

Cost of Doing Business in Northern Ireland

Appendix A: Survey Results



Department of
**Enterprise, Trade
and Investment**

www.detini.gov.uk



Contents

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

3. Data tables

Survey responses

- InterTradelreland Business Monitor Q4 2013 surveyed companies in January 2014.
- Total of **1,011 business responses**, mostly smaller businesses and very few large business.
- But still under-sampled micro business and over-samples medium and large so **need to weight results to be representative**.
- Have **used Perceptive Insight's weights** for NI and ROI from Quarterly Business Monitor.

	NI	ROI
Sole (0)	81	56
Micro (1-9)	223	236
Small (10-49)	150	156
Medium (50-249)	49	47
Large (250)	5	8
TOTAL	508	503

	Survey	Population	Weight
0 to 9	60%	89%	0.88
10 to 49	29%	9%	0.20
50 or more	11%	2%	0.11

- Applied at whole economy levels but not for breakdowns.
- No weighting by sector as sample size not large enough in each area to be representative.

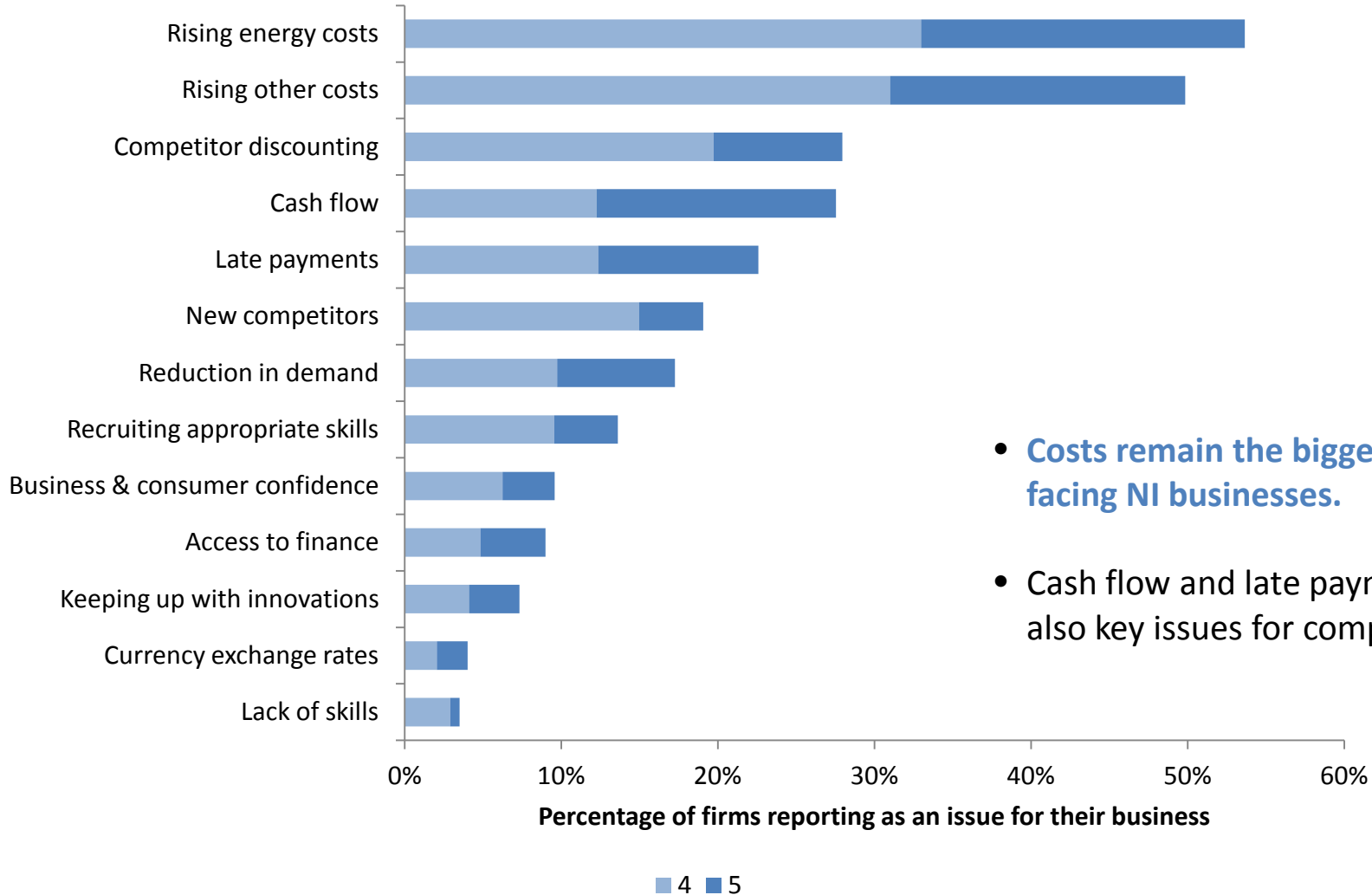
Breakdowns by sector

- It is essential to have some **breakdown by sector** as the cost base will not be the same.
- ITI survey gives 16 different sub-sectors but numbers too small in some areas to be considered representative.
- These have been **grouped together into seven sectors** which provide sufficient numbers of responses to build into sectoral cost profiles.

	NI	ROI
Construction	73	75
Manufacturing	88	86
Business services	104	70
Computing & finance	39	68
Hotels & restaurants	92	91
Retail	53	46
Wholesale & distribution	42	47
TOTAL	491	483

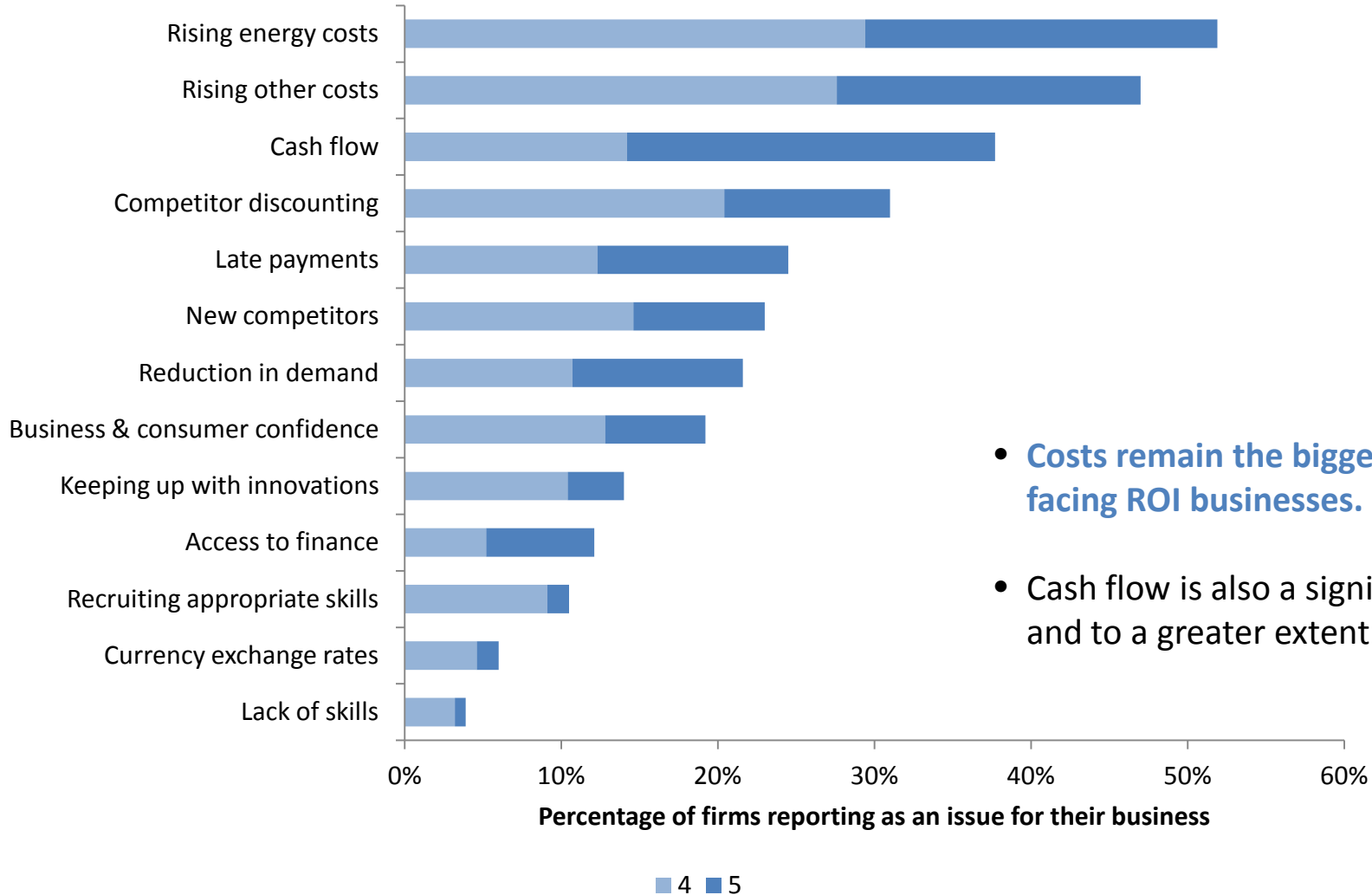
- Differing numbers of respondents across sectors represents different economic structure.
- Have **not included agriculture and other services** breakdowns as too small to be considered representative.
- Sector breakdowns therefore cover 97% of NI firms and 96% of ROI firms. The remaining firms are still in overall results.

