

Business Monitor Survey Q1 2012



Business
Confidence

Key Findings Q1 2012

Over a fifth (22%) of businesses reported an **increase in sales** in Q1 2012, less than the number (37%) reporting a decrease.

Over one in six (15%) of firms reported they were currently in **growth mode** with almost half (46%) contracting, fighting for survival or winding up.

A quarter of cross-border traders (25%) say this business has **encouraged them to look to other markets**.

A third (34%) of firms have **decreased their prices** over the last 3-6 months, particularly businesses located in Ireland.

Manufacturing and Business Services firms (both 31%) out-performed every other sector in sales increases in Q1 2012.

Almost two thirds (65%) of businesses reported that they do not export their goods and services.

Two fifths (41%) of businesses reported that lack of finance for investment is constraining growth plans.

Almost 4 in 10 businesses (38%) cite rising costs as a very large issue for their firm.

Sales increases...

Just over a fifth (22%) of businesses reported an increase in sales in Q1 2012. This marked a turn in fortune after three quarters of successive decline as 2011 proved a year of falling customer demand. More businesses in Northern Ireland (28%) than those in Ireland (20%) reported an increase although the gap is narrowing. More than twice as many large firms (43%) reported an increase than small ones (21%) and Manufacturing and Business Services were again the best performing sectors.

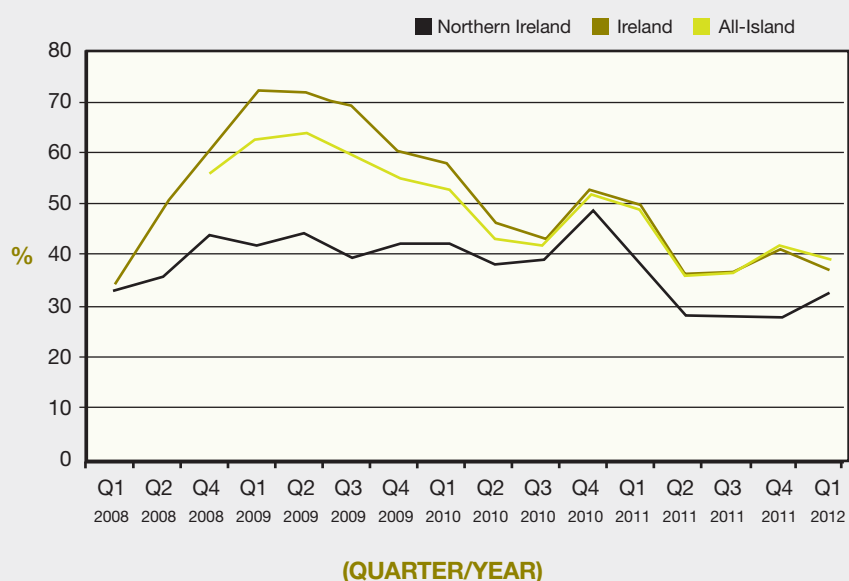
Percentage of businesses reporting an increase in sales from Quarter 1 2008 to Quarter 1 2012



Sales decreases...

There was a slight fall in the number of businesses (37%) reporting a decrease in sales. This marks a significant fall from the 49% in the same quarter in 2011 and has been driven by a slight improvement in the performance of firms in Ireland, though they remain behind their counterparts in Northern Ireland. Large firms (17%), businesses trading cross-border and exporters (29%) all report lower than average decreases in sales.

