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**Business Monitor reveals unemployment may have peaked**

**Recent job announcements in NI reinforce optimism**

The latest quarterly Business Monitor released today by InterTradeIreland has revealed a stabilisation in the employment levels across the island. In the last three months 85 per cent of businesses have maintained current staffing levels and only 11% report reducing their workforce.

Commenting on the Q1 2013 Business Monitor findings, Aidan Gough, strategy and policy director at InterTradeIreland commented: “The number of companies reporting that they have reduced numbers of staff has remained fairly static over the last four quarters and this trend may indicate that the level of unemployment may have peaked. This would seem to be supported by the announcements last week of more than 1,000 new jobs for Northern Ireland. These kinds of announcements can help with the confidence of firms to hire new people and we could then start to see the figures for unemployment reverse.

“It has also become increasingly clear that the gap in business performance between Northern Ireland and Ireland, is closing. They have been converging over the last few quarters and are now in a very similar place with regards to employment and sales growth.”

Cost and cash flow are the two key issues identified by the businesses surveyed for the Q1 2013 InterTradeIreland Business Monitor. Similar to the previous quarter, rising energy costs (40 per cent), rising cost of other overheads (37 per cent) and cash flow (30 per cent) are continuing to impact heavily on business. Almost half of businesses (46 per cent) are focused on a 50/50 combination of cost-cutting and sales growth and nearly three quarters (71 per cent) of businesses have actively taken measures to reduce costs in the last three months.

Aidan Gough added: “It is very understandable that in this environment, businesses are putting an effort into reducing costs. It is important though that cost increases, that are largely outside the control of business, don’t undermine the overall focus on growth as this could significantly hinder economic recovery as well as the performance of individual firms.

“An interesting finding was that businesses in Ireland were more than two times as likely to have negotiated better rates with regards to telecoms, energy and insurance, than those in Northern Ireland.”

The InterTradeIreland report also highlighted a significant issue with debtors and revealed that more than half (53 per cent) of the businesses surveyed indicated that they have debtors of over 90 days and more than one third (36 per cent) stated that over 25 per cent of sales are not paid on time.

“This goes some way to explaining why cash flow is consistently ranked as a significant challenge that respondents are reporting as having an impact on their business”, said Aidan. “This issue is one that can restrict growth and I would urge all businesses to ensure that they have processes in place to address this problem. This is especially relevant in Northern Ireland as over 61 per cent of local businesses do not undertake any practice to manage debtors, compared to 51 per cent in Ireland and so I would urge local SMEs to be less reticent and more assertive when it comes to securing payment or indeed negotiating costs with suppliers.”

InterTradeIreland’s quarterly Business Monitor survey is the largest and most comprehensive business survey on the island covering business owners’ views in both Northern Ireland and Ireland. 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 more than 1,000 SMEs across a range of sectors.

For more information on InterTradeIreland and the business support programmes available, 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/publications/name,10778,en.html](http://www.intertradeireland.com/researchandpublications/publications/name%2C10778%2Cen.html)

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