

Ibec Covid-19 Economic update



9th April 2020

Mapping early indicators of the economic impact of Covid-19 and its potential impact

Objective

- Inform business decision makers with the best available data
- Help companies understand the impact Covid-19 is having on the economy in real-time

Focus

- Our analysis maps a range of indicators across the following areas:

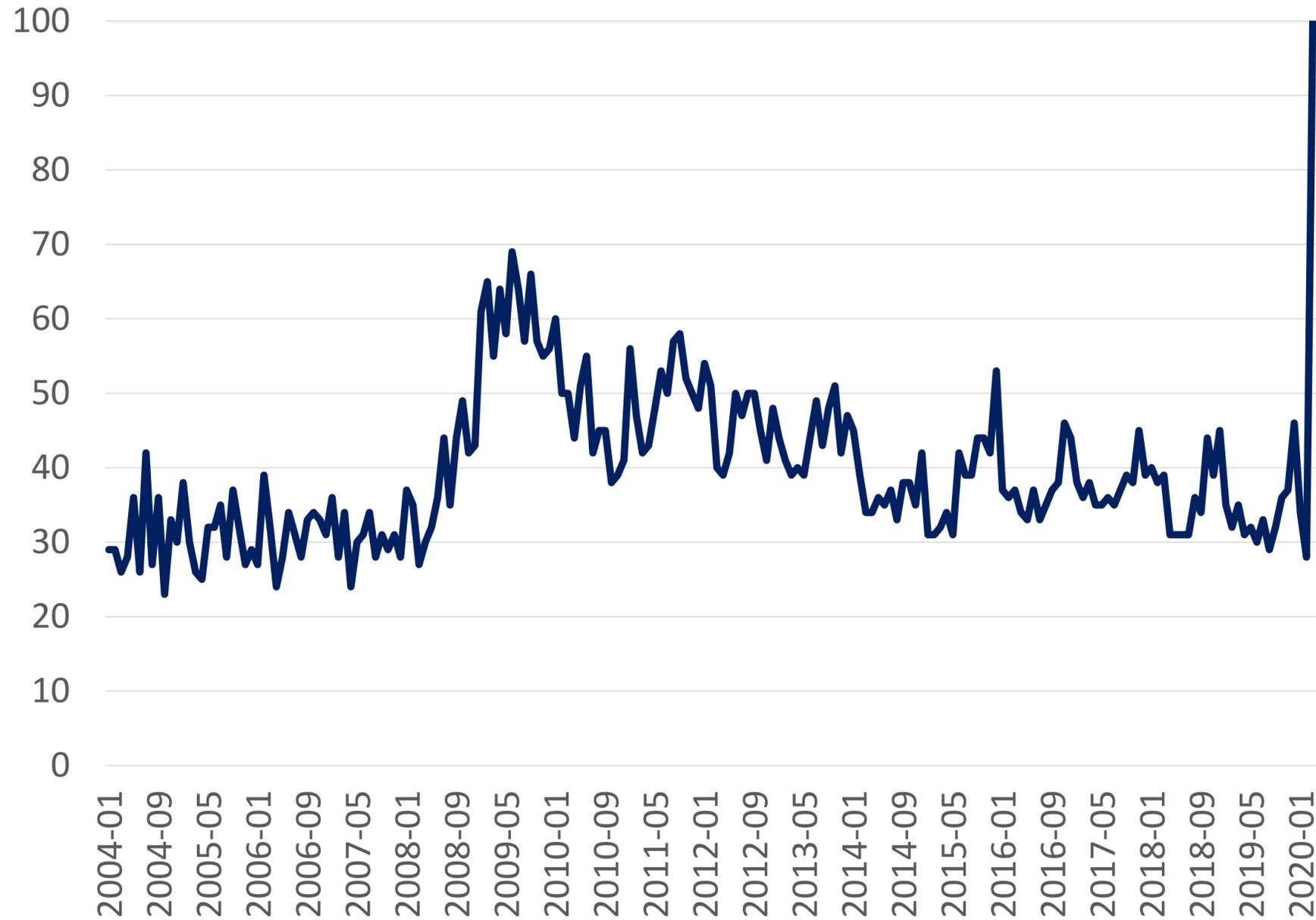
Restaurant bookings, Google searches for welfare payments, traffic volumes, exchequer returns, unemployment and wage subsidy payments, share of private sector turnover and employment growth and vehicle licensing.

Structure

- Focus on 'real-time' data points
- Keep Ibec members up to date on official Government data as it develops
- Provide analysis of the scale of the Covid-19 economic risk

