

# ECONOMIC BULLETIN

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## National and Regional Economic Outlook Fastest growing economy in Europe in 2014

National accounts data for the last quarter of 2014 released by the CSO shows modest growth in the Irish Economy over the quarter. The data released in March shows that over the fourth quarter real GDP (seasonally adjusted) increased by 0.2%. In year-on-year terms real GDP increased by 4.1% in the fourth quarter and by 4.8 per cent for full-year 2014. The growth in GDP can be linked to the strong performance of the underlying components, with

exports increasing by 13.9% and imports increasing by 18.8% in year-on-year terms. Personal consumption expenditure increased by 2.1% in Q4, and investment was up by 8.2% in year on year terms.

Table 1 displays the preliminary national accounts for the full year 2014 (preliminary) and delves into the four quarters of 2014. Table 1 indicates that all components were positive overall for the full year 2014.

**Table 1: Preliminary National Accounts 2014 (year on year percentage changes)**

	2014	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Personal Consumption	1.1	0.8	1.3	0.4	2.1
Government Consumption	0.1	1.9	5.4	-3.6	-2.7
Gross Investment	11.3	5.6	18.9	14.3	8.2
Exports	12.6	7.3	13.0	16.0	13.9
Imports	13.2	5.9	11.9	15.6	18.8
GDP	4.8	3.8	7.2	4.1	4.1
GNP	5.2	3.1	8.4	3.1	6.3

Source: CSO

When reviewing the national accounts, the decrease in government consumption during Q3 and Q4 is noticeable compared to the strong performance in Q2. On a more positive note and of particular importance is the strong growth in GNP and GDP over 2014 of 5.2% and 4.8% respectively. The acceleration in GDP growth, which far exceeded the 0.2 per cent expansion recorded in 2013, follows a marked increase in domestic demand as consumers resumed spending. While this is on top of continued growth in exports, these new figures also point to a rise in imports. Ireland experienced the fastest growth in GDP across Europe in 2014.

The overall KBC Ireland/ESRI Consumer Sentiment Index increased to 97.8 in March, from 96.1 in February. The three-month moving average increased to 98.3 in March from 95.9 in February.

This month’s sentiment is amongst the highest recorded since April 2006. This, along with continued gains in the 3-month moving average suggests that consumer’s sentiment is showing signs of improvement. Four of the five main indicators have increased over the month. However, consumers remain cautious when it comes to employment opportunities for the coming year.

**More positive news on the Tax front**

The Exchequer surplus at end-March 2015 stood at €197 million compared to a deficit of €2,316 million in the same period last year. The improvement in the Exchequer balance is driven by increased tax receipts, reduced net voted expenditure and the transfer of €1,634 million from the National Pensions Reserve Fund to the Exchequer.

Tax revenue of €10,469 million was collected to end-March 2015. This represents a year-on-year increase of €1,238 million (13.4%) and is €545 million (5.5%) above profile. Overall net voted expenditure for end-March 2015, at €10,249 million, was down €146 million (1.4%) on profile and €16 million (0.2%) year-on-year.

**Table 2: Statement of Exchequer to end March 2015**

Tax Type	Total to end March 2015 (millions)	Year on Year (%)	On Profile (%)
Income	€4,241	+7.7	+ 3.3
VAT	€3,797	+ 12.8	+ 0.6
Corporation	€555	+116.7	+86.3
Excise Duties	€1,177	+6.6	+ 2.3
Stamp Duties	€236	+56.2	+31.8
Customs, CGT and CAT	€172	-1.2	+7.5

Source: Department of Finance Exchequer Statement

**Latest Economic Forecasts:**

As part of Budget 2015 the Department of Finance published updated macro-economic and fiscal forecasts on October 14th 2014. The forecast of real GDP growth of 3.6 per cent this year remains consistent with the data in the intervening months. The next set of official forecasts will be produced with the Spring Economic Statement in April 1.

Table 3 highlights a number of growth forecasts for the Irish Economy for 2015 and 2016. All of the forecasts listed predict strong growth in 2015 and 2016.

**Table 3: Growth Forecasts for the Irish Economy for 2015 and 2016 (GDP)**

	Date of Forecast	2015	2016
Department of Finance	October 14	3.9	3.4
Central Bank of Ireland	April 15	3.8	3.7
IMF	March 15	3.5	3.0
European Commission	Ferbruary 15	3.5	3.6
ESRI	March 15	4.4	3.7

Source: Department of Finance April Bulletin 2015

**Employment:**

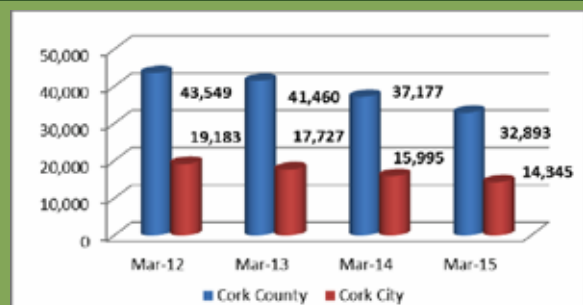
The latest seasonally adjusted unemployment rate from the Q4 Quarterly National Household Survey is 10.4%, decreasing from 11.1% in Q3 2014. The level of unemployment decreased by 39,600 over the year to Q4 2014.

