



County Kildare
Chamber
Advancing business together

Chamber Membership Sentiment Report Q2 2023

July 2023

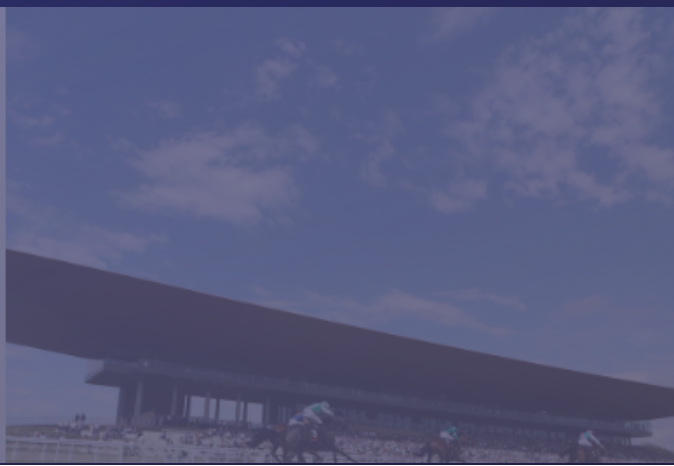
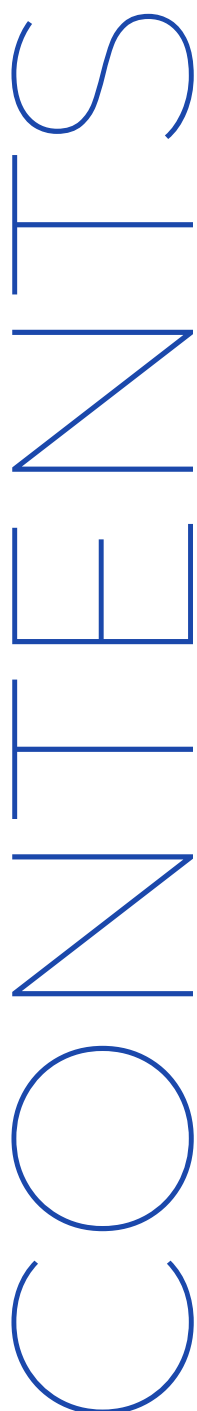


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Introduction

Welcome to the Chamber Membership Sentiment Report Q2 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 22nd May – 5th June 2023.

Of the total responses received, 42% were from businesses with 21 plus employees, while 58% came from businesses with staff ranging from one to 20 employees. Over 60% 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 Budget 2024 asks for the Kildare business community, specifically measures to increase housing supply within the county, increased investment in infrastructure projects and in public services. The survey also dealt with key business challenges of competitiveness in Kildare, Housing, Energy Costs, Sustainable Development and staff retention. 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.

The survey found that 41% of businesses consider housing availability the #1 issue affecting competitiveness within Kildare, closely followed by the availability of skills and talent. The survey also found over 75% of business owners were concerned about the adverse effects of rising energy cost on their operations and profitability.

However, despite ongoing pressure, the results of our survey also show the majority of businesses are optimistic about their outlook in Kildare, with 80% looking towards increasing staff training, 67% forecasting an increase in revenue and 76% anticipating either profits to stay the same or to increase over the next twelve months.

