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National and Regional Economic Outlook Slowed Growth in Irish Economy in Q3

National accounts data for the third quarter of 2014 released by the CSO shows slowed growth in the Irish Economy throughout Q3. The data released in December shows that over the third quarter real GDP (seasonally adjusted) increased by 0.1%. The slower growth result was lower than the 1.5% expansion observed in Q2 and the 2.8% expansion observed in Q1. On an annual basis, the CSO reported a 3.5% rise in GDP and a 2.5% rise in GNP. The growth in GDP can be linked to the strong performance of the underlying components, with exports increasing by

15.5% and imports increasing by 15.6% in year on year terms. Surprisingly, despite an annual decrease in unemployment of 37,400 people, personal spending remained flat in the year to 2014.

Table 1 displays the preliminary national accounts for Q2 2014 and Q3 2014 which show the positive growth in all components except for the Consumption components with Government Consumption decreasing by 1.4% and Personal Consumption remaining flat.

Table 1: Preliminary National Accounts 2014 Q2 and Q3 (year on year percentage change)

| | 2014 Q2 | 2014 Q3 |
|------------------------|---------|---------|
| Personal Consumption | 1.2 | 0.0 |
| Government Consumption | 5.9 | -1.4 |
| Gross Investment | 19.2 | 7.8 |
| Exports | 13.1 | 15.5 |
| Imports | 11.9 | 15.6 |
| GDP | 7.3 | 3.5 |
| GNP | 8.5 | 2.5 |

Source: CSO

The overall KBC Ireland/ESRI Consumer Sentiment Index increased in December to 90.5, from 85.3 in November. This increase indicates that consumers were feeling more confident about four of the five components in the Consumer Sentiment Index. The most notable increase is in how consumers view their future household finances for the next 12 months with a 12 per cent rise over November. While there has been a slight fall in consumers' perception of unemployment levels for the next 12 months the same component is up by just over 16 per cent compared to December 2013. In general, the year-on-year changes in each of the five components of the Index continue to indicate a positive consumer outlook.

More positive news on the Tax front

An Exchequer deficit of €8,183 million was recorded for 2014. This compares with a deficit of €11,503 million for 2013. The Exchequer deficit of €8,183 million represents an improvement of €1,407 million on the Budget 2014 consistent profile, driven by increases in tax and non-tax revenues and reduced interest expenditure.

Total tax revenue of €41,282 million was collected during 2014, an increase of €3,476 million (9.2%) on the previous year. In addition, cumulative tax revenues are €1,242 million (3.1%) ahead of target.

With regards to the month of December, tax revenues were €114 million (3.8%) above the monthly target and up €500 million (19.1%) when compared to the same month last year.

Table 2: Statement of Exchequer to end 2014

| Tax Type | Total to end 2014 (millions) | Year on Year (%) | On Profile (%) |
|----------------------|------------------------------|------------------|----------------|
| Income | €17,157 | +8.9 | + 0.7 |
| VAT | €11,153 | + 7.9 | + 3.8 |
| Corporation | €4,614 | +8.1 | +5.4 |
| Excise Duties | €4,991 | +2.0 | + 3.7 |
| Stamp Duties | €1,687 | +25.9 | +14.3 |
| Customs, CGT and CAT | €1,188 | +33.0 | +14.7 |

Source: Department of Finance Exchequer Statement

Commenting on the performance of tax revenues, Minister Noonan stated:

“The exchequer performance highlights the underlying improvement in the Irish economy with increases in income tax and VAT of 9% and 8% respectively, year on year, arising from increases in the number of people at work and more money being spent in the domestic economy. Overall, the Exchequer returns show that the tax base continues to grow in line with targets and provides a solid foundation going into 2015.”

Latest Economic Forecasts:

As part of Budget 2015 the Department of Finance published updated macro-economic and fiscal forecasts on October 14th 2014. Real GDP is now forecast to grow by 4.7% this year. Growth in investment is forecast at 14.6%, combined with a return to personal consumption growth of 1.7% are expected to support a recovery in domestic demand. Additionally, improving conditions in key trading markets should support a strong recovery in exports of 8.3% in the year.

Table 3 highlights a number of growth forecasts for the Irish Economy for 2014 and 2015. All of the forecasts listed predict strong growth in 2014 and 2015.

