

Market Pulse

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

Q4 2024

Summary Q4 2024

Irish Economy

The Central Bank Quarterly Bulletin for Q4 2024 states that economic activity and employment grew at a solid pace in 2024, with the economy operating near its sustainable capacity. Modified Domestic Demand expanded by over 3%, supported by 2.8% employment growth and a low unemployment rate of 4.5%, though risks of overheating persist. Rising disposable incomes, supportive fiscal policy, and easing monetary constraints are set to boost MDD growth to 3.1% in 2025 and an average of 2.5% in 2026–2027. Despite weak external demand, strong pharmaceutical and ICT exports continue to contribute to economic growth.

Global Economy

In Q4 2024, the global economy grew steadily, with easing inflation, sustained consumption, and looser monetary policies in key markets. However, growth faces challenges from rising geopolitical risks and policy uncertainty. The OECD expects global GDP to grow by 3.2% in 2024 and 2025, with inflation falling to 3.8% in 2025.

Housing Market

Irish house prices are overvalued by 8-10%, raising concerns of a “painful correction,” according to the ESRI. Prices are now 13% above the 2007 peak, with annual growth at 10%, driven by supply shortages, population growth, and real wage increases. Despite demand for over 50,000 homes, completions were approximately 33,000 for 2024, with potential for 40,000 in 2025 due to housing commencements. Elevated mortgage debt and relaxed lending rules further heighten financial risks, prompting calls for vigilance in macroprudential policy.

Trump’s Return

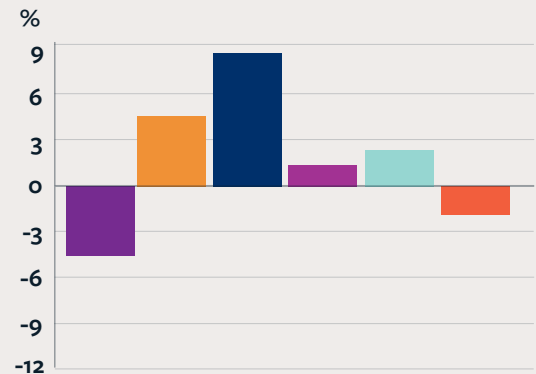
The latest economic analysis from Goodbody warns Donald Trump’s return to the White House poses Brexit-level risks to Ireland’s economy, citing potential US tariffs and corporate tax changes. The US accounts for 72% of Ireland’s foreign direct investment and 83% of corporate tax receipts, making Ireland highly vulnerable to policy shifts. Policymakers are urged to ensure fiscal stability by targeting balanced budgets and investing in infrastructure. Despite these risks, consumer spending remains strong, with low unemployment, rising wages, and falling inflation driving positive trends.

Revenue Pulse

The total value of seasonally adjusted annual sales was up by 0.3% when compared to the same period last year.

Sales Growth

Annual change to December 2024



Sector

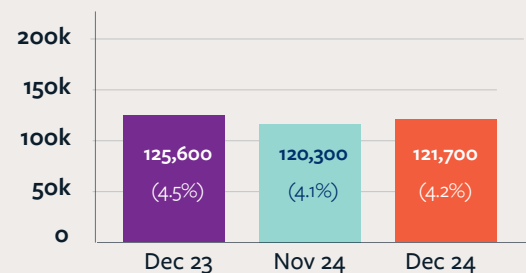
- Motor Trades -4.2%
- Department Stores 4.6%
- Food, Beverage & Tobacco 8.1%
- Clothing, Footwear & Textiles 1.7%
- Hardware, Paints & Glass 2.9%
- Bars -1.7%

SOURCE: CSO

Employment Pulse

The number of people unemployed decreased by 3,900 in December 2024 when compared to the same period in 2023.