Leading indicators of uncertainty

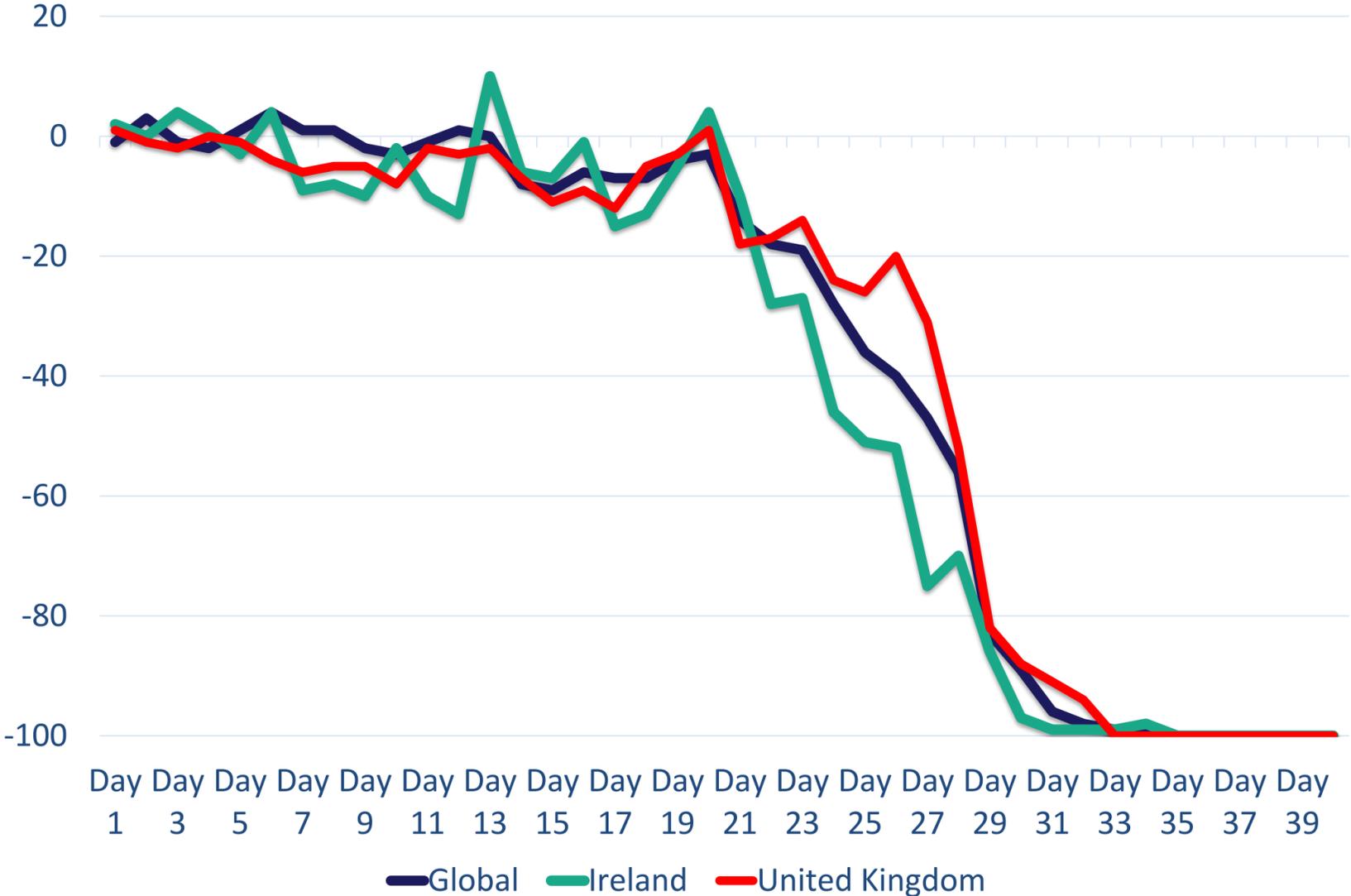
Monthly Google search volumes for 'social welfare' Ireland, 2004 to March 2020



- Autumn '07 to Dec '09, when most people lost their jobs during the last crisis, the volume of Google searches for "Social Welfare" was a good leading indicator of demand for services (basic correlation with live register was 0.93).
- A score of 100 means that the search term is extremely popular relative to all other search terms in Ireland at the time. A score of 0 means it is not.
- This time may be different to a degree, in that many of the people who were obviously worried about their jobs on these numbers will now end up supported in employment by the wage subsidy scheme.

Restaurant bookings

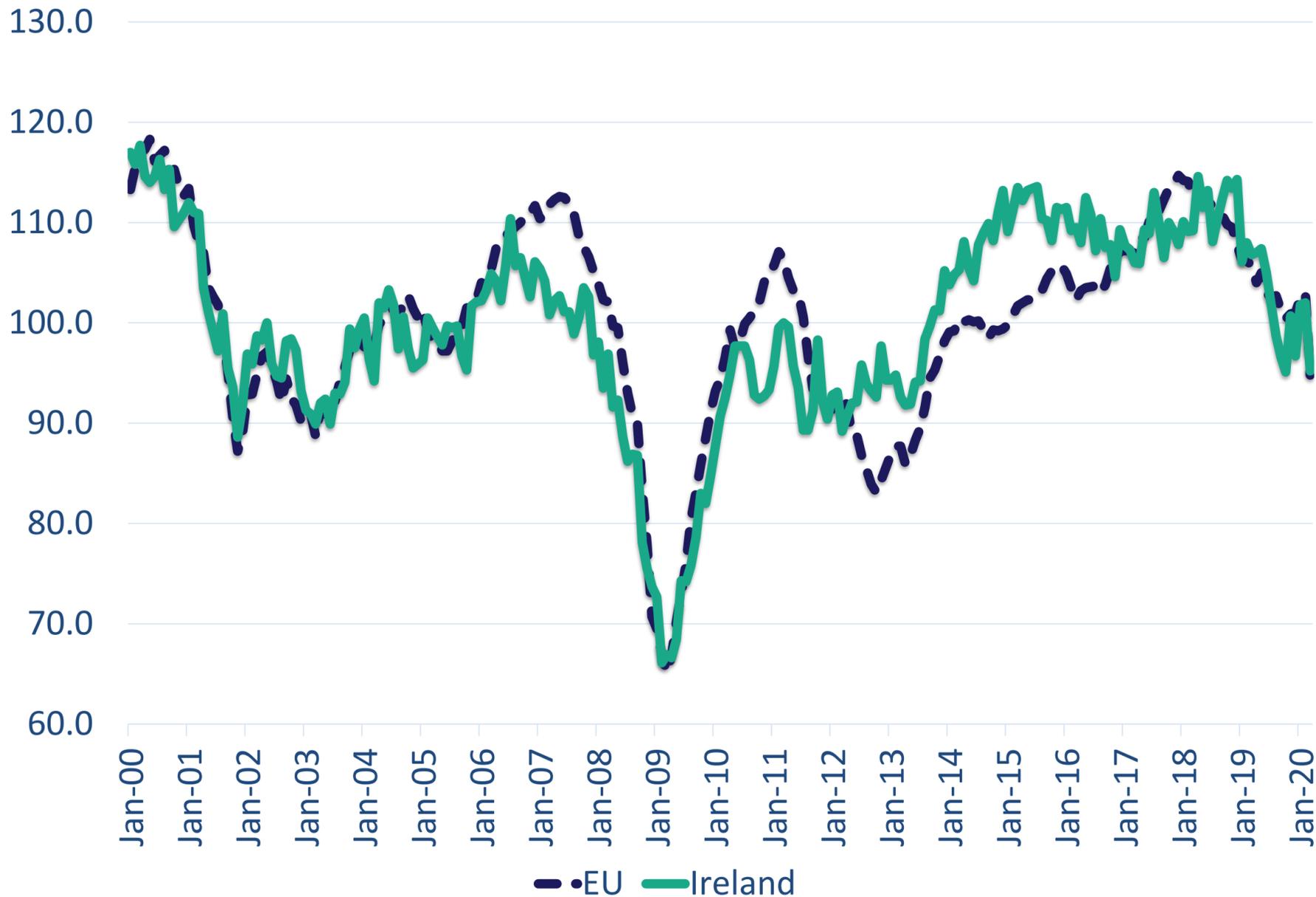
Year-on-year growth in seated diners at restaurants on the Opentable network in the 40 days from Feb 18th to March 28th



- The Open-Table platform manages bookings for around 60,000 premises globally.
- The data shows year-on-year growth in seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins.