Table 3: Growth Forecasts for the Irish Economy for 2014 and 2015 (GDP)

| | Date of Forecast | 2014 | 2015 |
|-------------------------|------------------|------|------|
| Department of Finance | October 14 | 4.7 | 3.9 |
| Central Bank of Ireland | October 14 | 4.5 | 3.4 |
| IMF | October 14 | 3.6 | 3.0 |
| European Commission | November 14 | 4.6 | 3.6 |
| ESRI | October 14 | 5.0 | 4.7 |

Source: Department of Finance January Bulletin 2015

Employment:

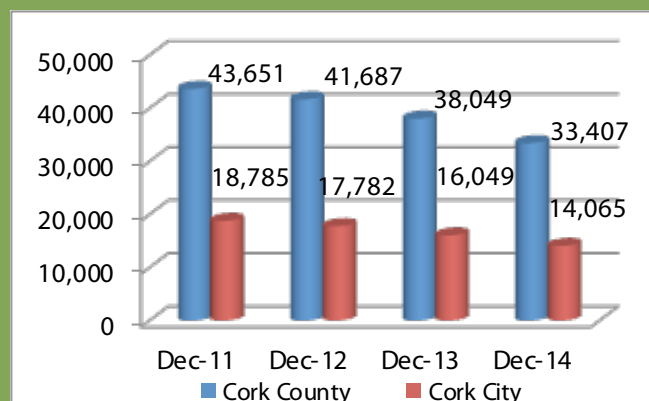
The latest seasonally adjusted unemployment rate from the Q3 Quarterly National Household Survey is 11.1%, decreasing from 11.5% in Q2 2014. The number of persons unemployed fell by 37,400 over the year to Q3 2014.

Overall, there has been an annual increase in employment of 1.5% or 27,700 in the year to the third quarter of 2014. This brought total employment in Ireland to 1.93 million people. In seasonally-adjusted terms the number of people in employment has increased over each of the last eight quarters. However, the labour force decreased by -0.4% year on year due to a decrease in the overall participation rate and net outward migration.

Live Register data for December shows a decrease of 3,300 people on the Live Register in the month, with the standardised unemployment rate falling to 10.6% and down from a peak of 15.1% in February 2012, this is the lowest reading since February 2009. The long-term unemployment rate decreased from 7.6% to 6.4% over the year to Q3 2014, with those long-term unemployed now accounting for 56.7% of total unemployment.

CSO Figures for December 2014 show that there were 33,407 people on the Live Register in Cork County and 14,065 in Cork City. This compares to 38,049 for the county and 16,049 for the city in December 2013, a total annual reduction of 6,626 or 12.25% for Cork.

Figure 1: Live Register Cork City & County December 2014



Source: CSO, December 2014

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.

Table 4: Live Register Annual Percentage Change from Decemebrr 2013 to 2014

December 2014 Liver Register Figures for Cork (annual % change)

| | |
|---------------|-------|
| Cork City | -12.4 |
| Bandon | -13.2 |
| Bantry | -5.4 |
| Bantry (SWLO) | -1.92 |
| Carrigaline | -13.6 |
| Clonakilty | -9.2 |
| Cobh | -4.9 |
| Fermoy | -14.3 |
| Kinsale | -12.6 |
| Macroom | -14.1 |
| Mallow | -14.7 |
| Midleton | -11.9 |
| Newmarket | -17.3 |
| Skibbereen | -7.9 |
| Youghal | -11.7 |

Source: CSO, December 2014

Action Plan for Jobs:

The Government published the Action Plan for Jobs 2014 in February which includes 385 measures to be implemented in 2014 by 16 Government Departments as well as 46 state agencies. Building on the 2013 plan three new Disruptive Reform topics have been targeted in the areas of Entrepreneurship, Winning Overseas and Manufacturing. The 2014 Plan aims to build on the significant progress which has occurred in job-creation since the first Action Plan was launched in February 2012, with more than 58,000 extra jobs added in the year to September 2013. The overall target for the plan is to increase the number of people in employment by 10,000 by 2016 and reach 2 million by 2020.

The third progress report for 2014 was published in November 2014. In the third quarter of 2014, Departments and agencies were to deliver 100 measures under the Action Plan. Twelve of the measures due in Quarter 3 of 2014 have not been delivered on schedule, giving a completion rate of 88%.

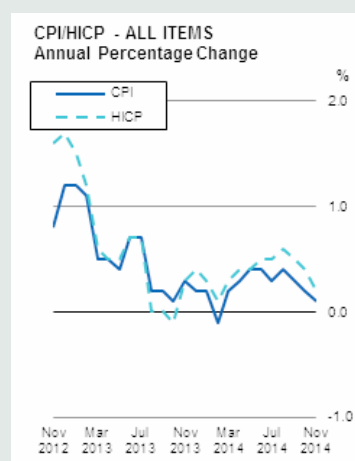
Inflation:

Prices on average, as measured by the Consumer Price Index, were 0.1% higher in November 2014 compared with November 2013.