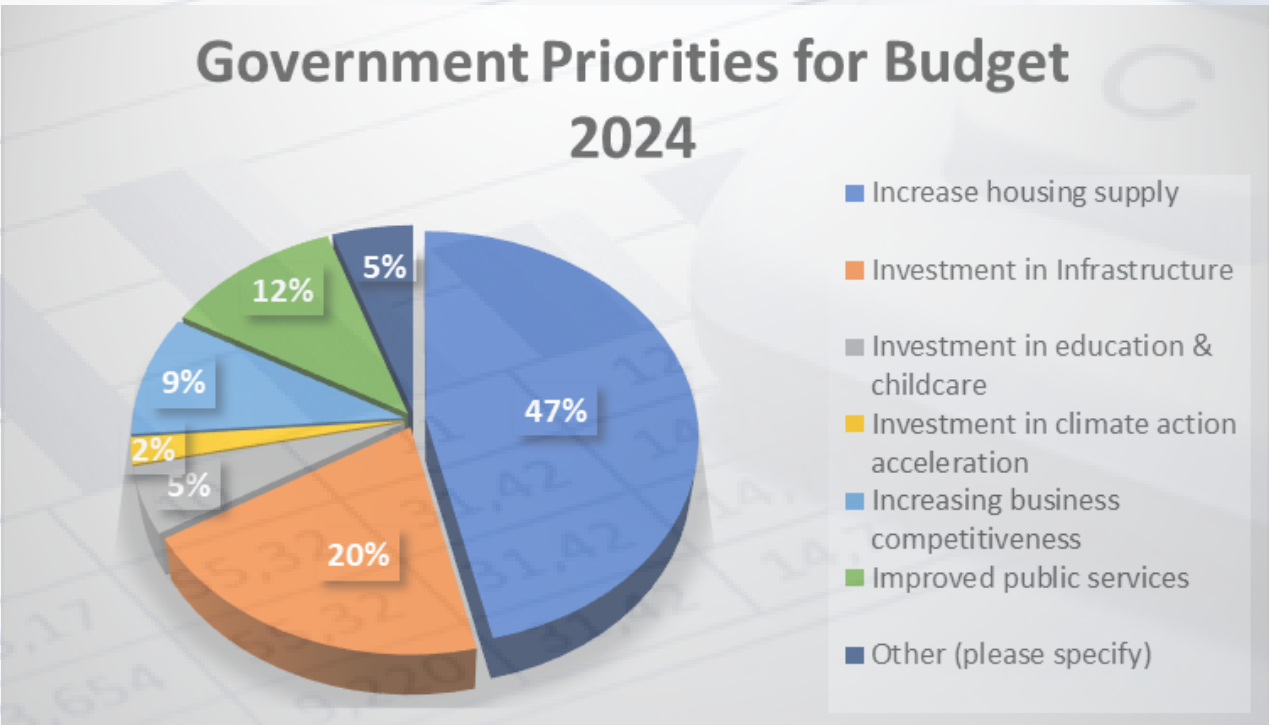
Budget Priorities

County Kildare Chamber is currently in the process of preparing our pre-budget submission, with a specific focus on housing and the availability of skills within the county.

From the Q2 2023 survey conducted by County Kildare Chamber in 2023, the experiences of our members during the second quarter (Q2) of this year and their priorities for Budget 2024 were assessed. The insights gathered from the survey responses have helped shape this budgetary submission. Among the priorities highlighted by businesses for the upcoming budget, addressing the availability of housing emerged as the most critical concern, with nearly 50% of companies emphasising it as the government's top priority for Budget 2024. Housing shortages have transitioned from being solely a social issue to becoming a pressing concern for the business community as well.

Investment in infrastructure and measures to enhance business competitiveness emerged as the second key budgetary priority for companies, with over 20% emphasising the importance of addressing capacity constraints through substantial public investments to enable sustainable growth. Additionally, businesses expressed concerns about inflation and the ongoing conflict in Ukraine, which are impacting competitiveness across various sectors.

In summary, based on the survey findings, this budgetary submission emphasises the significance of ensuring adequate housing supply, investing in infrastructure and skills, and implementing measures to enhance business competitiveness. These priorities reflect the urgent need to support businesses, address capacity constraints, and navigate challenges affecting economic growth and sustainability in the Kildare region.