Economic sentiment

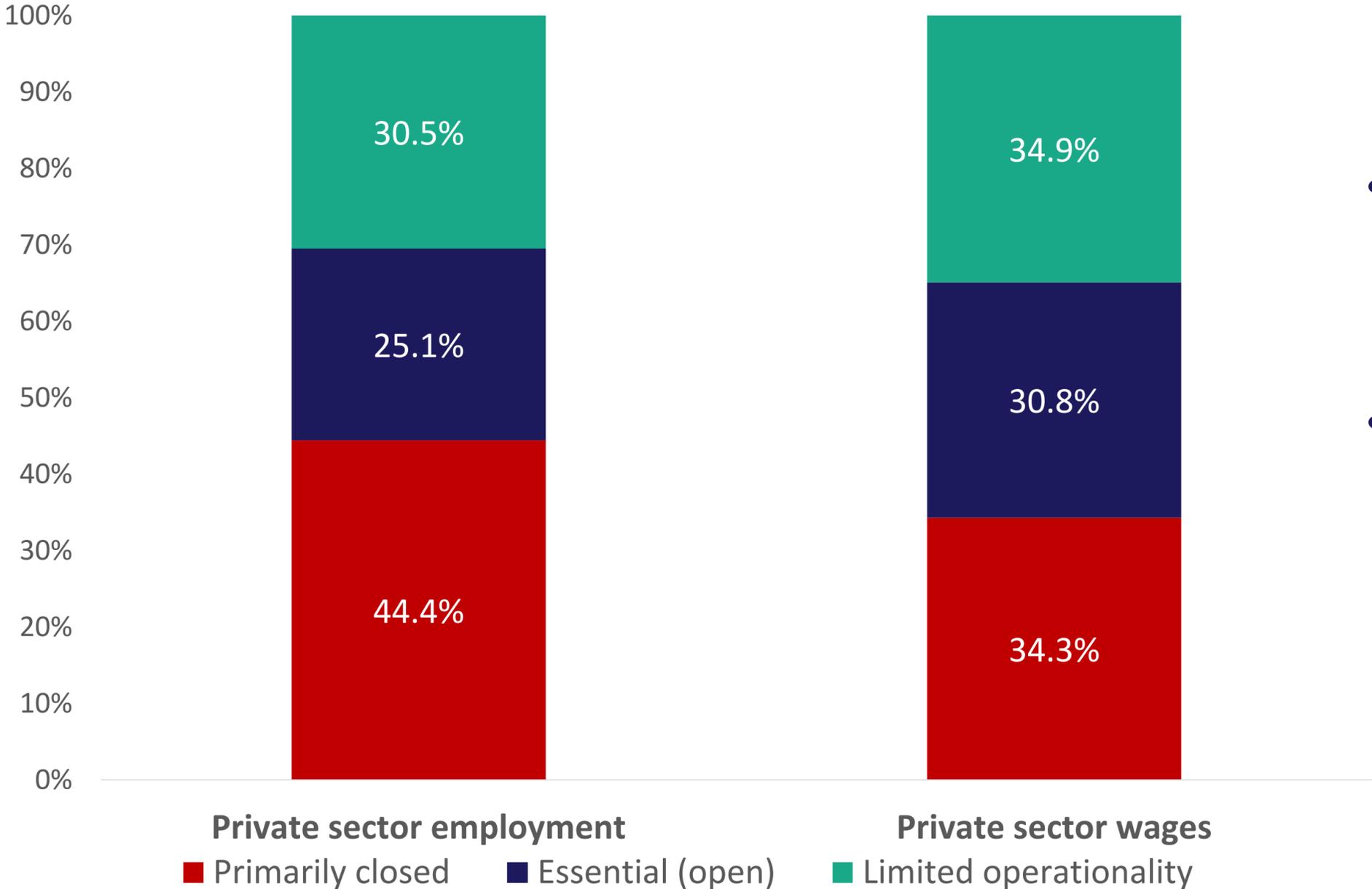
European Commission Economic Sentiment Index



- The European Commission's Economic sentiment index is a composite of surveys of consumers and business.
- March saw the biggest in monthly decline in the index in the eurozone since 1985 with particularly poor sentiment in Italy (-17.6) and Germany (-9.8).
- The Irish fall (-6.8) was the second largest in one month since 2008 but only reflects the period up to March 23rd, with most responses taken before significant public health measures were introduced.

