



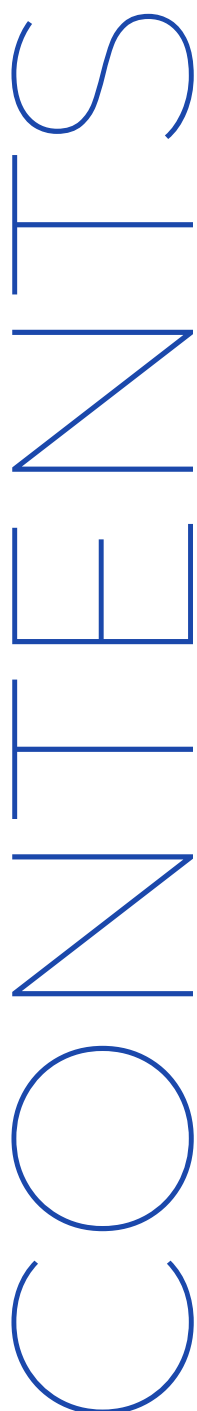
**County Kildare**  
**Chamber**  
Advancing business together

# Chamber Membership Sentiment Report Q1 2023

February 2023



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## Introduction

Welcome to the Chamber Membership Sentiment Report Q1 2023 by County Kildare Chamber. This report is conducted every quarter, with the survey designed to pinpoint specific challenges faced by our businesses in Kildare and help us to identify solutions.

County Kildare Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 42,000 employees across the county, County Kildare Chamber is the largest business organisation in the mid-east region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare.

The Chamber conducted this survey over a period of two weeks from the 24th January– 7th February 2023.

Of the total responses received, 40% were from businesses with 21 plus employees, while 60% came from businesses with staff ranging from one to 20 employees. Over 55% of the responses came from the ICT & Digital economy area, Tourism, Hospitality and Leisure, Retail, Agri food & drink and the service industry.

The survey concentrated on the key business challenges of competitiveness in Kildare, Energy Costs, TBESS, Sustainable Development and Post-Covid employment. It particularly highlighted continuing challenges Kildare businesses are having with regards to housing availability and the cost of energy, all of which businesses see as substantial barriers to competitiveness within Kildare.

Businesses are also concerned with challenges arising from staff retention & recruitment. With regard to Budget 2023 and the specific supports targeted at the business sector (TBESS) 76% of our members stated they were unable to avail of the scheme, with a further 65% of those who could avail stating it did not provide an effective cushion against rising energy costs.

However, despite ongoing pressure, the results of our survey also show the majority of businesses are optimistic about their outlook in Kildare, with 84% looking towards increasing staff training, 74% forecasting an increase in revenue and 74% anticipating either profits to stay the same or to increase over the next twelve months.

# Business Challenges

As we begin 2023 and look to the next 12 months, we asked members ‘What is the biggest challenge facing your business over the next 12 months?’.

2022 was a particularly challenging year for many Kildare businesses. With two years of the Covid pandemic fading, the ongoing discussions on the future trading relationship between the EU and the UK is still being assessed, inflation at record levels, which lead to astronomical rises in goods and services, particularly fuel and food. This is placed a number of significant challenges on Kildare businesses and households.

Consistent emerging data for 2023, and County Kildare Chamber survey trends for the last 12 months, staff retention & recruitment remains the number one challenge facing businesses at 40%. This comes at a time when over 76% of employees in a recent CPL Salary Guide 2023 survey said they would turn down a role that did not meet their flexible working needs[1]. Businesses are suffering difficulties regarding recruitment in a tight labour market, with many companies grappling with wage and benefit demands in order to retain staff. Companies are also looking at other ways of retaining and attracting the best employees, with many investing in health and wellness programmes and training and development opportunities.

This is followed by the cost of energy/raw material at 19%, as a direct result of the ongoing war in Ukraine and continuing inflationary pressures. In correlation to this, reducing costs also features highly at 12% along with maintaining market share at 10%.



