

# Market Pulse

Analysis of the key trends in the SME sector,  
prepared by Fitzgerald Power on a quarterly basis.

## Q4 2021

# Summary Q4 2021

## Economic trends

The Central Bank estimates that up to 167,000 jobs could be created in the Irish economy over the next two years. The economy is expected to grow by 8.7% this year and by 5% next year on back of strong domestic demand.

## Wage subsidy

From 1 February 2022 the EWSS will move to a reduced rate of support. Businesses availing of EWSS that were directly impacted by the public health Regulations introduced last December will receive additional support for a further month.

## Global economic trends

The International Monetary Fund downgraded its forecasts for global economic growth this year, with their updated growth forecasts expecting global growth to slow from 5.9% in 2021 to 4.4% in 2022. This forecast will be further impacted by the Russian invasion of Ukraine, the threat of which increased in the final quarter of 2021.

## Rising prices

Inflation in the Eurozone rose to a new high of 5%, with energy prices remaining the biggest contributor to accelerating prices, rising 26%. Core inflation, which excludes volatile factors such as energy, food, alcohol and tobacco, remained stable at 2.6%.

## Vaccinations

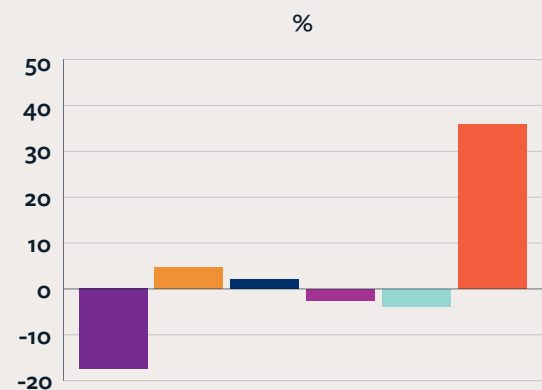
From the 22nd January the Irish government began to remove all COVID-19 related restrictions. Ireland's high vaccination rate, and a potentially less virulent new variant, led to the easing of restrictions and the reopening of Irish society.

## Revenue Pulse

The total volume of seasonally adjusted annual sales decreased in December 2021 versus the same period last year by 2.2%. The sector breakdown shows that the pandemic impact has been unevenly distributed.

### Sales Growth

Annual change to December 2021



#### Sector

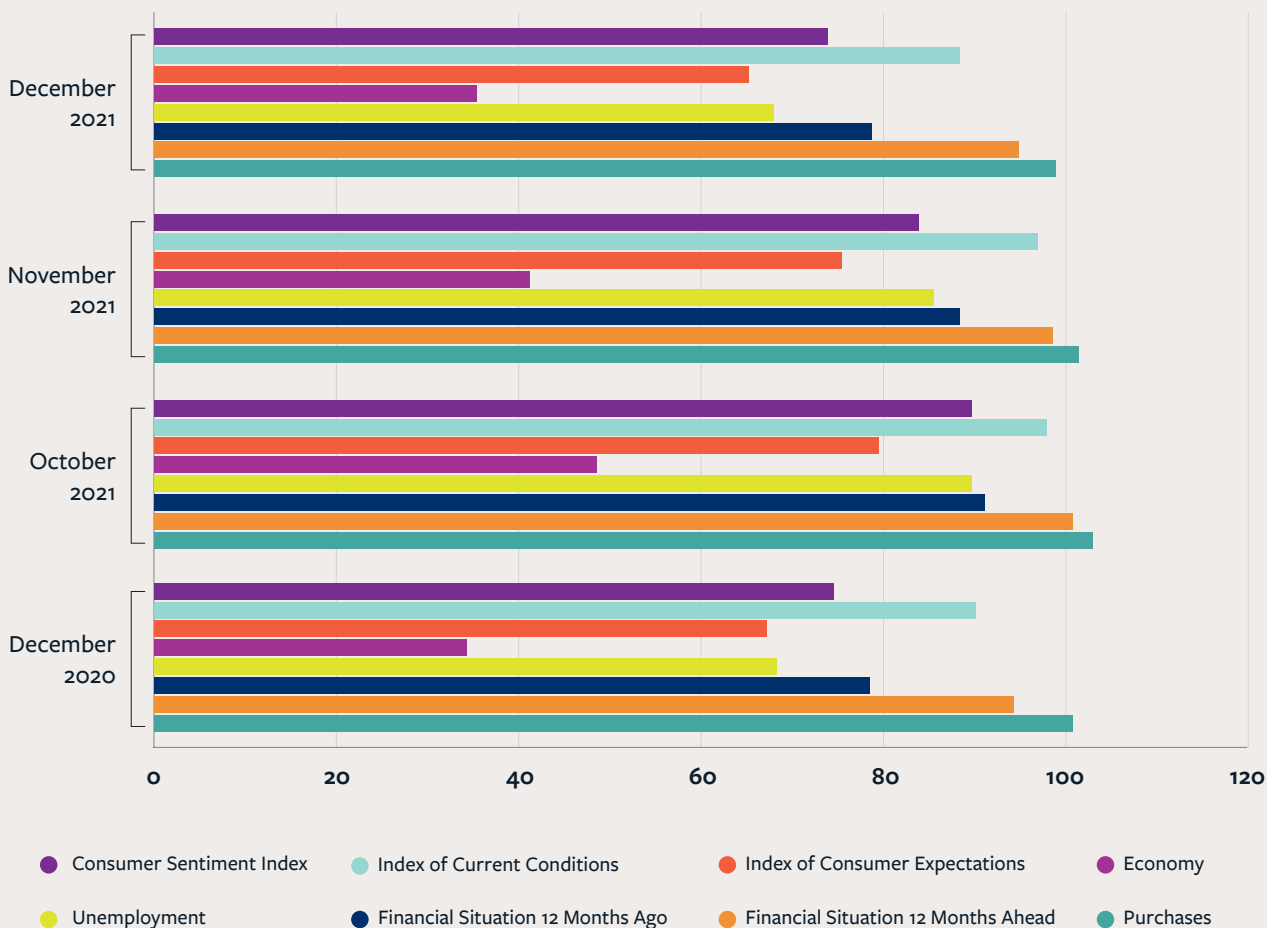
- Motor Trades -18%
- Department Stores 4.9%
- Food, Beverage & Tobacco 2%
- Clothing, Footwear & Textiles -2.6%
- Hardware, Paints & Glass -3.4%
- Bars 36.6%