Employment and wages

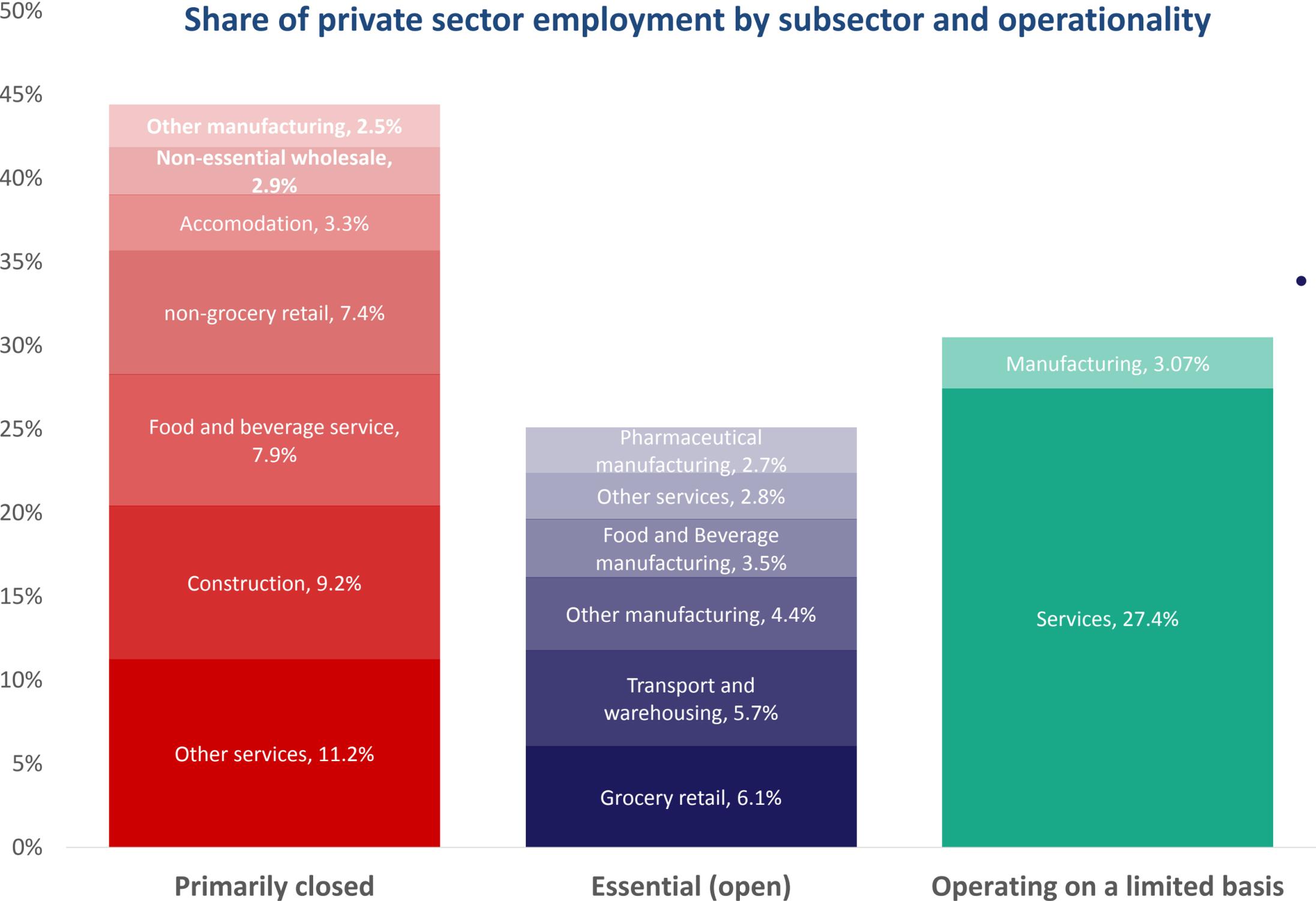
Share of private sector employment and wages by status of sector



- Sectors closed due to Covid-19 restrictions account for about 44.4% of private sector employment and 34.3% of wages. Majority of this is due to retail, construction and hospitality closure.
- Prior to the Covid-19 measures, 711,000 private sector workers were employed in sectors that are now closed.
- 30.5% of total employment and 34.9% of wages in private sector accounted for by sectors which are operating on a limited basis, either due to some businesses within the sector considered essential or through remote working (mostly services).

Employment

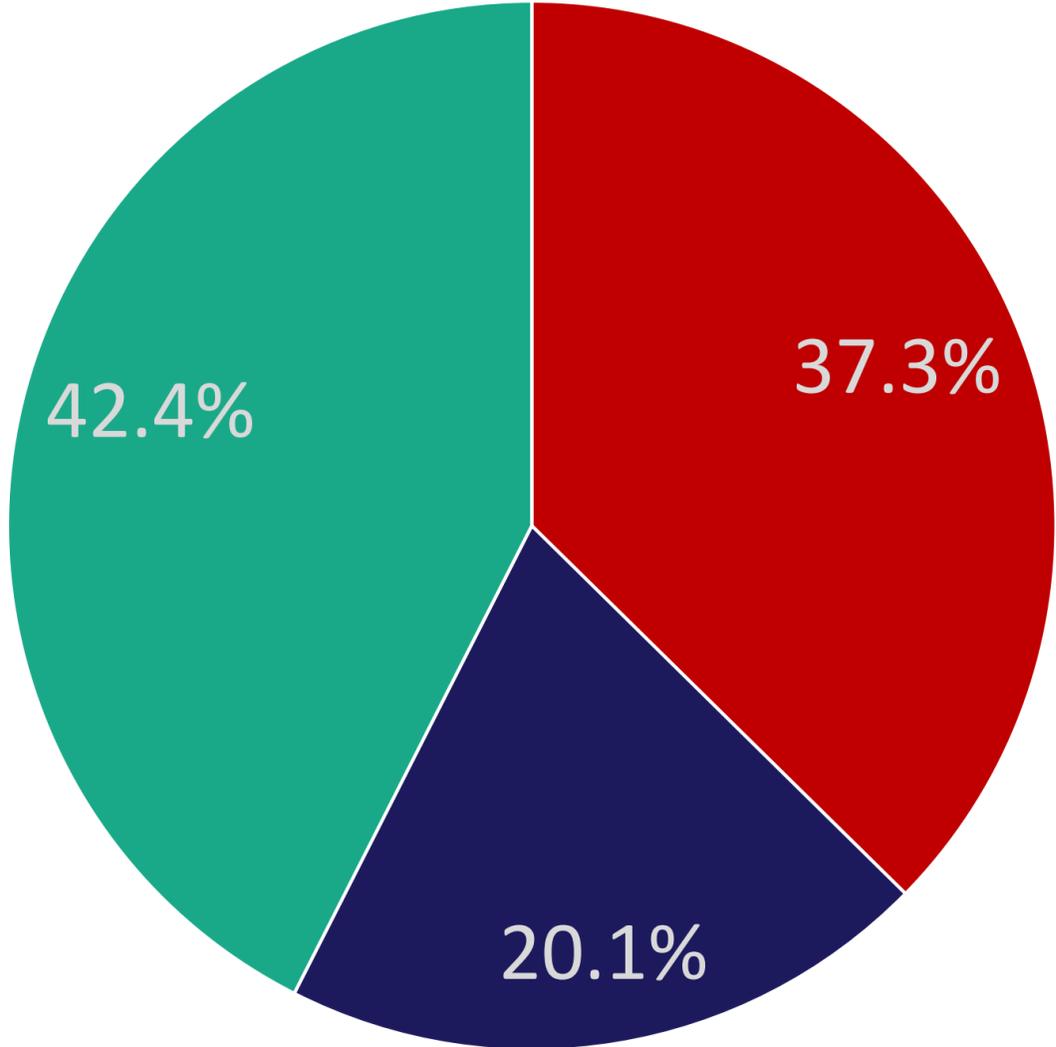
Share of private sector employment by subsector and operationality



- Largest closed sectors in terms of employment are construction, food and beverage service and non-grocery retail.
- Majority of employment within sectors operating on a limited basis (e.g remotely) accounted for by professional services (Finance, ICT, Legal services etc.).

