

CRIF VISION-NET STUDY: COMPANY START-UPS DECREASE 12% YEAR-ON-YEAR IN Q1



Q1 2022 data shows that the number of company start-ups decreased by 12% year-on-year in the first three months of 2022 part of a national trend seen across 16 counties.

The figures suggest that economic tailwinds like supply chain vulnerabilities exposed by the pandemic, combined with cost-of-living inflation, may be impacting individuals wishing to begin their own venture.

Urban hubs such as Dublin, Cork, Galway, and Limerick all recorded declining numbers in company start-ups, but rural counties such as Leitrim, Longford, Laois, and Wexford saw an increase.

There was a 19% increase in the number of companies dissolved compared to the same period last year (Q1 2022 vs Q1 2021).

Growth was seen in some sectors weakened through Covid-19 public health restrictions, with hotels and restaurants rebounding by 14% and construction by 5% during the period.

A rise of 26% in the number of green start-ups in areas like recycling, solar and wind energy was seen during the period in the utilities sector, fuelled by the drive to meet sustainability targets.

While the return to the workplace post-Covid signalled a 7% increase in the educational sector, with a rise in start-ups related to childcare education and professional services around hybrid working and workplace wellbeing.

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SECTORAL ANALYSIS

Sectors that saw year-on-year start-up growth include electricity, water and gas supply (26%), hospitality (14%), education (7%), and construction (5%).

Wholesale and retail trade (-43%), manufacturing (-32%), and real estate (-4%) all saw a YoY decrease.

The quarterly data suggests the hotels and restaurants (+14%) and construction (+5%) sectors have rebounded following Government Covid restrictions, while the electricity, gas and water supply sector (+26%) has also made significant gains in Q1. According to the data:

REGIONAL OVERVIEW: Q1 2022 VS Q1 2021

16 counties in the Republic of Ireland experienced a YoY decline in new company registrations in Q1 2022.

Although Dublin accounted for the largest number of new start-ups, recording a total of 2,389 registrations, the number was still a 17% YoY decrease. Cork saw a total of 602 new start-ups (-5%), Galway recorded 206 (-18%), and Limerick recorded 185 (-3%).

Ten counties in the Republic of Ireland experienced a YoY increase in new company registrations. Among these counties, Leitrim (+42%), Longford (+35%), and Laois (+21%) recorded the highest percentage growth.

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Commenting on the Q1 figures, Christine Cullen, Managing Director of CRIFVision-net, said:

"The cost-of-living crisis is hitting the country amid the fallout from the pandemic.

We're seeing much of that uncertainty reflected in the figures for this quarter. A 12% decrease in new company start-ups suggests an underlying hesitancy in the domestic and global economies.

But there appear to be some other factors at play that give reason for cautious optimism.

Growth in more rural locations may suggest a shift in terms of the public's expectations for different lifestyle choices seen through a gradual move away from the traditional big cities. This could be a result of a shift to hybrid working and a hybrid working environment, as well as the housing shortage and high property and rent prices in Ireland's urban centres.

"Some of the uncertainty is offset by the rebound felt in the hospitality and construction sectors, two of the industries that suffered most due to the pandemic health restrictions. Some might assume that people would not have the disposable income to spend in our bars, hotels and restaurants, but 14% growth in hospitality suggests optimism in the sector and a strong outlook despite all the economic tailwinds."