

# Market Pulse

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

Q1 2022

# Summary Q1 2022

## Economic trends

The invasion of Ukraine by Russia has further destabilised the global economy, increasing inflation in energy and food prices. Russia and Ukraine are important exporters of commodities such as wheat and gas, and the disruption in production is driving up prices across the world.

## The Irish economic outlook

The Irish economy is estimated to have grown by 13.5% last year, driven largely by growth of 16.6% in exports of goods and services. Gross national product, a measure of economic activity that excludes the profits of multinationals, increased by 11.5%.

## Stock market trends

The US stock market had its worse start to a year in decades, dropping 13% in the first four months. The decline is driven by a drop in the share price of the major tech companies, but it remains to be seen if this is a temporary blip or reflects a systemic shift in the market.

## Rising prices

Inflation in the Eurozone rose to a new high of 7.4%, with energy prices remaining the biggest contributor to accelerating prices, rising 44.7%. Core inflation, which excludes volatile factors such as energy, food, alcohol and tobacco, remained stable at 3.2%.

## Global economic trends

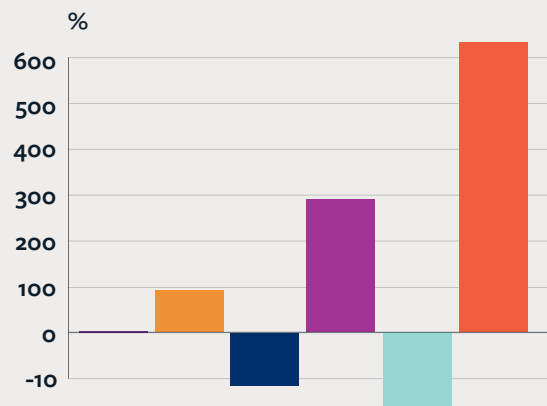
The International Monetary Fund (IMF) has projected global growth will slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

## Revenue Pulse

The total value of seasonally adjusted annual sales increased in March 2022 versus the same period last year by 4.8%. The sector breakdown shows significant variation across sectors.

### Sales Growth

Annual change to March 2022



#### Sector

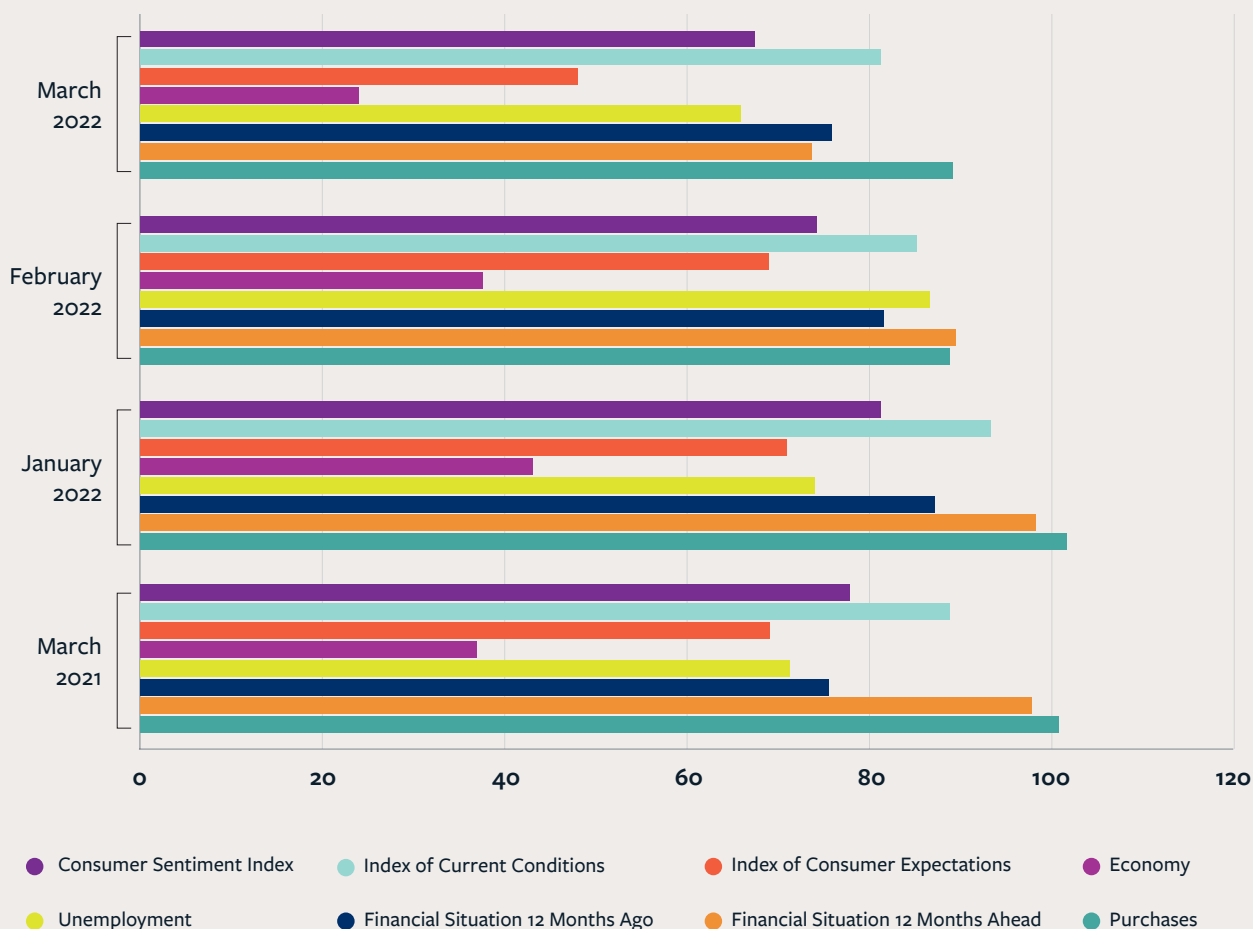
- Motor Trades 0.8%
- Department Stores 80.4%
- Food, Beverage & Tobacco -10.9%
- Clothing, Footwear & Textiles 267%
- Hardware, Paints & Glass -12.6%
- Bars 636.4%

