

# Market Pulse

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

Q3 2024

# Summary Q3 2024

## Irish Economy

Revised data shows the Irish economy grew by 5% in 2023, surpassing its long-term potential rate, with domestic sectors expanding by 6.1%. Strong consumer spending, low unemployment, and a rebound in pharmaceutical exports are driving growth, though careful management is needed to prevent overheating. Modified Domestic Demand is forecast to grow by 2.1% in 2024, 2.5% in 2025 and 2% in 2026, according to The Central Bank of Ireland.

## Inflation

The euro area annual inflation rate was 1.7% in September 2024, down from 2.2% in August. A year earlier, the rate was 4.3%. In September 2024, the highest contribution to the annual euro area inflation rate came from services, followed by food, alcohol & tobacco, non-energy industrial goods and energy.

## Global Economy

The global economy showed resilience in early 2024, driven by strong private consumption, with moderating inflation and expected interest rate cuts supporting steady growth into 2025. The OECD expects global GDP growth of 3.1% in 2024 and 3.2% in 2025.

## Labour Market

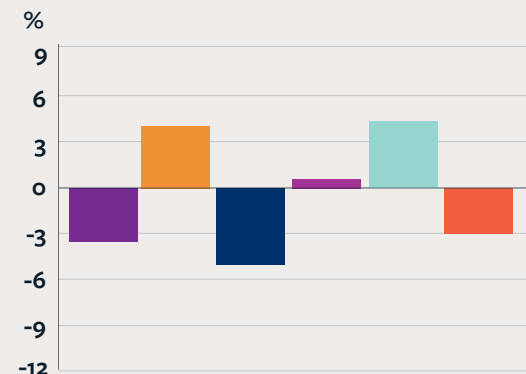
Employment growth was notably stronger in Q2 2024 relative to recent quarters and has prompted an upward revision in annual growth projections for 2024. Public sector jobs, especially in health, and non-Irish citizens driving 57% of the growth, were key contributors. High demand for foreign labour continues, particularly in health and ICT, though employment growth is expected to moderate moving forward. The unemployment rate is projected to average 4.5% this year and to remain below 5% over the forecast horizon.

## Revenue Pulse

The total value of seasonally adjusted annual sales decreased by 0.4% when compared to the same period last year.

### Sales Growth

Annual change to September 2024



#### Sector

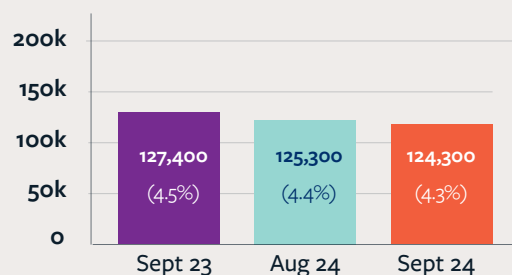
- Motor Trades -3.2%
- Department Stores 3.8%
- Food, Beverage & Tobacco -5.4%
- Clothing, Footwear & Textiles 0.2%
- Hardware, Paints & Glass 4.4%
- Bars -3.0%

SOURCE: CSO

## Employment Pulse

The number of people unemployed decreased by 3,100 in September 2024 when compared to the same period in 2023.