[1] 76% would turn down jobs over flexibility - study (rte.ie)



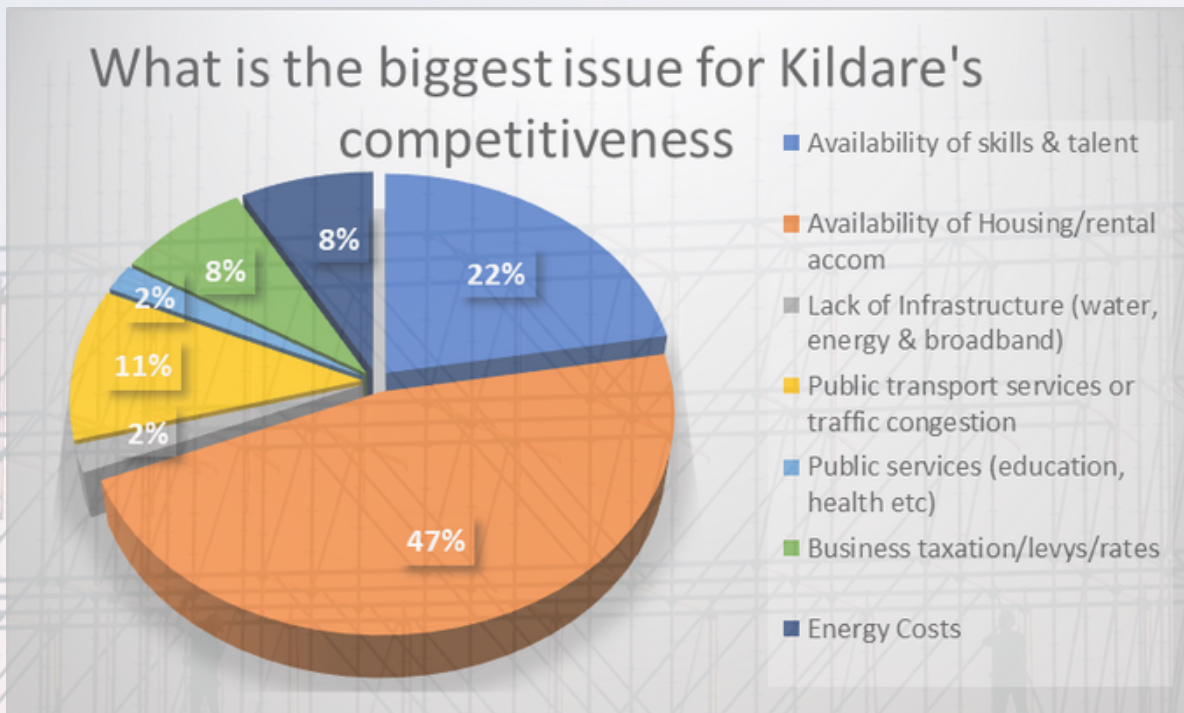
## Competitiveness

County Kildare Chamber asked ‘What is the biggest issue for Kildare’s competitiveness in the next 12 months?’

Housing availability tops the list as the number one concern for businesses when looking at Kildare’s biggest competitiveness challenges for the third time in a row, which accounted for nearly half of responses (47%). This is followed with 22% of businesses reporting the availability of skills and talent, as the biggest challenge facing the County.

Housing availability has now reached levels where it is being seen as a major threat to continued economic growth in the country[1]. Kildare is no different, with availability of both homes and rental accommodation effecting all sectors and employees. Increased delivery of much needed housing is critical to ensuring Kildare and Ireland's economy remains structurally sound and in a competitive position into 2023.