The Consumer Price Index decreased by 0.3% over the month to November 2014. The main sectors impacting on the index over the month were Miscellaneous Goods & Services which increased by 0.6% mainly due to higher health insurance premiums and Clothing & Footwear which rose by 1.2% due to a recovery in prices following sales. Transport fell by 1.7% due to lower petrol and diesel prices and a fall in airfares and Housing, Water, Electricity, Gas & Other Fuels decreased by 0.5% due to lower mortgage interest repayments and a decrease in the cost of electricity and home heating oil.

Figure 2 shows the change in inflation as measured by the Consumer Price Index and the Harmonised Consumer Price Index from November 2012 to November 2014.

Figure 2: Inflation



Source: CSO October 2014

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 a decrease of 0.2% in the value of retail sales in November 2014 when compared with October 2014 and there was an annual increase of 2.2% when compared with November 2013. If Motor Trades are excluded, there was a monthly decrease of 0.3% in the value of retail sales and an annual increase of 1.2%.

Ireland:

In December, ratings agency Standard & Poor’s has 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 it had a stable outlook on both categories.

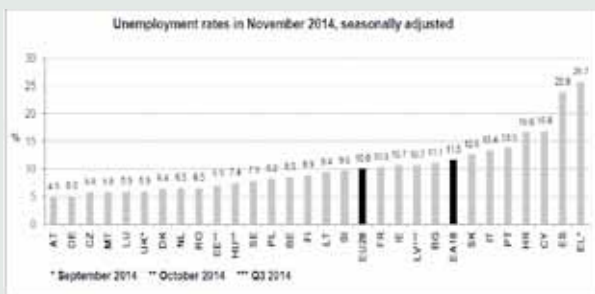
S&P said the country’s economic prospects had improved in the past year and upgraded its average GDP growth projections for 2014-2016 to 3.7%, up 1%. It said inflows from foreign direct investment had proven to be exceptionally high in recent years, while strong GNP growth suggested a strong recovery in the domestic economy too.

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 (EA18) seasonally-adjusted unemployment rate was 11.5% in November 2014, stable compared with October 2014 but down from 11.9% in November 2013. The EU28 unemployment rate was 10.0% in November 2014, down from 10.7% in November 2013.

Figure 3: Seasonally Adjusted European Unemployment Rates, November 2014



Source: Eurostat, January 2014

The number of people out of work is 18.4 million in the euro area, while the number of unemployed in the EU28 stands at 24.4 million in November 2014. Compared with October 2014, the number of persons unemployed decreased by 19,000 in the EU28 and increased by 34,000 in the euro area. Compared with November 2013, unemployment decreased by 1.487 million in the EU28, and by 522,000 in the euro area. The youth unemployment rate is 21.9% in the EU28 and 23.7% in the euro area in November 2014 compared with 23.2% and 23.9% respectively in November 2013. Youth unemployment continues to be a major challenge.

Eurostat figures reveal a 0.2% increase in seasonally adjusted GDP (euro area) and a 0.3% increase in GDP (EU 28) for Q3 2014 compared with the previous quarter. Compared with the same quarter of the previous year, seasonally adjusted GDP rose by 0.8% in the euro area and by 1.3% in the EU28 in the third quarter of 2014, after a 0.8% and 1.3% increase respectively in the previous quarter.

During the third quarter of 2014, household final consumption expenditure rose by 0.5% in the euro area and by 0.6% in the EU28 (after 0.3% and 0.4% increase in the previous quarter). Exports rose by 0.8% in the euro area and by 0.6% in the EU28 while imports increased by 1.2% in the euro area and by 1.1% in the EU28 in Q3 2014.

Euro area annual inflation is expected to be -0.2% in December 2014, according to a flash estimate by Eurostat, down from 0.3% in November. This negative rate for euro area annual inflation in December is driven primarily by a fall in energy prices. The ECB refinancing rate remains at 0.05%, a record low

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

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. In recent months collaborative points of focus have included the Government's consultation on the Action Plan for Jobs 2014 and a submission on an Integrated Irish Aviation Policy to the Department of Transport, Tourism and Sport.

SNAPSHOT OF KEY POLICY FOCUS AREAS FOR CHAMBERS IRELAND FOR 2015

Ensuring effective and efficient Local Government

The business community is a major contributor to the funding of Local Authorities and Chambers Ireland aims to ensure that local government is effective, efficient and provides value for money. The essential services and infrastructure for businesses to grow and create jobs must be provided to the highest standards, and efforts must be made to revitalise town and city centres that have suffered from under-occupancy. Local Authorities are becoming an increasingly important player in local economic development, and Chambers Ireland aims to keep Chambers and their members at the heart of this process.