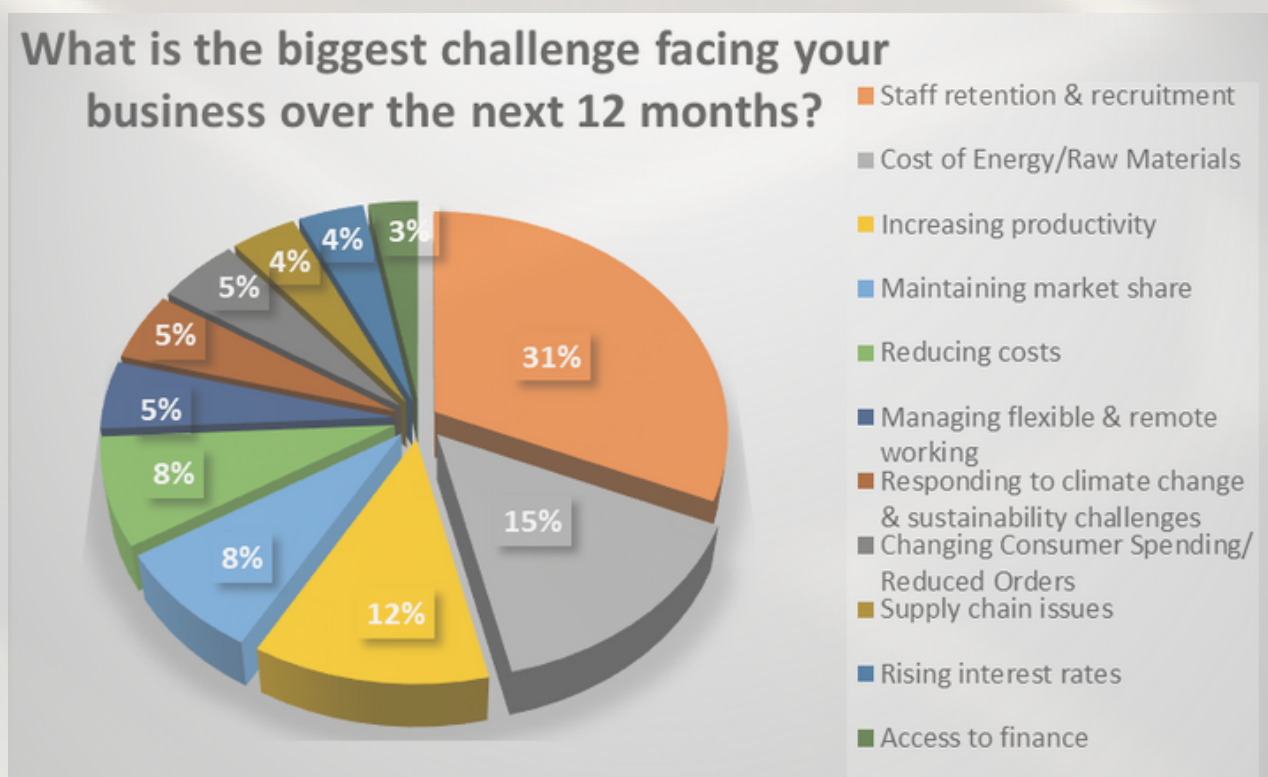
Business Challenges

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?’.

Consistent with data for 2022/2023, and County Kildare Chamber survey trends for the last 12 months, staff retention & recruitment remains the number one challenge facing businesses at 30%. 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 15%, as a direct result of the continuing inflationary price pressures and the ongoing fallout from the war in Ukraine. In correlation to this, increasing productivity and reducing costs also features highly at 12% along with maintaining market share.



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

Competitiveness

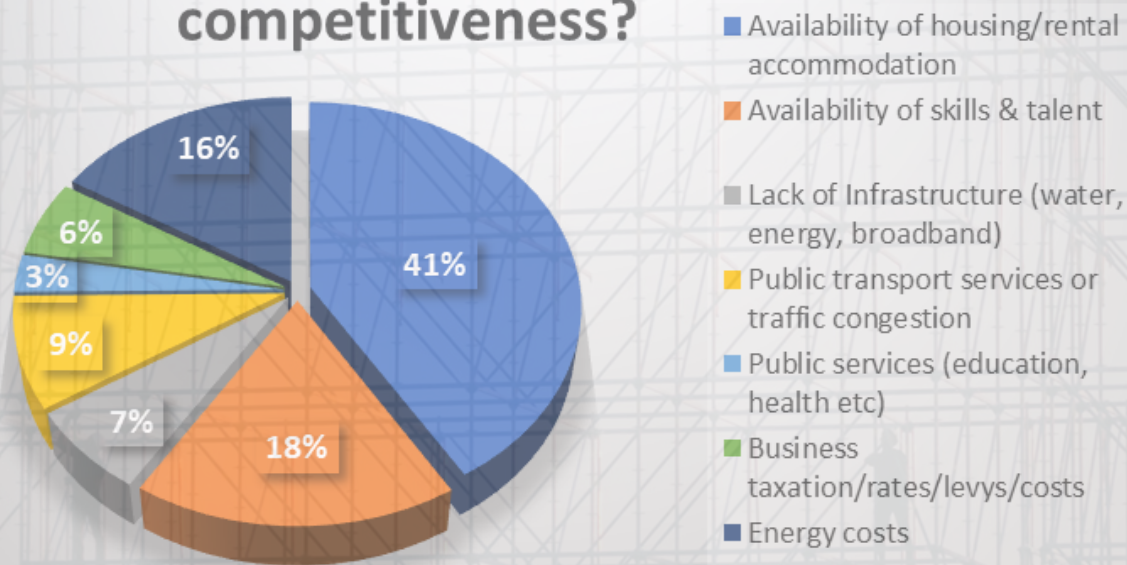
County Kildare Chamber asked ‘What is the biggest issue for Kildare’s competitiveness in the next 12 months?’

