

Market Pulse

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

Q3 2022

Summary Q3 2022

Irish economy

The ESRI expects Irish growth to remain strong over 2022, with Modified Domestic Demand (MDD) expected to grow by 7.5% this year. However, growth is expected to decline in 2023, with inflation forecast to average 8.1% in 2022 and 6.8% in 2023.

Energy crisis

Although energy prices have increased, in part due to a decline in Russian gas supply, better than expected weather across Europe, substitution to different energy sources, and a change in both personal and industrial behaviour, has meant the energy crisis has not yet materialised to the extent feared.

Global economic trends

Global growth is forecast to slow from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023, as economic activity is experiencing a sharper than expected slowdown. The IMF expects global inflation to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.

Rising prices

Inflation in the Eurozone rose by 9.9% year on year in September, with energy prices remaining the biggest contributor to accelerating prices, rising 40.8%. Core inflation, which excludes volatile factors such as energy, food, alcohol and tobacco, increased year on year by 6%.

British budget

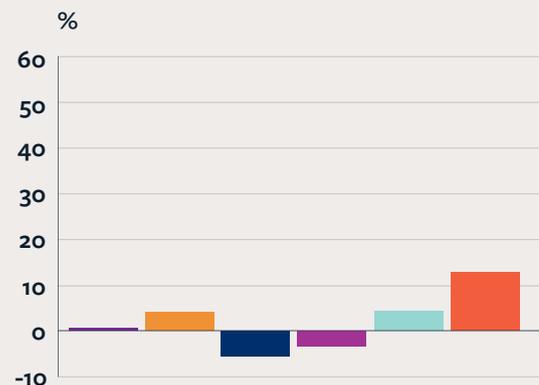
The markets reacted strongly against a mini budget introduced by the new Conservative government in the United Kingdom, which was expected to increase the national debt by cutting taxes and increasing spending. The pound slumped to a 37 year low against the dollar in trading, forcing the UK government to row back on the budget.

Revenue Pulse

The total value of seasonally adjusted annual sales increased in September 2022 versus the same period last year by 1.5%.

Sales Growth

Annual change to September 2022



Sector

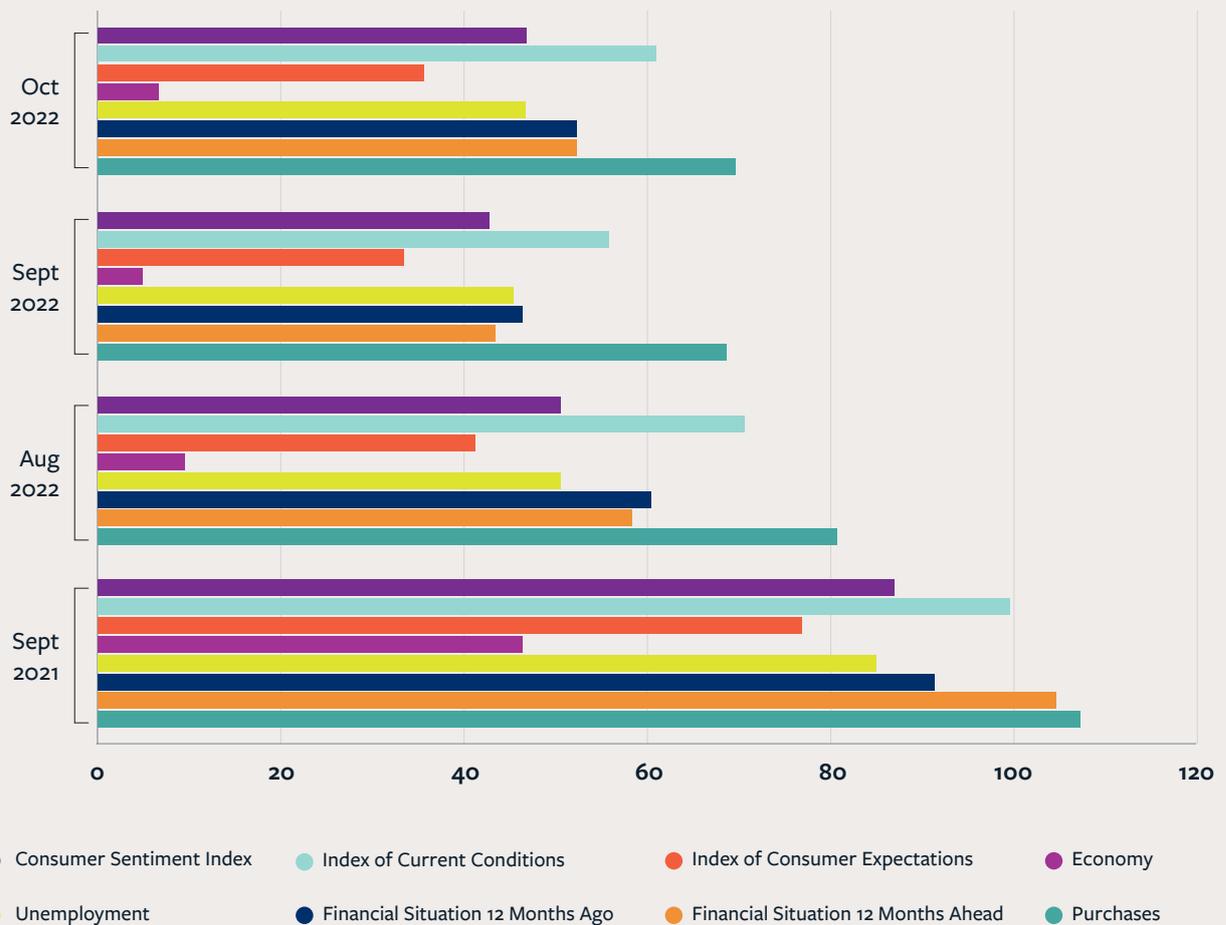
- Motor Trades 0.3%
- Department Stores 4.3%
- Food, Beverage & Tobacco -6.4%
- Clothing, Footwear & Textiles -3.4%
- Hardware, Paints & Glass 5.7%
- Bars 13.6%