Supporting SMEs and Entrepreneurs

In order for Ireland's economic recovery and growth to be sustainable and to deliver jobs, SMEs and entrepreneurs must be supported. Chambers work relentlessly to ensure that the voice of small businesses and entrepreneurs throughout Ireland are heard, and in 2015 Chambers Ireland will continue to lobby on their behalf. Areas of particular focus will be ensuring equitable access to public procurement for Irish SMEs, and working to reduce the regulatory burden on small businesses.

Access to Finance

The strong performance of the economy in 2014 indicates Ireland is entering a period of sustained growth. SMEs aiming to scale up in 2015 must have access to finance, and this must be the right type of financing and at an appropriate cost. Aside from traditional bank lending, the Strategic Banking Corporation of Ireland must prove itself accessible to SMEs, and we need a more dynamic approach towards the facilitation of a non-bank lending market.

Taxation

If we are to foster a culture of entrepreneurship in Ireland, we must have a taxation regime that rewards those willing to

take the risk of setting up or investing in a business. At present this is not the case. While we recognise the commitment to address high marginal income tax rates, Ireland cannot maintain punitive Capital Gains Tax (CGT) rates and expect to encourage entrepreneurs and investors. This is particularly the case given the low CGT rates in effect in many of our competitor nations. CGT must be reduced if Ireland is to develop a new generation of Irish based entrepreneurs.

International Trade and Supporting Exporters

The Transatlantic Trade and Investment Partnership (TTIP) is a free-trade agreement currently being negotiated between the EU and US. The agreement has three main strands; improved market access; improved regulatory coherence; and improved co-operation when it comes to setting international standards. Successful negotiations could add €800 million a year to the Irish economy and ultimately create 4000 jobs. The TTIP holds enormous potential for Irish exporters, including SMEs, who could benefit from such a trade partnership more than double the European average. Chambers Ireland will be working with national and European partners to promote the interests of SMEs so that any future trade partnership will work to the advantage of Irish exporters around the country.

Ensuring Irish businesses remain cost competitive

Irish SMEs are operating in a relatively high cost environment. On foot of recent political and media commentary, there are serious concerns amongst the business community that their cost of doing business will increase in the coming years. This is particularly the case around labour costs and water charges. Chambers Ireland and the Chambers Network will reinforce the message that any increases in the cost of business to SMEs is highly premature and will have negative consequences for job creation and economic growth.

Q4 2014 Economic Trends Survey Results

Results of the fourth quarterly economic trends survey of 2014 reveal the highest level of confidence amongst Cork-based businesses since the Chamber's Economic Trends Survey commenced in 2009. High increases in turnover, net profit and continuing growth in employment are among the positive indicators likely driving this business confidence.

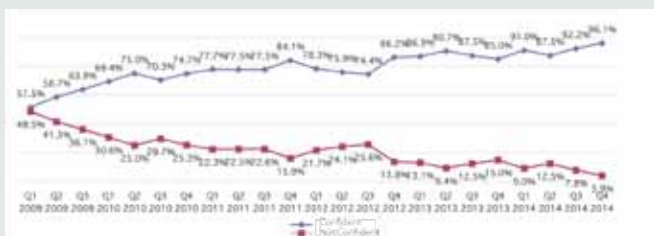
Survey Population

The respondents to Cork Chamber's Q4 2014 Economic Trends Survey are from a range of sectors including manufacturing (13%), wholesale and retail trade (8%), construction (5%) professional, scientific and technical services (9%), financial and insurance activities (11%), ICT (7%) and 'other service activities' (22%). Responding businesses are also representative of a broad cross-spectrum of business sizes, one third of businesses surveyed employ less than ten people, a further third of businesses employed between 11 and 50 people, while 14% employed between 50 and 200 people and the remainder employed more than 200 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 4). 96% of businesses report confidence in the future of their business - the highest level on record since the Chamber's Economic Trends Surveys commenced in Q1 2009 when only 51.5% reported confidence in the future of their business. When looking forward over the next 12 to 36 month period, confidence levels are maintained by a significant 95% of respondents.