Unemployment Rate

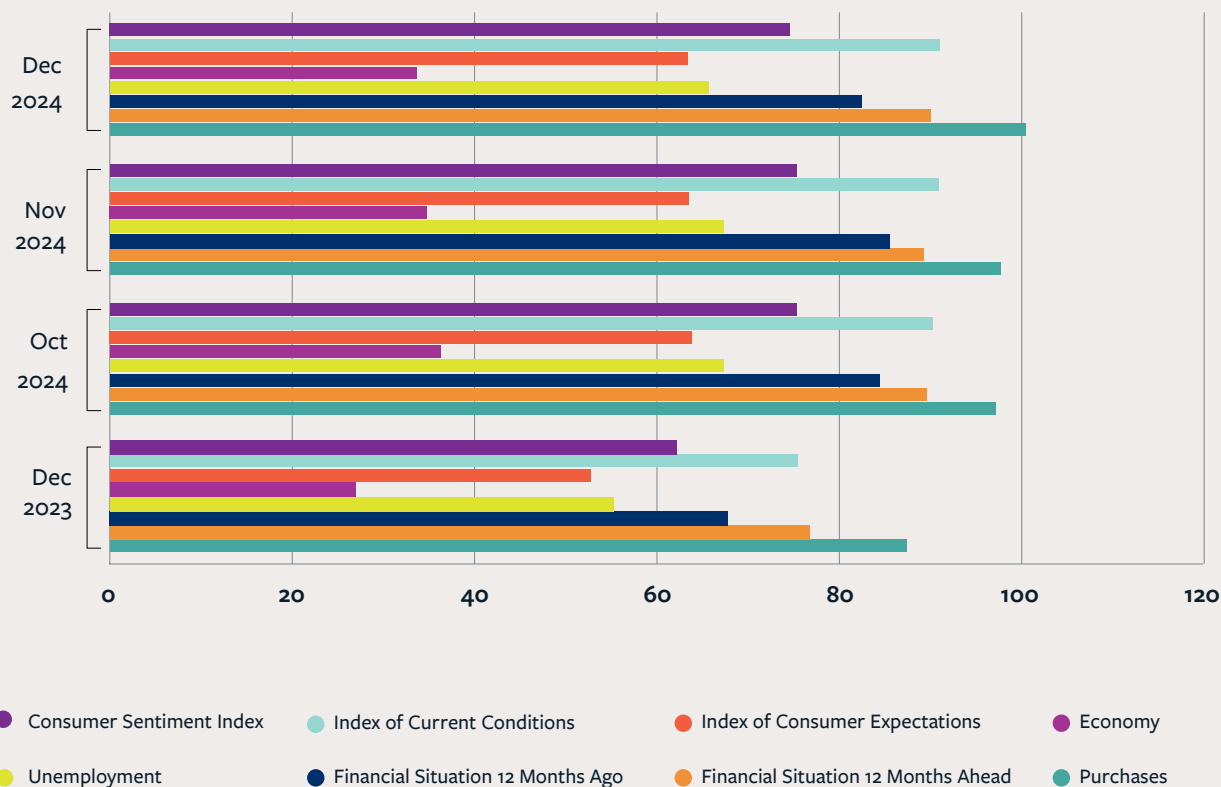


SOURCE: CSO

Consumer Pulse

According to the Credit Union, **Irish consumers ended 2024 cautiously optimistic**, with rising incomes improving household financial outlooks and prompting modest spending increases, despite lingering cost-of-living pressures. Higher-income households are more positive, but mixed signals about economic activity and jobs maintain a sense of caution overall.