SOURCE: CSO

Consumer Pulse

According to the Credit Union, consumer confidence has decreased significantly in September vs the same period last year.

Credit Union Consumer Sentiment Index



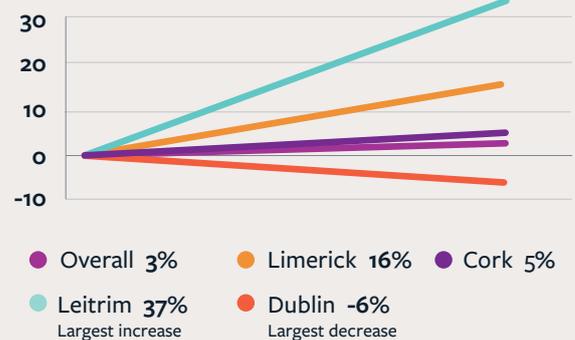
SOURCE: CREDIT UNION

Footfall Pulse

Compared to the previous period in 2021, mobility was up 3% in retail and recreation.

The largest decrease was seen in Dublin where mobility declined 6%, whereas the biggest increase was in Leitrim at 37%. Mobility increased 5% in Cork and 16% in Limerick over the period.

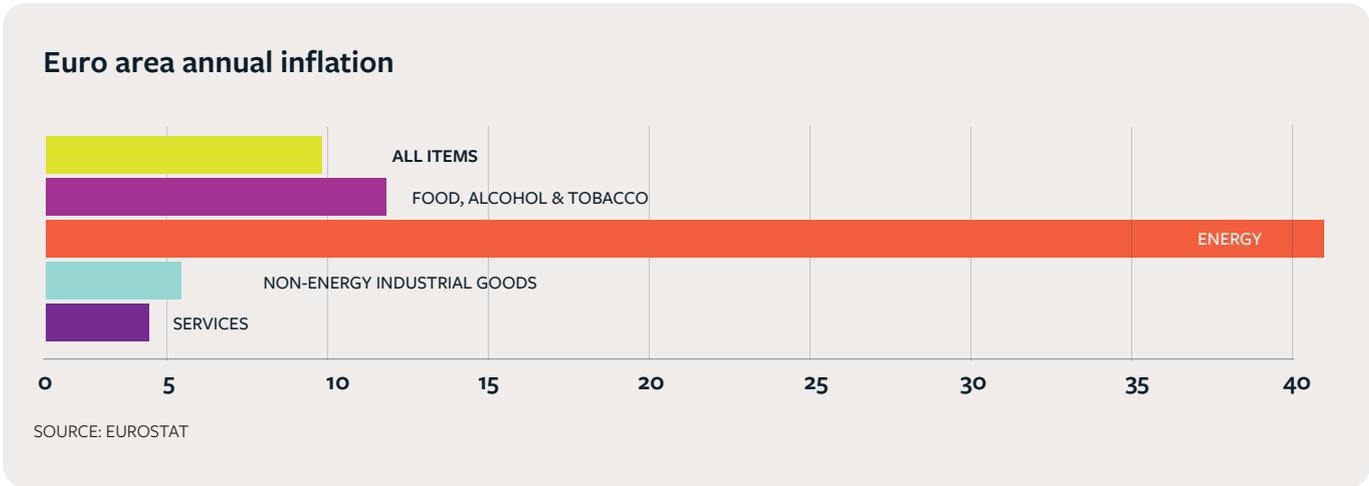
Changes in footfall



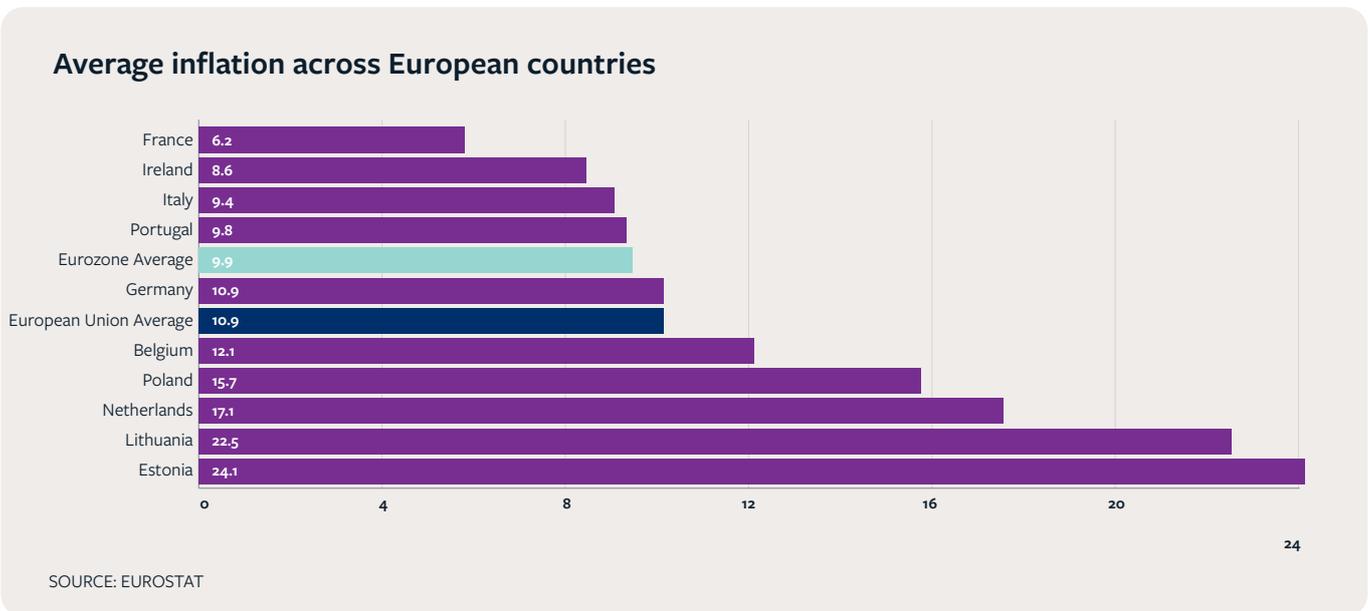
SOURCE: GOOGLE MOBILITY

Inflation Pulse