Figure 4: Business Confidence



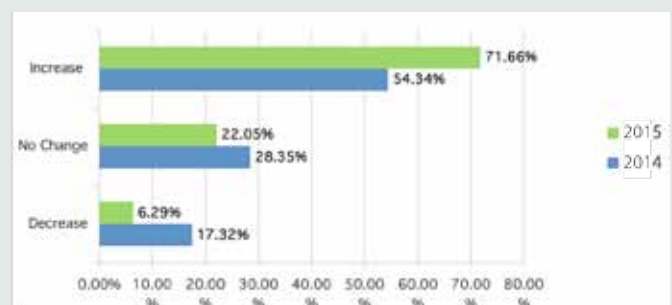
Source: Cork Chamber Q4 2014 Quarterly Economic Trends Survey

Turnover & Net Profit Trends

Positively, 68% of businesses reported an increase in turnover for 2014, with 18% of businesses reporting no change in their turnover for 2014. A substantial 81% of businesses project increases in their turnover over the forthcoming 12 months with only 2% of businesses forecasting a decrease in turnover and the remainder forecasting no change for 2015.

Equally positive is the fact that 72% of businesses project increases in net profit over 2015 and just under half of those predicting profit increases anticipate net profit increases of greater than 10%.

Figure 5: Net Profit Estimations 2014 & 2015 (Reported and Projected)



Source: Cork Chamber Q4 2014 Quarterly Economic Trends Survey

Employment Outlook

Actual and projected employment trends as reported in the quarter's findings are reflective of the wider national trends towards increased employment and reduced unemployment levels over 2014.

In the last 12 months, employment levels have remained stable for 37% of businesses and significantly, over half of the businesses surveyed have increased the number of employees with over half of those reporting an increase doing so by more than 10%. Unfortunately 11% reported a decline in employment figures over 2014. Businesses indicated that they are somewhat cautious regarding their outlook for 2015 with half of the respondents expecting their employee numbers to stay the same in 2015.

Growth and Expansion plans for 2015

Growth expectations are further solidified when assessed in the context of business's expansion and growth plans over 2015. 39% of firms report plans to further expand into foreign markets where they already trade, 38% of firms plan to expand into new foreign markets and 77% of firms plan further expansion within the existing domestic market over 2015.

Financial Supports for Businesses

There has been a decline in the number of businesses that describe access to credit as a 'problem for their business' (one fifth of respondents) since Q4 2013 when one third of respondents indicated that access to credit was a problem. There has also been a decline in those businesses who indicated that working capital is a problem for their business, 20% in Q4 2014 down from 42% in Q4 2013. Inter-linked with access to credit and working capital issues is the issue of payments to creditors and receipt of debtor payments. Almost a tenth of businesses (9%) report that it is now taking longer to pay its creditors, this is down from 22% in Q4 2013. Critically, just over a quarter (26%) state that it is taking longer to receive payments from its debtors, however this is down from 43% in Q4 2013.

As businesses look forward and plan for growth and expansion over the twelve months of 2015, it is imperative that a facilitative business environment is in place to ensure optimal supports that enable the realisation of these growth projections. Crucially, survey findings highlight how more than half of businesses (57%) do not think there has been any improvement in supports for businesses and SMEs over the past 12 months.

When asked about ways to improve existing bank and financial institution supports for businesses in 2015 some of the most consistently called for improvements were reducing 'red tape' by making the system clearer and more transparent, ensuring banks discuss the range of supports available for SME's and identify those most suited to the individual SME and moving to a more personalised relationships between banking managers and businesses where businesses are encouraged to discuss their specific situation and banking decisions are made on a more holistic basis using both quantitative and qualitative information.

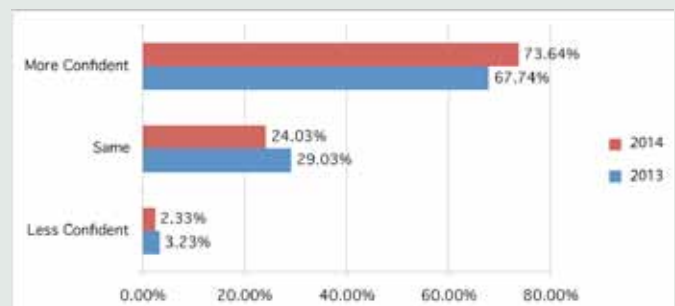
Government Policy

Businesses were positive about the impact of government policy on the restoration of fiscal stability, with 63% agreeing that policy had had a 'positive' impact, significantly 68% of businesses believed government policy had had a positive impact on incentivising further foreign direct investment. However, businesses were critical of the impact of Government policy on taxation levels, with 40% reporting the 'negative impact' that policy had on taxation levels and only 16% reporting a 'positive impact' with the remainder reporting 'no change'. 47% of businesses believed government policy had had a positive impact on job creation, while 10% believed its impact had been negative which is down from 25% this time last year. Worryingly, only 3% of businesses believe that government policy has had a 'positive' effect on political reform with 48% believing it has had a 'negative' effect and 49% believing that it has had no change.