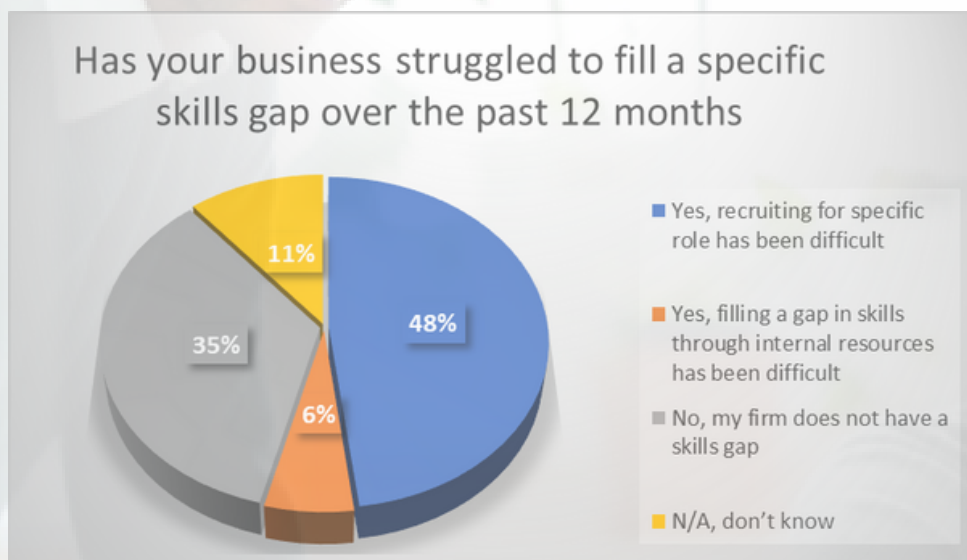
Lack of public transport services and traffic congestion also featuring highly on the list with 11%. With an increasing emphasis on sustainable development and active travel now very much to the forefront of all policy, messaging around energy saving and emissions targets seems to be driving public engagement.



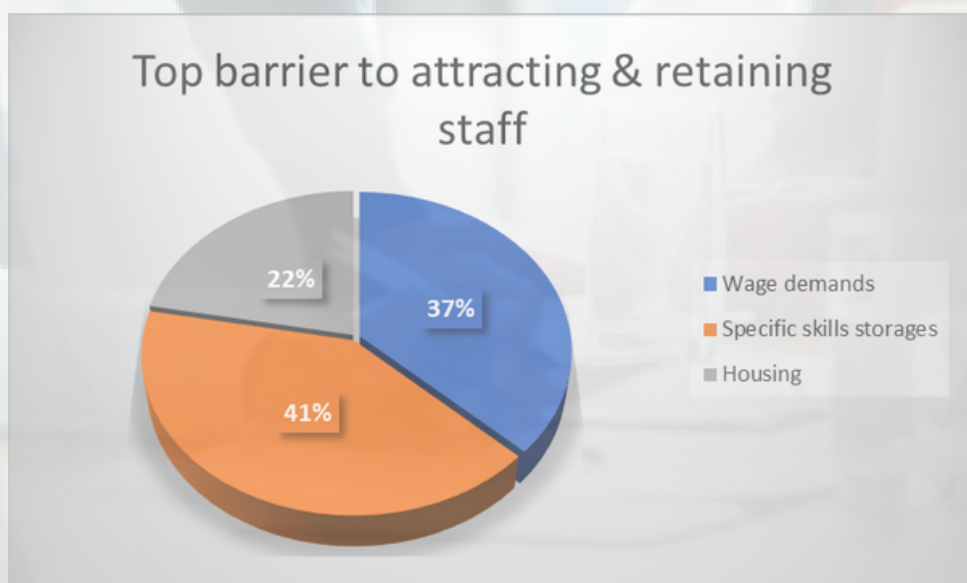
[1] Businesses struggle with effects of the housing crisis (rte.ie)

## Staff recruitment & retention

When it came to staff recruitment and retention levels 54% of businesses stated their business had struggled to fill a specific skills gap in Q1 2023, when compared to 70% in Q4 2022. The responses indicate that all sectors will continue struggle to fill skills gaps within their businesses, at all levels of seniority. Many companies reported a particular gap in technical tradespersons, hospitality and accounting. 35% of companies reported that they were not experiencing a skills gap, an increase of 13% since last quarter, suggesting a slight ease in recent upward trends regarding talent retention.



