

Economic Trends

QUARTER 3 2023

FOSTERING DIVERSITY, EQUALITY, INCLUSION & BELONGING

Cork is on the cusp of major transformation with its designation to be a climate neutral city by 2030. The implementation of the Cork Metropolitan Area Transport Strategy (CMATS) will enhance the connectivity and accessibility of our transport network, and the regeneration of the Docklands is much anticipated. The opportunities to drive economic growth are bountiful.

So are the opportunities to create a more diverse and inclusive city, which in turn are just as critical to the competitiveness of our economy as our education institutions, levels of FDI, or ability to provide housing to those who call Cork their home now and into the future. Cork's future success is intrinsically linked to our ability to continue to attract and retain high quality and diverse talent.

Cities that exhibit economic vibrancy and good health are those that embrace diversity and inclusivity to the fullest extent. The Docklands could be an exemplar residential city neighbourhood contributing to a diverse and vibrant residential and business community, encompassing above the shop living, social and cultural infrastructure. As we build upon this new neighbourhood, we must consider the opportunity to do things differently.

In today's rapidly evolving world, where diversity, equality, inclusion and belonging (DEI&B) are rightfully celebrated as essential cornerstones of success, it is imperative that we extend our focus to embrace the unique talents and abilities that individuals with both hidden and visible disabilities bring to the workplace.

We are living in an era of unprecedented change, where the workplace is constantly transforming, and innovation is the driving force behind our collective progress. Our economy is at full employment and the fight for talent is being experienced across all sectors, however there is an untapped talent pool out there.

Because of this, it is vital that we harness the full spectrum of human capabilities and perspectives, as this diversity fuels innovation, creativity, and growth. But to truly leverage the benefits of this diversity, we must ensure that no one is left behind.

This is much more than just a moral obligation, it's a strategic advantage. Companies that champion DEI&B consistently outperform their peers, proving it is not just the right thing to do, but also the smart thing to do.

Q3 2023 JOBS AND GROWTH

Zeus Group acquires Cima paper

Blink Parametric announces 30 tech jobs at launch of new EU HQ in City Quarter

Moore Ireland acquired by Moore Kingston Smith

Rubrik expands in Ireland with New Cork Office

Alpha Wealth acquires Barrett Financial

MBC Financial acquired Larry O'Mahony Financial Services

Zevas Communications acquired by ResultsCX

Fastway to make €5m investment in Cork facilities

Quintas acquired by Xeinadin Group

Fitzgerald Insurances acquired by AssuredPartners

ePower raised €2m private investment

Survey Results

In the third Economic Trends survey of 2023, Cork Chamber asked members about their experience of the most recent business quarter, Q3 2023 (July, August, September) and on the business outlook for the fourth quarter of 2023. This Economic Trends Survey captures a snapshot of business experiences and of the overall operating landscape.

To gain deeper insights into the rapidly evolving business landscape, this survey also gathered information to assess the sustainability needs and priorities of businesses.

SUSTAINABILITY NEEDS

TOP 3 MOTIVATIONS FOR IMPROVING BUSINESS SUSTAINABILITY

1. Positive environmental impact
2. Positive societal impact
3. Enhanced competitive advantage/brand loyalty

The results of our survey shed light on the strategies, motivations, and challenges that organisations are encountering as they navigate the path toward a more sustainable future. A lack of time (39%) was noted as the top barrier to implementing sustainability measures, followed by the financial costs (27%) and lack of specialist skills/knowledge (14%). Despite challenges, businesses are looking to upskill their workforce with 58% reporting they would undertake a sustainability course.

The desire to make a positive environmental impact emerged as the number one business motivation for implementing sustainability measures, underscoring a growing commitment to corporate responsibility and environmental stewardship. This is followed by a recognition of the societal impact and the potential for enhanced competitive advantage and brand loyalty. These findings demonstrate a shift in business priorities and the corporate landscape towards greater sustainability consciousness.

These motivations are accompanied by concrete actions businesses are taking to enhance their sustainability of which the top actions include implementing energy efficiency/renewable energy measures, developing sustainability strategies, and undertaking diversity, equality and inclusion training/practices.

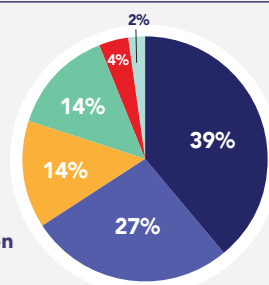
Environmental knowledge, ESG/CSR reporting and sustainable finance arose as the foremost skills businesses need to bolster their sustainability efforts.

“Cork needs a cohesive voice on how it will meet Ireland’s climate action targets.”
Anonymous

“The need for increased resourcing of public bodies could be continually highlighted. Without the necessary policy and decision-making capacity, societal change is difficult to progress.”
Anonymous

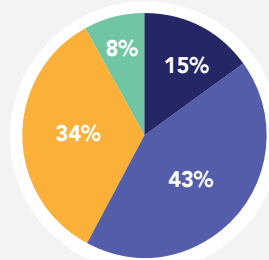
BARRIERS TO IMPLEMENTING SUSTAINABILITY MEASURES

- Time constraints
- Costs
- Lack of specialist skills/knowledge
- Other
- Lack of climate/sustainability literacy
- Fear of change/disruption