### Unemployment Rate

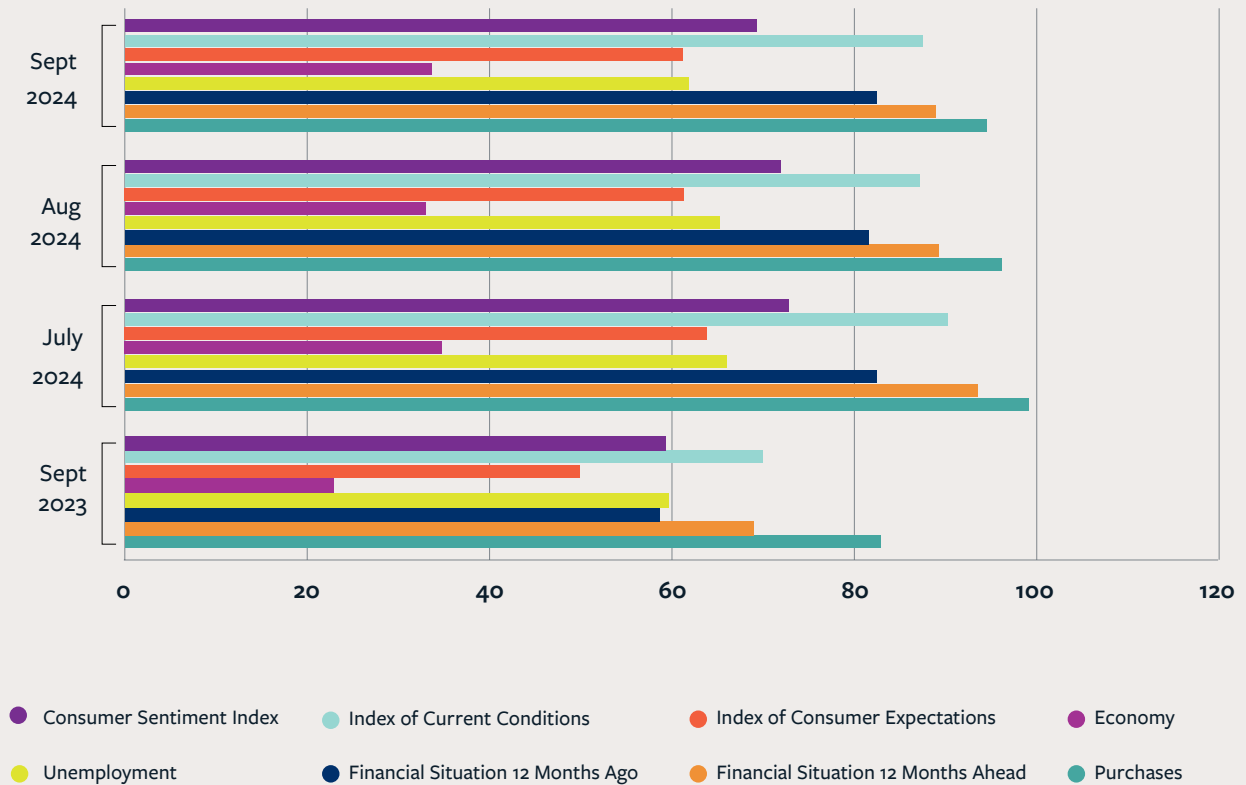


SOURCE: CSO

## Consumer Pulse

According to the Credit Union, **Irish consumer sentiment remained steady in September**, reflecting a cautious “watch, wait, and worry” attitude amid economic uncertainty, cost-of-living pressures, and high-profile job cuts. Conflicting influences on financial outlooks highlight the Budget’s key role in shaping household confidence and finances.

### Credit Union Consumer Sentiment Index

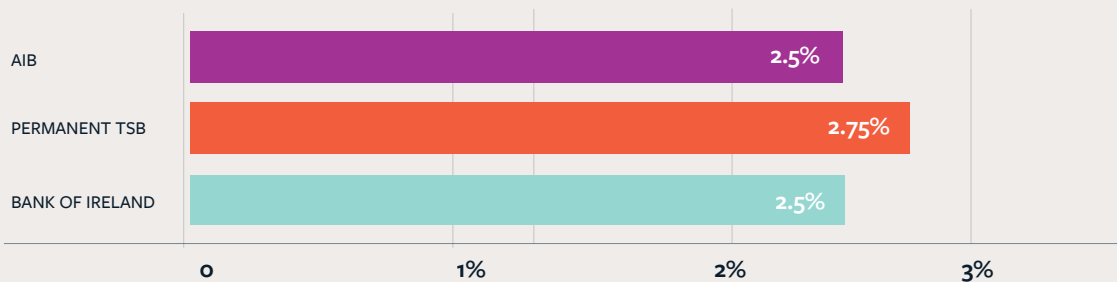


SOURCE: CREDIT UNION

## Deposit Rate Pulse

12-month bank deposit interest rates have remained constant over the period.