Housing availability now tops the list as the number one concern for businesses when looking at Kildare’s biggest competitiveness challenges for over a year, which accounted for over 40% of the response. This is followed with 18% of businesses reporting the availability of skills and talent, as the biggest challenge facing the County.

According to the National Competitiveness and Productivity Council’s (NCPC) competitiveness scorecard for 2023, “Infrastructural constraints are undermining Ireland’s current competitiveness performance, with housing supply the most serious of several problem areas”. The report continues by stating for 2021, Ireland was the poorest performer in western Europe in terms of housing investment as a percentage of GNI. This poses a significant risk to Ireland’s competitiveness, which needs to be addressed in an efficient and effective manner, so it does not undermine our employment and socioeconomic norms.

Energy costs also feature highly on the list with 16% of respondents citing it as the biggest issue for Kildare’s competitiveness. This clearly shows a number of our businesses are still grappling with pricing and cost issues, despite a number of amendments to Government schemes designed to protect businesses.

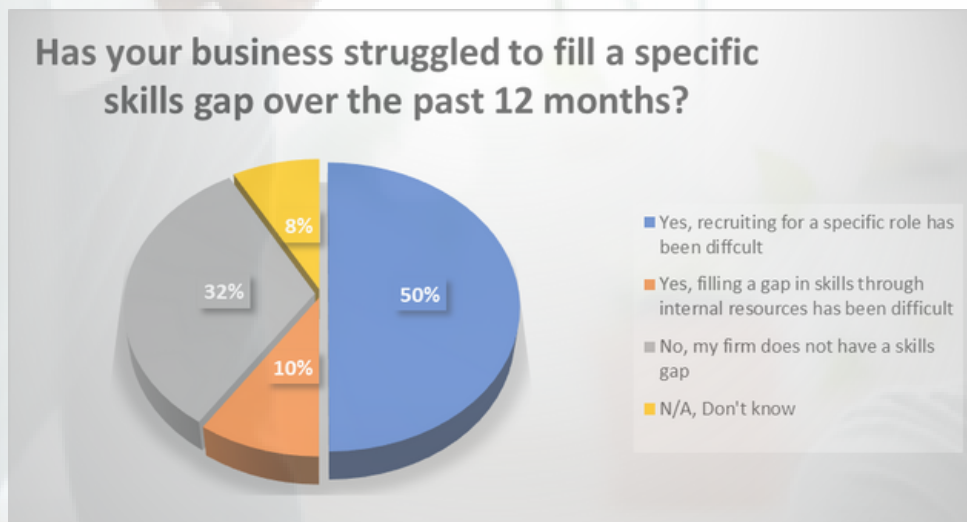
What is the biggest issue for Kildare's competitiveness?



