



# Dublin Economics Workshop

*Covid-19: Economic Impact on the Sectors*

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# IGEES

Irish Government Economic and  
Evaluation Service

# Content



- **What is IGEES?**
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# IGEES



- Cross Governmental network of economists and policy analysts
- Network of 200+ analysts across 17 Government Departments
- Publications and further information on [igees.gov.ie](http://igees.gov.ie)

# The Temporary Income Support Measures



## Pandemic Unemployment Payment (PUP)

<b>March 13<sup>th</sup> 2020</b>	Flat rate of €350 p/w
<b>June 29<sup>th</sup> 2020</b>	Dual rates of €350 p/w or €203 p/w depending on pre-Covid earnings
<b>September 17<sup>th</sup> 2020</b>	Rates of €300, €250 and €203 depending on pre-Covid earnings
<b>February 1<sup>st</sup> 2020</b>	Rate of €250; those with pre-Covid incomes < €300 migrate to jobseeker payment (€203)
<b>April 1<sup>st</sup> 2020</b>	Remaining recipients migrate to jobseeker payment (€203)

## Temporary Wage Subsidy Scheme (TWSS)/Employment Wage Subsidy Scheme (EWSS)

<b>26<sup>th</sup> March 2020</b>	(TWSS) 70% of net weekly wage to a maximum contribution of €410
<b>4<sup>th</sup> May 2020</b>	(TWSS) Changes to account for different levels of income
<b>1<sup>st</sup> September 2020</b>	(EWSS) Subsidy of €203 or €150.50 p/w depending on level of earnings

## COVID-19 Enhanced Illness Benefit Payment

<b>26<sup>th</sup> March 2020</b>	Enhanced Illness Benefit payment of €350 per week following Covid diagnosis
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# Examples of Other Measures to Support Enterprises

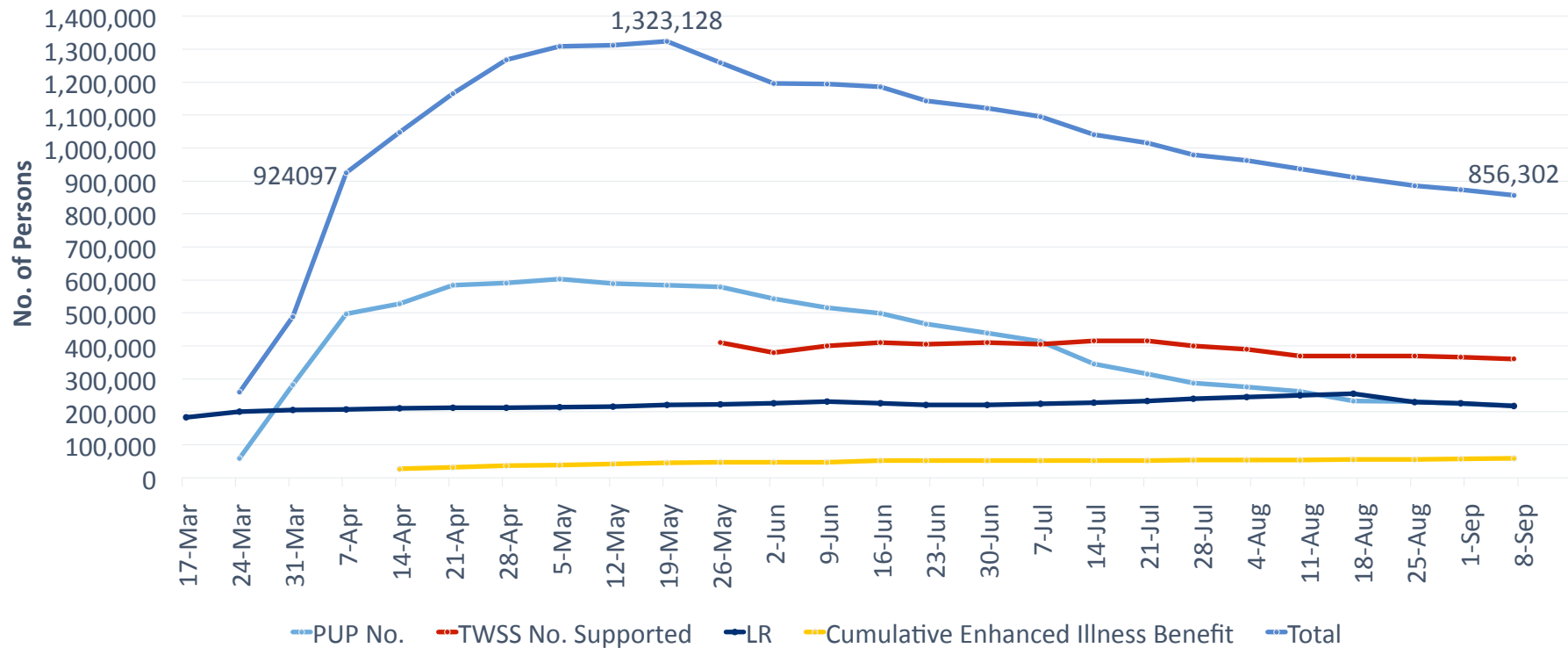


<b>Support</b>
Commercial Rates Waiver
Restart Grant
Liquidity Supports (e.g. Covid-19 Working Capital, Credit Guarantee Scheme, Microfinance Ireland etc.)
Tax Measures (e.g. deferrals and warehousing, VAT, etc.)
Sector/Region Specific (e.g. Liquor licences waiver, Enhanced Restart Grant, Fáilte Ireland COVID-19 Adaptation Fund, etc. )
Business Support Schemes (e.g. Online Retail Scheme, Covid-19 Financial Planning Grant, Business Continuity Vouchers, etc.)

