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**InterTradeIreland: 85% of firms either stable or growing across the island**

**Cross-Border Trading Businesses much more likely to be growing, innovating and investing**

* 85% of firms stable or growing - 48 % of firms stable with 37% experiencing growth
* 50 per cent of firms involved in cross-border trade experiencing growth compared to 33 per cent of businesses not exporting
* Cashflow is now the most significant challenge with 15% rating it as a huge issue, overtaking energy costs at 9%
* Top three business investment activities cited as i.) Marketing (37%), ii.) I.T. (28%), iii.) staff training.

According to the latest InterTradeIreland Business Monitor, 85 per cent of firms are either stable or growing. However the number of firms that have stabilised rose from 43 per cent to 48 per cent with a drop in the number of businesses experiencing growth from 45 per cent to 37 per cent. Profitability remained stable this quarter with 58 per cent reporting to have stayed in the black over the last 12 months.

Cross-border traders, exporters and innovating firms are more likely to be growing, increasing sales and employment. It was also revealed that firms in Ireland are now faring substantially better than their counterparts in Northern Ireland with 42 per cent of firms in Ireland experiencing growth in Q4 compared to 29 per cent of businesses in NI.

Despite the prevalence of stability rather than growth in most sectors in Q4, it seems that the retail and leisure industries enjoyed a strong final quarter of last year, outperforming both manufacturing and business services. The construction sector continues to struggle with the number of firms in the industry that are ‘surviving at all costs’ rising significantly from 3 per cent to 21 percent in one quarter.

Sales performance in the last three months of 2014 was not as buoyant as previous quarters, dropping slightly from 44 per cent in Q3 to 39 per cent of firms in Q4 reporting an increase in sales. Employment levels also reduced slightly in Q4 from 12 per cent to 10 per cent. However the long-term trend of fewer firms cutting jobs continues to be encouraging.

Figures also indicated a shift in the key challenges faced by businesses with the most significant issues reported to be cashflow and late payments. The cost of energy is now affecting two-thirds fewer businesses than the start of 2014, most likely reflecting the dip in global energy prices over recent months.

Commenting on the Q4 Business Monitor, Aidan Gough, Strategy and Policy Director at InterTradeIreland said: “Despite an uncertain international environment it is reassuring that so many businesses across the island find themselves in a position of relative stability or growth.

“Over the last few business monitors, it is evident that the gap between firms in Ireland and Northern Ireland is widening with southern businesses performing better with regards to growth, increasing employment levels and sales performance.

 We are particularly encouraged by the results that show the very positive impact that cross-border trading can have on business performance. As well as being more likely to be growing, innovating and creating new jobs the latest business monitor also shows that cross-border traders are more likely to be investing in their business over the next year, with 87% per cent indicating their intention compared to 63% per cent of those with no export sales. We would encourage businesses to ‘Discover What’s Possible’ by availing of the many cross-border trade and innovation supports offered by InterTradeIreland.”

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 Q4 InterTradeIreland Business Monitor Executive Summary can be viewed at: [**www.intertradeireland.com/researchandpublications/business\_monitor/**](http://www.intertradeireland.com/researchandpublications/business_monitor/)

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