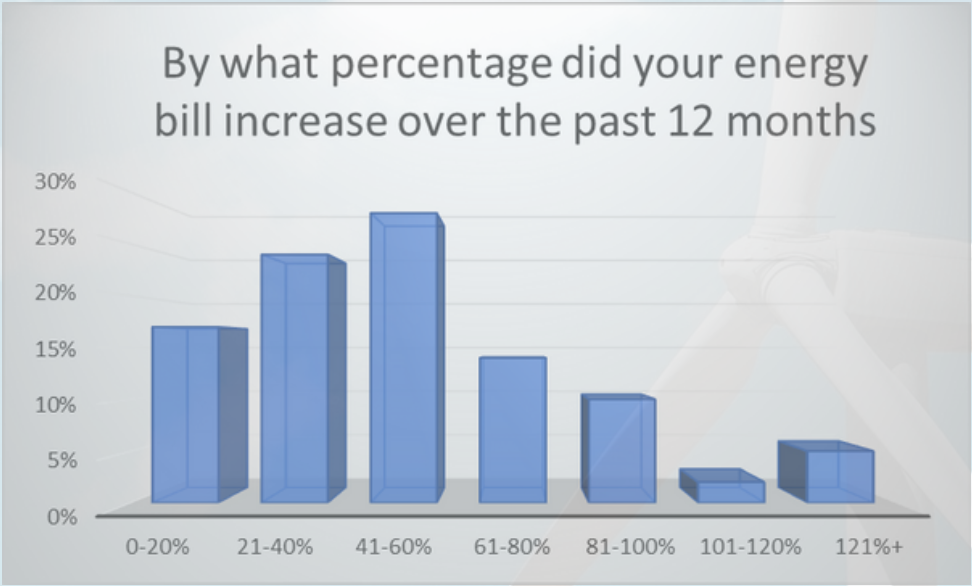
Of the respondents 41% of respondents stated a specific skills storage was the top barrier to attracting & retaining staff. Increased wage demands also featured highly with 37% citing this as the top barrier, with 22% stating housing was the main barrier to attracting & retaining staff.





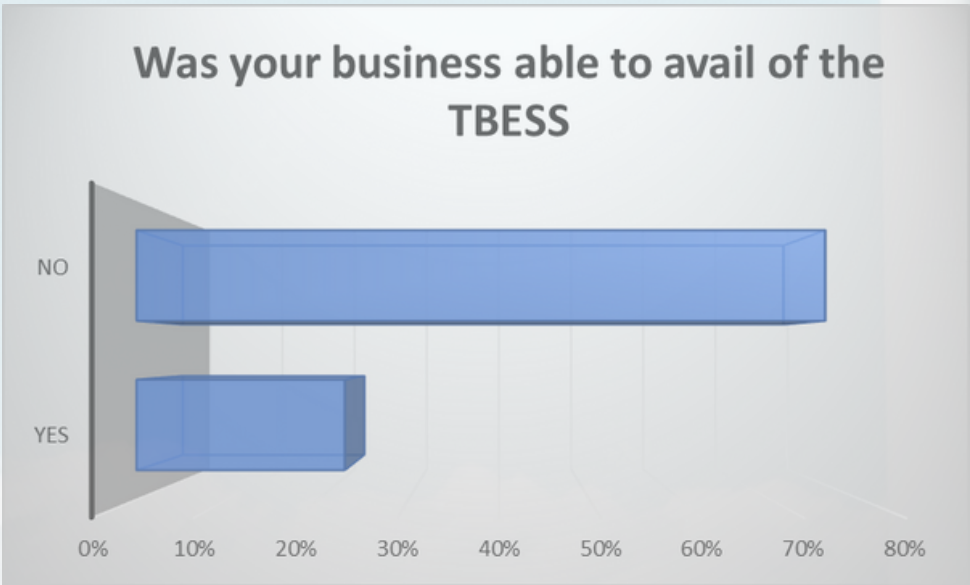
Energy

County Kildare Chamber members disclosed that their energy bills rose dramatically over the past year and discussed the measures they were taking to combat same. The average increase lay between 41% and 60%, with over a quarter of survey respondents (27%). Just under a quarter of respondents (24%) experienced energy bill increases somewhere between 21% and 40%, while a further one in seven respondents (14%) were subject to increases from 61% to 80%.