Confidence in the Irish Economy

Confidence levels in the Irish economy have improved since 2013, with 74% of businesses feeling more confident about the Irish Economy compared to 12 months ago with only 2% feeling less confident. This improved confidence was also demonstrated by 83% businesses who reported that they were confident that the Irish economy would grow by at least 2% in 2015.

Figure 6: Confidence Levels in Irish Economy Q4 2013 and Q4 2014



Source: Cork Chamber Q4 2013 and Q4 2014 Economic Trends Survey

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, taxation levels and over-regulation.

Overall, the findings from the last quarter of 2014 reveal a commitment to growth and expansion amongst the business community. Findings for business confidence and confidence in the Irish economy are amongst the most positive recorded since the Chamber's economic trends survey commenced in 2009. However, the survey results highlight a number of areas where improved interventions and careful monitoring are required to ensure that businesses are able to confidently invest in their future growth.

96% of businesses report confidence in the financial future of their business - the highest level on record since the Chambers Economic Trends survey commenced in Q1 2009.

Cork Chamber responds to Cork City and County Council's 2015 Budgets

Following the release of Cork City and County Council's 2015 Budgets in November, Cork Chamber has expressed mixed views on the announcements made by the Local Authorities. Cork Chamber warmly welcomed the measures announced as part of Cork County Council's Budget, which sees the County take a pragmatic pro-business orientated approach to the regions' economic development by introducing a number of facilitative provisions which will sustain and enhance Cork's attractiveness as a key business location.

Key measures introduced by Cork County Council, as lobbied for extensively by Cork Chamber, include a five year rates relief scheme being applicable to all businesses, but specifically targeted at small and medium sized businesses providing a full 5% relief to 65% of businesses in the county for 2015. While this move is a welcomed positive step, It is necessary to ensure that there is an equitable rates system for businesses of all sizes in the County and further rate reliefs should be introduced in the coming years for the 35% of businesses who pay rates greater than €3000 per annum and account for over 90% of the Councils rates income. Additionally, the maintenance of the Economic Development Fund at 1% and its marginal increase to €1.07 million per annum will fund projects that will further the economic development priorities of the region.

Cork County Council's 2015 budget also recognised the ongoing difficulties faced by town centres across Cork County by introducing a €1 million Town Development fund to assist town centre recovery. This coupled with the maintenance of the budget allocation for the former Town Councils into the New Municipal Districts, the increase in general municipal allocations and a dividend of €400K discretionary expenditure for towns which operate pay parking will alleviate some concerns which many towns in Cork County have had regarding the rates harmonisation process and will provide much needed certainly to the affected ratepayers.

Unfortunately, despite calls for Cork City Council to follow the pro-business budget of Cork County Council, a disappointing decision was made by Cork City Council who did not demonstrate realism in the run-up to the 2015 Budget and introduce a reduction in rates for 2015. It is not sufficient to maintain rates at the current level for the foreseeable future and the introduction of a multi-annual strategy should have been explored which would consider the revenue being raised through the LPT and reflect this in targeted reductions in commercial rates in the immediate years ahead. Cork Chamber does however welcome the City Council's decision to maintain in full the commitment to ring-fencing 1% of rates income for the Economic Development Fund (EDF).



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recent positive developments

90 new jobs for the marine energy sector in Cork Harbour

More than 90 new jobs have been announced for the marine energy sector in Cork Harbour, while a "significant site" in the harbour will be designated as Ireland's first offshore oil and gas services hub.

Boston-based wave-energy technology developer Resolute Marine Energy, will create 80 new jobs in the harbour over the next five years as it establishes its European headquarters here in Cork. Exceedence Ltd, a spin-out from the Beaufort Research Centre at University College Cork, will create five new jobs in marine renewable energy financial consultancy in 2015, while Resolve Marine, a global salvage company will create up to six jobs in the next 12 months in its European headquarters, also located in Cork Harbour.

Cork City Event Centre location announced

Following a last-minute injection of extra public funds, it was confirmed that the new €50m, 6,000 capacity event centre in Cork will be built on the former Beamish and Crawford site on South Main Street in the city centre. It is expected that building will begin during the summer.

Economic boost as Hibernia Networks to land Tier 1 fibre transatlantic cable at Cork

Cork is to get a direct connection to a new high-speed undersea transatlantic fibre cable that links the US to Europe.