Credit Union Consumer Sentiment Index

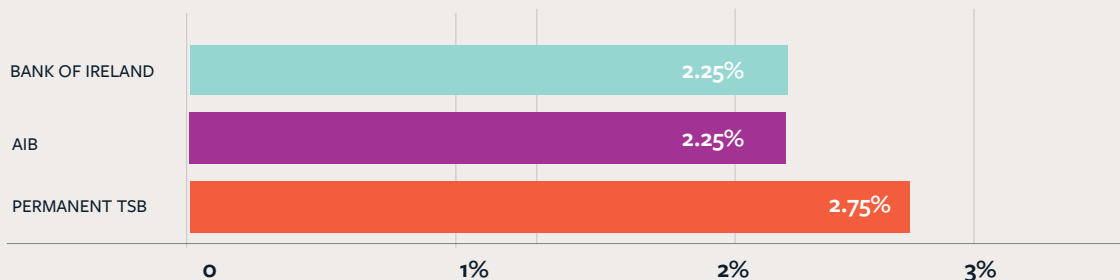


SOURCE: CREDIT UNION

Deposit Rate Pulse

12-month bank deposit interest rates decreased for AIB and Bank of Ireland over the 4th quarter.

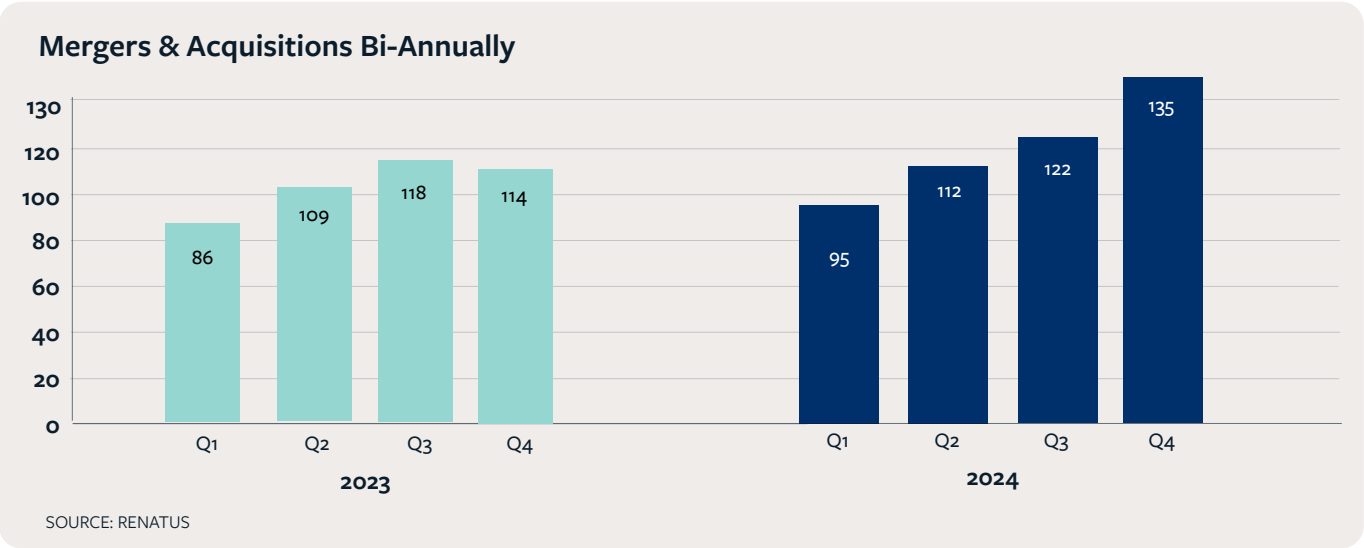
Bank Deposit Rates



SOURCE: FITZGERALD POWER

Mergers & Acquisitions Pulse

The annual [Renatus](#) M&A report estimates 464 deals were completed in 2024, with deal volume up c. 9% compared to 427 in 2023. The Irish market demonstrated strong performance, led by financial services deals, which rose from 53 in 2023 to 70 in 2024. Software transactions also increased significantly, from 36 to 51. The hospitality sector experienced remarkable growth, with hotel and pub deals nearly quadrupling from 9 to 34.





Renatus data also shows M&A deals in FY24 (464) is up on FY23 (427).