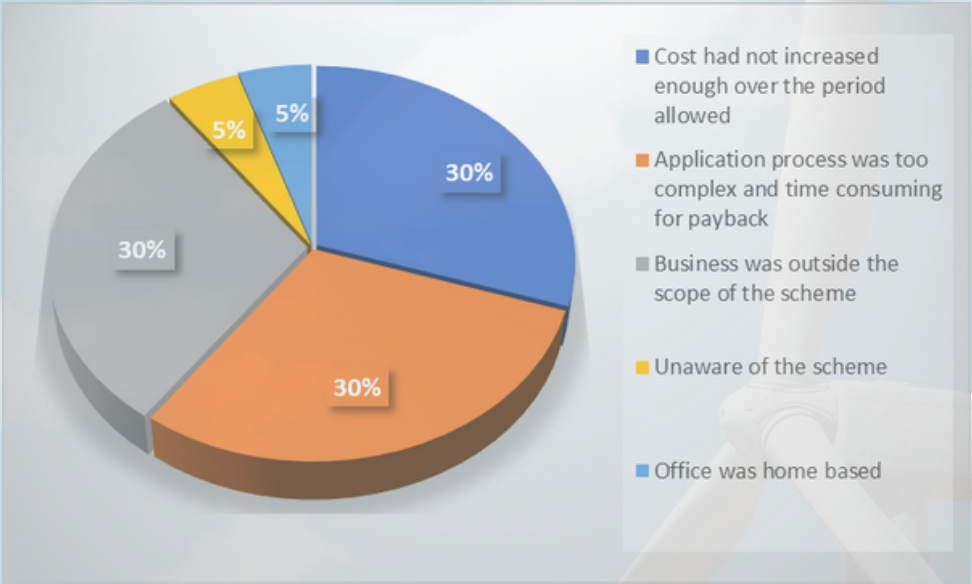


TBESS

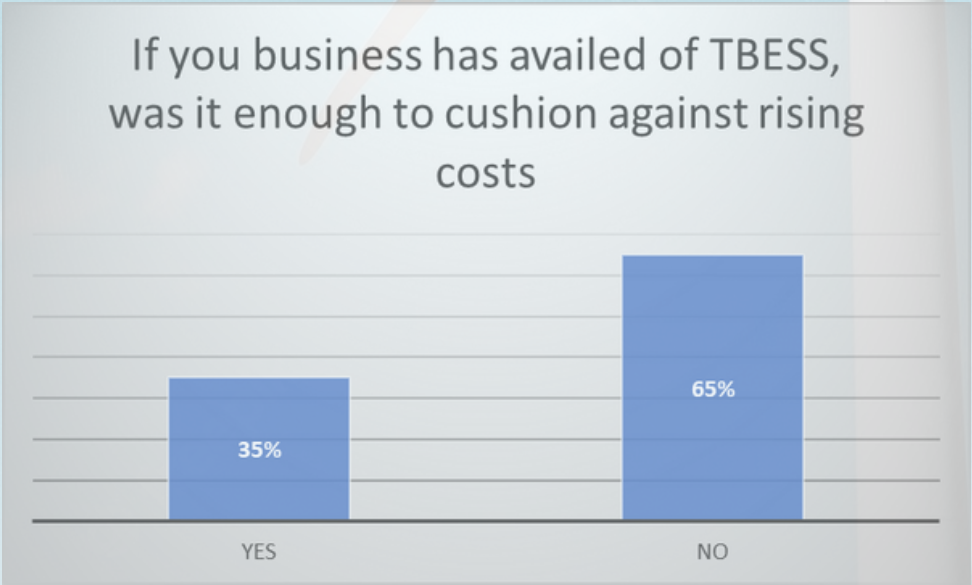
In September 2022, the Government introduced a range of provisions aimed at the business community to help and support the sector through an extremely challenging time, including the Temporary Business Energy Support Scheme (TBESS). With recent data suggesting application numbers were lower than anticipated, County Kildare Chamber asked members whether their business had been able to avail of the support, in its current format. An overwhelming 76% stated their business had not been able to avail of the support.