# Weekly Trend of Numbers Supported



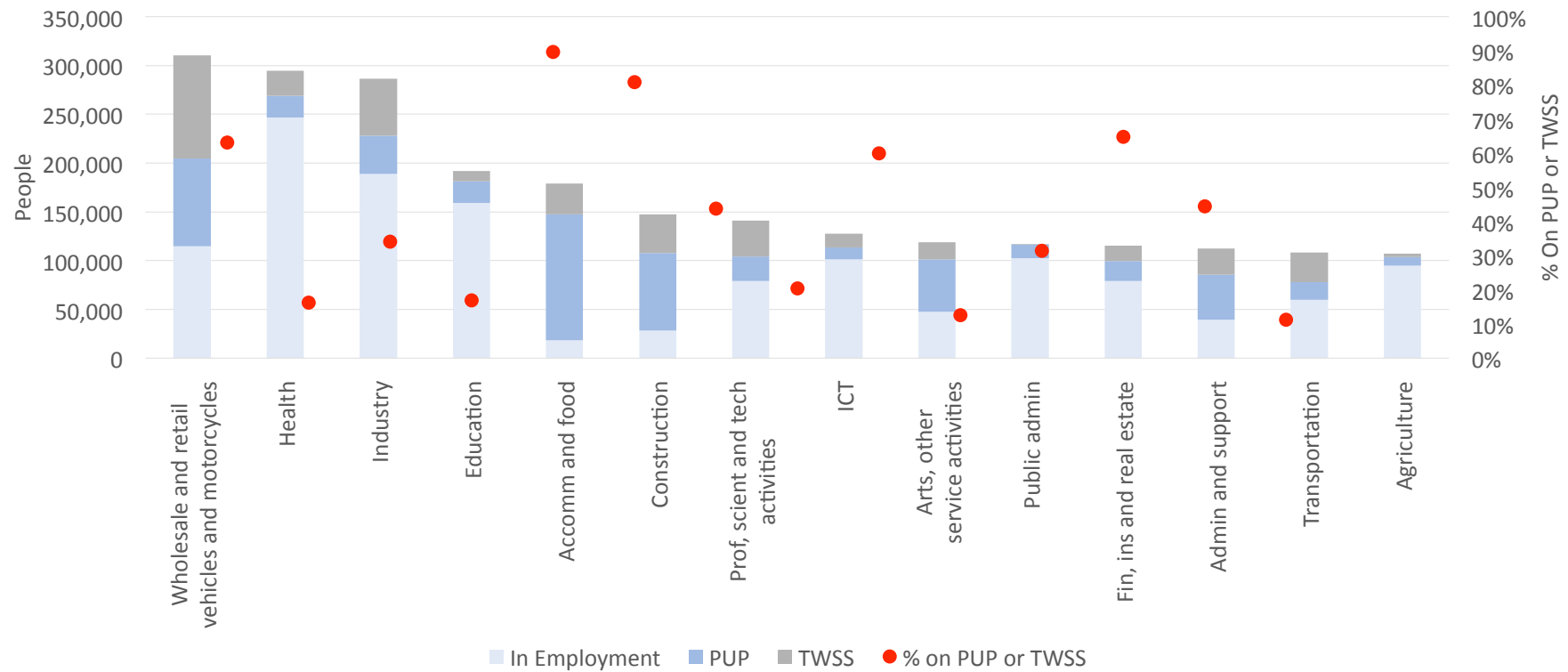
Figure 2: Weekly Number on COVID temporary schemes and the Live Register