Irish-based entities were active in FY24, completing 154 acquisitions

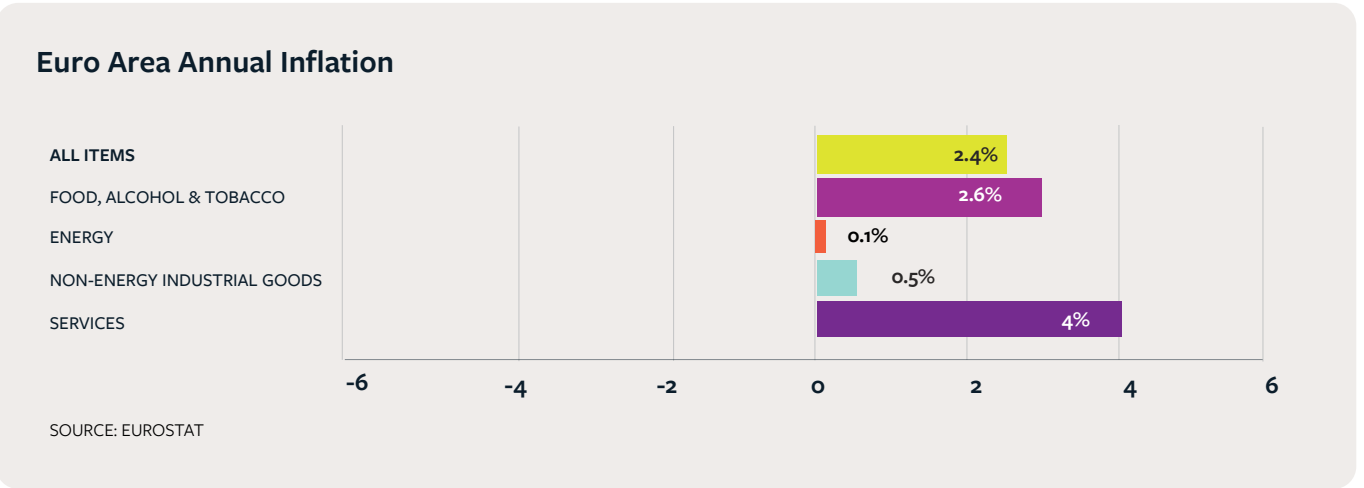


Of the 464 transactions in FY24, 138 (c. 30%) were conducted by international acquirers compared to 185 in FY23 (c. 43%).