SOURCE: CSO

## Consumer Pulse

According to KBC Bank, consumer confidence decreased in the fourth quarter, returning to levels similar to December 2020.

### KBC Bank Ireland Consumer Sentiment Index



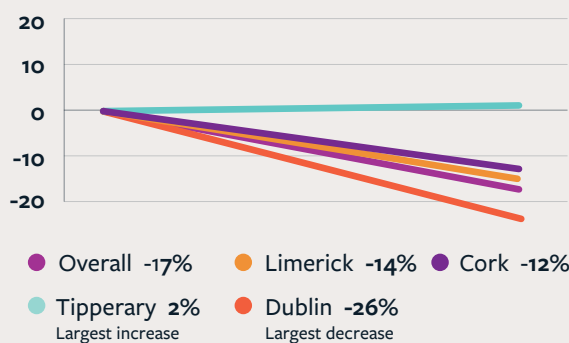
SOURCE: KBC BANK IRELAND

## Footfall Pulse

Compared to the previous period in 2020, mobility was down 17% in retail and recreation.

The largest decrease was seen in Dublin where mobility declined 26%, whereas the biggest increase was in Tipperary at 2%. Mobility declined 12% in Cork and 14% in Limerick over the period.

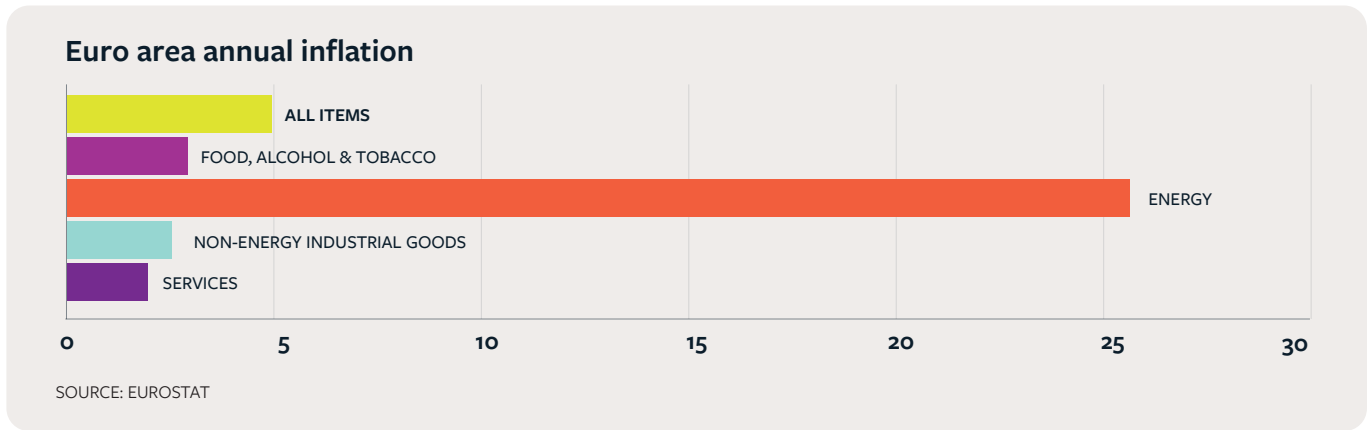
### Changes in footfall



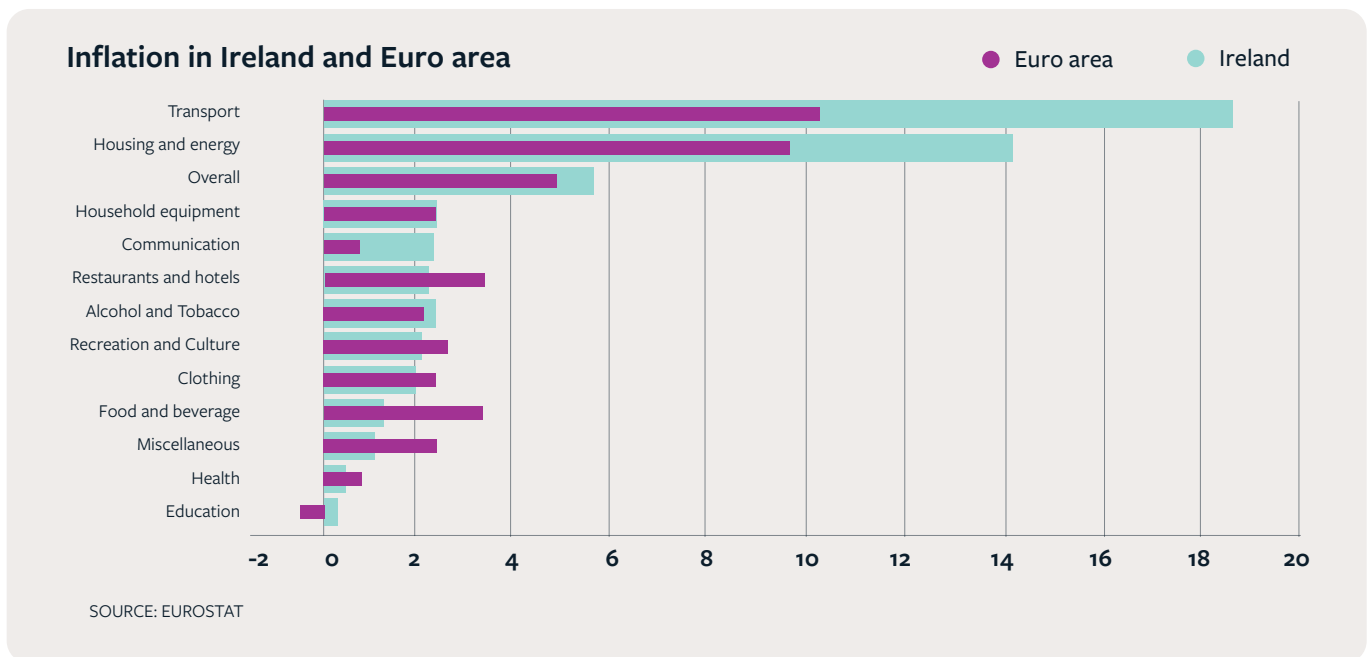
SOURCE: GOOGLE MOBILITY

# Inflation Pulse

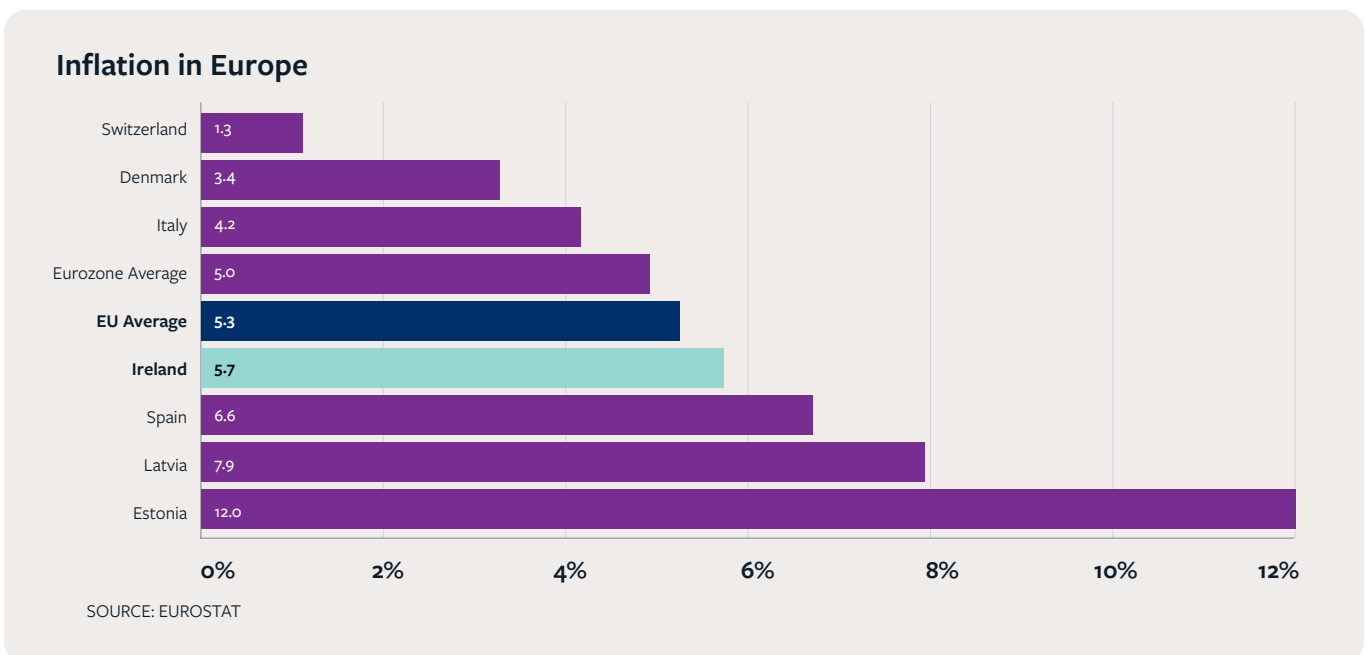