SOURCE: CSO

## Consumer Pulse

According to KBC Bank, consumer confidence saw its sharpest drop in two years as inflation put pressure on peoples spending power.

### KBC Bank Ireland Consumer Sentiment Index



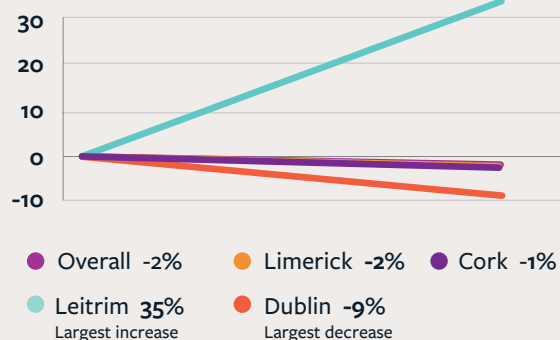
SOURCE: KBC BANK IRELAND

## Footfall Pulse

Compared to the previous period in 2021, mobility was down 2% in retail and recreation.

The largest decrease was seen in Dublin where mobility declined 9%, whereas the biggest increase was in Leitrim at 35%. Mobility declined 1% in Cork and 2% in Limerick over the period.

### Changes in footfall

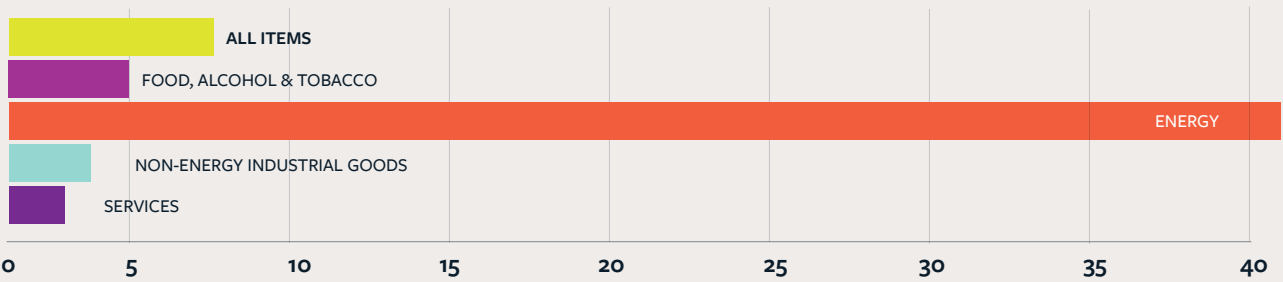


SOURCE: GOOGLE MOBILITY

# Inflation Pulse

Inflation in the Eurozone increased by 7.4% by March 2022. Eurozone inflation is heavily driven by energy prices, differentiating it from inflation in the United States and United Kingdom, where energy prices are a less important factor driving inflation.

