

CSO details impact of Covid-19 on Ireland's businesses

Data compiled by the [Central Statistics Office](#) provides a sobering snapshot of the impact of Covid-19 on Ireland's economy since the pandemic began.

The shockwaves from Covid-19 have been felt in every aspect of life in Ireland since the first confirmed case in Ireland on 29 February 2020.

Data compiled by the Central Statistics Office (CSO) has shown that more than 1.36m people in Ireland have received one or more of the Government's Covid-19 income supports by mid-2021.

5,000 people succumbed to Covid-19 related deaths in the past 18 months with more than 1,000 of those deaths occurring in the first four weeks of 2021.

It is estimated by the CSO that €14bn of Irish Government spending in 2020 related to the pandemic.

In the first three months of 2021, households saved more than €10bn – more than four times the amount usually saved in the first quarter of the year.

“Over the last 18 months, the pandemic has highlighted the importance of timely, relevant and accurate data,” said Pádraig Dalton, Director General, CSO.

“In the CSO, we are keenly aware that behind every statistic is a lived experience, whether it be the lived experience of a person in their personal lives or the lived experience of a business. This snapshot provides vital insights into how our society, economy and the lives of the people of Ireland have been affected throughout the pandemic.

Economic impact of Covid-19

The CSO has reported that revenues in 2020 were €3.6bn lower than in 2019 largely due to the restrictions in place over the course of the year. The main driver of the decline was indirect taxes – reduced VAT receipts and the waiver of commercial rates leading to a reduction of €3.3bn in revenues.

According to the CSO, sectors most impacted in terms of job losses include tourism, hospitality & food service, retail and construction. Those who were displaced from their job due to the pandemic were more likely to be younger, lower-skilled and in part-time positions than the population average.

While employment levels declined by 116,600 persons or 5pc over the period from Q1 2020 to Q1 2021, a more striking illustration on the impact of the virus on the Labour Market is that there were almost 7.6m fewer hours worked per week in the year to Q1 2021. This almost 10pc reduction in hours worked was most pronounced in the hospitality, construction and other service activities sectors which include culture and recreation.

Government subsidies to households were up by €1.1bn (driven by the Wage Subsidy Scheme) and social protection payments grew by €2.7bn (largely due to the Pandemic Unemployment Payment) in the first quarter of 2021.

The percentage of enterprises with personnel on COVID-19 income support peaked in April 2020 at more than 57pc, while the lowest was in September 2020 at more than 30pc.

56pc of SMEs reported closing at some point during the pandemic in 2020, while 67pc reported less turnover than would be normally expected.

The hardest hit sector was Accommodation and Food Service Activities, where 90pc of firms had to close at some point while 80pc reported less turnover than normal expectations.

The virus had a significant impact on the retail sales sector. The greatest impact occurred just after the first lockdown, when retail sales fell by 10pc in March 2020 followed by a decrease of more than 37pc in April 2020. The two other lockdowns had a less severe impact on the overall volume of retail sales, with sales falling by 12pc in November 2020 and by 20pc in January 2021. By July 2021 overall retail sales were 14pc higher compared to July 2019.

Many operators in the retail sector adapted and moved their business to online. The proportion of retail sales conducted online in Irish registered companies grew from an average of 3.3pc in 2019 to reach its highest level of 15.3pc in April 2020. As retail outlets reopened, online transactions fell and in July 2021 accounted for 4.6pc of all sales.

The CSO reports that people bought 29,000 fewer cars in 2020 when compared to 2019, while the combined number of new electric and hybrid cars licensed in 2020 was 15.7pc greater than those licensed in 2019 or 2,251 more cars. This trend has continued with electric and hybrid cars accounting for more than 32pc of all new cars purchased in the first seven months of this year.

According to the CSO car traffic volumes are now at 87pc of July 2019 levels in the Dublin area and 90pc of July 2019 levels in regional locations and that Heavy Goods Vehicles (HGVs) traffic volumes from April 2021 to mid-July 2021 in both regional and Dublin locations have risen above 2019 and 2020 levels.

One of the fundamental and lasting impacts of Covid-19 will be how people work. The CSO reports that in November 2020, 45pc of respondents reported that something in their lives had changed

for the better since the onset of the Covid-19 crisis, with more than half of women (51pc) and over 38pc of men saying this.

Almost 30pc of people reported having more quality time with people they live with as an aspect of their lives that had changed for the better while 19pc said their finances have improved.

Similar percentages of workers reported a Better work-life balance and Less time commuting or travelling for work as aspects of their lives that have improved since the onset of the Covid-19 crisis (18.8pc and 19.4pc) respectively.