When questioned on why the business could not avail of the support 30% stated the application process was too complex and time consuming for the anticipated payback from the scheme. A further 30% stated their energy costs had not increased enough over the reference period allowed.



In line with ongoing challenges in the current scheme, when those who had been able to avail of TBESS were asked if it had been effective in cushioning the business against rising energy costs, 65% of respondents said no. When asked to further clarify this, 85% of respondents said the support was too low.



This is a key concern and with high energy costs likely to continue to affect businesses well into 2023, business supports will need to be revised, with the scheme expanded to the end of the year, the eligibility criteria widened and the process simplified, to ensure as many businesses as possible can benefit from the scheme.

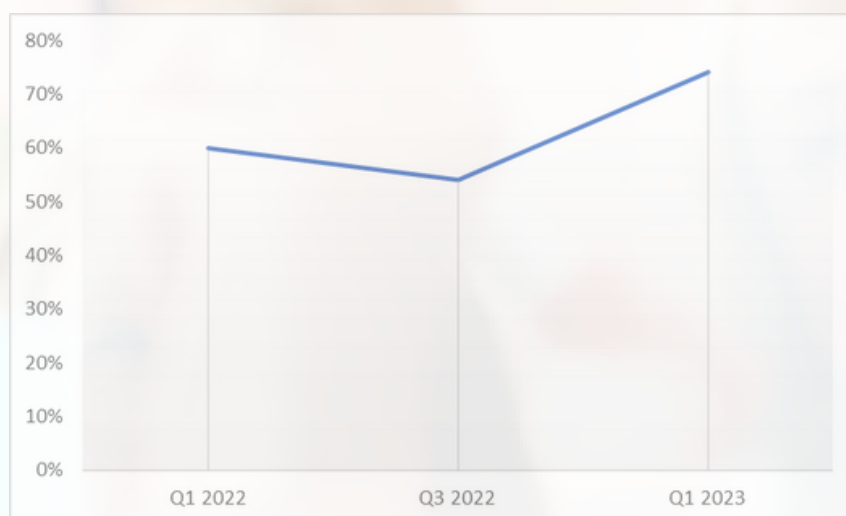


## Business Outlook

Despite facing a number of challenges in 2022, business outlook moving into 2023 remains positive.

## Revenue

When asked about revenue expectations for the year ahead, 74% of respondents said they expected their business revenue to increase. This is a marked improvement on outlook when compared to Q3 2022 (54%), and halting a decline for the first time in twelve months. 7% of Kildare businesses are still expecting to see a reduction in revenue, down from 24% in Q3 2022.