The Minister for Agriculture, Food, the Marine and Defence, Simon Coveney announced the development in the Cork Chamber Offices on the 19th of December. The commitment, by Hibernia Networks, to land its Tier 1 Express fibre cable at Cork, is seen as a major boost for the region.

Hibernia Networks plans to connect its flagship Express cable to southern Ireland via a new landing station in Cork. Project Express is a 4,600km Trans-Atlantic submarine cable system linking Nova Scotia in Canada and Brean in the United Kingdom. The cable promises the lowest latency route from New York to London with about 60 milliseconds round trip delay.

Bia Beauty Skincare wins €30k bursary at InBusiness InCork

Founder of Bia Beauty Skincare Tracey Ryan has won the €30,000 Cork Innovates bursary at the InBusiness InCork 2014 showcase.

In the past two years the producer of natural skincare products has grown from a kitchen table project to a full scale manufacturing business who are currently stocked in more than 100 stores in Ireland including Avoca, Blarney Woollen Mills and Lloyd's Pharmacy chain. The bursary provides a cash investment sum, as well as a suite of services from advertising, financial advice, mentoring, PR, a Vodafone communications package and Cork Chamber membership supports all to the value of €30,000.

Cork innovates Promote Cork Entrepreneurship in New York.

Entrepreneurship initiative, Cork Innovates has promoted the work of Irish entrepreneurs, particularly, women in business, in New York.

The group lead by Siobhan Finn, Executive Director of Cork innovates met with a number of relevant Irish American Organisation leaders, influencers and stakeholders, during the visit.

"This trip was about building on the existing relationships which exist and promoting the Cork entrepreneurial spirit through alignment with organisations that focus on entrepreneurship support and engagement," said Siobhan Finn, Executive Director, Cork innovates.

EMC Plans Cork Expansion

Cloud computing giant EMC is seeking planning permission for a new data centre and office block at one of its Cork locations.

The planning application, if successful, will pave the way for an expansion of EMC operations at Ovens. The company, a global leader in cloud computing and big data analytics, lodged a planning application with Cork County Council to develop the site adjacent to its Ovens plant, one of eight global 'centres of excellence.' EMC employs about 3,000 people in Ireland.

recent positive developments

DPS Engineering brings 50 jobs to Ireland

Celebrating 40 years in business, DPS Engineering is creating 80 jobs across Europe next year, with 50 of those earmarked for Cork and Dublin.

With turnover having increased from €55m in 2012 to a projected €75m in 2014, and the workforce going from 530 to 810 in the same time period, the company is set to expand further in the next number of years.

Cork City Vies for European Green Capital 2017 Award.

Cork is competing with 11 other European cities to win the title. The award recognises efforts to improve the environment, economy and quality of life in cities of the EU.

Previous European Green Capitals include Stockholm, Hamburg and Nantes while Copenhagen is the current holder of the title. If successful, Cork could see an increase in tourism based on the positive international coverage for such an award.

From the 11 submissions a shortlist of six will be compiled this spring and the final will take place in Bristol in June. A consortium that includes Cork City Council, Energy Cork, ESB Networks and Gas Networks Ireland is making the application to the European Commission.

Capitol Cinema Sites Sells for €6million

John Cleary Developments (JCD) has emerged as the preferred bidder for Cork City Centre's prime Capitol cinema site on the Grand Parade, and aims to build a mix of big-box retail units, aimed at the likes of Zara and Forever 21, and fourth generation offices on the site which links back to Patrick's Street. The development may also include an Innovation Centre, linked to the food sector and to the city's English Market. JCD is paying up to €6m for the 0.64 acre site which being sold by Savills. Commenting on the sale, JCD announced that "when complete we believe it will represent a turning point for the city and provide more fourth generation space to indigenous as well as foreign direct investment companies".

Aldi Opens New Store in Cork City

Aldi has opened their new store on the ground floor of the Elysian creating 20 new jobs.

It is supermarket chain's 18th Cork store and the county now has more Aldis than any other county in Ireland and have plans to open shops in Wilton and Skibbereen in 2015.

Tourism Strategy Group to be established for Cork

Cork County Council and Cork City Council have announced that, in conjunction with Fáilte Ireland, they are to establish a high level Tourism Strategy Group to develop a vision and action plan which will give cohesive direction to the future growth of Cork tourism.

Building on the significant recent success of the partnership approach of the three agencies to events such as The Gathering, and in particular Rebel Week in 2013, the securing of the Irish Open for Cork at Fota Island earlier this year and MTV Crashes Cork, the Group will be charged with delivering a strategy which will aim to maximise the economic return from tourism to Cork - in terms of overseas visitor numbers, revenues and employment.