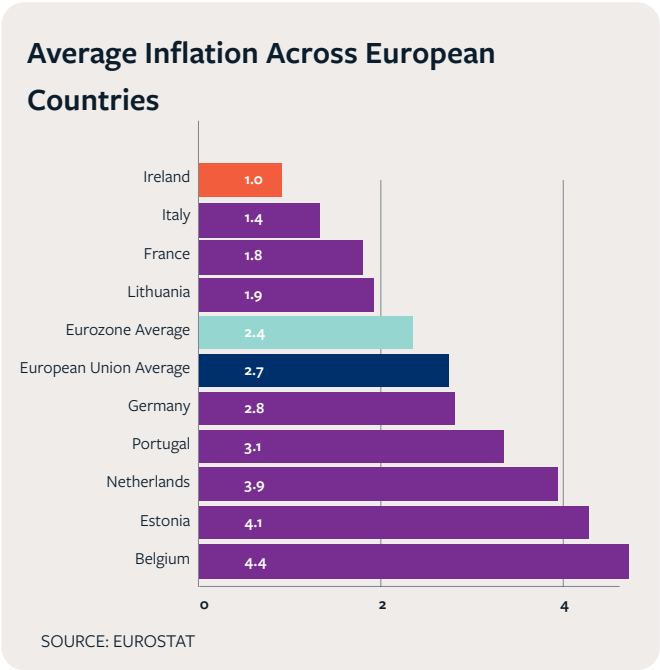
SOURCE: RENATUS

Inflation Pulse

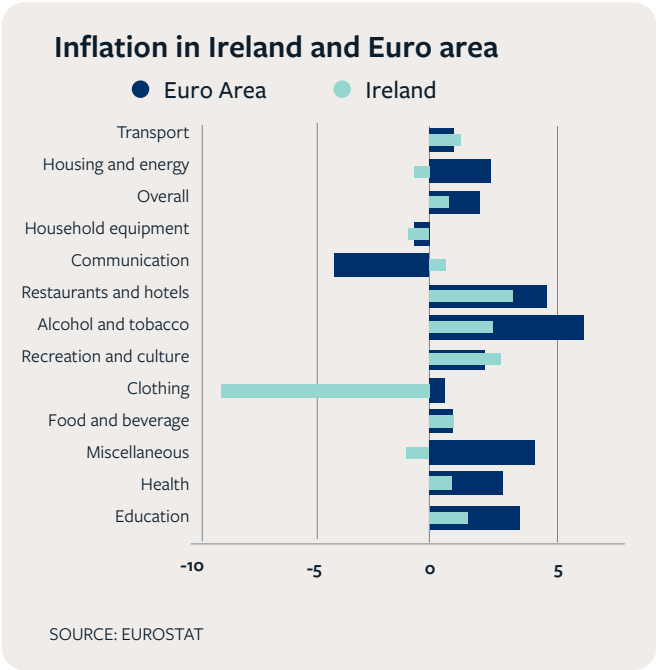
The euro area annual inflation rate was 2.4% in December 2024, up from 2.2% in November. A year earlier, the rate was 2.9%.



Ireland’s level of inflation at 1.0% is below the Eurozone average of 2.4%.

