



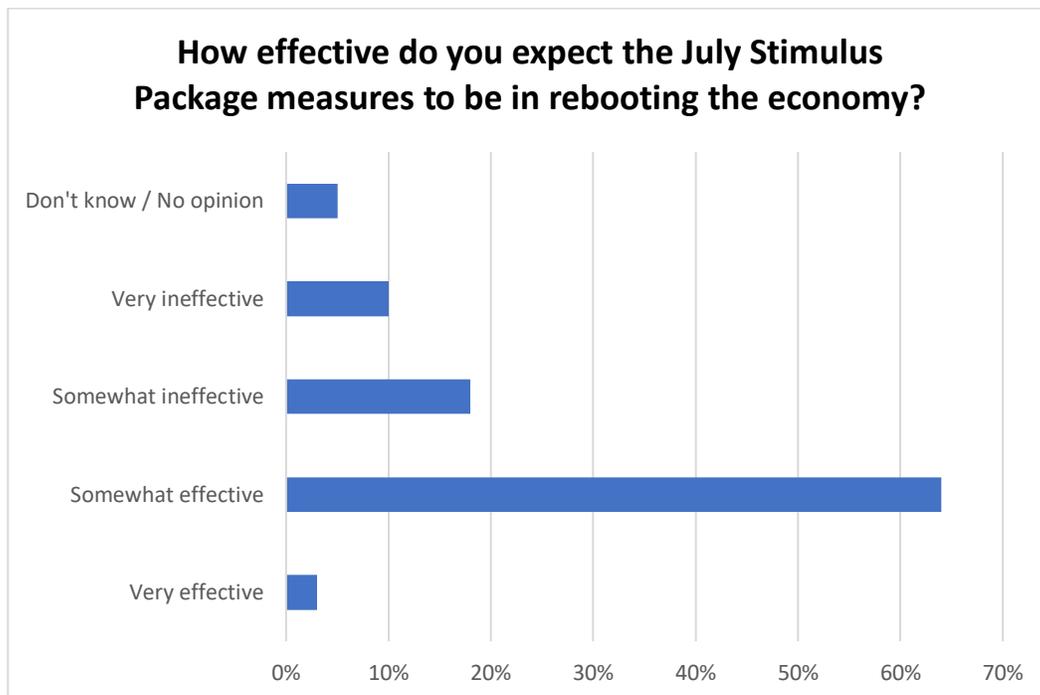
## Business Outlook Survey: Q3, 2020

### Introduction

This report reviews Dublin Chambers Business Outlook Q3 2020 survey results, carried out between 27<sup>th</sup> July -31<sup>st</sup> August. The survey focused on the Covid-19 crisis, the potential impact of the July Stimulus Package and how well the current range of Government measures to alleviate pressures on business are working. We also asked companies what should the Government focus on for the upcoming Budget. The survey establishes that there are still clear issues that need to be addressed, particularly in the areas of fixed costs and cashflow.