### Bank Deposit Rates

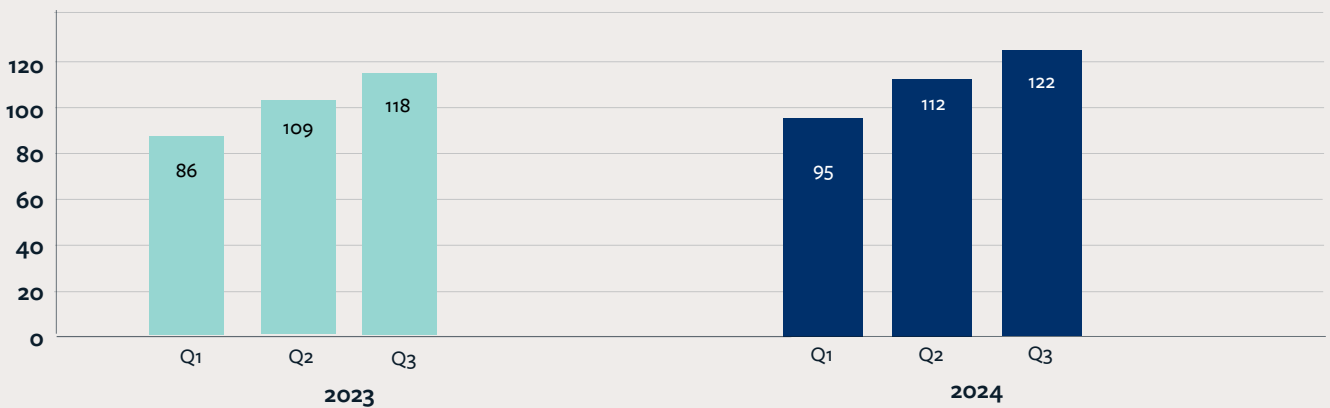


SOURCE: FITZGERALD POWER

## Mergers & Acquisitions Pulse

The Renatus Q1-Q3 report estimates 329 deals were completed in the first three quarters of 2024, with deal volume up c. 5% compared to 313 during the same period in 2023. Market activity in Ireland remains strong, with financial services leading Q1-Q3 2024 with 60 deals, up from 46 in the same period in 2023. The Hotels/Pubs sector saw a surge, with transactions up nearly 425%, reaching 21 deals compared to 4 last year.

### Mergers & Acquisitions Bi-Annually



SOURCE: RENATUS



- Renatus data also shows M&A deals in Q1-Q3 '24 (329) is up on Q1-Q3 '23 (313).



- Irish-based entities were active in Q1-Q3 '24, completing 110 acquisitions.



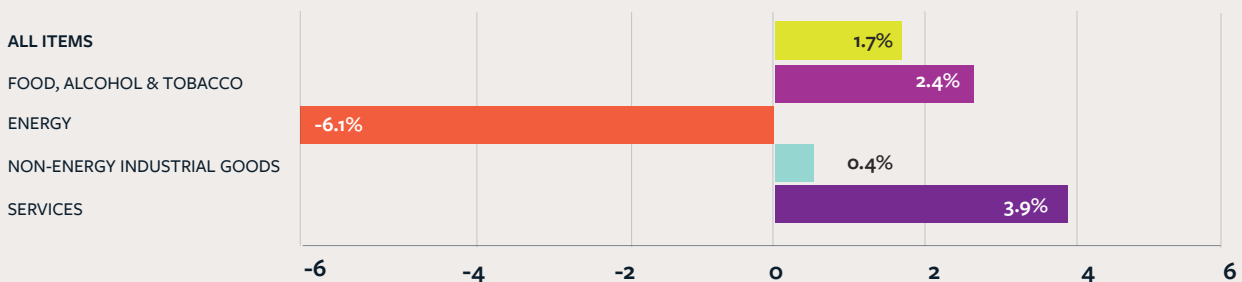
- Of the 329 transactions in Q1-Q3 '24, 101 (c. 31%) were conducted by international acquirers compared to 135 in Q1-Q3 '23 (c. 43%).