Issues facing NI businesses



- **Costs remain the biggest issue facing NI businesses.**
- Cash flow and late payments are also key issues for companies.

Issues facing ROI businesses



- **Costs remain the biggest issue facing ROI businesses.**
- Cash flow is also a significant issue, and to a greater extent than in NI.

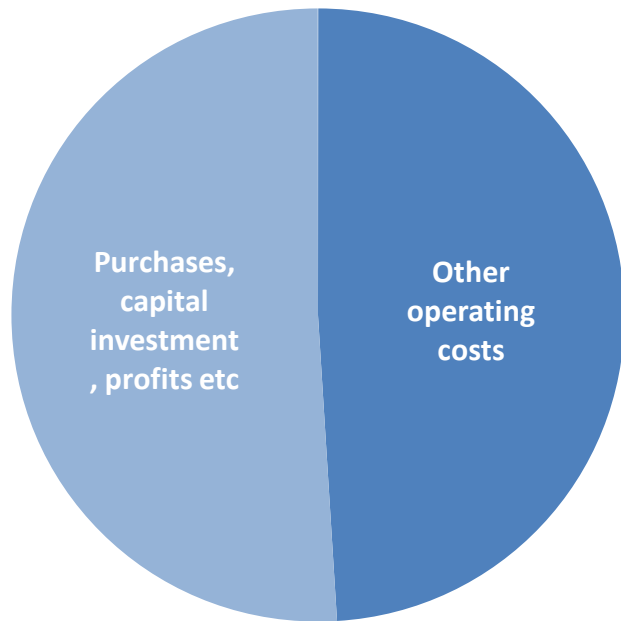
Developing business cost profiles

- Vital for the study to understand **which costs are most important for businesses** rather than just where the increases have been.
- Companies were asked to identify spend as a percentage of turnover across each cost area.
- Had to use broader groups as it was a telephone survey but want actual values. This means we **have to apply an 'assumed value'**.