There was 1.94 million people in employment in Q4, representing a 1.5% increase (29,100) year on year. In seasonally-adjusted terms employment increased by 0.5% (9,700) over the quarter. The labour force decreased by 0.5% (year on year) due to the shrinking of the working age population. The long-term unemployment rate decreased from 6.4% to 5.7% over the year to Q4 2014, with those long-term unemployed now accounting for 57.8% of total unemployment.

Live Register data for March shows a seasonally adjusted decrease of 4,700 people on the Live Register in the month, with the standardised unemployment rate falling to 10.0% which is down from a peak of 15.1% in February 2012. This is the lowest reading since January 2009

CSO Figures for March 2015 show that there were 32,893 people on the Live Register in Cork County and 14,345 in Cork City. This compares to 37,177 for the county and 15,995 for the city in March 2014, a total annual reduction of 5,934 or 11.16% for Cork.

**Figure 1: Live Register Cork City & County March 2015**



Source: CSO, April 2015

A further breakdown of local figures reveals that things are moving in the right direction throughout Cork City and County. Positively, table 4 shows an annual decrease of people signing on to the Live Register across all areas of the County with just one exception. Bantry (SWLO) experienced an increase in the number of people on the live register of 1.92% which translates to 23 additional people.

**Live Register data for March shows a seasonally adjusted decrease of 4,700 people on the Live Register**

**Table 4: Live Register Annual Percentage Change from March 2014 to 2015**

Cork City	-10.32
Cork County	-11.52
Bandon	-14.60
Bantry	-9.88
Bantry (SWLO)	8.42
Carrigaline	-13.31
Clonakilty	-14.49
Cobh	-8.35
Fermoy	-13.57
Kinsale	-10.40
Macroom	-16.64
Mallow	-13.86
Midleton	-12.09
Newmarket	-12.06
Skibbereen	-10.64
Youghal	-12.34

Source: CSO, April 2015

## Action Plan for Jobs:

The Government published the Action Plan for Jobs 2015 at the end of January. The Action Plan for Jobs is a whole-of-Government initiative under which all Government Departments and Agencies work together to deliver on the agreed action points for each year.

The Action Plan for Job's Five Strategic Ambitions are:

- To support 100,000 additional jobs by 2016
- To get Ireland back to a top-five ranking in international competitiveness
- To stimulate the domestic economy and generate employment in the locally traded sector
- To build an indigenous engine of growth that drives up the export market share of Irish companies
- To build world-class clusters in key sectors of opportunity

The 2015 Plan aims to build on the significant progress which has occurred in job-creation since the first Action Plan was launched in February 2012.

In 2015 the Government launched the Action Plan for Jobs Regional Strategy which is based on the principle that the best way to support job-creation in towns and villages across the country is to support agencies and organisations within each region to build on the particular strengths and assets of their area and drive new job-creation strategies and projects.

The strategy will be based on the national Action Plan for Jobs model of setting out lists of actions with timelines and responsibility allocated, and then monitoring implementation. The initiative will include three main elements:

1. Each of the 8 regions will develop its own Action Plan. Stakeholders including enterprise agencies,

educational institutions, local authorities, business and community groups will be responsible for working together to develop the Action Plan in each region.

2. To support and encourage regional stakeholders in working together, up to €100million in Enterprise Ireland funding will be made available over 5 years through a series of competitive calls.

3. IDA Ireland will roll out a 5-year €150million capital investment programme to help attract more multinational jobs into each region.

The latest progress report refers to Q4 2014. In this quarter Departments and agencies were to deliver 202 measures under the Action Plan. 32 of the measures due in Quarter 4 2014 have not been delivered on schedule, giving a completion rate of 84%.

## Inflation:

Prices on average, as measured by the CPI, were 0.6% lower in March compared with March 2014.

The most notable changes in the year were decreases in Transport (-4.9%), Clothing & Footwear (-4.1%), Food & Non-Alcoholic Beverages (-2.7%) and Furnishings, Household Equipment & Routine Household Maintenance (-2.7%). There were increases in Education (+4.9%), Housing, Water, Electricity, Gas & Other Fuels (+1.8%), Restaurants & Hotels (+1.3%) and Alcoholic Beverages & Tobacco (+1.0%).

Consumer Prices in March, as measured by the CPI, increased by 0.6% in the month.

Figure 2 shows the change in inflation as measured by the Consumer Price Index and the Harmonised Consumer Price Index from March 2013 to March 2015.

