**Issued on behalf of InterTradeIreland**

**20th February 2012**

**BUSINESSES FRUSTRATED AT FACTORS BEYOND THEIR CONTROL**

**70% of businesses say Eurozone crisis is having an adverse impact**

It appears that 2012 will be a difficult year for Northern Ireland businesses as sales performance figures across companies of all sizes fell during Quarter 4 of 2011, according to the latest results of the InterTradeIreland’s all-island Quarterly Business Monitor.

The largest business survey on the island shows that while 18 per cent of businesses report an increase in sales, 41 per cent have seen a decline, giving a net percentage point balance of -23 per cent. This compares with a net balance of -14 per cent for quarter three and

-10 per cent for quarter two of 2011.

While exports continue to grow, exporters are expressing concern regarding a reduction in demand as a significant issue for their business. This reduction in demand may be linked to ongoing problems in the Eurozone. 70 per cent of companies surveyed felt that the Eurozone crisis is adversely impacting on them with larger firms and exporters feeling a greater impact through their exposure to the crisis.

There is also frustration for business owners who are finding that many of the issues that are adversely affecting them, such as rising energy costs, other overheads and a lack of consumer confidence, are largely outside their control.

Companies in the North seem to be faring better than their Southern counterparts however, with 38 per cent listed as contracting compared with 56 per cent in the Republic of Ireland.

**[more…]**

Northern Ireland companies are also more likely to be involved in cross-border trade, with 23 per cent exporting into the Republic of Ireland compared with just 16 per cent trading north from the Republic of Ireland.

Commenting on the findings, Aidan Gough, Director of Strategy and Policy for InterTradeIreland, said: “There is no doubt that the continued economic uncertainty and the Eurozone crisis in particular is having a continued impact on local businesses. It is significant that we are seeing a rise in the number of larger businesses and exporters who reported a drop in demand for their products and services during the last quarter.”

The business monitor also shows that the demand for bank finance continues to fall with just seven per cent of business owners saying that the have applied for a loan or overdraft at the end of last year.

“This reluctance to seek out funding may be indicative of the lack of confidence that many of those surveyed feel in their ability to secure finance and their desire to invest at this time,” continues Aidan. “Paradoxically, investment and innovation to allow businesses to diversify and grow is now more important than ever and InterTradeIreland is continuing to work with business owners, government bodies, investors and business ambassadors to ensure that it continues to meet the changing needs of the business community,” he concludes.

**[ends]**

A copy of the Executive Summary can be viewed at **XXXX [Include web address when PDF goes on ITI website on Friday.**

**For further media enquires please contact Sheelagh Wright/ Karen Irwin of dcp strategic communication on (028) 9040 2296 or email sheelaghw@dcppr.co.uk**