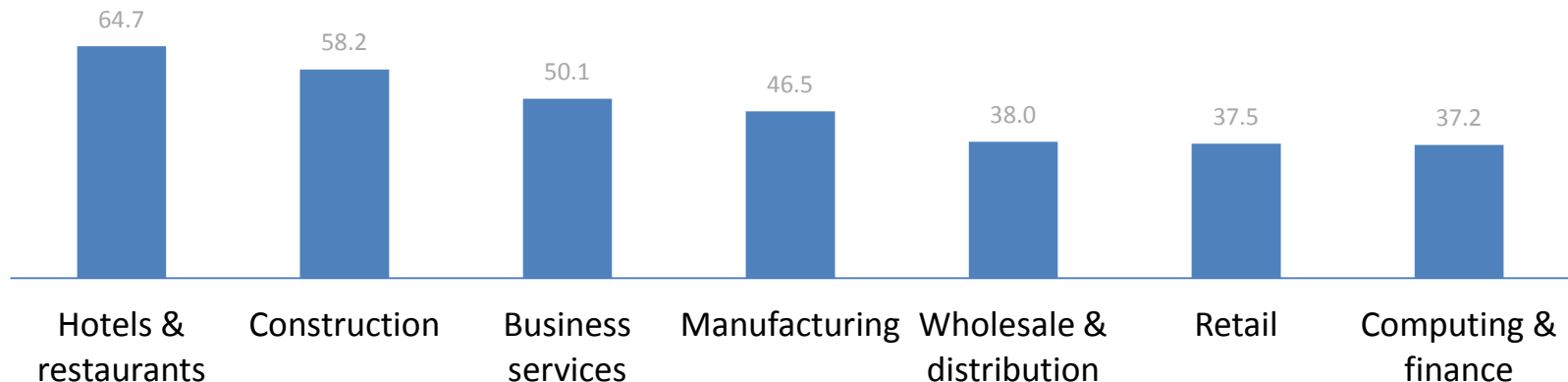
	Assumed value
Zero	0
Less than 1%	0.5
1 to 2%	1.5
3 to 5%	4
6 to 10%	8
11 to 15%	13
15 to 25%	20
26 to 40%	33
More than 40%	50

- Each value is applied across the 10 cost areas for all **1,011 firms** then aggregated up into an overall company cost base.
- **Recent Forfás study used just a single case study** for each sector to develop their cost profiles.
- **ERINI study had a survey of 90 businesses** to develop their cost profiles, with the ABI used for labour and energy.

