Under embargo until Monday 16 November at 00.01

**InterTradeIreland Business Monitor reveals 77% of firms do not expect negative impact from National Living Wage introduction**

* 84% of companies across the island either stable or growing
* 43% of firms are experiencing an increase in sales
* Cash flow topping list of key challenges for business (11%)
* 6% of companies concerned about energy costs compared to 15% in Q3 2014

The latest Quarterly Business Monitor Report (July – September 2015) released today by InterTradeIreland has revealed that 77% of firms in Ireland see the introduction of the National Living Wage next year as having no negative impact on their business. However, this figure falls to 46 per cent in the hospitality sector where currently 62% of firms say they have employees below the proposed national living wage.,

Encouragingly, 33% of companies report that they plan to increase staff salaries; 51% of large industry firms with 50 employees and 38% of manufacturing companies planning to increase wages.

This quarter’s business monitor also shows that the economy is continuing to grow. All sectors are performing well but the professional services sector is taking the lead with 50% of businesses expanding and 95% stable or expanding. In total, growth is still being driven by less than half of all firms (42%) with firms reporting considerable spare capacity - less than one in three reported working at full capacity.

The latest quarterly results also point to an emerging gap in business growth between Ireland and Northern Ireland with 45% of businesses in Ireland reporting that they are growing compared to 36% in Northern Ireland.

Aidan Gough, Strategy and Policy Director at InterTradeIreland said; “With almost three quarters of all businesses now saying they are working at close to or at full capacity *factors relating to normal business pressures rather than structural market failures are now at the fore of issues facing firms with cash flow at 11%, new competition, late payments and internal costs all at 9%. Concerns over energy costs have dropped from 15% this time last year to 6% and business costs in general have decreased though remain significant for the manufacturing sector.’’*

Aidan continued: *“. With low oil prices, energy costs have moved from prime position. The hospitality sector is however continuing to feel the strain of energy prices and is concerned about the impact of the National Living Wage next year. However, cash flow issues will need to be addressed before salaries can be raised across the board.”*

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 Ireland and Northern 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 their business support programmes, please visit [**www.intertradeireland.com**](http://www.intertradeireland.com) . A copy of the 2015 Q3 InterTradeIreland Business Monitor Executive Summary can be viewed at: [**www.intertradeireland.com/researchandpublications/business\_monitor/**](http://www.intertradeireland.com/researchandpublications/business_monitor/)

**ENDS**

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