SOURCE: RENATUS

## Inflation Pulse

The euro area annual inflation rate was 1.7% in September 2024, down from 2.2% in August. A year earlier, the rate was 4.3%.

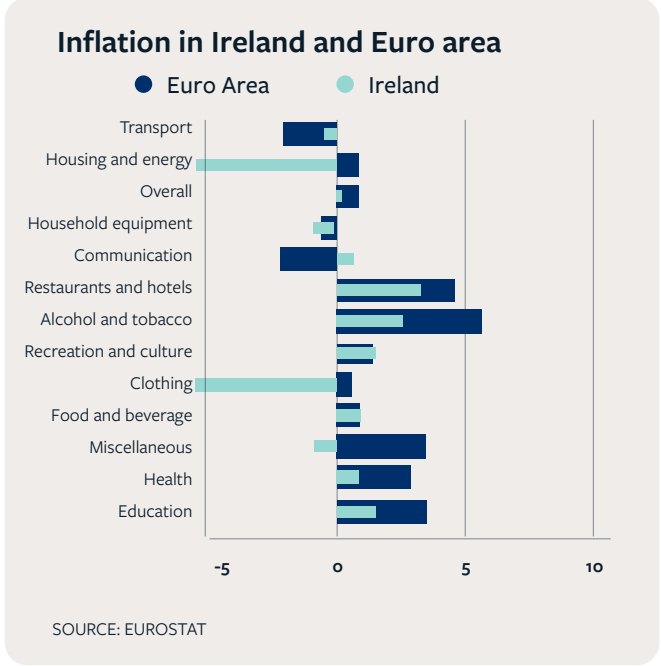
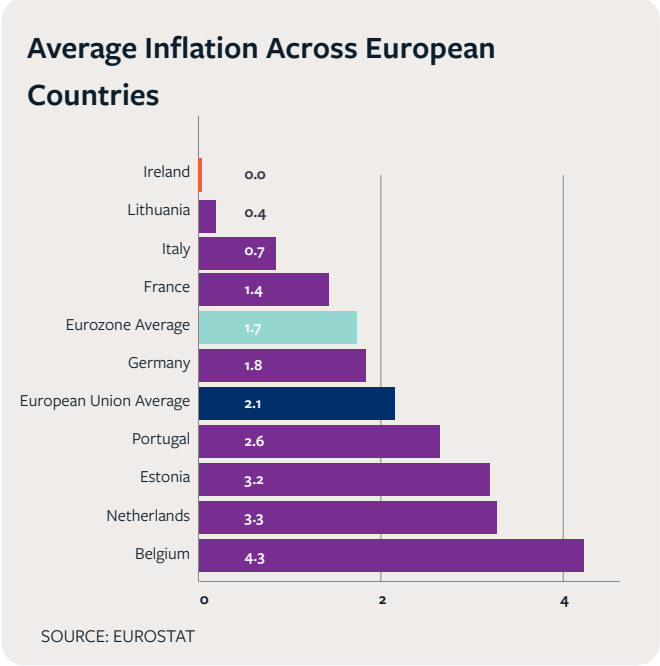
### Euro Area Annual Inflation