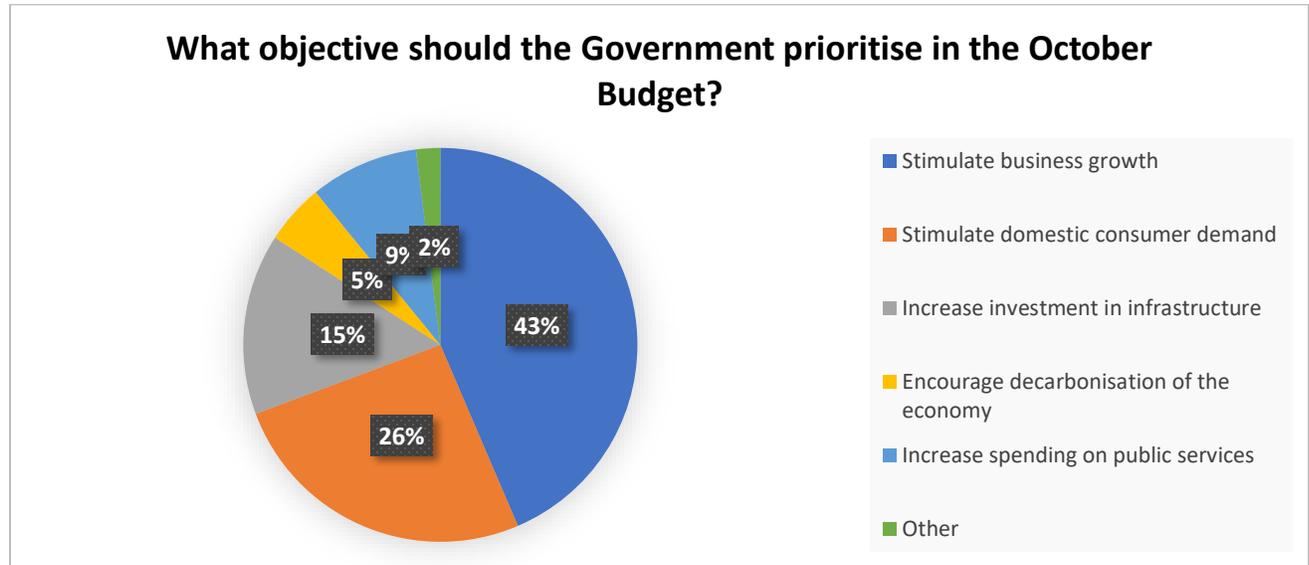
### July Stimulus Package

The survey was issued shortly after the announcement of the anticipated Government July Stimulus Package. Results show that businesses are supportive of the Government's plan with over 64% of companies indicating that they expect the measures to be Somewhat Effective and less than 5% indicating Very Effective.

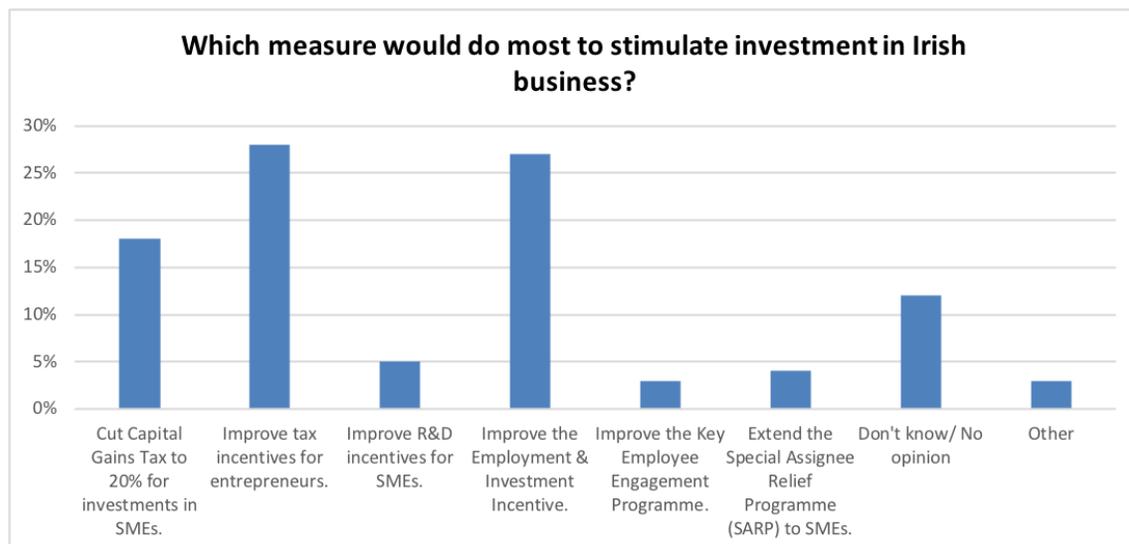


## Budget 2021

As businesses continue to struggle with the impacts of Covid-19 and the rolling restrictions, focus will now turn to Budget 2021 and what supports can be included to help and support businesses. We asked companies 'What objective should the Government prioritise in the October Budget?', more than 4 in 10 respondents indicated that Stimulating Business Growth was their key priority, while over a quarter (26%) highlighted the need for Stimulating Domestic Consumer Demand. Further down on the list of priorities were Infrastructure Investment (15%), Spending on Public Services (9%), and Decarbonisation of the Economy (5%).



