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**LATEST INTERTRADEIRELAND BUSINESS MONITOR REVEALS THAT ALMOST 9 OUT OF 10 FIRMS NOW STABLE OR GROWING**

* 89% of firms now stable or growing
* 41% of NI firms reporting growth
* New competition (54%) and discounting by competitors (54%) top of business concerns overtaking cashflow (49%)
* 77% of firms close to or at full capacity
* Manufacturing strongest sector with almost half in growth mode (47%)
* 40% of manufacturers with more than 50 employees increased employment levels

The latest quarterly Business Monitor Report (October to December 2015) released today that for the first time since 2013 almost 9 out of 10 (89%) firms are stable or growing although the momentum of growth is showing signs of diminishing and being replaced by stability.

The research by InterTradeIreland shows that 41% of companies from Northern Ireland are reporting growth. Interestingly this figure drops slightly to 37% for Co Antrim based companies, perhaps a reflection on several recent high profile losses in the area. Conversely, in spite of global pressures, the strongest sector of all is manufacturing with almost half of firms questioned reporting growth. In a sign of concern about the strength of the domestic market, the leisure, hotels and catering sector was weakest with less than a quarter (23%) anticipating an increase in trade.

The priority of pressures for businesses has changed over the last quarter and are now topped by concerns typical of a growing economy. More than half of businesses are citing competition and discounting by competitors (both at 54%) as a key issue for their business. While this is not ideal for individual firms, it is a sign of a relatively healthy market. When coupled with cashflow worries at 49%, it is indicative of business conditions with low margins in a competitive market.

However, this needs to be balanced by 68% of firms reporting to be quite profitable or very profitable which can perhaps be linked to increases in business efficiency. Companies are ‘running lean’ with 77% close to or at full capacity and encouragingly this picture is fairly consistent across all company sizes and sectors. For the first time since 2013 almost 9 out of 10 (89%) firms are stable or growing although the momentum of growth is showing signs of diminishing and being replaced by stability.

Once again the trends are showing that businesses which export are forging ahead of those solely focussed on their home markets. 54% of companies with cross-border sales are experiencing growth compared to 30% which don’t. This is particularly dominant in companies with over 50 employees where 70% of those that export are experiencing growth compared to 51% of SMEs and 35% of micro companies.

Aidan Gough, Strategy and Policy Director at InterTradeIreland said; *“An intensely competitive market, relatively low input costs and discounting from competitors, while signs of a healthy market place, especially from a consumers point of view, are nonetheless constraining firms ability to grow. Those that are, are characterised by their investment in innovation and exporting to new markets including the cross-border market on the island.”*

Employment has remained fairly static this quarter with most gains in those with 50 or more employees where 40% increased their workforce compared to just 5% for small or micro companies. Encouragingly 17% of companies are expecting to increase their employees over the coming months, with only 3% concerned about any shortage of skills.

Aidan continued: *“With the lack of inflationary pressures in the marketplace the immediate threat of an increase in interest rates appears to have abated again for the present, we asked companies what they felt the effect would be in terms of borrowing or debt if rates were to increase in the future. Two fifths (39%) of businesses felt that there would be consequences for them with 15% of those with more than 50 employees feeling this would have a lot of impact, presumably as borrowing and leverage is higher in these firms.*

*“Although almost half of companies (45%) felt that they were in a good position to apply for funding, this appears to be along the tried and tested avenues which may be less economically advantageous and not viable for a sustained period. 77% of companies had no knowledge of other options open to them including crowd funding, private equity, trade credit, peer to peer lending and mezzanine finance. Our upcoming Meet the Funder events in Belfast and Dublin will seek to address this knowledge gap for many firms on the island.”* he finished.

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 from 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 its business support programmes, please visit [www.intertradeireland.com](http://www.intertradeireland.com). A copy of the 2015 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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