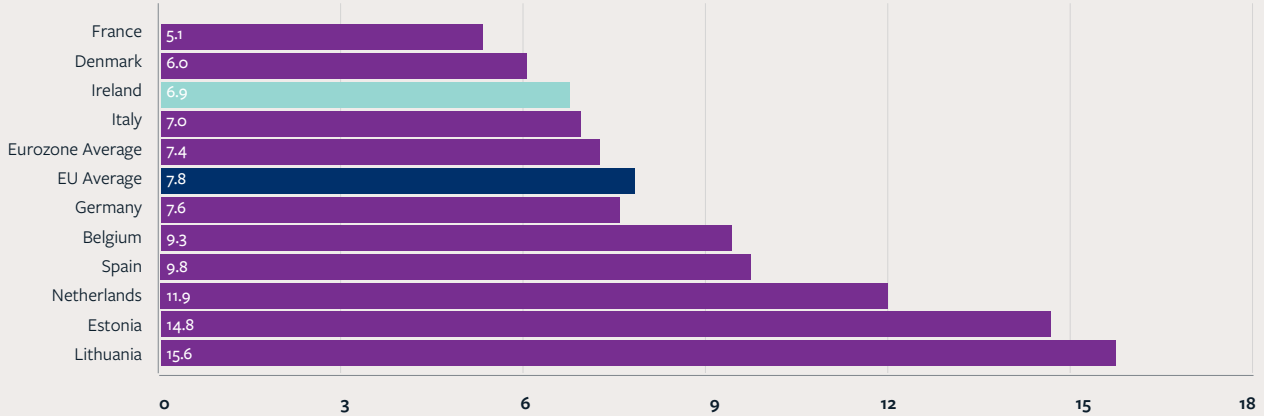
## Euro area annual inflation



SOURCE: EUROSTAT

Ireland's level of inflation was below the European union average in March.

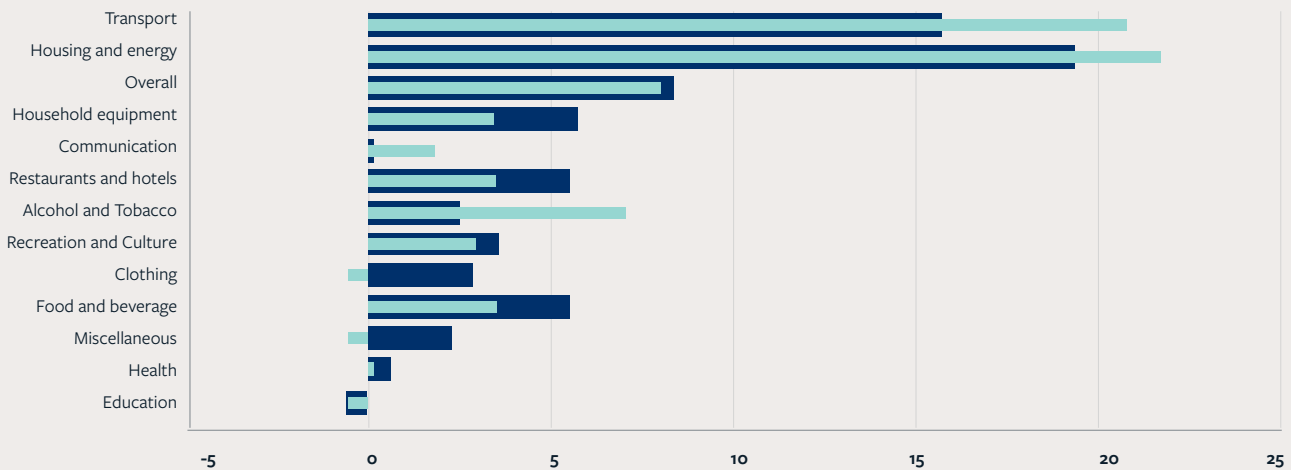
## Average inflation across European countries