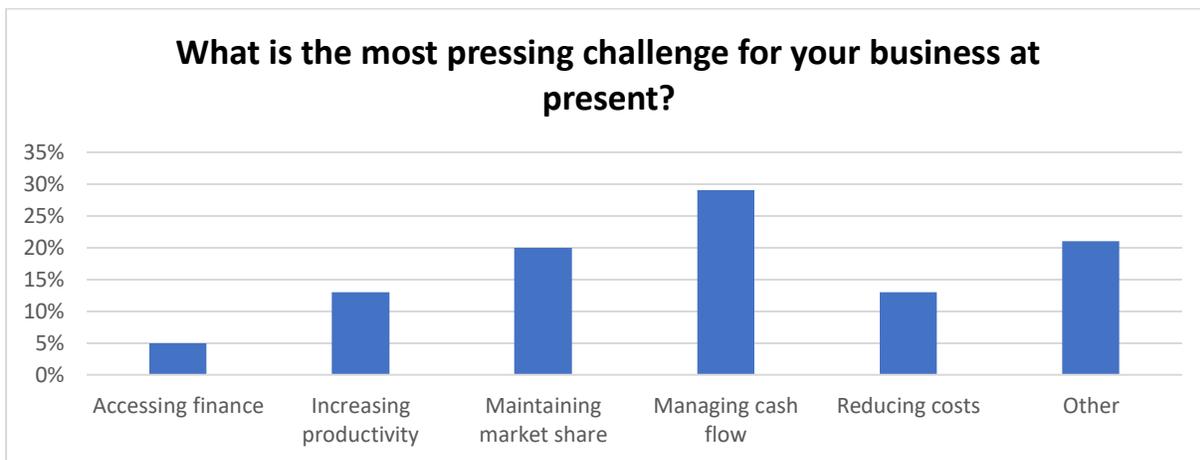
Focusing in on specific measures that could be proposed in Budget 2021, we asked companies 'What measure would do most to stimulate investment in Irish business?'. A majority of companies (55%) indicated either Improve Tax Incentives for Entrepreneurs (28%) or Improve the Employment & Investment Incentive (27%). This was followed in support for cutting the Capital Gain Tax to 20% for Investment in SMEs (18%) with the other options receiving low levels of support.



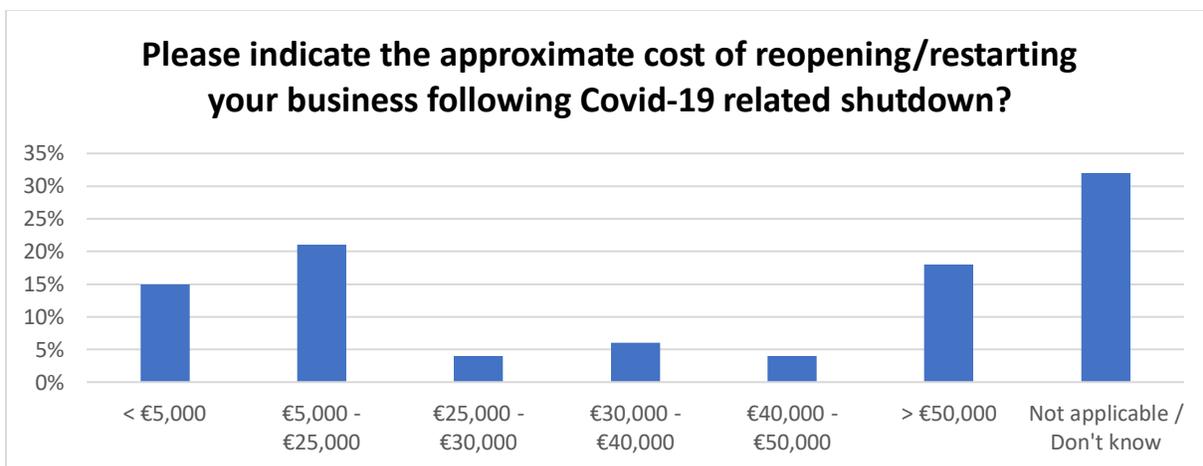
### Cashflow Challenges Continue

In the current business environment, the phrase ‘Cash is King’ is mentioned frequently. Cash flow and reduced revenues emerged as pressing issues in our Q2 2020 Survey with just over 30%, almost a third of businesses, indicating that they had less than 3 months cash reserves. This compares with almost 22% of companies who had more than 12 months of cash reserves. In Q3, the issue of cash flow is still to the fore with 29% of businesses indicating that this is their most pressing challenge. 1 in 5 businesses indicated that Maintaining Market Share was their most pressing challenge with equal numbers of businesses prioritising Increasing Productivity (13%) and Reducing Costs (13%).

In a follow on question, we asked companies if they had applied to a lender for new financing in the last 3 months, with 37% replying Yes. Of those who had applied, 57% reported that their application was accepted, 29% were awaiting a reply, and 14% had their application rejected.



Focusing in on this topic, as both Government and businesses look to re-opening the economy, we asked companies to indicate the potential cost of reopening their business following Covid-19 related shutdown. The results are varied, highlighting once again the contrasting impact of how the current crisis is impacting on businesses. Just over 1 in 5 businesses (21%) indicated potential costs of between ‘€5,000 - €25,000’, however in contrast, 18% of companies indicated that it will cost them over €50,000. A further 15% indicated the costs to be less than €5,000.



## Business Opinion

In this survey we asked companies to either agree or disagree with a series of statements, focusing on the topics of the Employment Wage Support Scheme, Equity Investment and on Commercial Rates and Local Property Tax.

