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Know how Know you

Challenges and Opportunities for Ireland's Economy

with Professor Alan Ahearne

Lunch Bites @ the IoD: Kindly Sponsored by IQ-EQ



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Challenges and Opportunities for Ireland's Economy

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Whitaker Institute, NUI Galway

Lunch Bites @ the IoD

30 July 2020



NUI Galway
OÉ Gaillimh



**Whitaker
Institute**

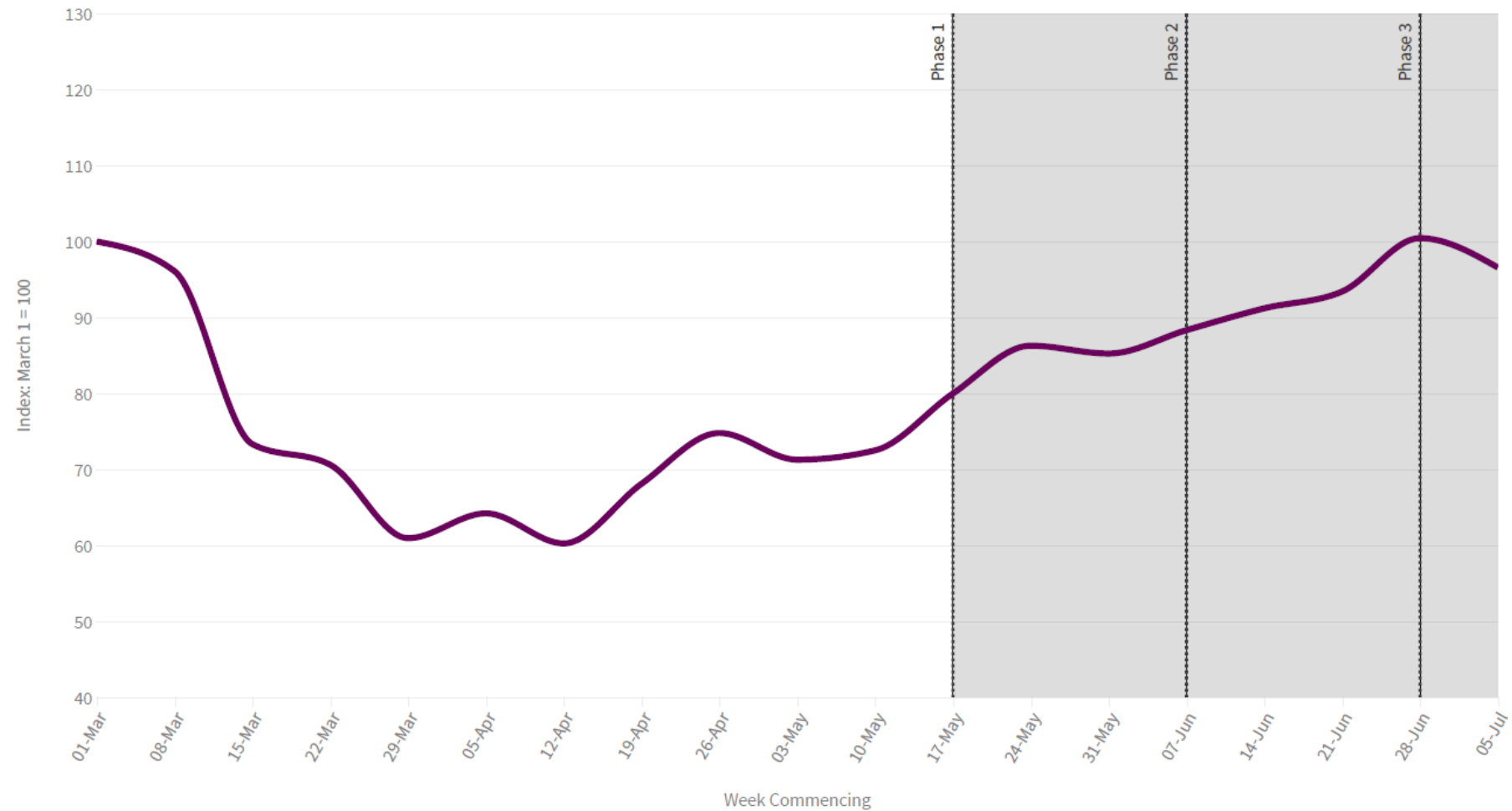
State of the economy

- Indicators suggest that the economy bottomed out around mid-April and has been steadily improving since then.
- Real-time indicators:
 - Debit and credit card payments.
 - Traffic volumes.
 - Labour market data.



