

**The Power of Future, Building a New Reality
for SMEs
The Economic Context**

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GLOBAL ECONOMIC IMPACT COVID-19

- World looked relatively straight-forward in January
- Dramatic decline in economic activity
- ‘sharpest slowdown since 1920s’ (IMF)
- Ongoing strong official policy response
- Recovery will depend on path of virus – but gradual opening up under way
- Activity will be restricted/nervous until vaccine
- Sub-par growth for next 18 months

Ireland

- Dramatic decline in activity
- Over 1 million receiving Govt. Support
- Govt. & EU will have to accept higher deficits
- Fiscal Austerity cannot follow
- Strong support required for business on many fronts & for prolonged period
- Ireland in a good place to borrow
- Recovery will come, but will be driven by medical fundamentals

Sectoral Impact – In Descending Order

- Tourism & Travel
 - Hospitality sector > Pubs, Restaurants, Hotels
 - Motor Industry
 - Construction
 - Agri-Food Sector
 - Non-Grocery Retail
 - Manufacturing
 - Grocery Retail
 - Pharmacy
- ~ Opening up will be Gradual, Challenging & Expensive

Imperative to Keep Businesses Alive

- Focus on paying employees to date
- Direct grants
- Loan guarantees / heavily subsidised loans
- Commercial Rates holiday ~ 12 Months
- 60/20/20 Rent Relief Scheme
- VAT reduction
- Excise Duty reduction
- Gift Voucher
- Remedial Support essential for prolonged period

Long-Term Impact

- Massive government debt legacy
- Global Travel will be slow to regain confidence
- Social Distancing Protocols
- Economic nationalism > tighter borders/restrictions?
- Food security & safety
- Migration to Online
- Remote Working > Commercial Property Impact?
- Essential to prevent economic crisis from morphing into a banking crisis

**Thank you.
Any Questions?**



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