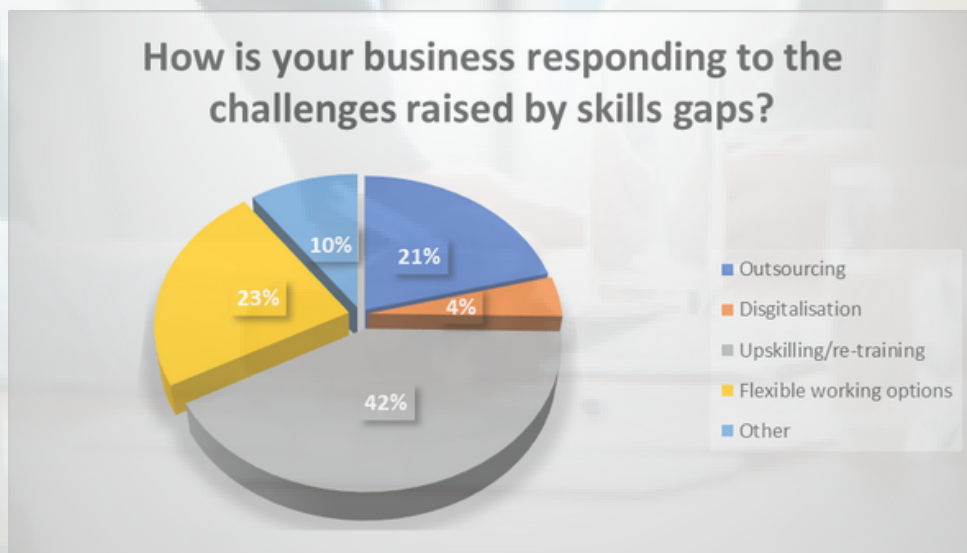
Staff recruitment & retention

When it came to staff recruitment and retention levels 60% of businesses stated their business had struggled to fill a specific skills gap in Q2 2023, when compared to 54% in Q1 2023.

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. 32% of companies reported that they were not experiencing a skills gap, a slight decrease of 3% since last quarter.

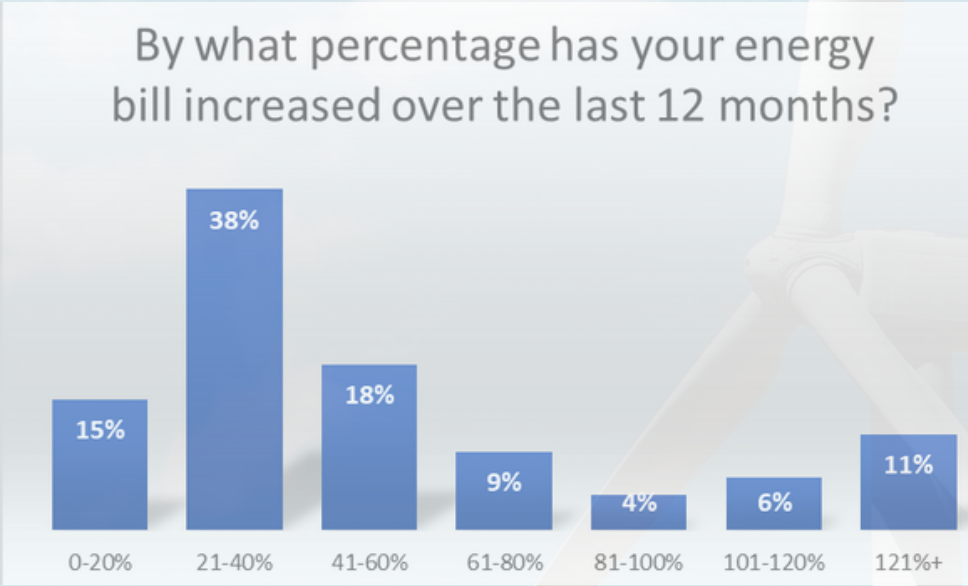


Of the respondents 50% stated a specific skills shortage was the top barrier to attracting & retaining staff. When asked how the business is responding to this challenge, 42% stated upskilling & retraining programmes were helping to bridge the gap. 23% of respondents stated flexible working arrangements were working as a staff insensitive, while 21% of businesses said they were outsourcing the particular vacancy area.