Credit and debit card spending

€ million



Substantial heterogeneity in performance across retail sectors

- Higher than Feb 2020:
 - Supermarkets; Paint and Glass; Furniture & Lighting.
- Lower than Feb 2020:
 - Bars; Department Stores; Fuel; Clothing, Footwear & Textiles.

Figure 1 Retail Sales Index - Seasonally Adjusted Volume

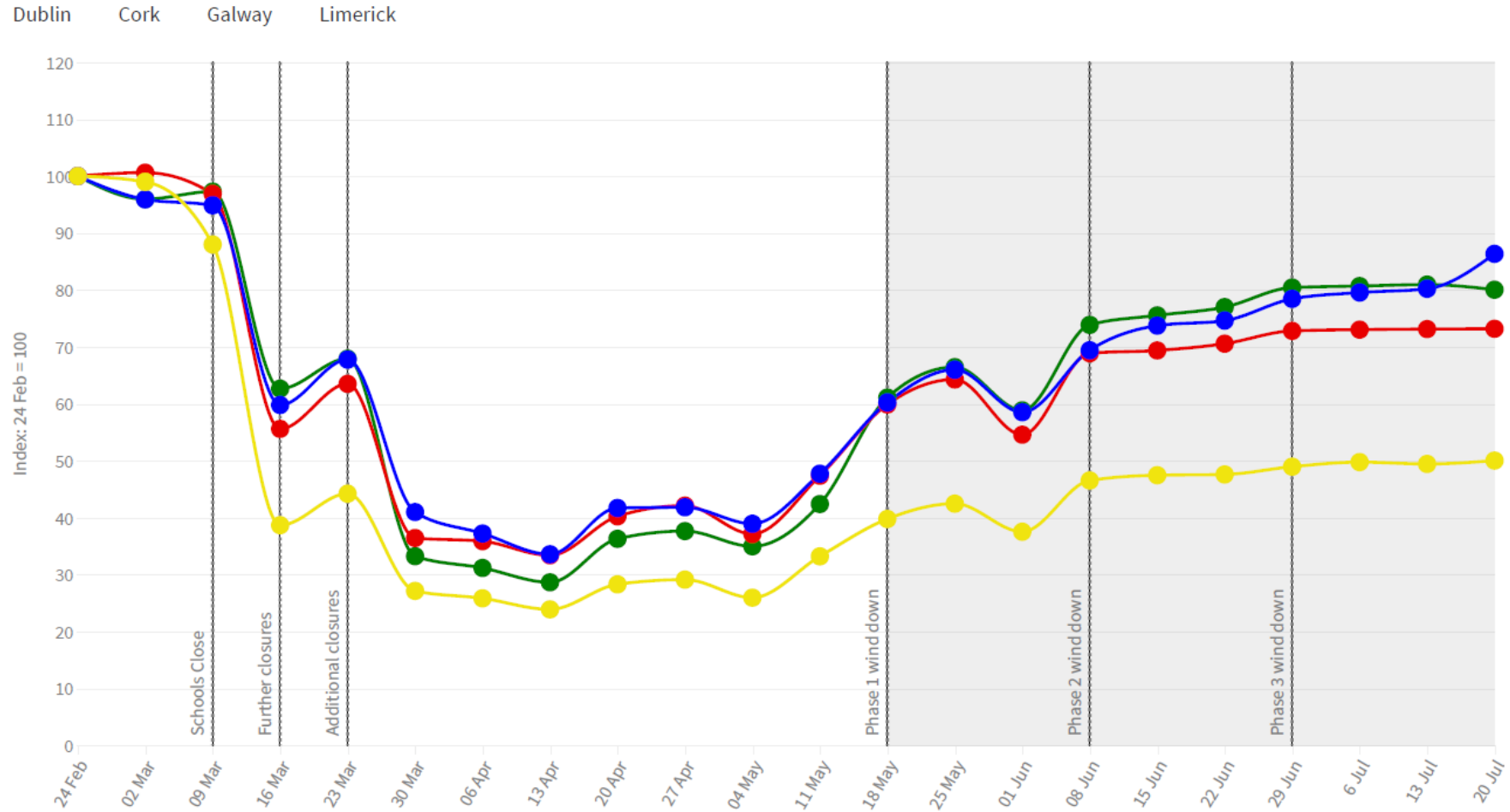


Source: CSO Ireland



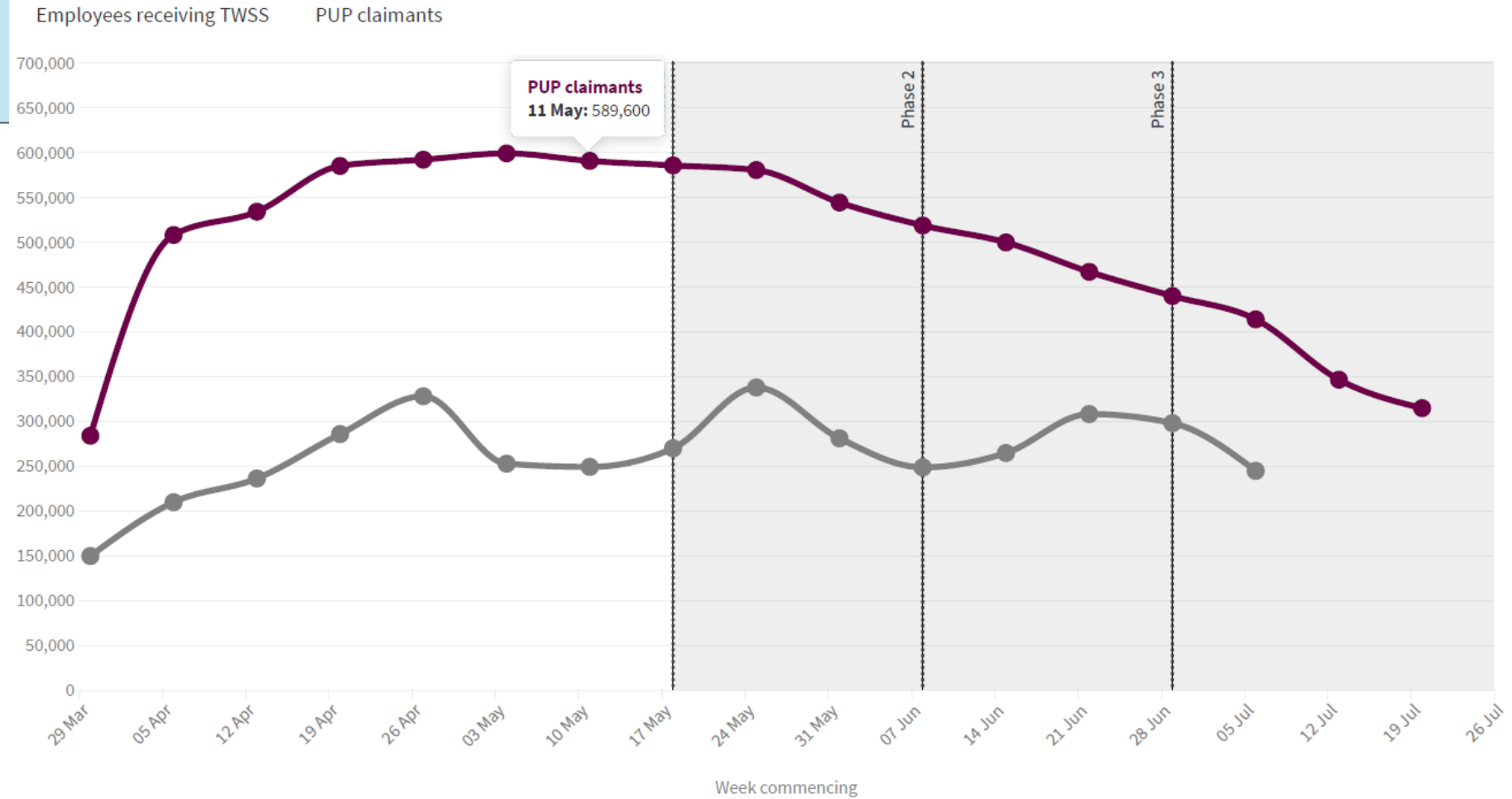
Traffic volumes

Weekday AM peak hours [24 February = 100]