SOURCE: EUROSTAT

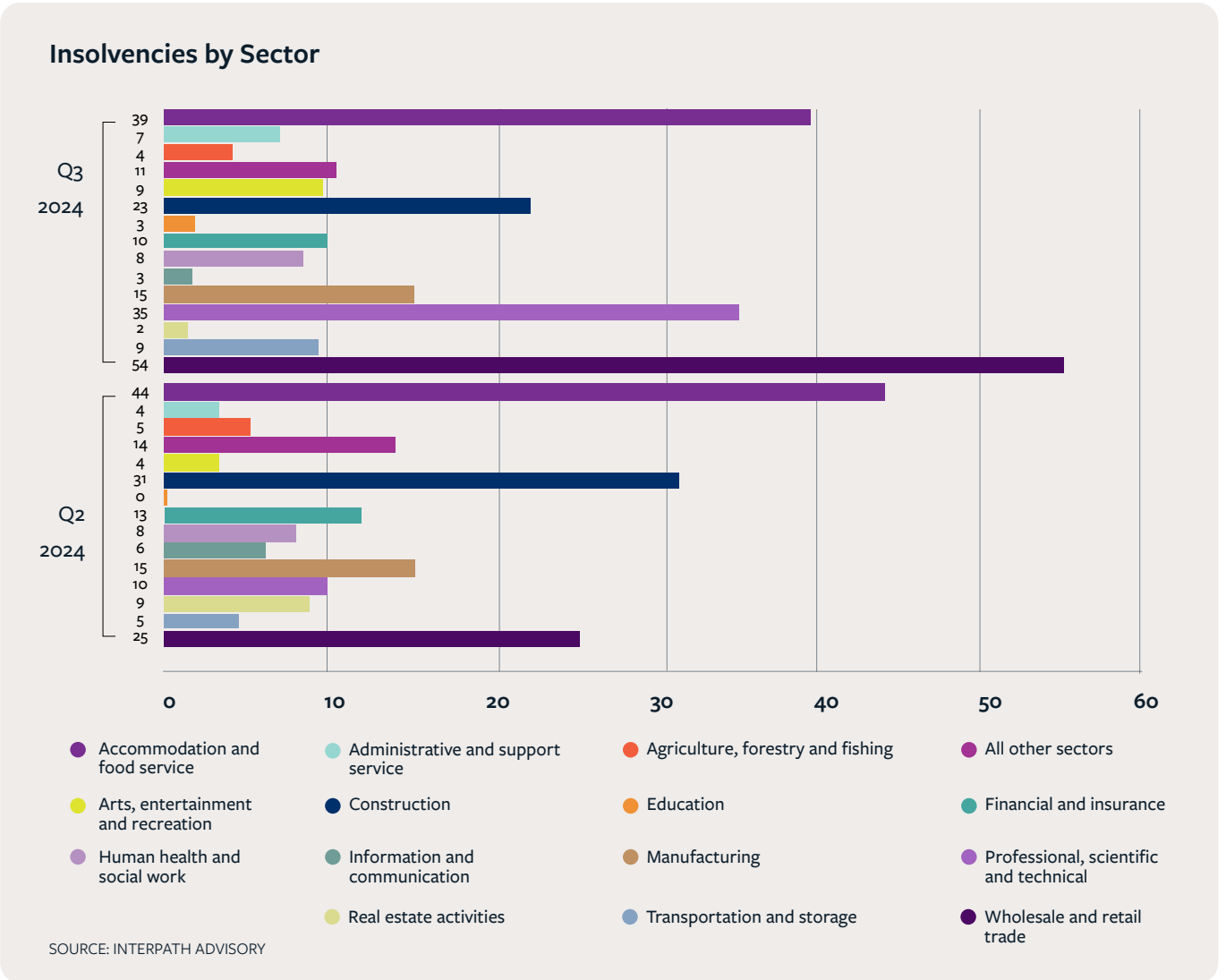
Ireland's level of inflation at 0% is below the Eurozone average of 1.7%.

Ireland is on a par with the Euro Area average for inflation in food & beverage.



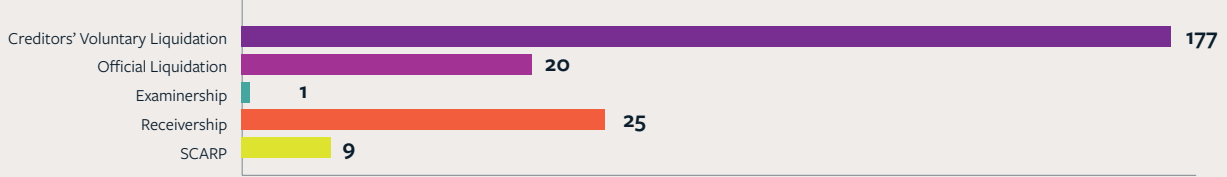
## Insolvency Pulse

Data provided by Interpath Advisory shows a total of 232 insolvencies were recorded in Q3 2024.



The majority of insolvencies have been voluntary liquidations.