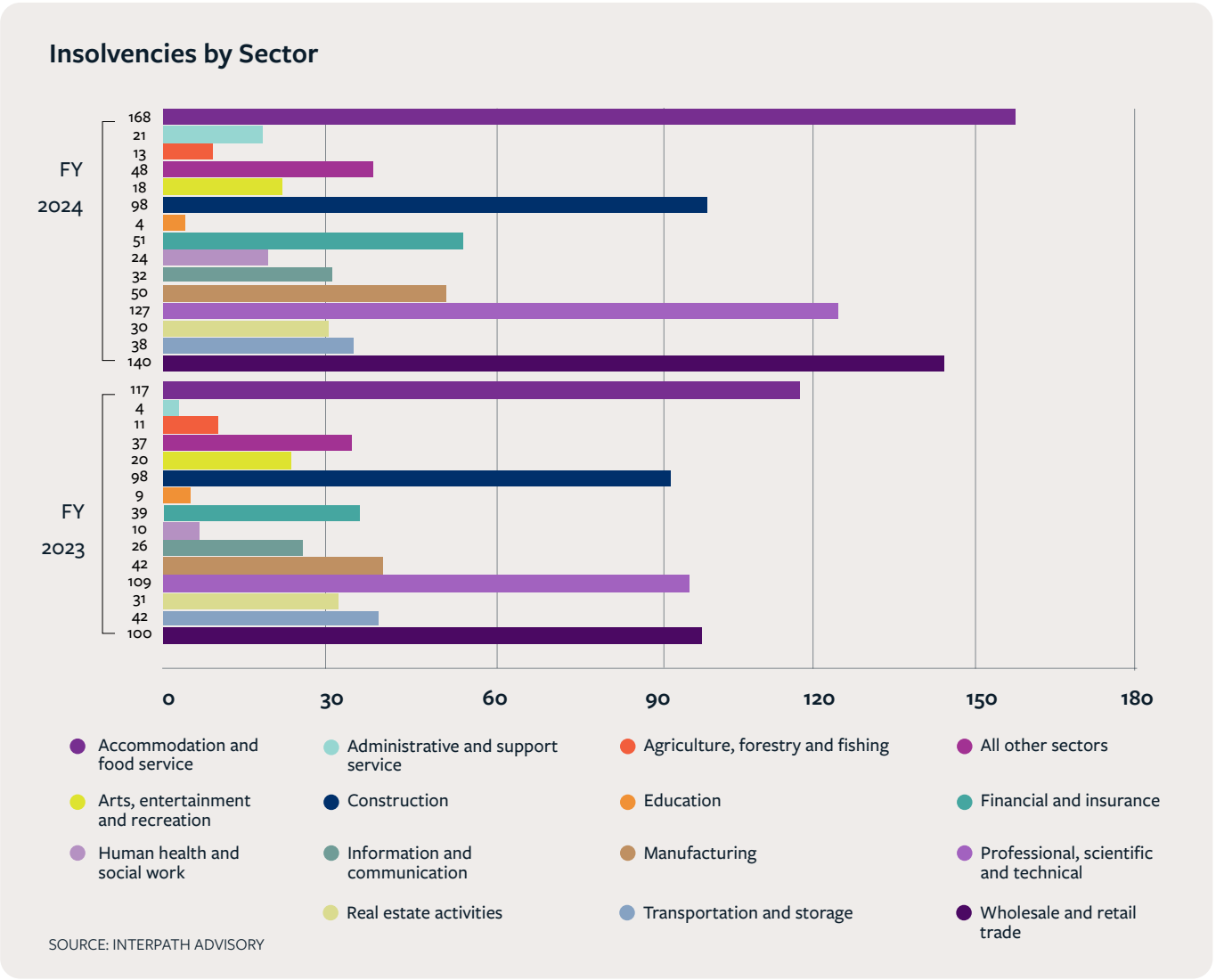


Ireland is on a par, or below, the Euro Area average for inflation in most components, apart from Transport, Communication and Recreation and Culture.