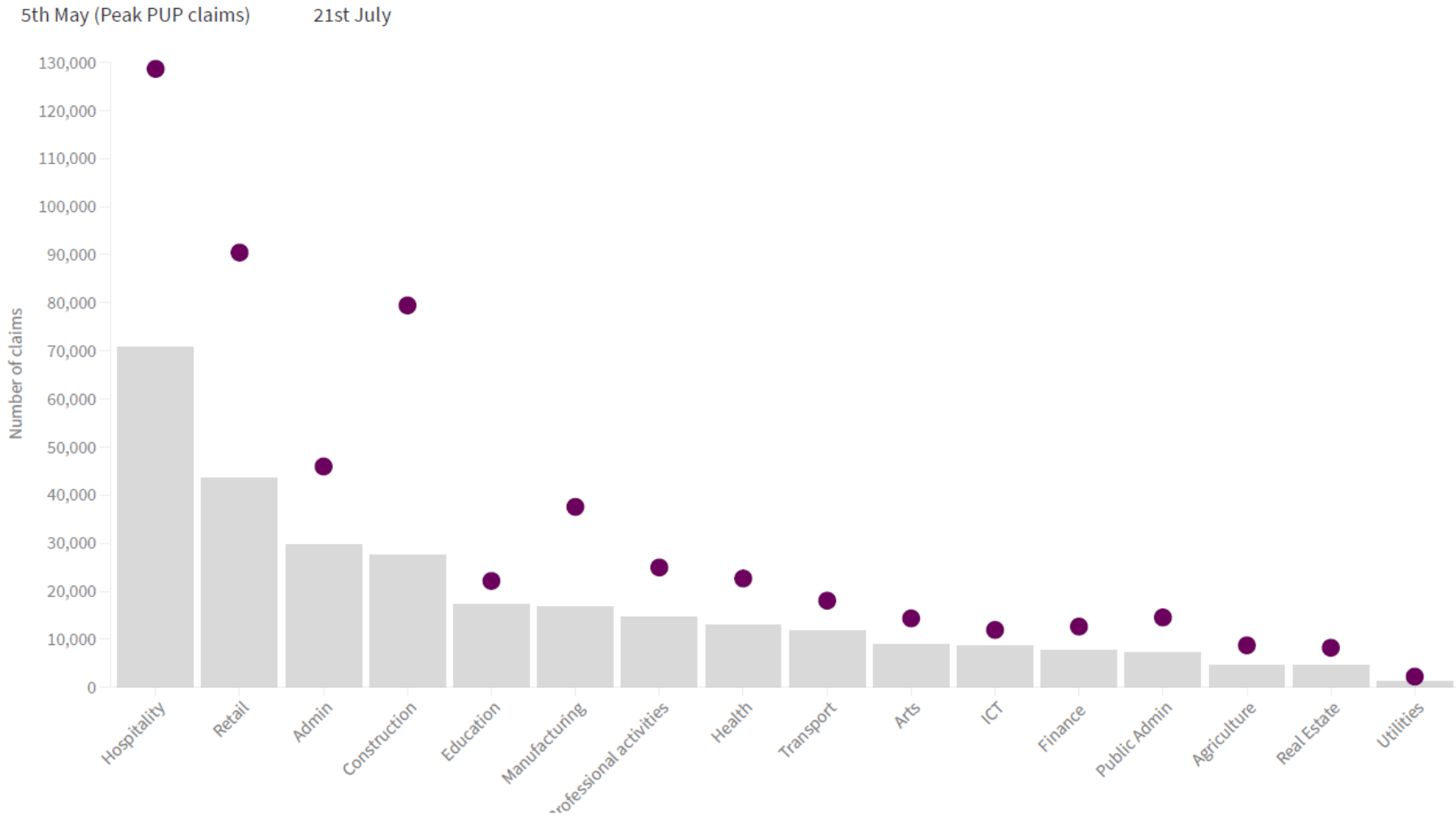
Pandemic Unemployment Payment and Temporary Wage Subsidy Scheme

Number of claims (weekly)



Pandemic Unemployment Payment

Number of claims (comparison to peak, by sector)



Some observations on the near-term prospects for recovery

- Pick up in activity to date has not been accompanied by a marked increase in the spread of the virus.
- Unprecedented fiscal and monetary policy support.
- Prospects for household consumption.
 - Household deposits up €3bn in April and €1½bn in May.
- Brexit!



Medium-term recovery



- Green/Blue recovery.
 - Retrofitting, remote working, renewables.
- Digital transition.
- Future jobs and skills.
- Start up/Scale up.



Thank you for your attention



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