**Figure 2: Inflation**



Source: CSO

## Retail Sales:

According to the CSO's Retail Sales Index the volume of retail sales (i.e. excluding price effects) increased by 0.2% in November 2014 when compared with October 2014 and there was an increase of 4.7% in the annual figure.

The sectors with the largest month-on-month volume increases were Electrical Goods (+2.6%), Clothing, Footwear & Textiles (+2.2%) and Department Stores (+1.6%). The sectors with the largest monthly decreases were Books, Newspapers and Stationery (-2.3%), Motor Trades (-1.3%) and Fuel (-1.3%).

There was an increase in the volume of retail sales by 8.2% in year-on-year terms in February 2015 (seasonally adjusted). Core retail sales (excluding those in motor trades) were up by 4.8% in year-on-year terms, seasonally adjusted. The number of private vehicles licensed for the first time increased by 29.2% (year-on-year) in February.

## Ireland:

In December, ratings agency Standard & Poor's raised Ireland's long-term sovereign credit ratings to A, up from its previous rating of A-. The firm also upgraded the country's short term debt to A-1, up from A-2 and said that it had a stable outlook on both categories.

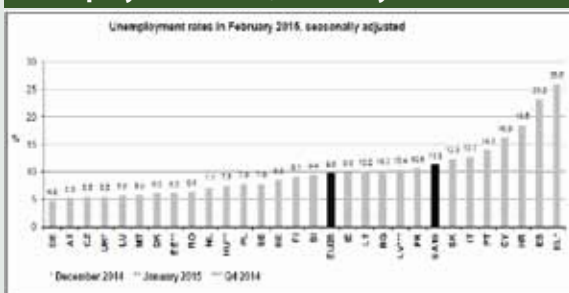
In August 2014, Fitch upgraded Ireland's credit rating to A- from BBB+ with a stable outlook. Over the summer, Moody's also lifted the country's rating by two notches to Baa1.

## Eurozone:

According to Eurostat, the euro area (EA19) seasonally-adjusted unemployment rate was 11.3% in February 2015, down from 11.4% in January 2015, and from 11.8% in February 2014. This is the lowest rate recorded in the euro area since May 2012.

The EU28 unemployment rate was 9.8% in February 2015, down from 9.9% in January 2015 and from 10.5% in February 2014. This is the lowest rate recorded in the EU28 since September 2011.

**Figure 3: Seasonally Adjusted European Unemployment Rates, February 2015**



Source: Eurostat, March 2015

<sup>1</sup>Youth unemployment rate: number of people aged 15 – 24 unemployed as a percentage of the total labour force of the same age.

The number of people out of work is 18.2 million in the euro area, while the number of unemployed people in the EU28 stood at 23.8 million in February 2015. Compared with January 2015, the number of persons unemployed decreased by 91 000 in the EU28 and by 49 000 in the euro area. Compared with February 2014, unemployment fell by 1.547 million in the EU28 and by 643 000 in the euro area.

In February 2015, 4.850 million young persons (under 25) were unemployed in the EU28, of whom 3.245 million were in the euro area. Compared with February 2014, youth unemployment decreased by 494 000 in the EU28 and by 230 000 in the euro area. In February 2015, the youth unemployment rate was 21.1% in the EU28 and 22.9% in the euro area, compared with 22.9% and 24.0% respectively in February 2014. In February 2015, the lowest rates were observed in Germany (7.2%), Austria (9.0%) and Denmark (10.2%), and the highest in Greece (51.2% in December 2014), Spain (50.7%), Croatia (46.4% in the fourth quarter 2014) and Italy (42.6%). Youth unemployment continues to be a major challenge.

Eurostat figures reveal a 0.3% increase in seasonally adjusted GDP (euro area) and a 0.4% increase in GDP (EU 28) for Q4 2014 compared with the previous quarter. Compared with the same quarter of the previous year, seasonally adjusted GDP rose by 0.9% in the euro area and by 1.3% in the EU28 in the fourth quarter of 2014, after a 0.8% and 1.2% increase respectively in the previous quarter.

During the fourth quarter of 2014, household final consumption expenditure rose by 0.4% in the euro area and by 0.5% in the EU28 (after +0.5% in both zones in the previous quarter). Exports rose by 0.8% in the euro area and by 1.3% in the EU28 and imports increased by 0.4% in the euro area and by 0.8% in the EU28.

Euro area annual inflation is expected to be -0.1% in March 2015, up from -0.3% in February<sup>3</sup>, according to a flash estimate<sup>4</sup> from Eurostat, the statistical office of the European Union. Looking at the main components of euro area inflation, services is expected to have the highest annual rate in March (1.0%, compared with 1.2% in February), followed by food, alcohol & tobacco (0.6%, compared with 0.5% in February), non-energy industrial goods (-0.1%, stable compared with February) and energy (-5.8%, compared with -7.9% in February).

