

Economic Trends

The Q2 2024 Economic Trends survey of Cork Chamber members gathered insights into their experiences during April, May and June. Sponsored by PTSB, this survey provides a snapshot of business experiences and priorities ahead of the upcoming Budget 2025.

BUDGET 2025

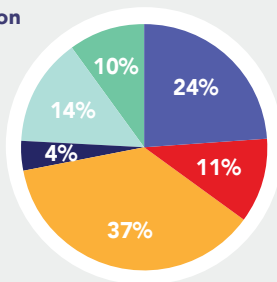
TOP 3 BUDGET 2025 PRIORITY AREAS

1. Housing stimulus
2. Cost of living measures
3. Infrastructural investment

According to respondents the top three business priorities for the government to target in Budget 2025, are housing stimulus, cost of living measures, and infrastructural investment.

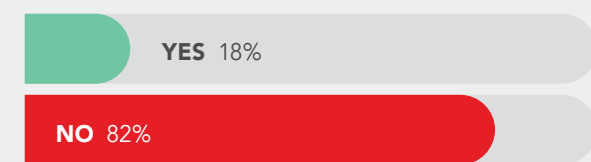
BUDGET SURPLUS

- Stimulate housing construction
- Investment in climate action
- Major infrastructure projects under Project Ireland 2040
- Pay down national debt
- Tax cuts
- Other (please specify)
- Rainy day fund (0%)



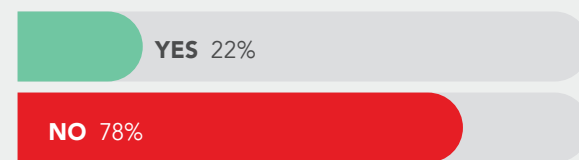
When asked how the budget surplus should be used, respondents prioritised major infrastructure projects (37%), housing stimulus (24%), and tax cuts (14%).

IS CORK RECEIVING THE NECESSARY INVESTMENT TO ACHIEVE TARGETS SET OUT IN PROJECT IRELAND 2040?



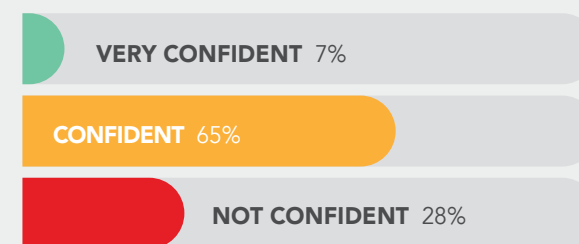
A substantial majority (82%) believe that Cork must receive more investment in order to achieve targets outlined in Project Ireland 2040.

DO YOU THINK THAT RECENT GOVERNMENT MEASURES TO SUPPORT SMES GO FAR ENOUGH?



An overwhelming majority (78%) feel that additional support measures for SMEs are necessary from the Government.

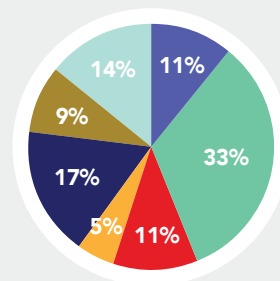
CONFIDENCE IN THE IRISH ECONOMY



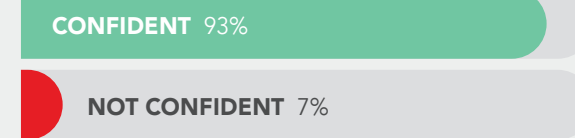
Confidence in the Irish economy has declined to 72% in Q2, compared to 77% in Q1 and 85% in Q4 2023. Respondents reported housing supply (33%) as the number one reason for a lack of confidence, followed by rising business costs (17%) and speed of infrastructure delivery (14%).

IF NOT CONFIDENT, WHAT IS THE NUMBER ONE REASON?

- Energy prices
- Housing supply
- Inflation
- Geo-political - war in Ukraine
- Rising business costs
- Skills shortages
- Speed of infrastructure delivery
- Brexit – Northern Ireland Protocol (0%)



BUSINESS CONFIDENCE



Business confidence remains robust this quarter, with 93% feeling confident about their financial future, consistent with Q1.

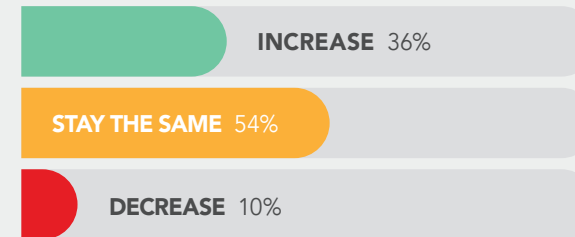
TOP THREATS TO BUSINESS GROWTH

1. Skills availability
2. Availability of housing/rental accommodation for employees
3. Cost of energy/raw materials

Skills availability continues to be the top threat to business growth, followed by housing availability and the cost of energy and raw materials.

EMPLOYMENT DATA

DID YOUR EMPLOYEE NUMBERS CHANGE OVER Q2 2024?

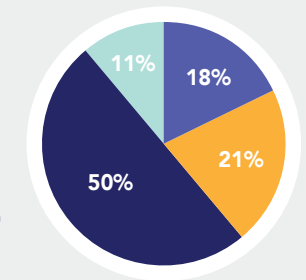


A significant portion of businesses report increased employee numbers in Q2 (36%), compared to 24% last quarter. Those experiencing a decrease in employee numbers has declined from 15% in Q1 to 10% in Q2. 54% reported that their employee numbers stayed the same over Q2. Only 4% of respondents expect a decline in employees over the next 12 months, 51% anticipate they will stay the same and 45% expect an increase.

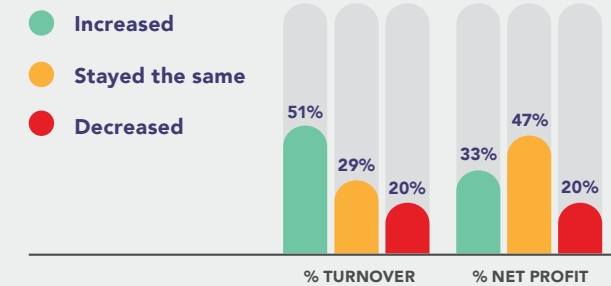
Out of the 47% of respondents that have vacancies advertised, 42% are finding it difficult to fill them. Specialist skills shortages (50%) is the top barrier, followed by wage demands (21%) and housing (18%). The cost of living and challenges in obtaining work permits were also noted.

TOP BARRIERS TO FILLING VACANCIES

- Housing
- Wage demands
- Specialist skills shortage
- Other (please specify)



TURNOVER AND NET PROFIT Q2 2024

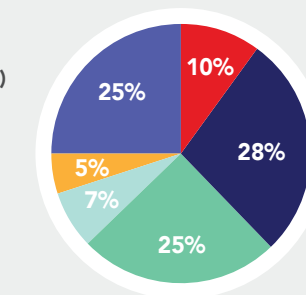


The proportion of businesses reporting a decrease in turnover at the end of Q2 has increased to 20%, up from 16% in Q1. Meanwhile, those reporting an increase in turnover has risen from 42% last quarter to 51% in Q2.

Net profits have also risen this quarter, up from 27% in Q1 to 33%. There has been a decline in businesses reporting a decrease in net profits this quarter (20%) from 24% in Q1.

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 (14%), Agriculture, Food & Drinks (3%), ICT & Digital Economy (3%), Tourism, Hospitality, Retail & Leisure (7%), Culture, Arts, Community & Media (7%), Built Environment (8%), Education & Training (8%), Services (including Financial) (37%), Transport, Energy & Maritime (10%), Health (3%).

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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