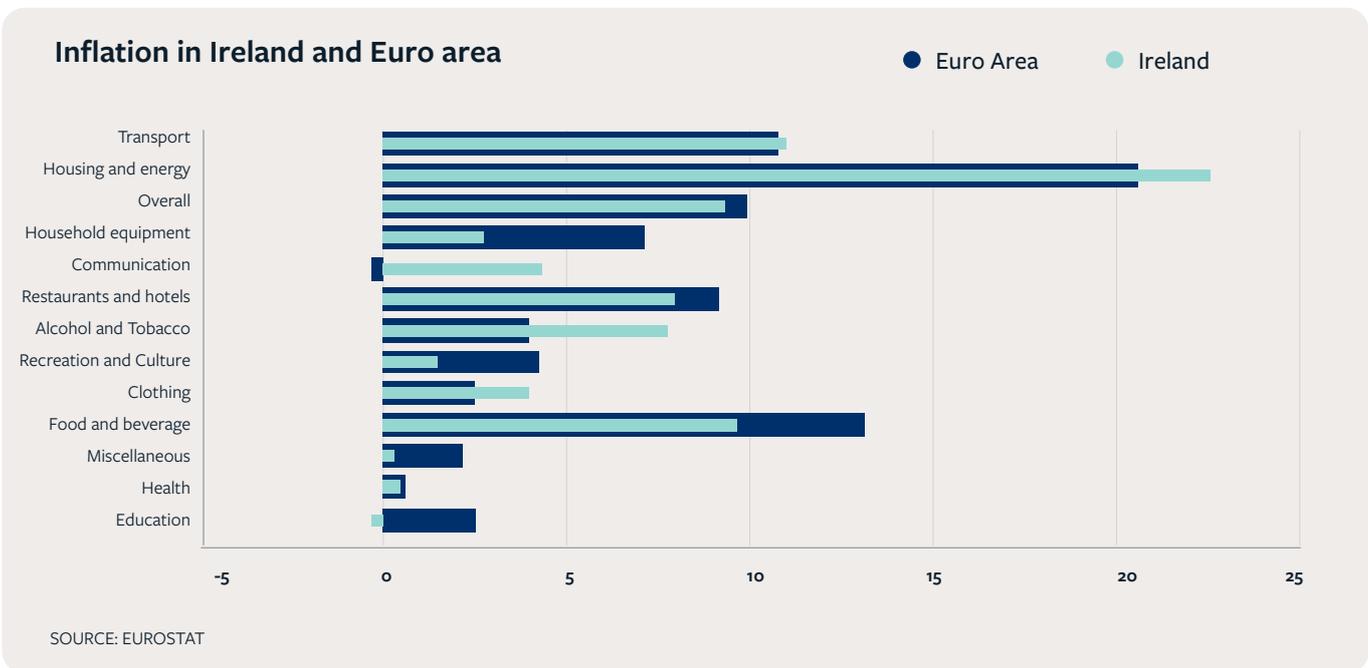
Inflation in the Eurozone increased by 9.9% year on year in September 2022, with energy prices showing the largest increase in the period.



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

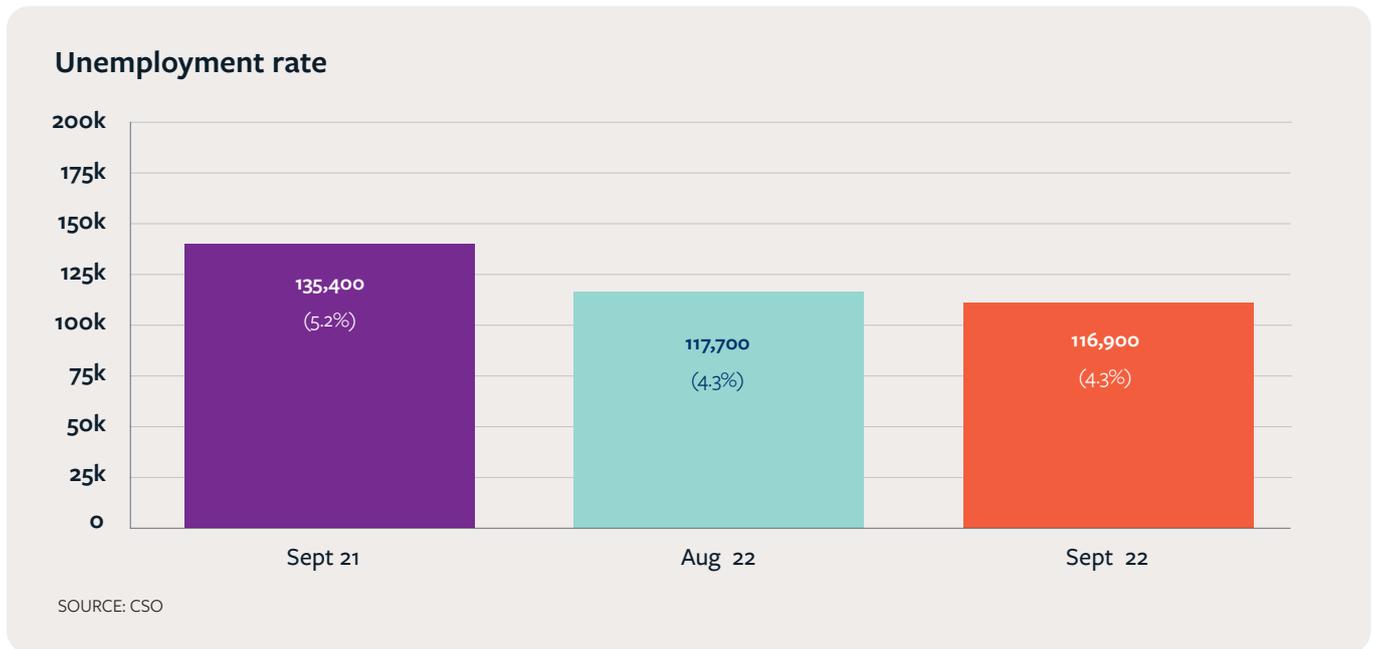


Inflation in Ireland is in line with the Eurozone average in most sectors.



