Cork's business community.

### New Year Optimism

Finally, Cork Chamber welcomed the Government's advice on 21 January to ease COVID19 restrictions. It is a welcome boost for business, the economy and society. Those in business have shown major resilience and it will provide certainty and the confidence that is needed for our economy to thrive.



# Survey Results

In the final Economic Trends survey of 2021, Cork Chamber asked members about their experience in the most recent business quarter, Q4 2021 (October, November, December) as well as the business outlook for the new year, the first quarter of 2022. The survey also gathered information on recruitment trends and the current experience of members when seeking to hire and retain employees in a competitive market for talent.

“There are challenges with the impact of Covid on the 20 year old graduates working from home, minimal social life and contact with peers. They are the employees of the future and how we grow.”

**Brenda Cooper**  
Horner APG

“Cork Chamber needs to continue to drive housing availability for the Cork region as rental costs and availability continue to challenge the inward mobility of critical skills for the Irish market”

**Ken Murphy**  
Careerwise

## RECRUITMENT TRENDS

The last two years have been turbulent for companies, this in turn has led to talent shortages amongst other issues. From the Economic Trends 2021 Q4 survey, the experience of Cork Chamber companies mirrors that companies globally - attracting the best candidates and recruiting people for the right roles has been a significant challenge for businesses of all sizes.

### BUSINESSES HIRING FOR A FULLY REMOTE ROLE IN THE PAST 12 MONTHS

NO 70%

YES 30%

### HIRED FULLY REMOTE FROM OUTSIDE THE CORK REGION

NO 40%

YES 60%

What is clear is that hybrid working is here to stay with 70% respondents to the survey offering hybrid working options to new hires and 67% of businesses implementing digital transformation programmes to facilitate remote working in the past 12 months.

### HAVE YOU LOST STAFF TO A REMOTE ROLE IN PAST 12 MONTHS?

NO 81%

YES 19%

### BUSINESSES OFFERING HYBRID (BLEND OF HOME AND OFFICE) WORKING OPTIONS TO NEW HIRES

NO 30%

YES 70%

## EMPLOYMENT OUTLOOK

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

INCREASE 62%

STAY THE SAME 35%

DECREASE 3%

A steady rise over the past quarters to 62% in Q4 aligns with current expectations around businesses reopening and the year ahead.

### NUMBER OF BUSINESSES WITH VACANCIES ADVERTISED CURRENTLY

NO 51%

YES 49%

The number of businesses with advertised vacancies stands at 49% at the end of Q4 2021, this a decrease from 61% in Q3 2021. 37% are reporting difficulty filling the open roles (i.e., remaining unfilled for greater than 3 months since initial advertisement). These vacancies vary widely and are present across multiple sectors. Survey respondents reported particular difficulty in finding senior and experienced staff including Corporate and Commercial Lawyers, Financial Controller, Marine Technical Apprentices, Geospatial Surveyors, Land Surveyors as well as Engineering roles for both Hardware and Software, Civil and Structural, Process and Chemical and Production Operatives.

## BUSINESS CONFIDENCE

CONFIDENT 92%

NOT CONFIDENT 8%

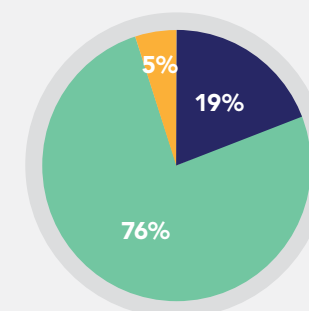
From an overall financial perspective, 92% of respondents report business confidence, this is a 1% increase on the previous quarter (Q3 2021) and compares well to 83% confidence reported in Q4 of 2020.

### CONFIDENCE IN THE IRISH ECONOMY

Very Confident

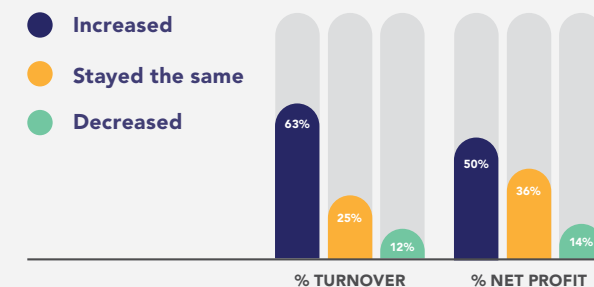
Confident

Not Confident



The Q4 2021 survey shows confidence levels in the Irish economy are steady at 76%, with 5% of respondents reporting as very confident. This outlook is consistent with Q3 2021 at 75% confidence. This a marked increase from 55% in Q4 2020.

## TURNOVER AND NET PROFIT Q4 2021



The latest Q4 survey shows that 63% of survey respondents experienced a turnover increase in Q4 2021, this compares to 48% turnover increase in Q3 2021. 57% of respondents anticipate an increase in turnover, 34% anticipate it to stay the same and 9% decrease in the first quarter of 2022.

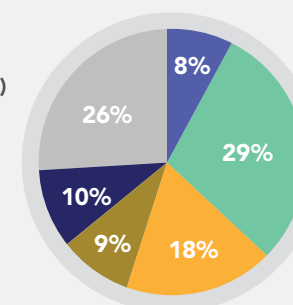
In respect of net profits, 50% of respondents reported a net profit increase in Q4 2021. In the previous quarter Q3 2021, net profit estimations were 41%. This shows a level of optimism building in the final quarter of the year.

## TOP 3 THREATS TO BUSINESS GROWTH

1. COVID-19
2. Cost competitiveness
3. Skills availability

## RESPONDING BUSINESSES

- Sole Trader
- Micro Enterprise (2-10)
- 11-50
- 51-100
- 101-200
- 201 +



The responding businesses represent a broad range of sectors: Life Sciences & Manufacturing (12%), Agriculture, Food & Drinks (2%); ICT & Digital Economy (7%), Tourism, Hospitality, Retail & Leisure (7%), Culture, Arts, Community & Media (5%), Built Environment (9%), Education & Training (5%), Services (including Financial) (40%), Health (3%), Transport, Energy & Maritime (10%).

Despite the pandemic preventing people from physically travelling to a workplace, this has not stopped the recruiting process and new trends in hiring over the past year.

Hiring virtually allows businesses to access a larger talent pool and attract more potential candidates to apply with the incentive of increased flexibility. This fact offers both challenges and opportunities for both employers and the Cork region at large.





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