# National Policy Influence

*Chambers Ireland is the country's largest business network representing 55 affiliated chambers and their members locally, regionally and nationally. On national issues of importance Cork Chamber works in collaboration with Chambers Ireland through active participation and contribution to the Chambers Ireland Public Affairs Network, Local Government and Ratepayer's Forum, Transport Users Council and Chief Executive's Forum*

## AFFORDABLE CHILDCARE: AN INVESTMENT IN OUR ECONOMIC AND SOCIAL WELL-BEING

In February this year, Minister for Children James Reilly announced the establishment of an interdepartmental group to review the current model of childcare provision. Depending on the outcome, this initiative could stand to significantly benefit both families and businesses.

### The need for affordable childcare

Access to affordable high-quality childcare is a long-established problem in Ireland. Despite the rising share of women in employment, policies have failed to address the requirement for an effective childcare system to facilitate both parents working. This is a problem for both employees and employers which must be tackled in order to protect the future economic well-being of our country.

The proportion of public expenditure spent on early childhood education in Ireland is much lower than the European norm. On average, EU member states allocate 0.7% of GDP towards childcare provision annually. In Ireland, the percentage is only 0.4% of GDP. Ireland's investment in childcare is thus eight times lower than in Denmark or 2.5 times lower than the UK.

Net Irish childcare costs as a percentage of income are consequently highest in Europe. According to the OECD, the average cost of childcare across its member states is 12% of a family's income. In Ireland, however, the average cost of childcare represents a massive 35% of a family's income. For high income earners, the percentage is 24% - still double the OECD average.

### Why is affordable childcare important to businesses?

Most working parents cannot access publicly funded childcare and are therefore required to fully finance childcare expenditures. This causes many to feel compelled to give up their job, reduce their hours, or rely on unqualified carers to look after their children. Accordingly, high childcare costs not only represent a financial burden for families but also has negative consequences for female labour participation, the number of children receiving early childhood education, and the overall economy which suffers from skilled workers withdrawing from the labour force.

CSO figures from 2013 show that female labour market participation rates – particularly among low income families – indeed are impacted by childcare responsibilities.

Although the rate of employment is equal at 85% among men and women without children, female labour market participation falls to 59% for women with a child under three and 40% for women with two or more children.

Furthermore, the lack of affordable childcare corresponds to a missed opportunity of tackling social issues such as poverty and social exclusion. A 2005 National Economic and Social Forum study estimated that, on average, over €7 of returns are achieved for every €1 invested in early childhood education. By failing to invest in early childhood education we are thus creating high long-term economic costs for society in line with children being unable to fulfil their level of potential.

### Chambers Ireland recommendation

In considering ways of achieving access to affordable high-quality care, various options can be pursued. Measured adopted elsewhere include:

- Tax credits: In the UK the majority (29%) of state spending on childcare is allocated towards tax credits for parents to use against the cost of care.
- Direct public subvention: Adopted in Denmark and Sweden, direct state funding of capitation grants per child to childcare providers ensures that parents only pay a marginal proportion of high-quality childcare costs.
- Cash payments to parents: Used in Norway alongside direct public subvention, parents can use state funded payments against childcare costs or keep the money while caring for their child at home.

The OECD has nonetheless concluded that the most effective way of ensuring affordability while also raising the standard of care is for Governments to directly subsidise care providers.

Given the positive outcomes of an accessible, affordable and high-quality childcare system, Chambers Ireland encourages Government to reform the current model of childcare provision. This, we believe, will create the right conditions for continual growth of the Irish economy, the social well-being of our people, and for a modern Ireland in which family needs and work requirements can go hand in hand.

# Q1 2015 Economic Trends Survey Results

*Results of the first quarterly economic trends survey of 2015 reports increases in turnover, net profit and continuing growth in employment which are among the positive indicators likely driving this business confidence. This quarter's survey paid particular attention to the current road and air infrastructure in the region and asked respondents to comment of the adequacy of such infrastructure. The results of this probe highlights the need to improve both physical infrastructure and also connectivity through Cork Airport.*

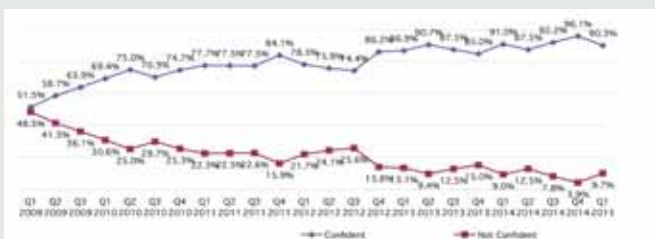
## Q1 2015 Economic Trends Survey Results

The respondents to Cork Chamber's Q1 2015 Economic Trends Survey are from a range of sectors including manufacturing (18%), wholesale and retail trade (8%), accommodation and food (6%) professional, scientific and technical services (8%), financial and insurance activities (7%), ICT (9%) and 'other service activities' (21%). Responding businesses are also representative of a broad cross-spectrum of business sizes, 44% of businesses surveyed employ less than ten people, just over one third of businesses (37%) employ between 11 and 100 people, while 19% employed over 100 people.