# Sectors at the Peak Vs More Recently



**Peak** - Week ending 10<sup>th</sup> May – approx. 1,024,000 on PUP or TWSS

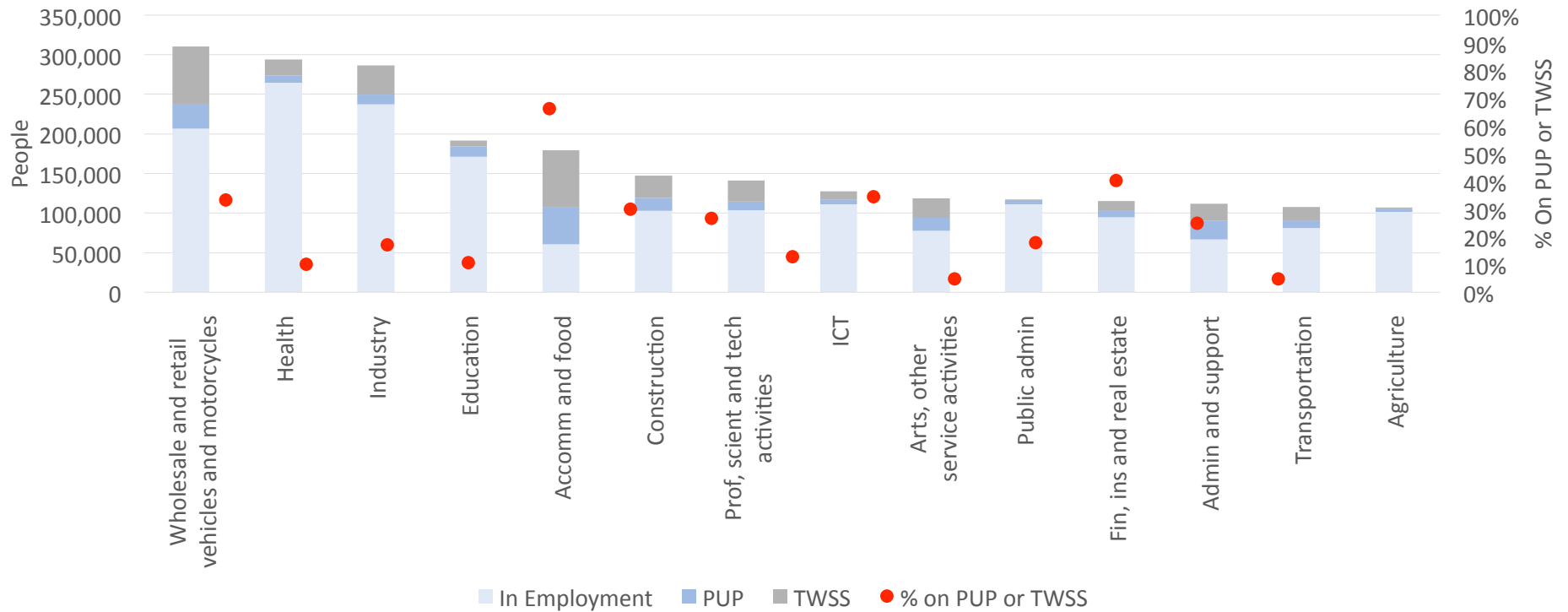


Source: Labour Force Survey 2019, CSO TWSS and PUP Statistics Publication

# Sectors at the Peak Vs More Recently



**Current** – approx. 580,000 on PUP or TWSS



Source: Revenue TWSS Statistics and DEASP PUP Statistics. Note the sectoral breakdown of TWSS is an approximation based on most recent available sectoral breakdown from CSO publication which relates to mid-July.



# The Economic Contribution of Each Sector



Sector	Enterprises (2017)	Share in enterprise base (2017)	Employed (Q4 2019)	Share in total employment (Q4 2019)	% employment in firms < 50 (2017)	Share in national GVA (2018)	Gross Weekly Earnings € (Q4 2019)	Share of Tax Revenue
Agriculture	N/A	N/A	106,900	5%	N/A	1%	N/A	1%
Industry	18,817	6%	286,300	12%	28%	36%	920	14%
Construction	57,255	17%	147,100	6%	83%	3%	822	4%
Retail	48,598	14%	310,200	13%	54%	7%	604	21%
Transport	25,736	8%	108,000	5%	51%	2%	810	2%
Accom/food	19,205	6%	179,200	8%	56%	2%	382	3%
ICT	15,953	5%	127,600	5%	38%	12%	1,241	9%
Financial	23,299	7%	115,100	5%	32%	14%	1,115	16%
Professional	43,587	13%	141,100	6%	66%	4%	973	11%
Admin etc.	18,716	6%	112,100	5%	30%	6%	617	6%
PAD	N/A	N/A	117,000	5%	N/A	3%	972	5%
Education	14,440	4%	191,600	8%	24%	3%	874	3%
Health	20,989	6%	294,300	12%	35%	5%	758	4%
Other	32,134	9%	118,700	5%	77%	1%	517	3%

## Conclusions



- Temporary income support measures brought in quickly to deal with sharp and severe shock to the labour market. Enterprise supports also support employment indirectly.
- Massive movement to income supports, over 1.3m on the PUP, TWSS and Live Register by mid-May.
- There has been an improvement mostly driven by a reduction in PUP numbers, currently around 856,000 on PUP, TWSS and Live Register. Though not the ‘V’ shaped recovery that was hoped for.

## Conclusions



- At the peak accommodation and food (90%), construction (81%), admin and support (65%) and retail (63%) had the highest proportion on PUP and TWSS.
- By and large, though a significant decrease the same sectors have remained the worse affected; accommodation and food (66%), admin and support (40%), retail (33%), construction (30%).
- Movement off the PUP has slowed in the past number of weeks. Unknown how quickly these people can move back to work.
- Different economic contribution of the sectors is important to understand. For example, the worst affected sectors in terms of employment among the lowest income and lowest GVA. Reflected in tax receipts and GDP impacts which have been relatively less than the apparent impact on the labour market.