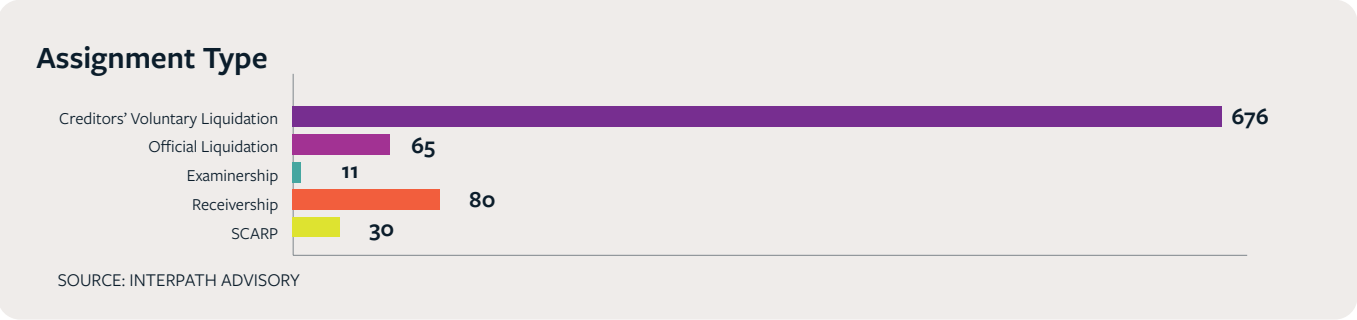


Insolvency Pulse

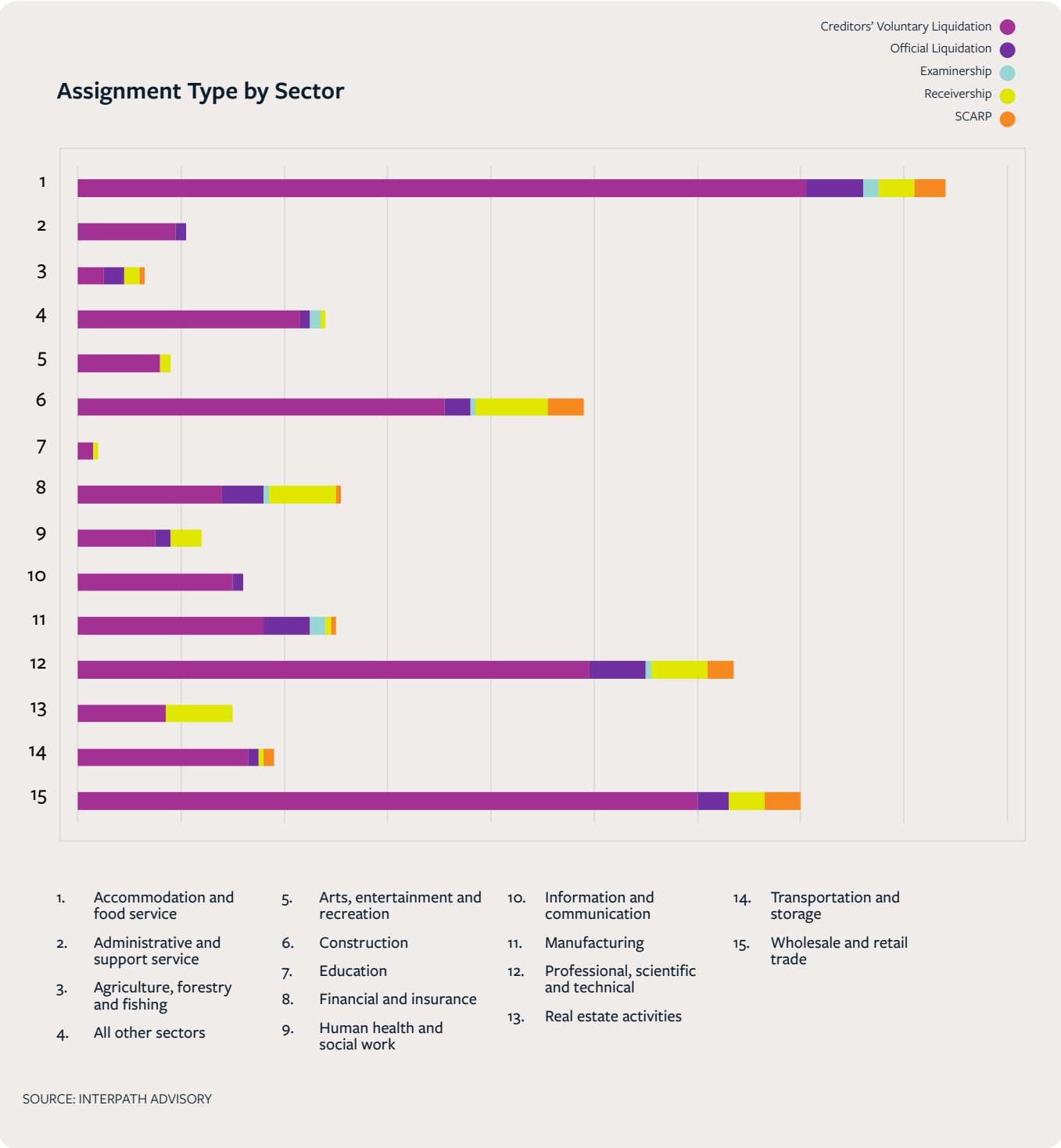
Data provided by Interpath Advisory shows a total of 862 insolvencies were recorded in 2024.



The majority of insolvencies have been voluntary liquidations.



Although there is considerable variation in type of insolvency by sector.



On 12th February 2025, Stuart Fitzgerald will be joined by Tom Lyons, CEO of The Currency, Renatus co-founder Mark Flood and Brendan O'Reilly of Interpath Advisory to review Market Pulse, 2024 and discuss SME Ireland's economic prospects for 2025. The event takes place in The Marshall Room in the Dean Hotel and begins at 8.30am. A light breakfast will be provided.

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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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