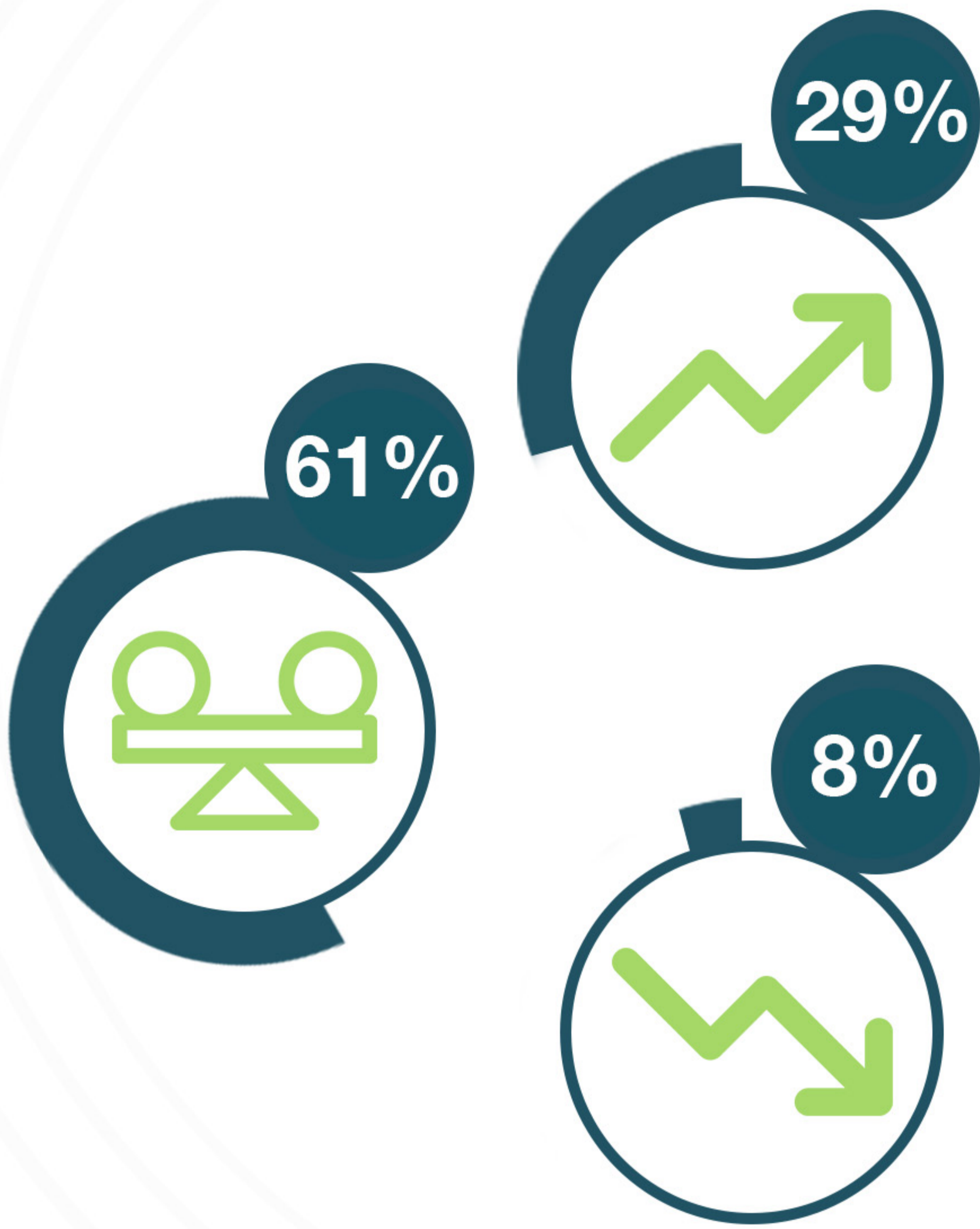


All-Island Business Monitor

Executive Summary

Q4 2023

Current business position



29% said they were in growth (compared to 36% at Q2 2023) and 61% were stable. 8% are now contracting, surviving at all costs or winding down; this is similar to 6% who were in this position at Q2 2023.

Sales Business Performance

One quarter (25%) reported an increase in sales over the past quarter (down from 34% in Q2 2023), while 56% said that their sales have remained stable and 15% reported a decrease in sales.

Over one quarter (28%) expect their sales to increase over the next six months, compared to 8% who are expecting a decrease.



Profitability

There has been an increase in reported profitability this quarter, with 70% saying that their business has managed to remain profitable in the past 12 months (65% last quarter). 23% say they have broken even. 3% have experienced a loss.

Export Activity and Cross-border trade

16% of businesses trade across the border, 10% sell into GB, 6% export their products / services into the rest of the EU and 3% export outside the EU into the rest of the world. 78% do not export their products or services.



Employment Levels

84% said they have not made any changes to their staff count over the past quarter. However, 9% have increased employee numbers (15% last quarter) and 7% have reduced their headcount.

Over four in five (83%) do not expect to change their staff count in the next 6 months, compared to 12% who plan to increase the number of staff and 4% that expect a decrease.

Manufacturing businesses (21%) were more likely to expect an increase in their staff count compared to other sectors.