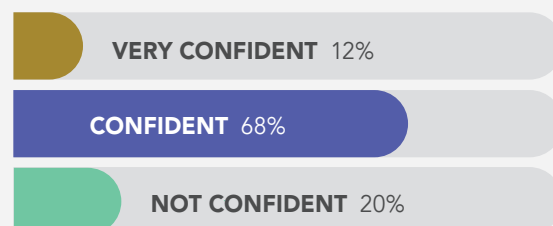


LIKELIHOOD OF UNDERTAKING A SUSTAINABILITY TRAINING COURSE

- Very likely
- Likely
- Unlikely
- Very unlikely

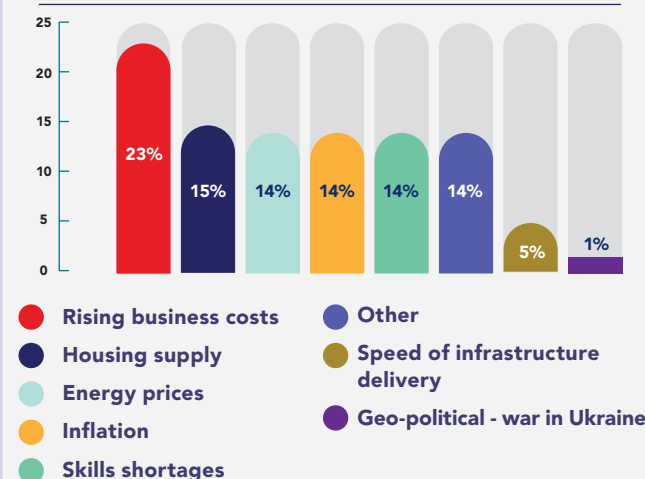


CONFIDENCE IN THE IRISH ECONOMY



This past quarter confidence in the Irish economy experienced a marginal decline, moving from 84% at the end of Q2 to 80%. The foremost reasons cited for the lack of confidence were rising business costs (23%) and issues pertaining to housing supply (15%), followed by energy prices, inflation and skills shortages.

IF NOT CONFIDENT, WHAT IS THE NUMBER ONE REASON?



BUSINESS CONFIDENCE

CONFIDENT 95%

NOT CONFIDENT 5%

Business confidence from a financial perspective stands high at 95% - previously 97% in the previous two quarters of 2023.

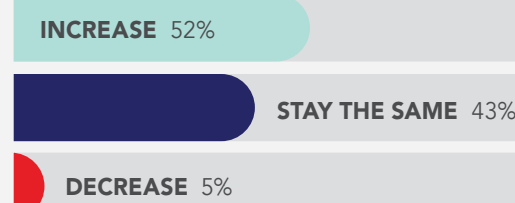
TOP THREATS TO BUSINESS GROWTH

1. Skills availability
2. Cost of energy and raw materials
3. Changing consumer spending/reduced orders

Skills availability has moved from fifth place in Q2 to the number one threat to business growth heading into Q4 2023, replacing Changing Consumer Spending/Reduced Orders. The Cost of Energy and Raw Materials continues to hold second place on top threats since Q2 2022. Changing Consumer Spending/Reduced Orders has moved from the top threat in Q2 2023 to third.

EMPLOYMENT OUTLOOK

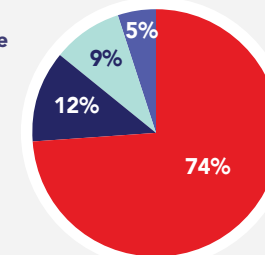
EXPECTED CHANGES TO EMPLOYEE NUMBERS OVER NEXT 12 MONTHS



Despite a challenging labour market, companies continue to fuel growth and recruitment efforts, with 35% increasing employee numbers during Q3, 53% staying the same and 12% reporting a decrease.

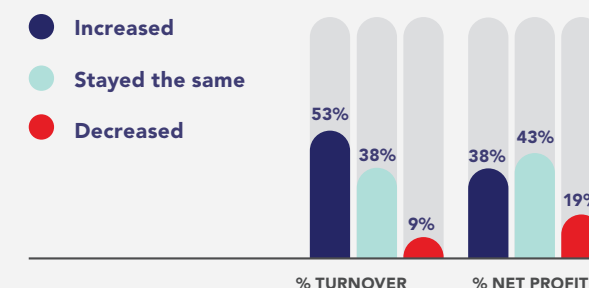
TOP BARRIERS TO FILLING VACANCIES

- Specialist skills shortage
- Housing
- Wage demands
- Other



The number of businesses with advertised vacancies remains similar to last quarter with 55% displaying vacancies and 52% finding it difficult to fill them. Specialist skill shortages remain the primary obstacle in filling vacancies, with a noticeable increase in businesses reporting it as the top barrier, rising from 50% in the last quarter to 74% in Q3.

TURNOVER AND NET PROFIT Q3 2023

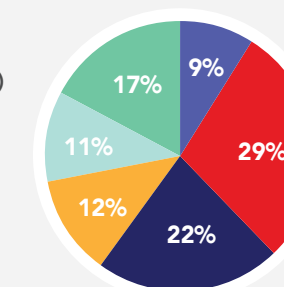


During the third quarter of 2023, 53% of business respondents experienced a rise in turnover, while 38% maintained their previous levels, and 9% reported a decrease. Looking ahead to Q4, 56% anticipate further turnover growth.

Regarding profits, 38% of respondents observed an uptick in net profits, showing a slight decrease from 43% in Q2. For Q4, 42% anticipate an increase in net profits.

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 (13%), Agriculture, Food & Drinks (3%), ICT & Digital Economy (3%), Tourism, Hospitality, Retail & Leisure (13%), Culture, Arts, Community & Media (5%), Built Environment (3%), Education & Training (4%), Services (including Financial) (39%), Transport, Energy & Maritime (12%), Health (5%).

We thank members for your valued insights and engagement with this survey. Your participation is vital. All previous quarterly economic surveys can be found on www.corkchamber.ie.



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