NI business costs as percentage of turnover

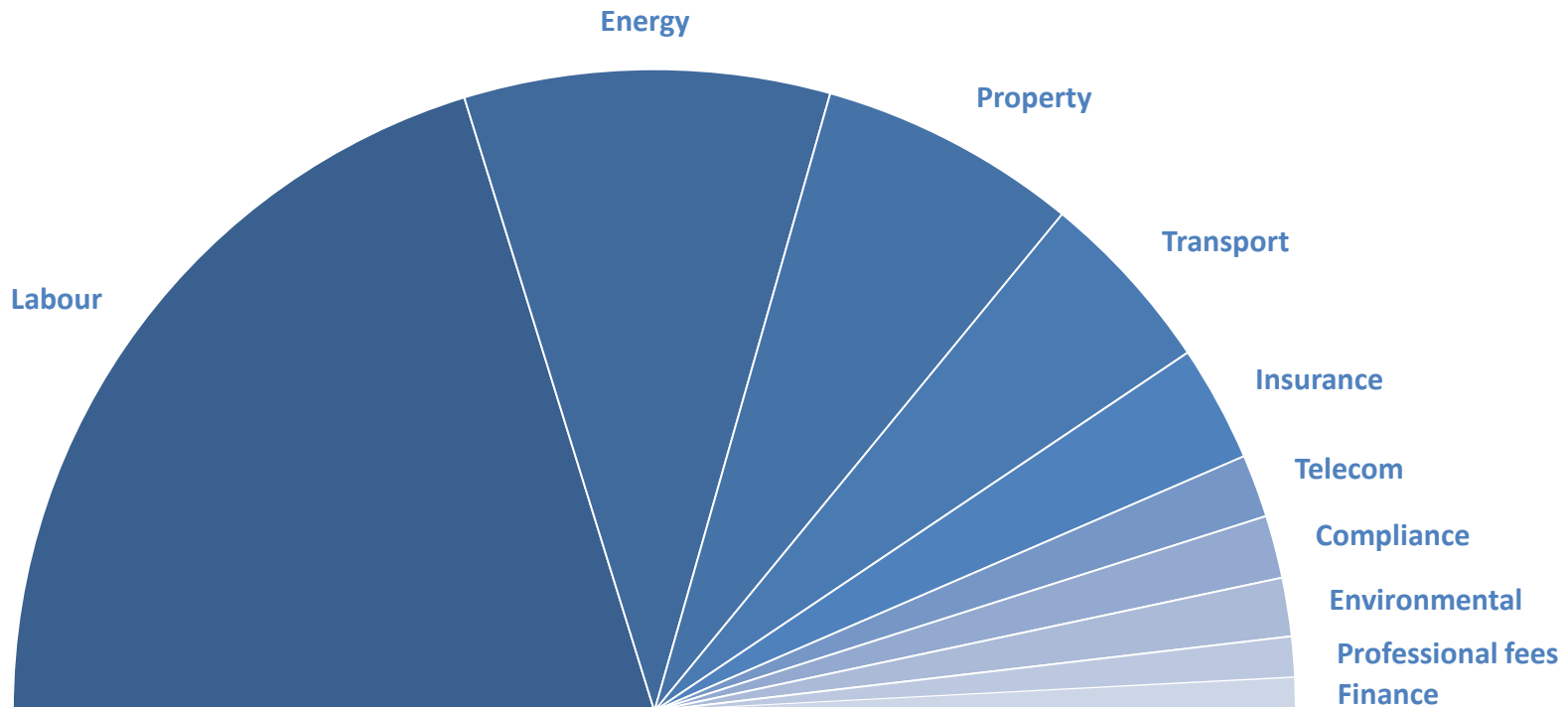


- The 10 business cost areas **account for almost one-half (49%) of turnover** in NI.
- Sectors where costs account for a higher proportion of turnover will be more vulnerable to cost changes.
- **Hotels & restaurants** and **construction** will be particular sensitive to cost changes.
- Most **service sectors** are not as dependent on costs.

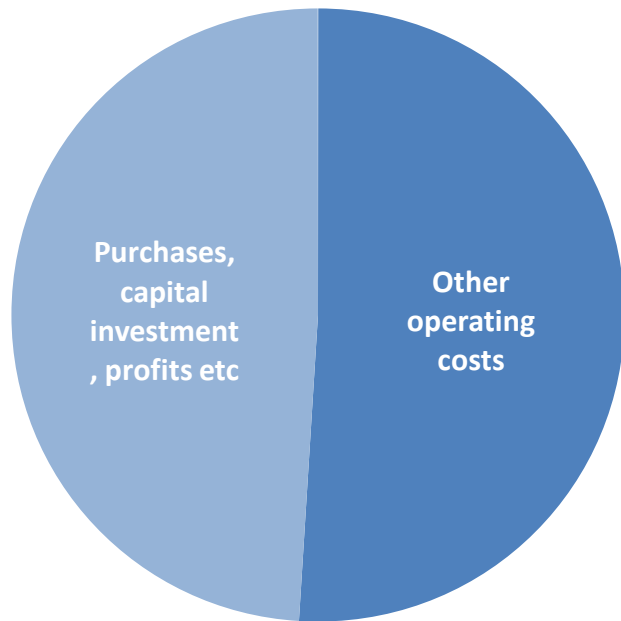


NI business cost profile

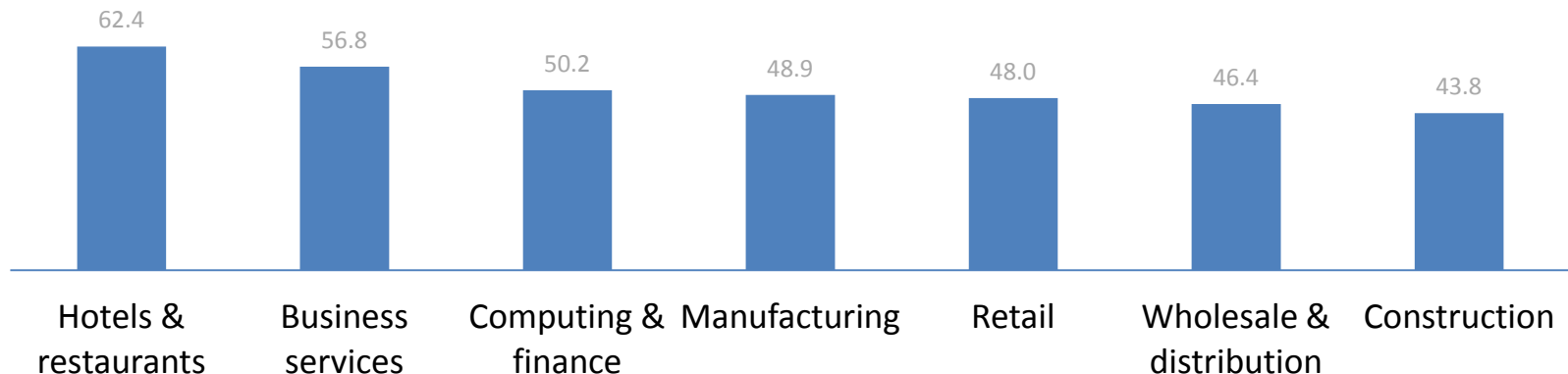
- **Labour, energy** and **property costs** are the most important areas for businesses.
- The NI business cost base is **broadly similar to the ROI**. Labour costs are much more important in ROI, whereas energy costs are much more important in NI.