Inflation in the Eurozone increased by 5% by December 2021, with energy prices showing the largest increase in the period.



Inflation in Ireland is significantly above the Euro area average in numerous categories.

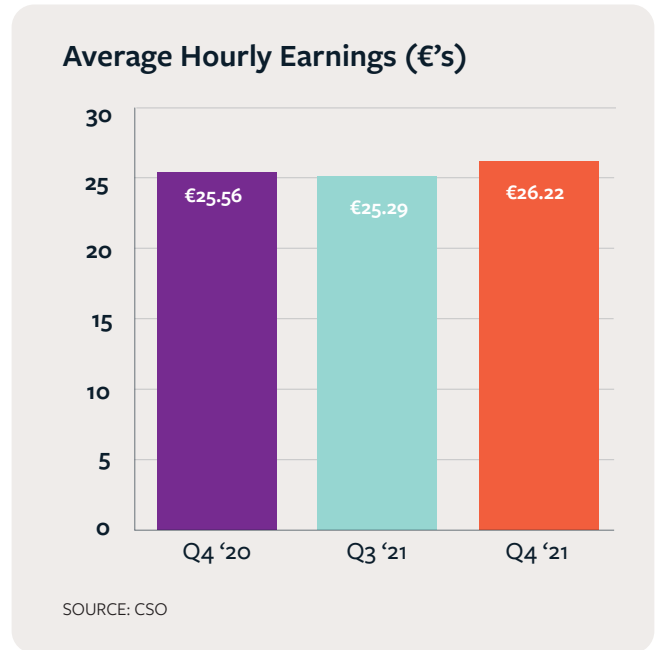
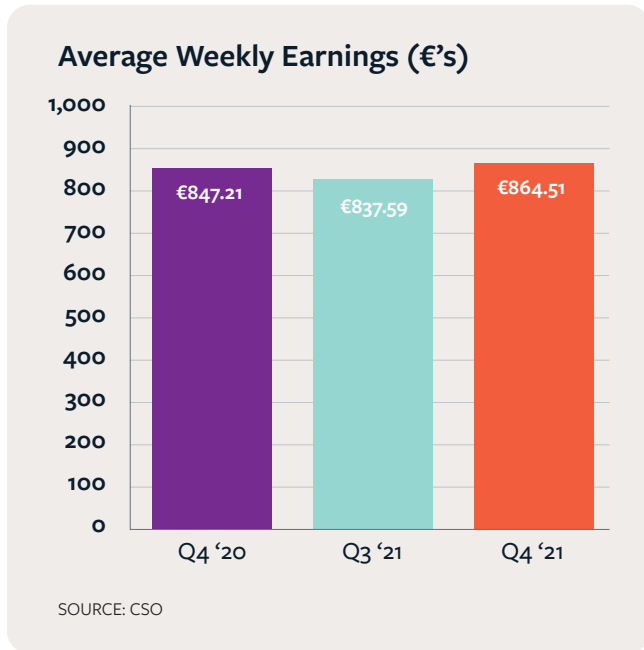


Ireland's level of inflation was above the European Union average in December.