## Business Outlook & Growth Projections

Confidence amongst members about the financial future of their business has increased significantly since the Chamber's economic trends survey series began in Q1 2009 (Figure 5). The results from the Q1 2015 survey show that 90% of businesses report confidence in the financial future of their business. This is lower than the findings in Q4 2014 when 96% of businesses reported that they were confident in the future of their business which was the highest level on record since the Chamber's Economic Trends Surveys commenced when only 51.5% reported confidence in the future of their business.

**Figure 4: Business Confidence Trend**



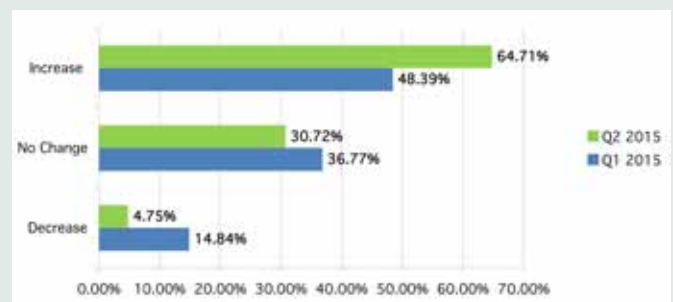
Source: Cork Chamber Q1 2015 Quarterly Economic Trends Survey

## Turnover & Net Profit Trends

Business turnover and anticipated net profits for Q1 and Q2 provide further evidence of factors which are contributing to the high confidence levels reported by businesses. Positively, 64% of businesses reported an increase in turnover over Q1 2015, with 26% of businesses reporting no change in their turnover for Q1. Additionally, 73% of

businesses project increases in their turnover over the forthcoming quarter with only 2% of businesses forecasting a decrease in turnover and the remainder forecasting no change for the coming three months. Equally positive is that 48% of businesses experienced an increase in their net profits over Q1 2015 and 64% predict increases in net profits in Q2 2015. Finally, while 14% of business experienced a decrease in net profits over Q1 2015, just 5% of companies predict that they will experience a decrease in net profits over Q2 2015.

**Figure 5: Net Profit Estimations Q1 2015 & Q2 2015 (Reported and Projected)**



Source: Cork Chamber Q1 2015 Quarterly Economic Trends Survey

## Employment Outlook

Survey findings regarding employment are also positive with 36% of companies increasing the number of people employed over the first quarter of 2015 and just 5% decreasing employees. 46% of respondents predict that they will increase their employees over Q2 and 9% predict that they will decrease their employees over the same period with the remainder indicating that their employee numbers will remain constant.

58% of employees have vacancies advertised however it is a concern that 29% of companies with vacancies are finding the position difficult to fill. A number of companies highlight that while they are receiving applications that they are having difficulty finding the right candidate and others indicate that there are not enough candidates in the region in areas such as engineering and hospitality.

## Access to Credit and Cash Flow

Access to credit and working capital remains an ongoing issue for a quarter of companies surveyed. Interlinked with this is the issue of payments to creditors and receipt of debtor payments. If appropriate efforts are not taken to address the issue of working capital, the capacity of businesses to ensure prompt payments is affected. This is compounded by the findings that 15% of companies are taking longer to pay creditors and 28% of companies report that it is taking longer to receive payment from their debtors. When asked if the respondent feels that the introduction of the Strategic Banking Corporation of Ireland will enhance the credit environment for SME's just one fifth of respondents reported that they felt it would enhance the credit environment for SME's. It is a concern that two thirds of respondents indicated that they were not sure which could potentially infer that they are not fully informed about the role of the Strategic Banking Corporation of Ireland. However, taking everything into account over half of all businesses (58%) reported that they were more confident in the Irish Economy now than 3 months ago with just 3% feeling less confident.

## Government Policy

Businesses were less positive this quarter compared to Q4 2014 about the impact of government policy on the restoration of fiscal stability, with 53% agreeing that policy had had a 'positive' impact and compared to 63% last quarter. 64% of businesses believed government policy had had a positive impact on incentivising further foreign direct investment which was similar to findings in the last quarter. However, businesses were critical of the impact of Government policy on taxation levels, with 43% reporting the 'negative impact' that policy had on taxation levels and only 8% reporting a 'positive impact' with the remainder reporting 'no change'. Slightly more positively 41% believed government policy had had a positive impact on Job creation, 8% believed its impact had been negative. Continuing a worrying trend, only 5% of businesses believe that government policy has had a 'positive' effect on political reform with 42% believing it has had a 'negative' effect.

The survey findings highlighted a number of factors that businesses believe pose a threat to business growth and require careful monitoring to reduce any associated risks. The top three threats to business growth as ranked by respondents related to cost competitiveness, lack of stability in capital markets and over-regulation.

