**Embargoed until 00:01, 18 August 2014**

**69% of SMEs have plans to invest over the next 12 months**

**~ Despite signs of a broad-based recovery, firms in growth mode fall to 29% from 37**% ~

**~ InterTradeIreland urges businesses to look to export opportunities ~**

Figures from the InterTradeIreland Business Monitor (Q2 2014) reveal that more than two-thirds of firms (69%) plan to invest in their business over the next 12 months, with plans to increase marketing activity topping the poll (50%), followed by investment in staff training (32%). Manufacturing firms and those exporting are the most likely to invest over the next year according to the survey.

Other findings from the Q2 2014 Business Monitor include:

* 37% of businesses reported an increase in sales this quarter, this percentage was higher in exporting companies (55%).
* The number of companies reporting staff increases remains the highest since 2009 with 11% of firms reporting an increase in staff.

Commenting on these findings, Dr Eoin Magennis, Economist and Policy Research Manager at InterTradeIreland said: “*It is encouraging to see such a significant percentage of firms planning to invest and in particular that they are looking to invest in marketing and staff training. In 2008 when the recession began in Ireland, investment in these activities was the first to be cut. Investing in marketing and staff training reflects a change in business focus towards strategies for growth at a time when many firms are expressing cautious optimism about the future.”*

Despite signs of a broad-based recovery across the island continued to emerge in the second quarter of this year, with positive sales and employment performance across all sectors, there is a significant drop in the number of firms in growth mode this quarter falling to 29% from 37% in Q1.

According to Dr Magennis, *“Although the growth figures are much stronger than 12 months ago, the dip in the number of firms experiencing growth this quarter aligns with findings from other economic surveys. This could be related to external factors, such as weak growth in the Eurozone market, or to the increased speculation about a rise in interest rates. Businesses also remain concerned about cost inflation and the linked and growing issues of cashflow and late payments.”*

The Q2 2014 Business Monitor also found that 82% of firms surveyed are not currently exporting. However, it was also revealed that almost one in five businesses (19%) have a product or service suitable for export but don’t sell across the border or further afield. Firms reported that the main challenges to export cross-border and off-island were: a lack of time or management resources (26%), the perceived cost associated with entry to new markets (24%) as well as lack of internal financial resources (21%) and a lack of awareness of available support (17%).

Dr Eoin Magennis added: *“Given that we consistently see exporters consistently outperforming domestically-focused businesses, it is vital that we ensure that any potential exporter is encouraged and supported. The findings highlight that the majority of those that are exporting have been doing so for five years or more\*, we now need more first time SMEs looking to other markets. InterTradeIreland is calling on those businesses that do have a product or service suitable for export to look at the supports available to them at this time when many are planning to invest in their business. InterTradeIreland offers a range of supports to tackle some of the resources issues identified by potential exporters as a barrier to taking their first steps along the exporting pathway.”*

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 firms of all sizes across a range of sectors to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis.

For more information on InterTradeIreland and the business support programmes available, please visit [www.intertradeireland.com](http://www.intertradeireland.com). A copy of the 2014 Q2 InterTradeIreland Business Monitor Executive Summary can be viewed at: [www.intertradeireland.com/researchandpublications](http://www.intertradeireland.com/researchandpublications).

**ENDS**

**For further information:**

Morwenna Rice, Drury|Porter Novelli

**M**: 086 1940069

**E**: Morwenna.rice@drurypn.ie

**Notes to editor**

\* 92% of SMEs involved in cross border exports have been doing so for 5+ years while 79% of SMEs exporting have been doing so for 5+ years.