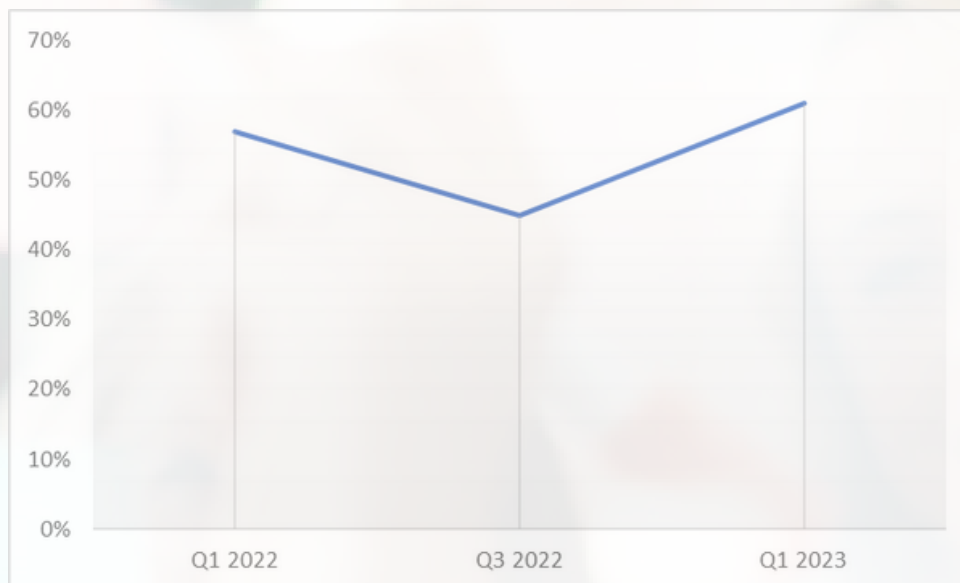
## Profit

Looking at business profitability for the coming year, there are signs of increasing positivity amongst companies in Kildare. 58% of respondents are forecasting an increase over the next quarter, a significant increase on Q3 2022 (34%). Despite this increasing positivity a noted 24% of businesses are still expected to see a decrease in profit, down from 40% in Q3 2022.



## Staffing Expectations

Staffing expectations for Kildare businesses in Q1 reveals 61% expect levels to increase in 2023, an increase of 16% since Q3 2022. One in twenty Kildare businesses (6%) expect a decline in jobs, a 4% decrease on the figure recorded for Q3 2022, and similar to expectations in Q1 2022 (6%). One third of Kildare companies (33%) expect numbers to stay the same.



## Summary

The Q1 2022 County Kildare Chamber Membership Survey has found that 75% of businesses are either concerned or extremely concerned with the effects of rising energy cost on their operations and profitability. The survey also shows TBESS in its current form is not working as a support to the business community. 76% of businesses stating they had not been able to avail of the support. This is despite every respondent recording an increase in energy costs, with 27% of Kildare companies stating their costs had increased by 41-60% over the previous 12-month period.

It is becoming increasingly clear that housing is a profound challenge in maintaining Kildare's competitiveness as a county. The crisis in the availability of housing and rental accommodation in Kildare is becoming the critical barrier to the continued growth and development of our economic ecosystem. The housing crisis has increasingly become a concern in relation to cohesion in the workplace and society more broadly. Younger workers, in particular, are facing significant financial pressure by ever-increasing rents, scarcity of property and the decreasing prospect of homeownership.

This ultimately also has a knock on effect into issues around well-being and productivity in the workplace, while long term, will also create emerging challenges in terms of pension adequacy and people's broader ability to participate in society over the coming decades.

At a time where there are multifaceted challenges pulling stakeholders in different directions it is imperative that Kildare addresses any structural weaknesses that work against long run competitiveness and more widespread productivity growth, such as housing, business supports and talent attraction & retention.

County Kildare Chamber is the largest business organisation in the mid-east region of Ireland representing an employer base of 400 businesses and over 42,000 employees across the county. Kildare is the location of choice for existing & potential business enterprise. Our highly skilled workforce & the attractiveness of our region coupled with the quality of life we enjoy; our excellent infrastructure provision and connectivity ensures we are well placed to secure foreign direct investment.

County Kildare Chamber will continue to work closely with key government agencies and local and regional stakeholders, and the feedback from this survey will allow us to advocate effectively and on the issues which matter most to you.

The next survey will be completed in early Q2 of 2023.

This survey will be circulated to our membership, government departments, public representatives, and our agency partners. It will assist the Chamber in formulating our policy priorities for 2023 and future submissions regarding Local Area Plans most immediately in Kildare -Newbridge. The survey will also help to strategically focus the ongoing work of the Chambers Policy Advisory Council.

If you have any queries regarding the survey or want to discuss a matter further, please contact [sinead@countykildarechamber.ie](mailto:sinead@countykildarechamber.ie)



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