SOURCE: EUROSTAT

## Inflation in Ireland and Euro area

● Euro Area ● Ireland

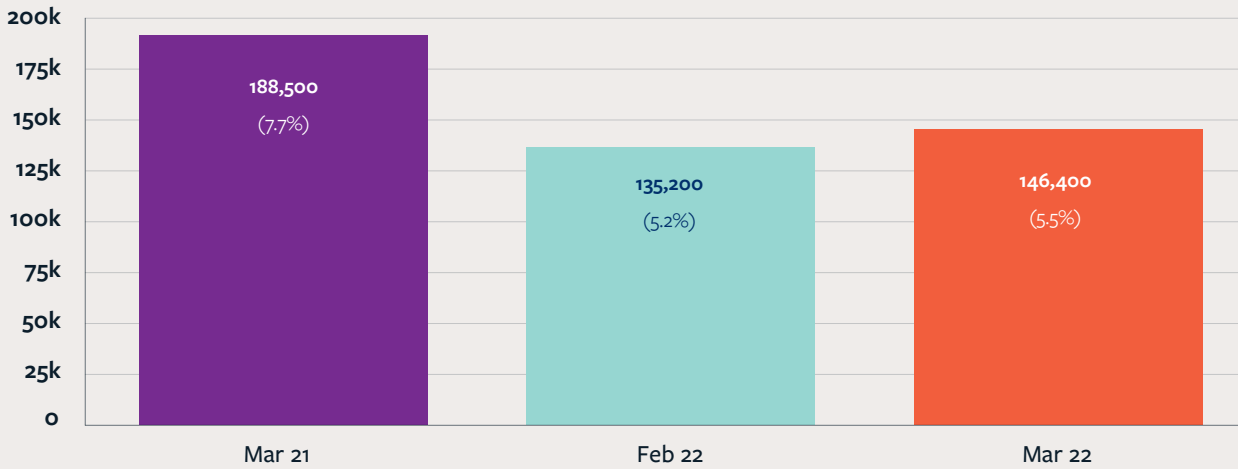


SOURCE: EUROSTAT

## Employment Pulse

Unemployment has continued to fall, decreasing by 2.2% in March 2022 against the same period last year. These numbers do not include the pandemic unemployment or wage subsidy scheme, so the increase in employment is greater than this data suggests.

### Unemployment rate

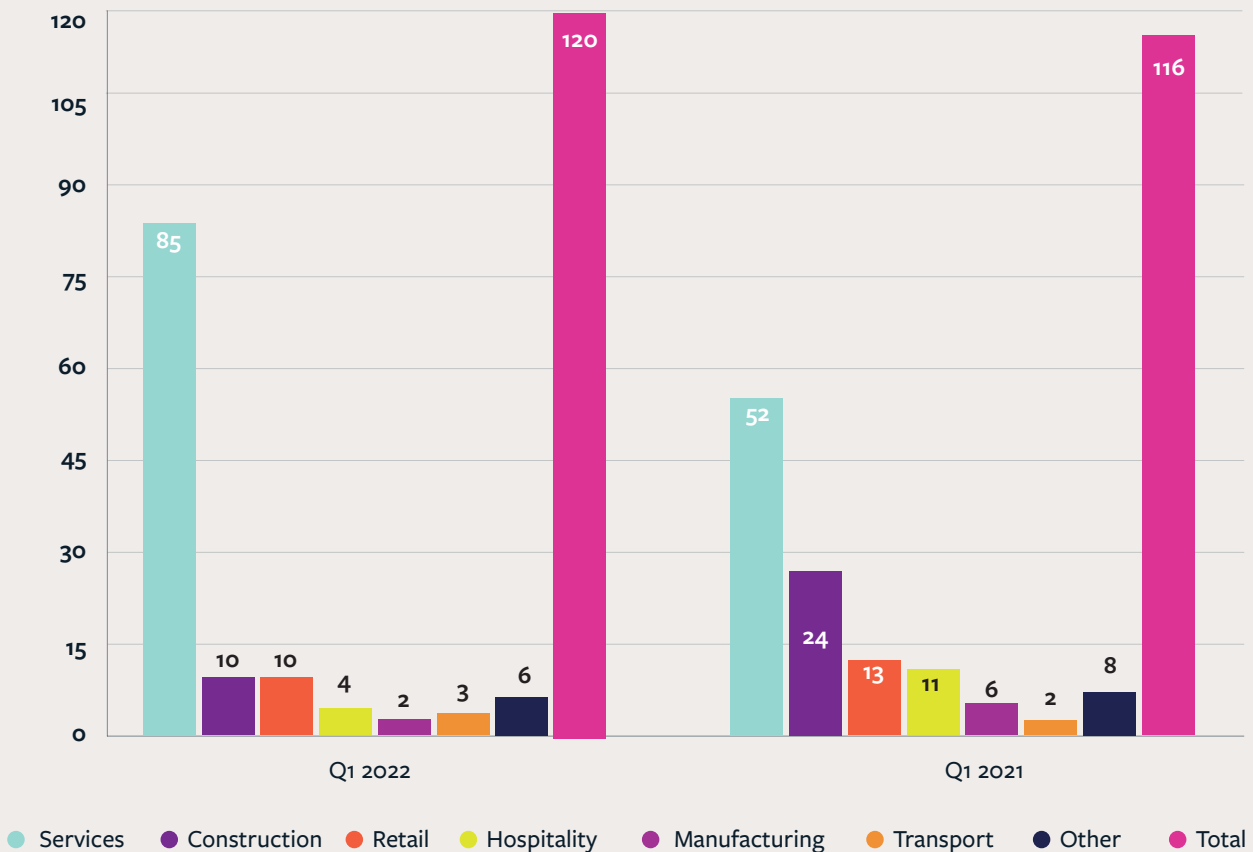


SOURCE: CSO

## Insolvency Pulse

120 corporate insolvencies were recorded in Ireland in the first quarter of 2022, a slight increase of four from the same quarter in 2021.

### Insolvencies by sector



SOURCE: DELOITTE

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

We provide accountancy, corporate finance and taxation advice to businesses across the country.

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



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