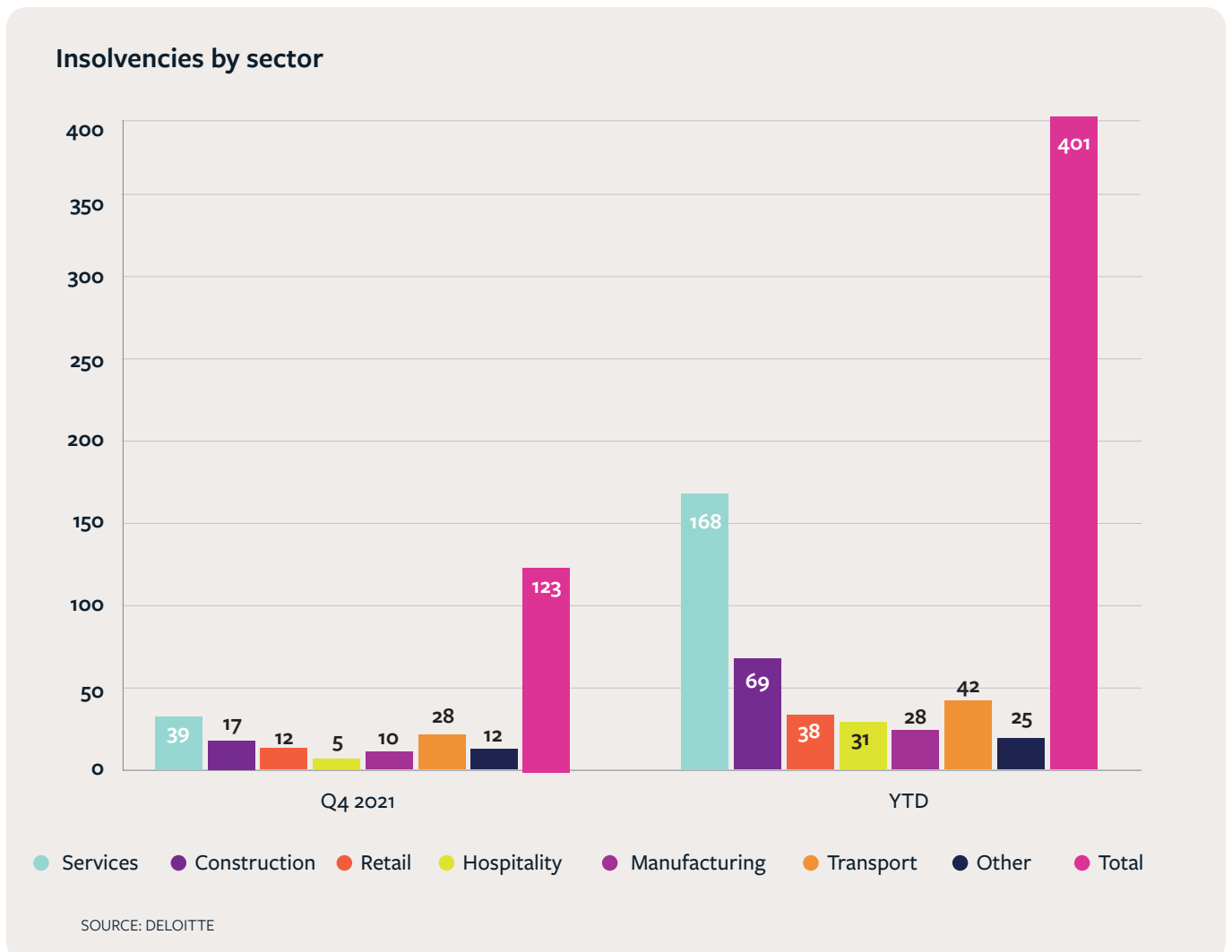
## Wages Pulse

Wages have continued to increase over the past 12 months, with average hourly earnings increasing by 2.5% against the same period last year.



## Insolvency Pulse

123 corporate insolvencies were recorded in Ireland in the fourth quarter of 2021, an increase of 14 from the previous quarter. A total of 401 insolvencies were recorded in the year, down from 575 in 2020.



Fitzgerald Power is a leading financial advisor to the Irish SME sector.

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We'd love to hear from you so please get in touch if you think we can help.



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