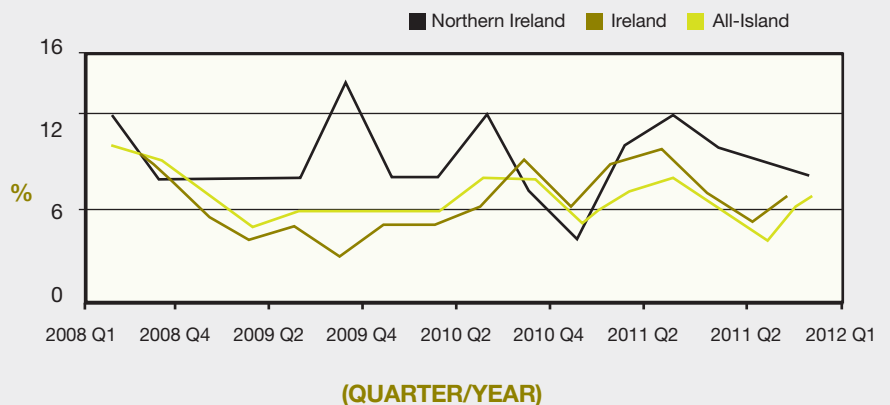
Percentage of businesses reporting an decrease in sales from Quarter 1 2008 to Quarter 1 2012



Employment increases...

The number of businesses reporting an increase in staff numbers remains low at 7%, a very small rise on the previous quarter. Micro-enterprises remain less likely to increase employment (only 6% reported a rise) while exporters (12%) and those engaged in cross-border trade (13%) and Manufacturing firms (14%) were all above average in increasing employment, perhaps pointing to where any improvement will come from.

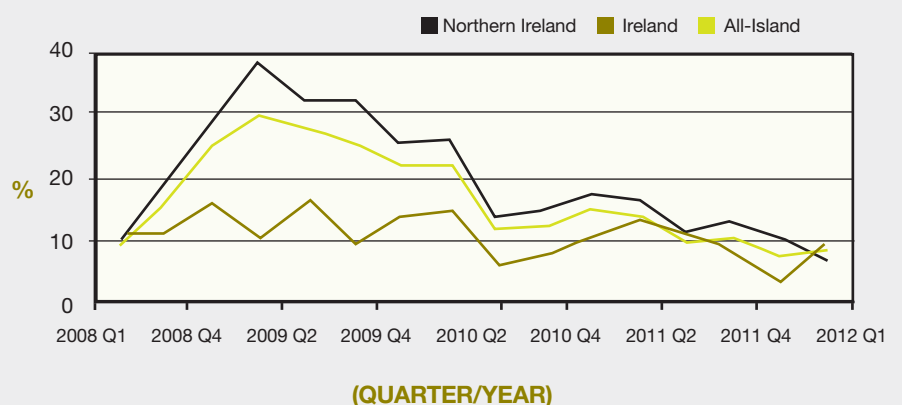
Percentage of businesses reporting an increase in employment from Q1 2008 to 2012



Employment decreases...

Just over one in eight (12%) firms reported that they had decreased the size of their workforces in the previous quarter, a figure consistent with the surveys over the past two years. Medium-sized businesses have been more active in decreasing their workforces (17% reported a decrease) while there is little difference between businesses in Ireland or Northern Ireland or across sectors with the exception of construction (23%) which remains the key one in shedding employment.

Percentage of businesses reporting a decrease in employment from Q1 2008 to 2012



About us

InterTradeIreland commissioned Perceptive Insight Market Research to conduct the quarterly Business Monitor. Each quarter interviews are conducted with 1,000 business owner/managers across the island of Ireland. The sample is stratified by number of employees, sector, region (Ireland/Northern Ireland) and the data weighted at the overall reporting level to reflect the profile of businesses.

About us

InterTradeIreland is the only organisation which has been given responsibility by both Governments to boost North/South economic co-operation to the mutual benefit of Northern Ireland and Ireland. By encouraging better use of our collective resources we help to expedite trade and business growth across the island and create an environment where it is easier to do business. We support SMEs across the island to identify and develop North/South trade and innovation opportunities.

We do this through:

- Business programmes
- Research and statistics
- Networks and partnerships

InterTradeIreland will endeavour to facilitate requests for alternative formats of this publication including Irish Language, Ulster Scots, Braille, disk and audio cassette.

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