## Regional Infrastructure Requirements

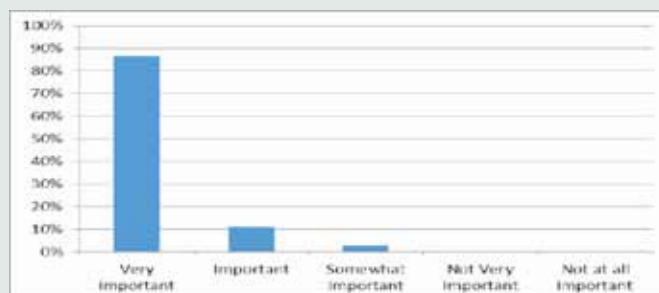
Respondents were asked if they felt that the existing road infrastructure at Regional Level is adequate to meet their current business needs. Just 41% of respondents felt it was

appropriate and many respondents cited that there was a need to adequately link Cork to other cities and major towns outside of Dublin eg. Limerick, Galway, Waterford and towns in Kerry. Just over half of businesses also reported feeling that Cork's current road Infrastructure has a negative effect on the region's growth potential.

The road infrastructure projects, that if progressed, would have the greatest positive impact on businesses in the region are the development of the M20 Cork – Limerick Road, upgrading the Dunkettle Interchange, upgrading the N28 Cork - Ringaskiddy Road and upgrading the N22 Ballyvourney – Macroom Road.

When exploring the commercial demand for good international air connectivity from the region, the results were definitive with 97% of all respondents strongly indicating that having good air access to overseas destinations was either 'important' or very 'important' and the remainder suggesting that this was 'somewhat important'. Figure 7 graphically depicts these findings.

**Figure 6: Importance of having good international air connectivity from the Region**



Source: Cork Chamber Q1 2015 Quarterly Economic Trends Survey

Delving further into this topic, 65% of respondents said that their company was either 'dissatisfied' or 'very dissatisfied' with the range of destinations served directly to/from Cork Airport and just 13% of respondents indicated that they were satisfied with the destinations with the remainder 'neither satisfied or dissatisfied' with the destination served by Cork Airport. Finally 69% of companies cited that it was 'important' or 'very important' to have regularly scheduled flights from Cork Airport, 12% stated that this was 'somewhat important' and 19% stated that this was 'not very' or 'not all important' for their business.

Overall, the findings from the first quarter of 2015 reveal a continued positive outlook and supportive financial results in terms of net profit, turnover and employment levels. However, the survey results highlight a number of key road infrastructure projects that should be progressed in addition to the critical need for action in terms of growing the passenger routes and frequency from Cork Airport to ensure that businesses are confident in Cork as a location that is conducive to driving commercial growth.

# Cork Chamber Submission on the Cork Local Government Review

Cork Chamber strongly welcomes the establishment of the independent Cork Local Government Statutory Committee to carry out an objective review of local government arrangements in Cork city and county. Cork Chamber firmly believes that this represents a unique opportunity for the citizens and stakeholders in Cork to collectively rethink the current structure of local government in Cork and put forward and implement disruptive reforms which will prioritise and position Cork as a regional location of substance with the capacity and resources to drive economic development throughout the South West Region and beyond.

In light of this, on the 6th of March Cork Chamber made a submission to the Statutory Committee which focused on the underlying theme of what is best for Cork in terms of guaranteeing a prosperous and cohesive Cork region which is a self-sustaining economic engine of national growth. Cork Chamber firmly believes that Government needs to be organised in a new way centered on Ireland's second city if we are to collectively deliver regional economic growth critical to national recovery.

In its submission, Cork Chamber urged the Committee and Central Government to take the lead internationally in using the Cork region as a test case of what can be achieved by rethinking the capacity and capabilities of local government to transform a second tier city region. To succeed, the Government must put in place a governance structure for Cork which exemplifies a model of modern leadership and embodies innovative functions and powers for the benefit of all its citizens and businesses.

Cork Chamber will continue to research and analyse innovative local government reform solutions which will further inform our position to assist Cork in its future strategic development. Cork Chamber looks forward to engaging with the Statutory Committee regarding this submission and the wider Local Government review process.



# recent positive developments

## Positive Developments for Cork City

There is an estimated €500m worth of strategic development projects under way or in the pipeline for the core city centre.

The projects include the rapidly advancing construction on the €60m One Albert Quay office project. Other developments that are yet to commence include the regeneration of the Capitol Cinema site, the city's first purpose built large-scale events centre, more office blocks on Albert Quay and Anderson's Quay, a hotel and office block on Sullivan's Quay, and another office block, retail units and apartments on the former Brooks Haughton site.

In addition to this is the €60m regeneration of Pairc Uí Chaoimh, or the estimated €1bn worth of investment earmarked for Cork Harbour, which will transform the entire harbour region into one of the worlds greatest maritime and tourism centres over the coming years.