Share of employment growth

Share of total employment growth 2012-2019 by operationality of sector due to Covid-19 restrictions

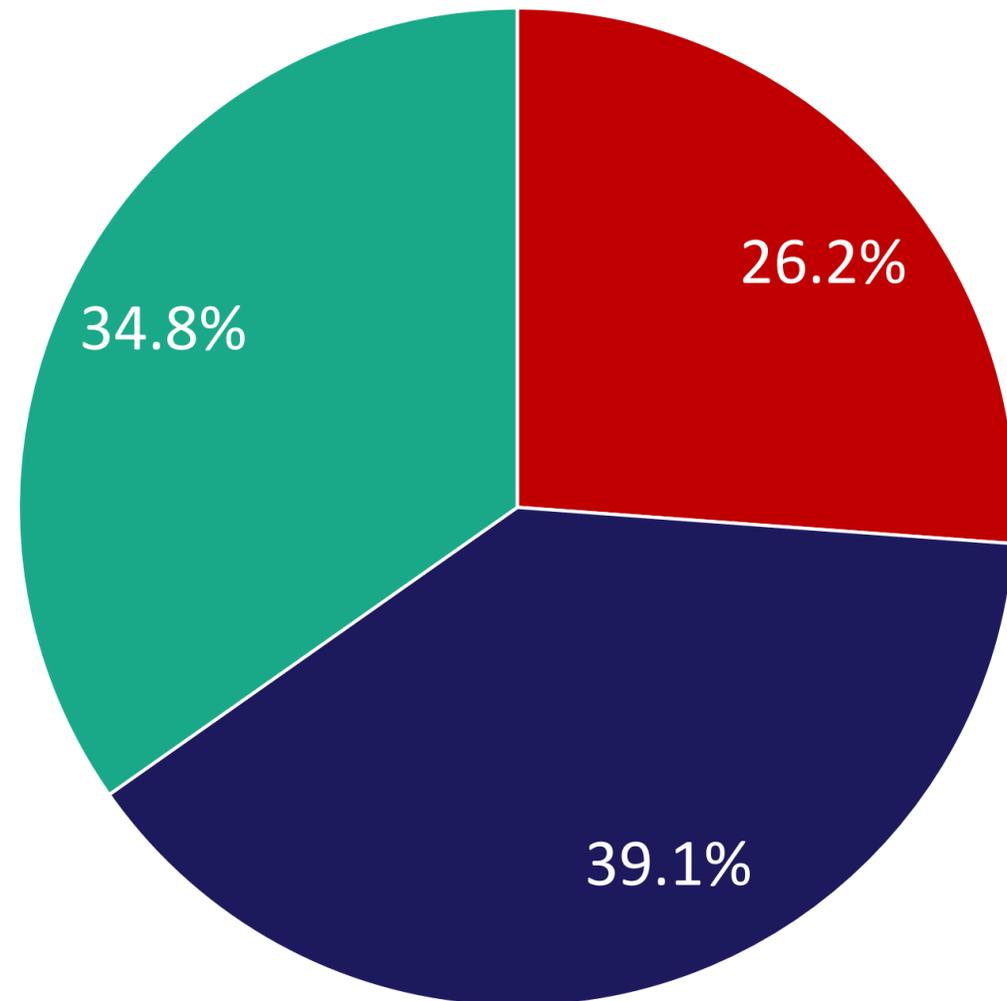


■ Primarily closed ■ Essential (open) ■ Limited operationality

- 37.3% of new jobs (incl. public sector) created between 2012 and 2019 were in sectors which are now closed. These were primarily in construction, manufacturing, food service and retail.

