Issued on behalf of InterTradeIreland

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**INTERTRADEIRELAND BUSINESS MONITOR REVEALS NO SIGNS OF ECONOMIC IMPROVEMENT**

According to the latest quarterly Business Monitor for Q3 2012 released today by InterTradeIreland, which was conducted with over 1,000 companies across the island, the protracted economic downturn is showing no signs of improvement. However SMEs remain resilient, amidst extremely difficult trading conditions. Many firms continue to have a positive outlook about their business performance over the next year.

Since 2008, the Business Monitor has shown an extremely difficult trading environment for business. The consistency of the results means that the current situation is now regarded as an ‘economic norm’ for most businesses.

Aidan Gough, Director of Strategy and Policy for InterTradeIreland commented, “The key finding of this particular survey is that it reflects how firms across the island are struggling to cope in what can be termed a new ‘economic norm’.

“For over three years the survey has shown that more than half of businesses across the island have reported how the downturn has had a severe or moderate adverse impact on their firm. Nevertheless businesses are showing strong resilience, especially in Northern Ireland where 33 per cent of firms surveyed expect sales to increase in the next 12 months. This demonstrates that there remains a positive entrepreneurial spirit amongst our SMEs and this is an attitude we want to encourage and, of course, support.”

InterTradereland’s quarterly Business Monitor survey is the largest and most comprehensive business survey on the island covering business owner’s views both North and South. It differs from other surveys in the fact that it is seen to be the ‘voice of local businesses’ feeding directly from telephone interviews conducted with a robust sample of businesses across a range of sectors.

Manufacturing companies continue to fare better than businesses in other industries with regards to sales and employment levels. However, in comparison to last quarter, almost double the number of manufacturers in this survey are reporting to have been severely affected by the downturn (Q2 34 per cent; Q3 60 per cent) demonstrating that no sector is immune in the current business landscape.

To date, evidence has shown that small, micro-businesses had been hit hardest. In this report, it is clear that mid-sized businesses are now starting to feel the squeeze more and are showing a decline in sales, 25 per cent in Q2 and 33 per cent in Q3 2012.

***(more…)***

However, on balance, businesses remain positive this quarter about their level of sales over the next 12 months. Nearly three quarters of businesses across the island expect sales to increase or stay the same over the next 12 months and it is those within the manufacturing and business services industries or those which are exporting, who are expressing the most optimism about business performance over the forthcoming year.

The latest Q3 Business Monitor figures also emphasise the issue of rising energy costs with a substantial increase in the number of businesses reporting this outlay as having a ‘huge’ impact on their business (Q2 27 per cent; Q3 39 per cent). However, it is worth bearing in mind that the approach of the winter season may have had an impact on these figures.

On the employment front, while almost 80 per cent of businesses across the island have maintained staffing levels over the last three months, fewer companies report that they are hiring than in the previous quarter. While the trend for companies in the South has worsened slightly in relation to employee numbers, those in Northern Ireland appear to have improved slightly.

This survey also indicates that not enough businesses across the island are exporting with 65% not participating in any export activity.

Aidan Gough continued, “We have seen from the recent trade mission to China, led by the First and Deputy First Ministers, that there are opportunities out there for our innovative, robust businesses to grow and expand through export. It is also evident from our Business Monitor that those firms participating in cross-border trade or exporting further afield continue to perform better than those who rely solely on the domestic market and it remains a key driver of growth.

“For many firms, trading cross-border is the first step to exporting to other international markets and there are a variety of InterTradeIreland support programmes available to help SMEs seek out these opportunities. I would encourage any SME to come and talk to us to see how we can help them improve their business performance and potentially grow in this difficult trading environment.”

For more information on the business support programmes available from interTradeIreland, please visit [www.intertradeireland.com](http://www.intertradeireland.com) or call 028 3083 4100.

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A copy of the Executive Summary can be viewed at

<http://www.intertradeireland.com/researchandpublications/>

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