## Pfizer to keep Cork Facility Open

Pfizer has reversed its decision to close a facility in Cork. In 2013 it said it was shutting the Little Island facility, with more than 130 job losses however this decision has now been overturned.

## €249m funding for Irish regional and local roads

The Minister for Transport, Tourism and Sport, Paschal Donohue announced a significant infrastructural investment which will involve about 2000 kilometres of regional and local roads. The overall financial amount, equal to €249m, will allow both to complete ongoing works and to endorse new constructions projects to be carried out.

He stressed as: "The priority is to maintain the existing road network, and I have been able to protect funding for the key road maintenance and strengthening programmes for the local authorities, which continue to receive funding."

## Stryker to create hundreds of jobs in Cork

One of the world's leading medical technology companies is expected to announce the creation of hundreds of jobs with a multi-million euro investment in a new global centre of excellence in Co Cork.

The Stryker Corporation is expected to make a formal announcement of its plans this week to build the new facility at Carrigtwohill, east Cork.

The corporation has two plants at the IDA site in Carrigtwohill, where it manufactures minimally-invasive surgical instruments and hip replacements, and currently employs around 700 people. Another 500 are employed in a factory in Raheen, Limerick.

The new Carrigtwohill facility, which is expected to be built before the end of the year, will be a centre of global excellence and it's understood that part of its remit will be to produce hip and knee replacements with 3D laser printing technology.

## 'I WISH' Event: Inspiring young women to pursue careers in Science, Technology, Engineering and Math.

On the 12th February, more than 1,000 female students in Co Cork took part in a new initiative called 'I Wish', which aims to highlight careers in science, technology, engineering and maths (STEM).

Opened by Minister for Education and Skills Jan O'Sullivan TD, the event was attended by leading STEM female role models from global organisations such as Google, Twitter, CoderDojo, Pfizer and PepsiCo.

Leaders across the business, research and academic fields including from University College Cork (UCC), Cork Institute of Technology (CIT) and Science Foundation Ireland (SFI) were also there.

The 'I Wish' event was the brainchild of a number of female business leaders in Cork and was spearheaded by Gillian Keating, president of Cork Chamber, Caroline O'Driscoll, it@cork vice chair and Ruth Buckley, head of IT at Cork City Council, and supported by UCC, CIT and Cork County Council teams.

# recent positive developments

## Cork Airport first in the world to offer a new flight tracking feature

Cork Airport has launched a new flight tracking feature on its app that will allow users to click on a flight number and receive live updates of the exact location of the plane as well as showing the aircraft's route, speed, type of aircraft, altitude, distance travelled and total distance to destination.

## International Award for Cork Businesswoman

Karen Egan, senior director at VMware, has been awarded the International Leader of the Year at the 2015 FDM Everywoman in Technology Awards.

The awards recognise women's achievements in science, technology, engineering and maths, with the aim of addressing the gender diversity gap in the sectors.

## Up to 90 submissions on Cork Local Government Review

The Review Group Chairman, Alf Smiddy confirmed that 90 submissions have been made to the group tasked with reviewing local government arrangement in Cork.

"In the recent weeks we have received very detailed and informative presentations from the two primary stakeholders - Cork City and Cork County Councils - and comprehensive submissions were made by both authorities specific to our mandate and terms of reference", Mr Smiddy said.

In the coming months the group will have meet with the CEOs and senior management of both councils and also key regional stakeholders including Cork City.

## Coca Cola Zero Bike Scheme

The Coca-Cola Zero Bike was launched in Cork in March. It is the largest bike share scheme in Ireland, outside of Dublin, including 31 docking stations located around Cork City and providing a total of 330 bikes for rental across the city. This initiative was launched by the Minister for Agriculture, Food, the Marine and Defence, Simon Coveney. The initiative aims to promote a sustainable transport solution for the city, as well as supporting a reduction in carbon emissions.

## 80 New jobs for Technology Company, Global Shares, in Clonakilty

Global Shares is investing in a three-year plan that will see its Irish workforce more than double with the creation of 80 jobs. An Irish-owned software company, Global Shares is based in Clonakilty where it currently employs 60 staff in high-skilled roles, including software development, QA, CEP analysts and project management.

## €49,500 funding for local festivals and events in Cork

Minister of State for Tourism & Sport, Michael Ring TD, announced that €49,500 funding has been approved by Fáilte Ireland in order to boost local festivals and events in Cork.

"The funding announced will allow local communities to broaden their appeal to overseas visitors who will be able to experience everything from culture to sport, to festival and fun. These events are the lifeblood for tourism for many local communities and give tourists compelling reasons to explore rural Ireland", Jerry Buttimer, Cork South-Central Fine Gael TD said.

## Further Developments at Kent Station

Iarnród Éireann has just received planning permission for a new pedestrian underpass at Kent station, which allows rail users to connect to Horgan's Quay and will enhance connectivity to the city centre for them. This underpass will ensure a direct access from the quay into the rear of the station, where it's also developing a new bus terminal area, car park, and bicycle stands.