Share of turnover

Share of private sector turnover by operability due to Covid-19 restrictions

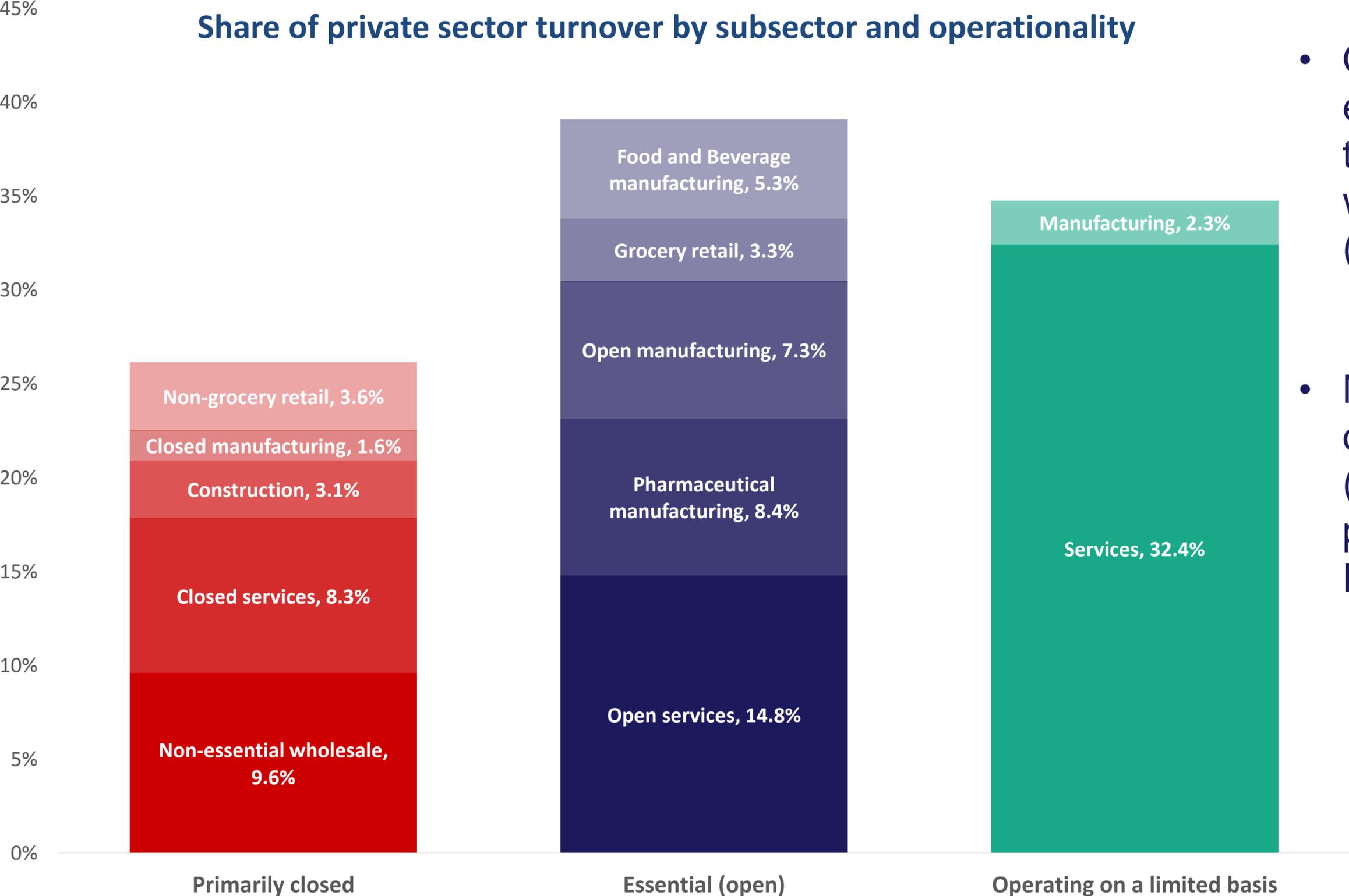


■ Primarily closed ■ Essential (open) ■ Limited operability

- Sectors that account for 26% of total private sector turnover are now closed due to Covid-19 measures.
- 74% of private sector turnover is accounted for by sectors which are considered essential and therefore open or sectors which are operating on a limited basis.

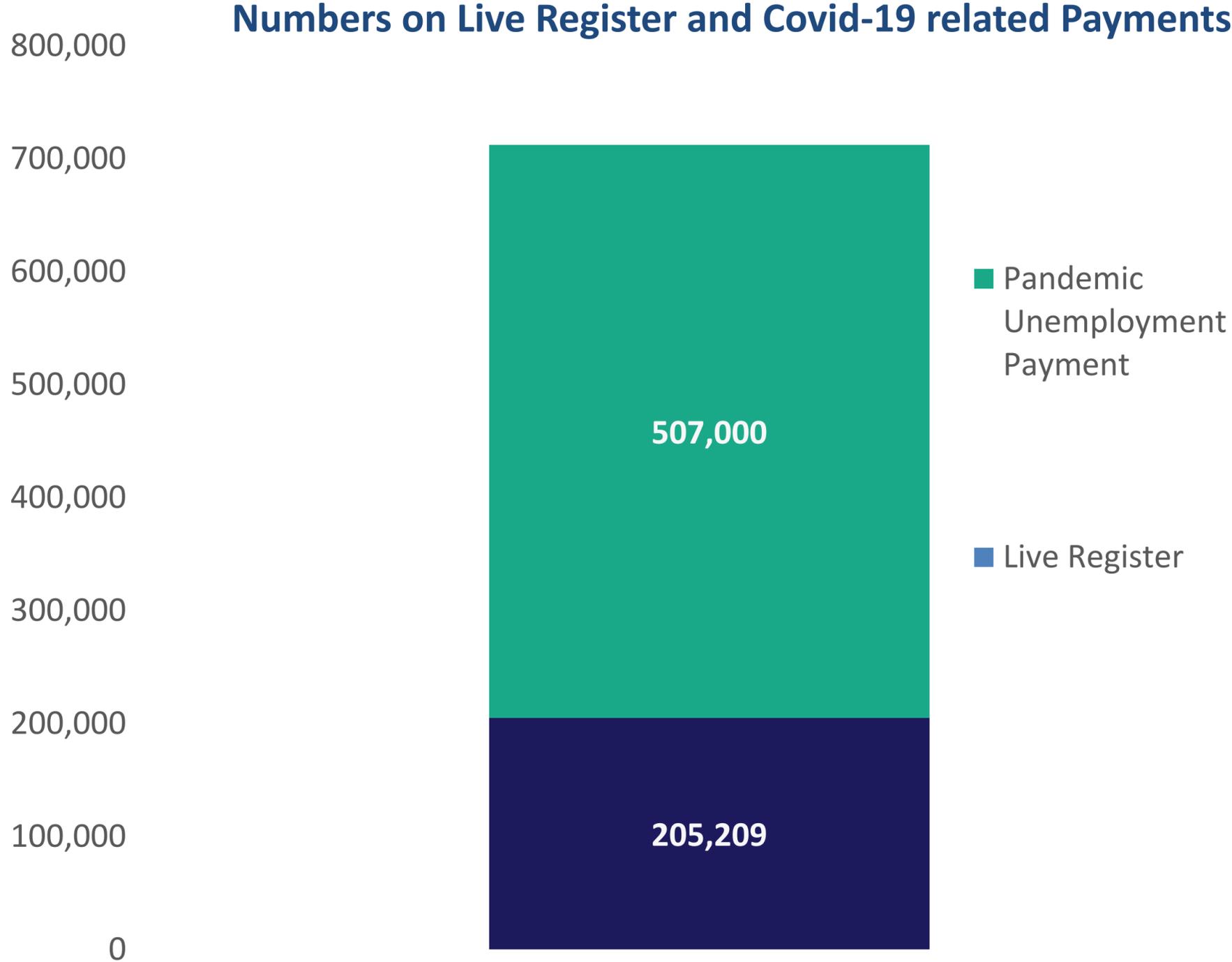
Share of turnover

Share of private sector turnover by subsector and operationality



- Open services are primarily essential services such as transport, telecoms and wholesale of essential goods (food, pharmaceuticals, ICT).
- Majority of turnover of firms operating on a limited basis (e.g remotely) accounted for by professional services (finance, ICT, consultancies etc.).