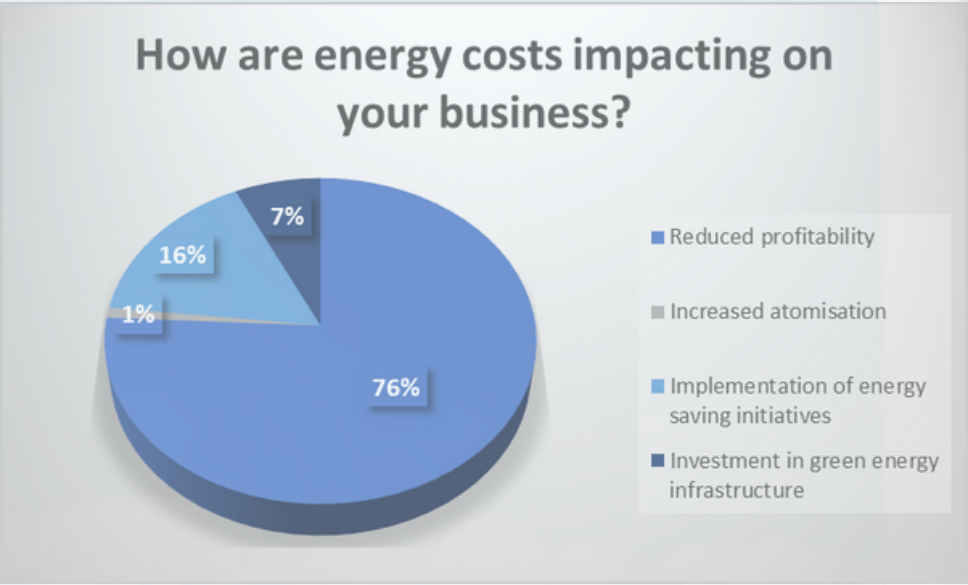
Energy

County Kildare Chamber members have 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 21% and 40%, with over a third of survey respondents (38%). Just under a fifth of respondents (18%) experienced energy bill increases somewhere between 41% and 60%, while a further one in seven respondents (15%) were subject to increases from 0% to 20%.



Energy Cost Impact

As per the Q2 2023 membership survey, high energy costs have triggered a reduction in profitability for 76% of Kildare businesses. To counteract, these cost a number of businesses continue to take proactive steps to cushion the blow of these costs with 16% of companies increasing investment in energy efficiency measures and 7% investing in renewable energy.

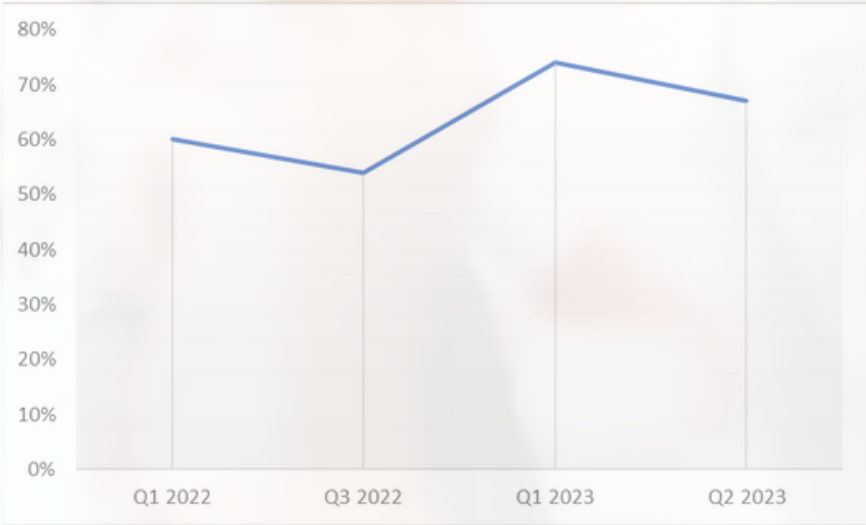


Business Outlook

Despite facing a number of continuing challenges at the mid-way point of 2023 and a slight decline in business outlook compared to Q1 2023, business outlook remains positive.

Revenue

When asked about revenue expectations for the year ahead, 67% of respondents said they expected their business revenue to increase. This is a marked improvement on outlook when compared to Q3 2022 (54%), however is a slight decline on Q1 2023 (74%). 10% of Kildare businesses are still expecting to see a reduction in revenue, a slight increase from 7% in Q1 2023.