Business issues

Key Concerns

The three biggest business issues reported this quarter were:



Rising energy costs
(64% reported this
as an issue
compared to 71%
last quarter)

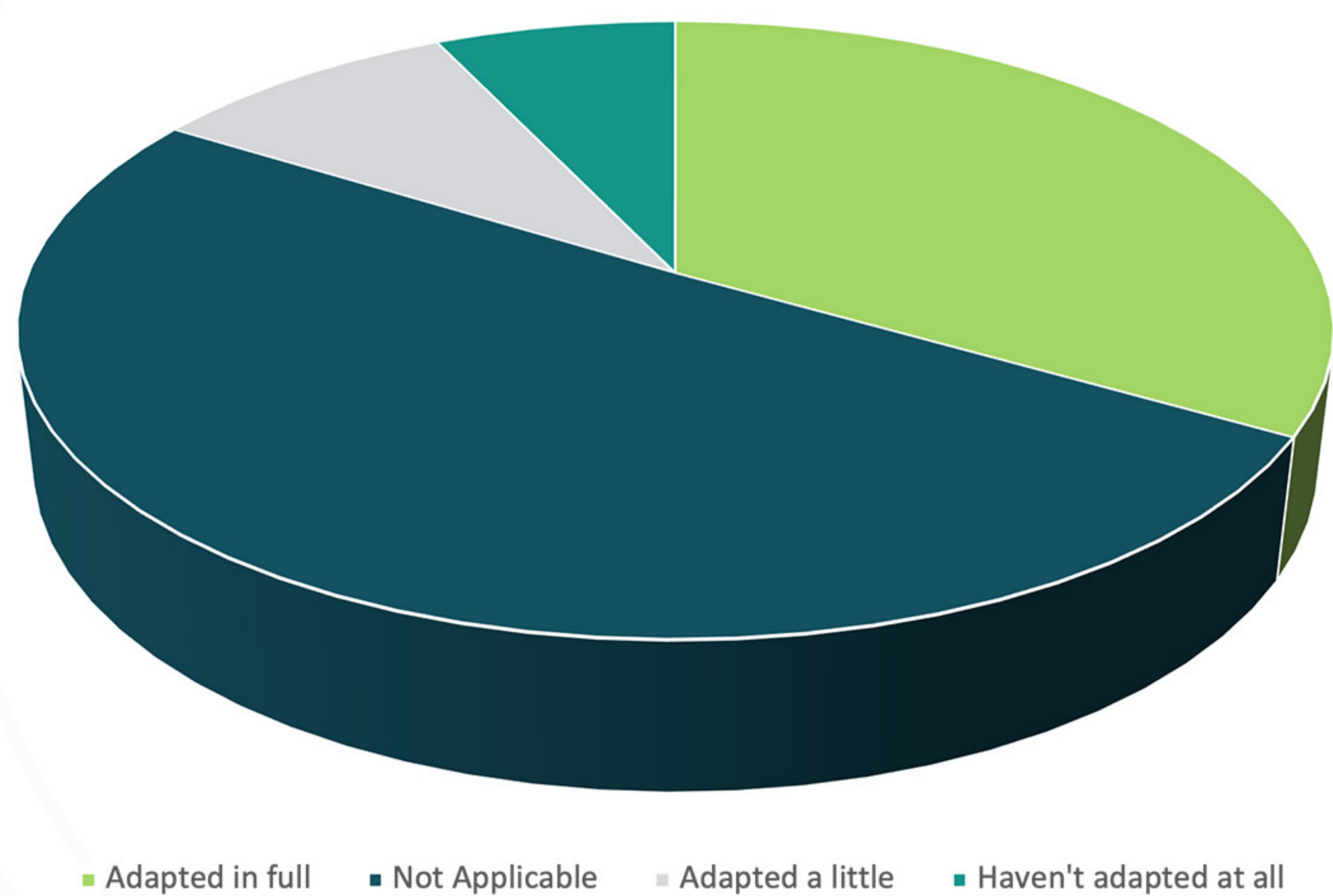


Rising costs of
other overheads
(64% reported this
as an issue
compared to 58%
last quarter)



New competitors in
the market
(24% reported this
as an issue
compared to 9%
last quarter)

Impact of post-Brexit trading conditions



One third (33%) of businesses indicated that they have adapted in full or to a large extent to new trading conditions post-Brexit with a further 50% saying this is not applicable to their business. 9% said they have adapted to a little extent, and 7% have not adapted at all.

Almost one quarter (24%) of businesses said they remain impacted by Brexit (27% in Q2 2023), with 26% of NI and 24% of ROI businesses reporting this.



Windsor Framework

Over half (52%) said that the new trading arrangements proposed in the Windsor Framework improve their processes in the past 2 years, and a further 38% have improved their environmental performance by reducing carbon usage. 40% have not undertaken, nor plan to undertake, innovative activities.

Almost three quarters (74%) say they have experienced no challenges that constrain their innovative potential, while 71% don't think they need any additional support.

One in five (21%) have collaborated with other businesses to innovate, with 85% of those who have not collaborated saying there are no challenges that constrain their desire to engage with external partners.



Sustainability



30% rate sustainability and net-zero as very or extremely important to their business priorities, with 14% having a sustainability or net-zero plan in place currently. A further 23% said they would need support to develop such a plan.



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