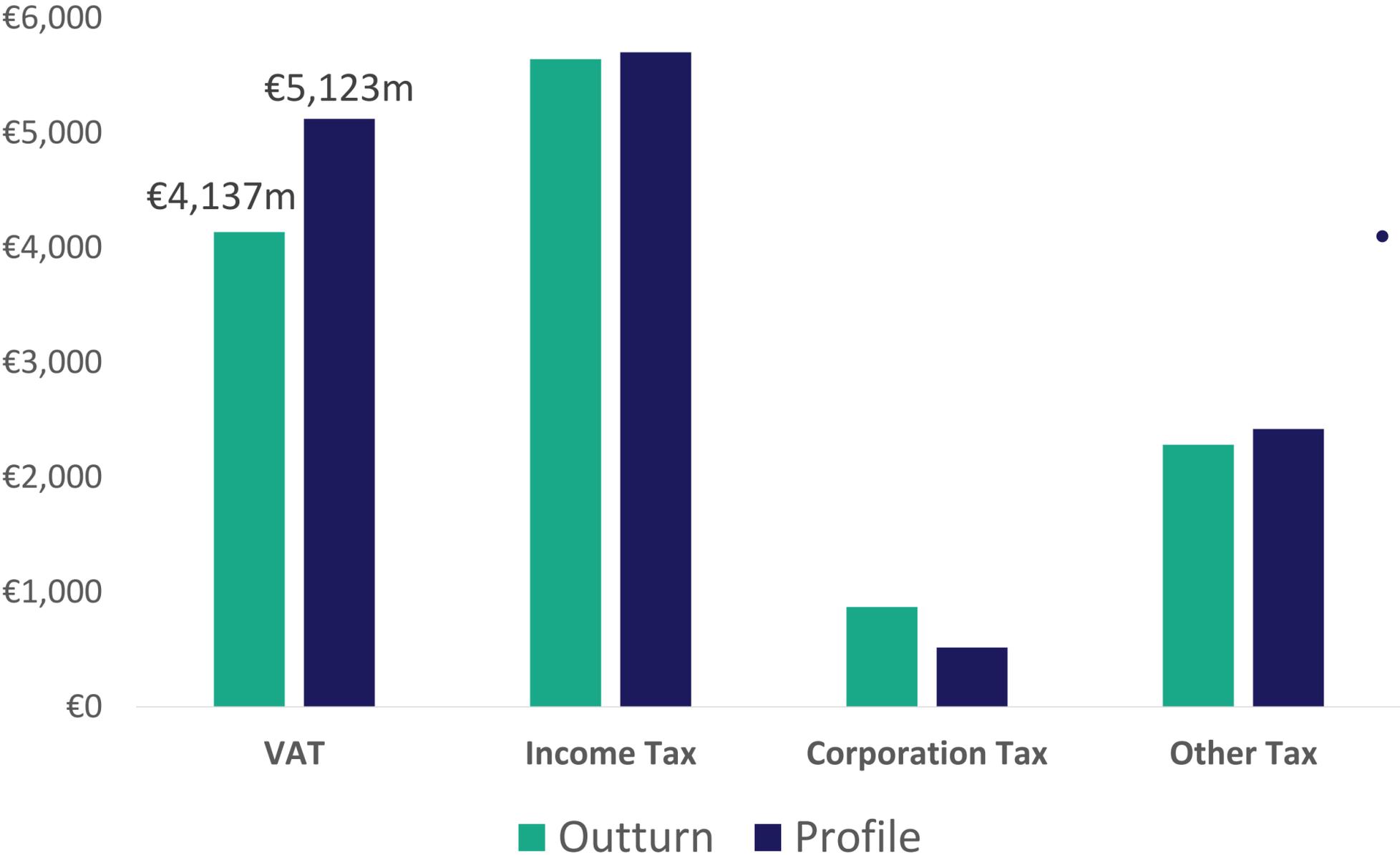
Unemployment and wage subsidy payments



- Total of 712,209 people on live register or Pandemic unemployment payment.
- Combined numbers on the live register and pandemic unemployment payment represent the highest number on unemployment payments in the history of the state.
- 39,000 businesses have now registered for the wage subsidy scheme. Figures for numbers of workers on wage subsidy expected in coming days.