HMRC and CMRC Merge

The Coastal and Marine Research Centre (CMRC) and the Hydraulics and Maritime Research Centre (HMRC) have amalgamated under the new banner of Beaufort.

The HMRC at UCC was established in 1979. It is a centre of excellence within Ireland for Ocean Renewables and Coastal Engineering providing support to the maritime industry as well as fundamental R&D. The CMRC is a research centre within UCC. CMRC carries out applied and basic research and also works on commercial contracts with government agencies and industry.

Taoiseach to launch €5m technology centre in Cork

An Taoiseach Enda Kenny recently launched a €5 million technology centre in Cork designed to create new business opportunities for Irish financial services and technology companies through addressing governance and compliance issues.

The Governance, Risk and Compliance Technology Centre (GRCTC) is the latest addition to the network of 15 Technology centres in Ireland. The centre is hosted by University College Cork and funded by the Department of Jobs, Enterprise and Innovation through Enterprise Ireland and IDA Ireland. Its aim is to address governance, risk management and compliance challenges for financial services companies.

recent positive developments

120 Jobs Announced at IT Company Xanadu

IT Company Xanadu Consultancy is hiring 120 new staff at its Blackpool base in Cork. Xanadu Consultancy, an Irish company, provides software development, operational support and consultancy services, predominantly to companies in the online gaming sector, but with an ever-growing remit.

The recruitment drive has already begun, with more than half of the 120 new jobs to be filled in the next few months in the areas of marketing, programming and data analytics.

Sod turned on €50 million office space

An Taoiseach Enda Kenny recently turned the sod on what will be the biggest office block ever constructed in Cork.

The developer of One Albert Quay, John Cleary, also confirmed at a breakfast event, hosted by Tyco in the nearby Clarion Hotel, that the specialist fire and security company would occupy 75,000sq ft over four floors of the €50m development. PWC have been confirmed as second floor tenants.

When complete and fully occupied, One Albert Quay will have capacity for up to 1,700 people and in the short-term it'll provide a real boost to the construction industry in Cork.

100 New Jobs for Fermoy

US engineering firm, ABEC Inc, recently announced plans to revamp the old FCI factory in Fermoy and create 100 jobs over the next two years as part of a major expansion of its global operations.

The new operation will produce engineered process equipment to meet the growing demand from global pharmaceutical and biotech customers. The investment is supported by the Department of Jobs, Enterprise and Innovation through IDA Ireland.

Further developments planned for the City Centre

O'Callaghan Properties have confirmed plans to undertake two major city centre office projects in 2015. They plan to develop their Albert Quay site for fourth-generation offices and to similarly develop a site at Anderson's Quay. They estimate that there is a requirement for 200,000sq ft of offices in the city in the short term and 350,000sq ft in the short to medium term.

In the event of planning for the office project on Albert Quay being granted, it will create a new office corridor in that part of the city given the additional developments at One Albert Quay..

€1.5 million investment upgrading Cobh Cruise Terminal facilities

The Port of Cork announced plans to invest over €1.5 million in upgrading facilities at Cobh Cruise Terminal, Ireland's only dedicated cruise berth, with the installation of a number of high load mooring bollards at the east and west end of the Cobh Cruise Berth which will enable larger ships to be berthed.

The work which will commence before the end of January is expected to be completed by April 2015 in time to welcome the first cruise call on 24th April. In total, 55 cruise liners are scheduled to call to Cork in 2015, 10 of which are maiden calls and 20 of which will be carrying in excess of 3,000 passengers.



Kernel Capital Positive News: Arralis wins European Space Agency Contract

Kernel Capital Portfolio Company Arralis, a millimetre wave technology company with offices in Limerick and Belfast, has been awarded a contract by the European Space Agency to deliver a radar system, which can be used to identify dangerous landing zones with the identification of small objects, such as rocks, which may cause damage to the spacecraft.

Arralis' technology is used in both global and space environments where accuracy and reliability are critical. With ten new products in the pipeline, the company recently opened a design centre in Belfast to further their growth plans. Since investment Arralis have increased employment by 30 percent which they plan to double in 2015.

Kernel Capital is delighted to invest in this dynamic company. This ESA contract is a strong endorsement of the Company's ground-breaking technology and design skills. We look forward to a continuing flow of excellent new state-of-the-art products over the coming year." Dr. Daniel McCaughan, Partner, Kernel Capital



KERNEL CAPITAL

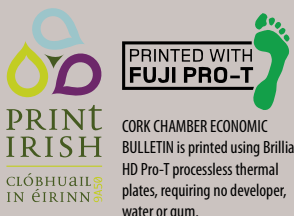
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