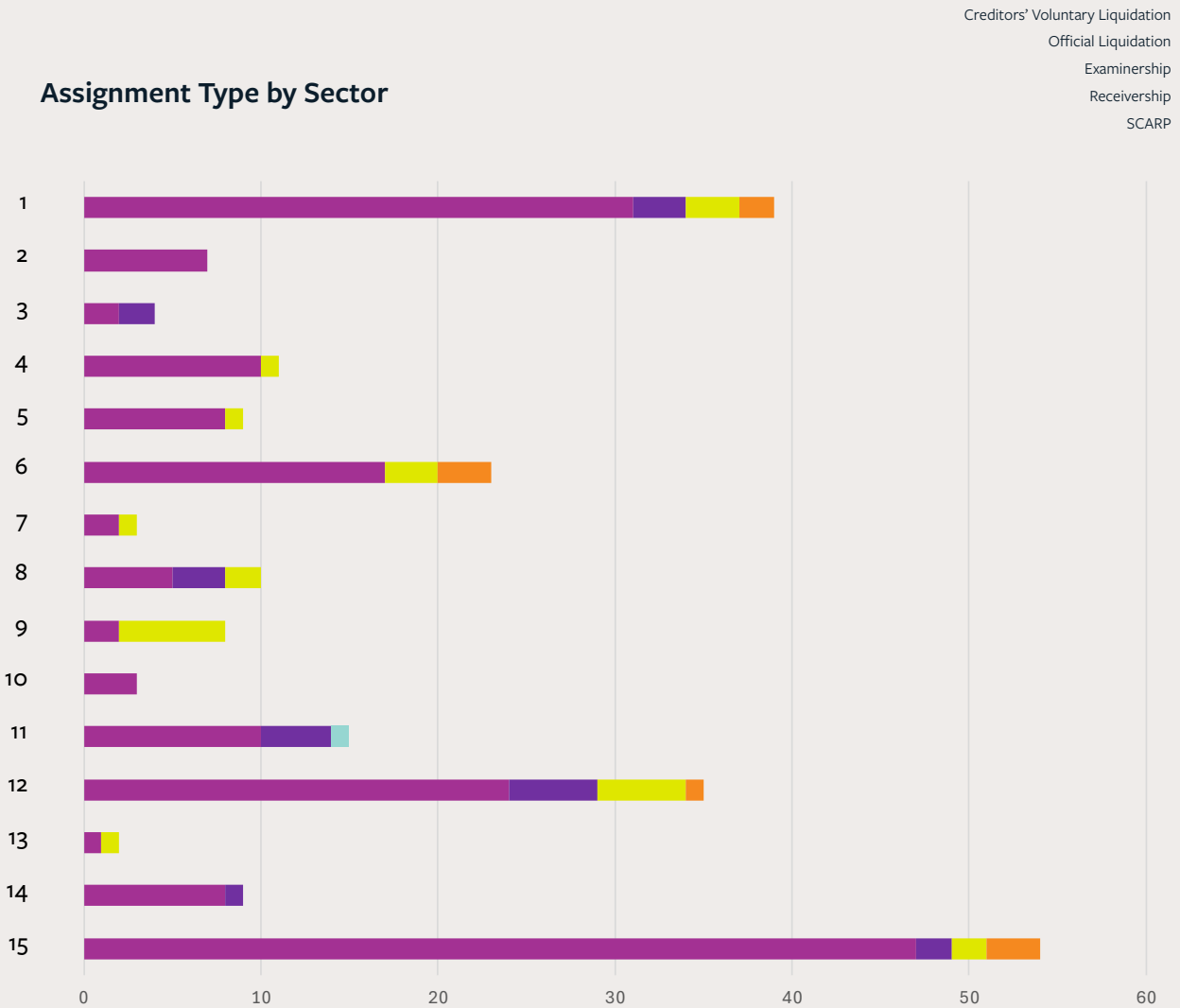
### Assignment Type



SOURCE: INTERPATH ADVISORY

There is considerable variation in type of insolvency by sector.

### Assignment Type by Sector



SOURCE: INTERPATH ADVISORY

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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