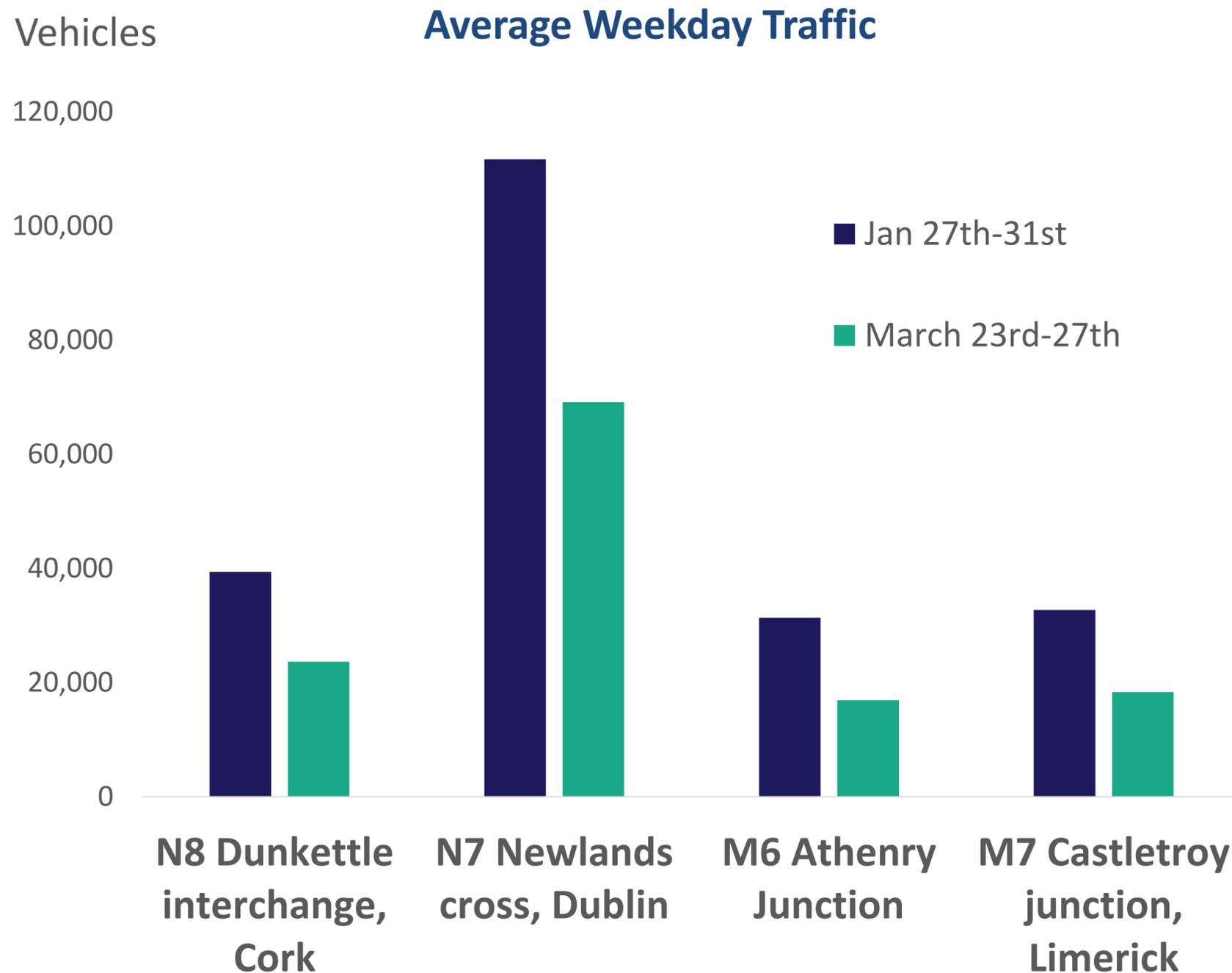
March exchequer returns

March exchequer receipts



- Exchequer receipts for March are 800m below profile, Largely due to fall in VAT from deferral of VAT payments for January and February.
- Income and corporation tax returns are both lagging coronavirus events and were up on the same month last year. Expect to see large drop in income tax and corporation tax in April returns as Coronavirus impact starts to feed through to tax receipts.

Traffic volumes

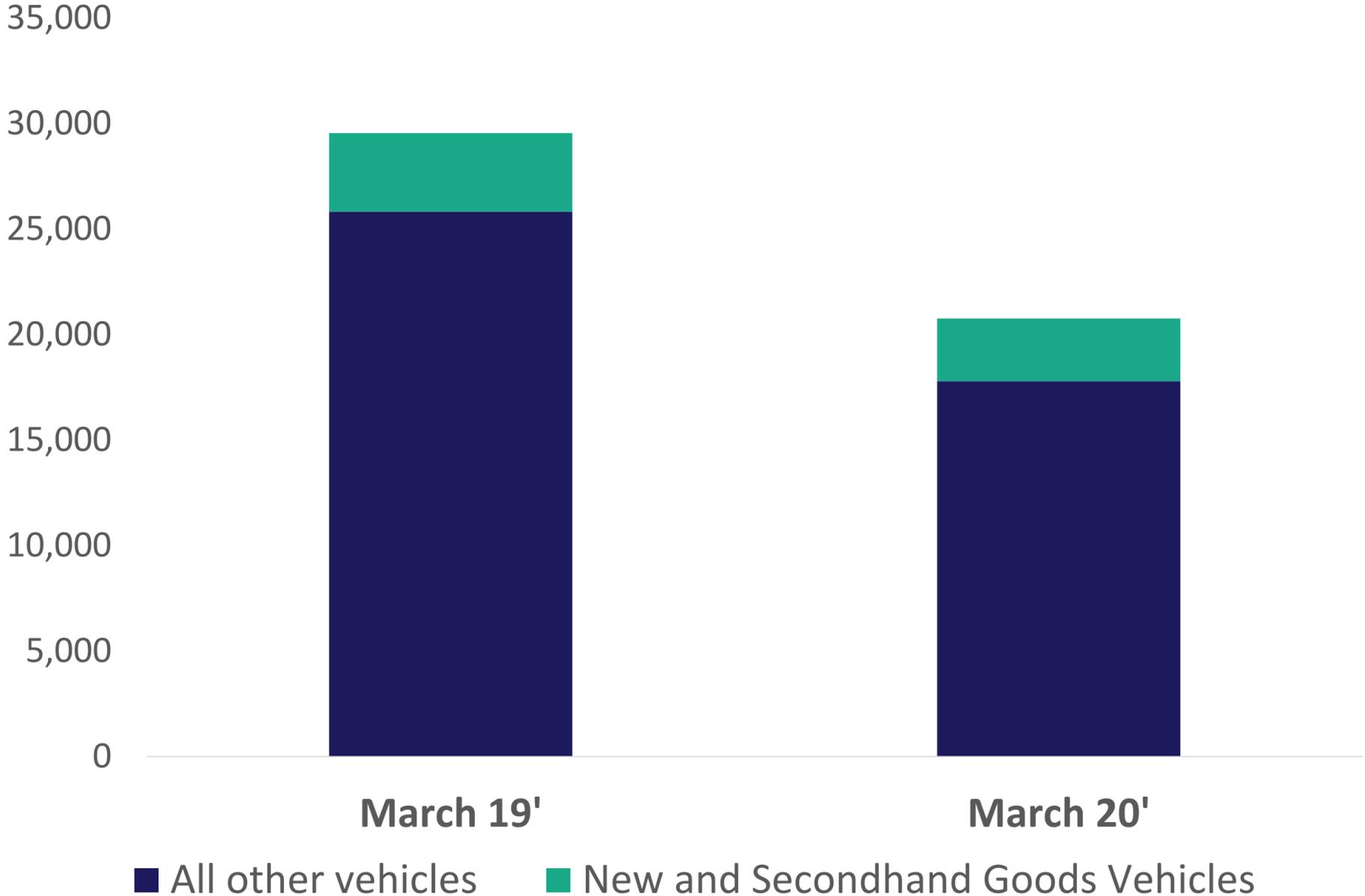


- Volume of weekday traffic has fallen substantially between last week of January and last week of March.
- Drop of around 40% in average weekday traffic at major junctions. This is likely to have dropped even further since stricter lockdown measures introduced.
- Higher proportions of Heavy Goods Vehicles (HGVs) as number of cars falls dramatically and freight accounts for more of total traffic.

%HGV	N8 Dunkettle interchange, Cork	N7 Newlands cross, Dublin	M6 Athenry Junction	M7 Castletroy junction, Limerick
Jan	5.7%	9.7%	7.73%	8%
March	9.3%	16.5%	12.3%	14%

Vehicles licensed for the first time

Vehicles licensed in March



- Number of goods vehicles licensed in March 20% lower than the same month last year.
- Licensing of all other vehicles 30% lower than March 2019. Biggest reduction is in the licensing of private cars.
- Because there can be a delay between registering and licensing of vehicles, the March figures will also capture some vehicles which were registered in previous months.

Upcoming data

Data	Release date
Inflation (CPI) for March	April 9 th
Wholesale price index for March	April 22 nd
Overseas travel for March	April 27 th
Retail sales for March	April 28 th
Industrial production and turnover for March	May 6 th
Monthly Unemployment for April	May 6 th
Live register for April	May 8 th