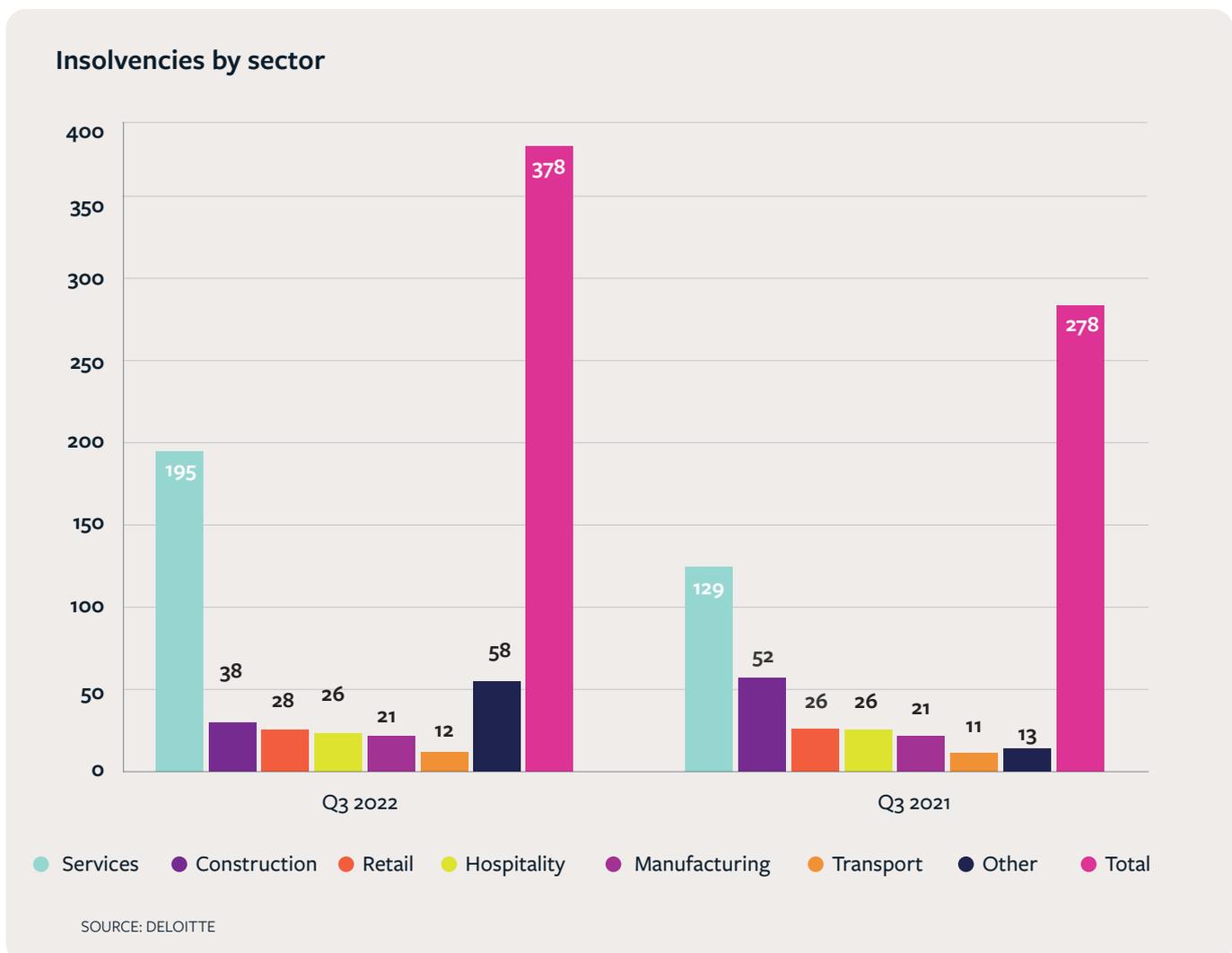
Employment Pulse

The number of people unemployed continued to decline, falling by 18,500 in September 2022 against the same period in 2021.



Insolvency Pulse

378 corporate insolvencies were recorded in Ireland in the first three quarters of 2022, an increase of 100 compared to the first three quarters of 2021.



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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