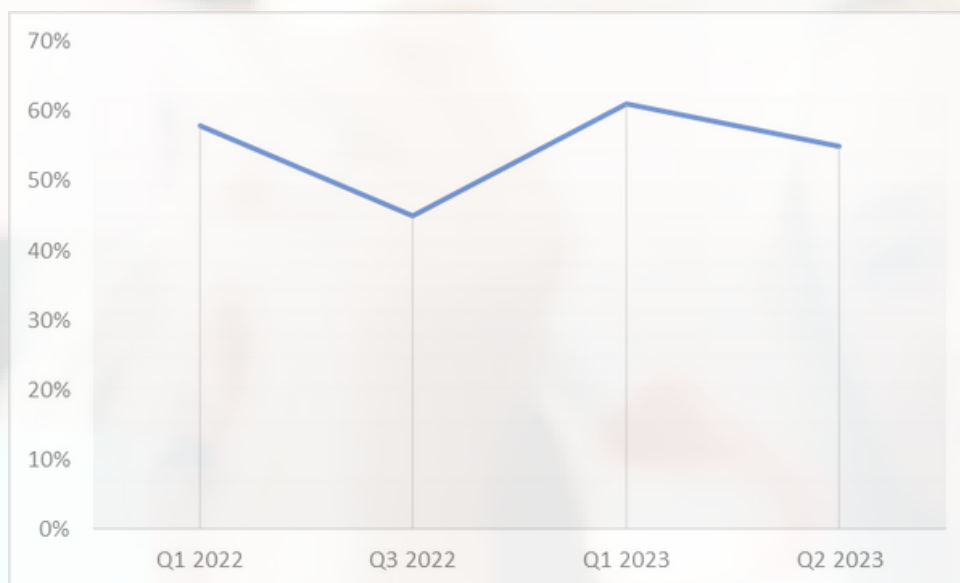
Profit

Looking at business profitability for the coming year, there are signs of increasing positivity amongst companies in Kildare. 48% of respondents are forecasting an increase over the next quarter, a slight decrease on Q1 2023 (58%) in outlook by businesses. Despite this increasing positivity a noted 24% of businesses are still expected to see a decrease in profit, similar to figures reported in Q1 2023 at 24% .



Staffing Expectations

Staffing expectations for Kildare businesses in Q2 reveals 55% expect levels to increase in 2023, as with the ongoing trend, a slight decrease increase of 6% since Q1 2023. 4% of Kildare businesses expect a decline in jobs, a continued reduction on the figure recorded for the previous 3 surveys. Over two fifths of Kildare companies (41%) expect numbers to stay the same.



Summary

The Q2 2023 County Kildare Chamber Membership Survey has found that 41% of businesses consider housing availability the #1 issue affecting competitiveness within Kildare, closely followed by the availability of skills and talent. The survey also found over 75% of business owners were concerned about the adverse effects of rising energy cost on their operations and profitability.

Each month it becomes more and more evident that housing poses a significant challenge to Kildare's ability to maintain its competitiveness as a county. The shortage of available housing and rental accommodations has reached a crisis point, posing a major obstacle to the ongoing growth and development of our economic ecosystem. The housing crisis is now a pressing concern, impacting both workplace harmony and broader societal cohesion.

County Kildare Chamber is currently in the process of preparing our pre-budget submission, with a specific focus on housing and the availability of skills within the county. By emphasising the importance of housing and skills availability, the chamber aims to advocate for necessary investments and policy measures that will support the development and growth of our local economy. Through this submission, the chamber seeks to highlight the critical role that affordable and accessible housing plays in attracting and retaining talent, fostering entrepreneurship, and bolstering the overall competitiveness of Kildare.

Additionally, the submission will emphasise the need for comprehensive strategies to enhance skill development and training opportunities, addressing any existing gaps and ensuring that the workforce is equipped with the necessary capabilities to thrive in our evolving economic landscape. By prioritising these key areas, County Kildare Chamber aims to contribute to the long-term sustainability and prosperity of Kildare, laying the foundation for a vibrant and thriving business community.

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 Q3 of 2023.

If you have any queries regarding the survey or want to discuss a matter further, please contact sinead@countykildarechamber.ie



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