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**InterTradeIreland’s latest Business Monitor results indicate a business-led recovery across the island**

The latest quarterly Business Monitor (July – September 2013) released today by InterTradeIreland has revealed signs of broadening recovery across the island. Twice as many businesses have reported themselves to be in growth mode (26 per cent) than last quarter. Results also show a steep rise in the percentage of businesses that are reporting increased sales in both Ireland and Northern Ireland, with this quarter’s percentage being the highest since 2007 (31 per cent).

Additionally, InterTradeIreland’s Business Monitor revealed that employment levels remain stable across the island with trend data showing a slight rise in the percentage of businesses that are recruiting. Rising costs of overheads, energy costs and cash flow remain the main issues affecting businesses. However, this quarter there are fewer businesses indicating ‘reduction in demand’ and ‘business and consumer confidence’ as significant issues.

Commenting on the Q3 2013 Business Monitor findings, Aidan Gough, strategy and policy director at InterTradeIreland said: *“It is encouraging that firms across the island across a wide range of sectors are experiencing an improved business performance. Over the last few quarters, we have seen signs of economic improvement with more firms moving into stabilisation. This quarter we observe a broadening recovery with more businesses now moving from stabilisation to a position of growth.”*

According to the survey results, firms in Ireland are more likely to report being in growth mode (28 per cent) than those in Northern Ireland (21 per cent). Southern businesses are also showing increased optimism with a more positive outlook than NI firms with regards to increasing employment and sales levels over next 12 months. Aidan commented *“For a long time Northern Ireland businesses have reported a stronger performance in terms of sales, employment levels and business growth. While the recovery is across the whole island, it seems that Ireland is now recovering at a faster speed. This upturn in the southern market is reassuring and can also be good news for NI businesses as this may open up more opportunities for cross-border export sales and growth into this vitally important neighbouring market.”*

Not every business is enjoying, however, the green shoots of recovery as 23 per cent of firms across the island are still trying to survive at all costs; although this number is decreasing each quarter. Larger businesses also continue to perform better than smaller firms so it is important that tailored support is available particularly to those that are struggling most It is very clear from the survey that firms that have made internal adjustments and reacted to the changed economic environment, are reaping the benefits. For example firms in growth mode are better at coming up with creative ideas, responding to change, problem solving, launching new products or services and are more willing to collaborate in new developments.

Commenting on this, Aidan Gough says: *“The recovery is being led by businesses that have reacted to the downturn and are now doing things differently, in many instances doing more with less. Clearly we need to encourage and support more businesses -especially those still struggling- to take positive steps to realign their strategies and internal capabilities to a changed economic environment rather than relying on a “rising tide lifting all boats.”*

Aidan concluded: *“Overall the Q3 Business Monitor is very encouraging. Along with other recent reports that highlight an increased consumer confidence, a growing construction sector and an improved housing market, this may very well represent a turning point for many businesses.”*

InterTradeIreland’s quarterly Business Monitor survey is the largest and most comprehensive business survey on the island and is based on the views of more than 750 business managers across Northern Ireland and Ireland. It differs from other surveys in that it is seen to be the ‘voice of local businesses’ feeding directly from telephone interviews conducted with a robust sample of businesses of all sizes across a range of sectors. It has a lengthy time series of six years and continues to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis.

A copy of the Q3 IntetrTradeIreland Business Monitor Executive Summary can be viewed at:

[**www.intertradeireland.com/researchandpublications**](http://www.intertradeireland.com/researchandpublications)

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