## Two new routes announced for Cork Airport

Czech Airlines and Flybe have announced new routes from Cork Airport to Ibiza and Cardiff respectively. The new routes will begin in June.

Cork Airport's Managing Director, Niall MacCarthy, welcomed the news, stressing that the new services represent a great boost for Cork passengers.

## European Tech Summit heading to Cork

The European Tech Summit will be held in Cork City Hall on May 6th and entrepreneurs, technology and business leaders and IT managers from all over the World are expected to attend.

The event is spearheaded by the European tech cluster and will discuss future trends and tech topics around the themes of; Cloud Security, Tech Talent, the Internet of Everything and Digital Media.

## 20 New Jobs for Treemetrics

Cork-based forestry software firm Treemetrics is to create 20 jobs after securing a €1m contract from the European Space Agency (ESA). The new jobs will have a significant impact on the company more than doubling its headcount from the current 18 employees. The ESA win is the latest contract for the Irish firm from the space agency, which has previously awarded high-profile work to the company. The new jobs will be in Treemetrics' software engineering and sales departments and will come on stream by the end of the year.

# recent positive developments

## Cork set to benefit from abolition of EU Milk quotas

Cork is poised to become a leading global dairy hub, with the abolition of EU milk quotas set to see the creation of up to 4,000 new jobs over the next five-years.

A report developed by Cork County Council, and written by CIT academics, has predicted milk production in cork will increase by 50% to 2020, with dairy exports from the county set to increase by €450 million over the same period.

## Cork Chamber selected as a finalist for the 2015 World Chambers Competition

Cork Chamber has been selected as a finalist in the category "Best advocacy project" of the 2015 World Chambers Competition for the policy and lobbying work on Tier-1 International Connectivity.

A record number of 79 applications from 39 countries were received for the 2015 World Chambers Competition and the full list of finalists in this category are:

Australian Chamber of Commerce and Industry (Australia)

Santiago Chamber of Commerce and Industry (Chile)

Cork Chamber of Commerce and Industry (Ireland)

Dublin Chamber of Commerce (Ireland)

Cork Chamber will join the other finalists in front of a panel of international judges for a live presentation at the 9th World Chambers Congress in Torino, Italy on the 10-12 June 2015 and the winner will be announced at the event.

## 50 jobs to be created at EPS as part of €3m expansion of Mallow facility

EPS has announced plans for a new design and manufacturing centre of excellence in Mallow, Co Cork. The €3 million investment will create 50 additional high skilled jobs, supporting EPS's activities in the water sector. The new facility, currently subject to a planning application process with Cork County Council, will be an industry leading centre of excellence for the design and manufacture of key products utilised in the construction of water and wastewater treatment plants. Subject to a successful outcome to the planning process, the company intends to begin construction this summer, with an expected completion time of 12 months. The project will also create 35 construction jobs to facilitate its completion.

## Irish seafood industry to be worth over €1bn within 5 years

Minister Simon Coveney recently announced that the value of the Irish seafood industry will increase to over €1bn within five years as the sector is set to match the dramatic expansion of the agri-food industry. There is also enormous potential for the creation of thousands of new jobs within the seafood industry which Minister Coveney hailed as one of the "high growth economic sectors" now open to Ireland.



## Kernel Capital Positive News:

### Bank of Ireland Kernel Capital Venture Funds Leads €2Million Investment in Hiber-Gene Diagnostics

Kernel Capital through the Bank of Ireland MedTech Accelerator Fund announced a €2 million investment in Dublin-based HiberGene Diagnostics Limited ("HiberGene"), a medical diagnostics company. The syndicated investment comprises of a €500,000 investment by the Bank of Ireland MedTech Accelerator Fund with the remainder of funds provided by Enterprise Ireland and Private Investors.

A spin-out from the Royal Victoria Hospital in Belfast, HiberGene is developing a range of molecular diagnostics tests which will enable the rapid diagnosis of multiple infectious diseases. The company will use this round of funding to support the commercialisation of its first two molecular tests for Meningococcal Meningitis and Group B Streptococcus (GBS).

Commenting on the announcement Orla Rimmington, Partner, Kernel Capital stated: "There is a significant market need for accurate, rapid, cost-effective and simple to use near-patient clinical testing for critical care infectious diseases. Kernel Capital through the Bank of Ireland MedTech Accelerator Fund is delighted to support innovative early stage Irish companies like HiberGene Diagnostics to enable their product launch and market entry."



# KERNEL CAPITAL

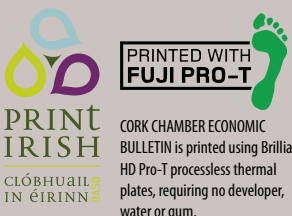
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## The Bank of Ireland Kernel Capital Venture Funds

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