ROI business costs as percentage of turnover

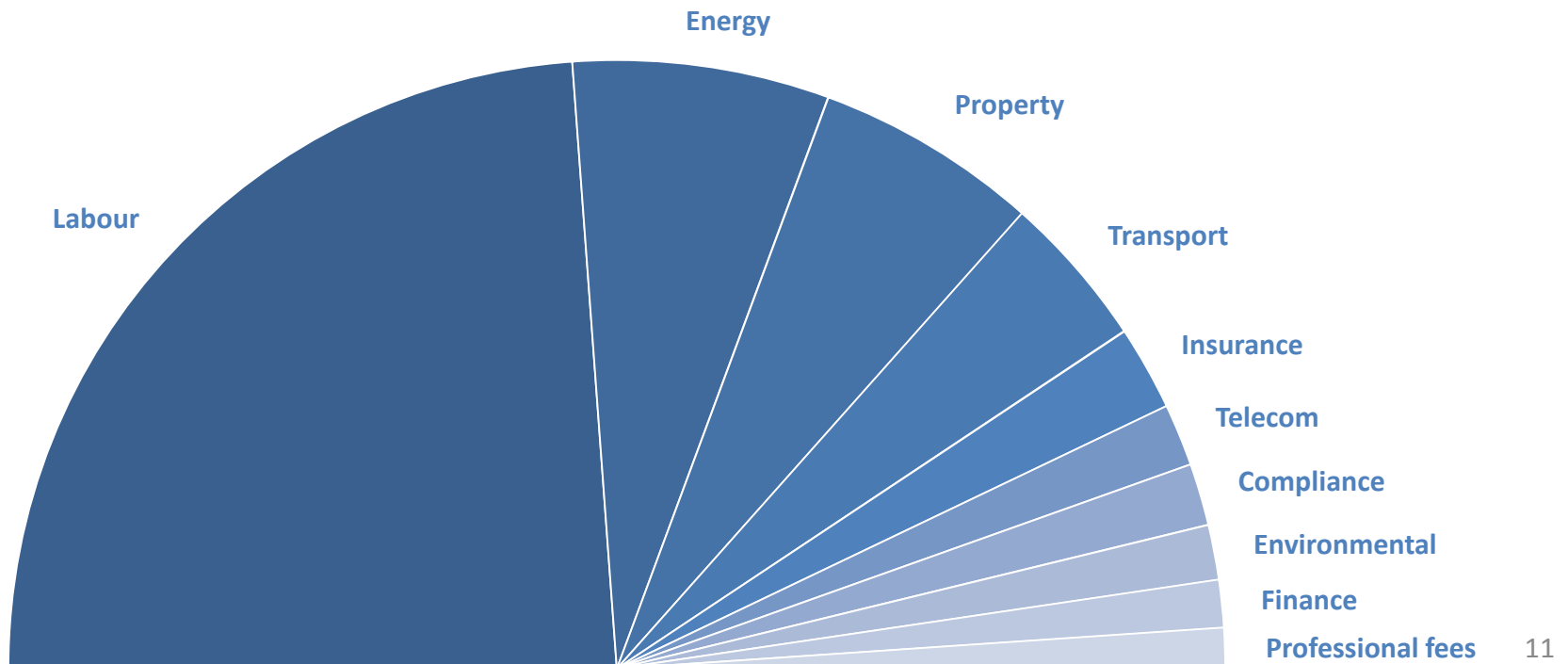


- The 10 business cost areas **account for over one-half (51%) of turnover** in ROI.
- Sectors where costs account for a higher proportion of turnover will be more vulnerable to cost changes.
- **Hotels & restaurants** and **business services** will be particular sensitive to cost changes.
- ROI has less disparity between sectors than in NI, with sectors tending to be closer to the average.

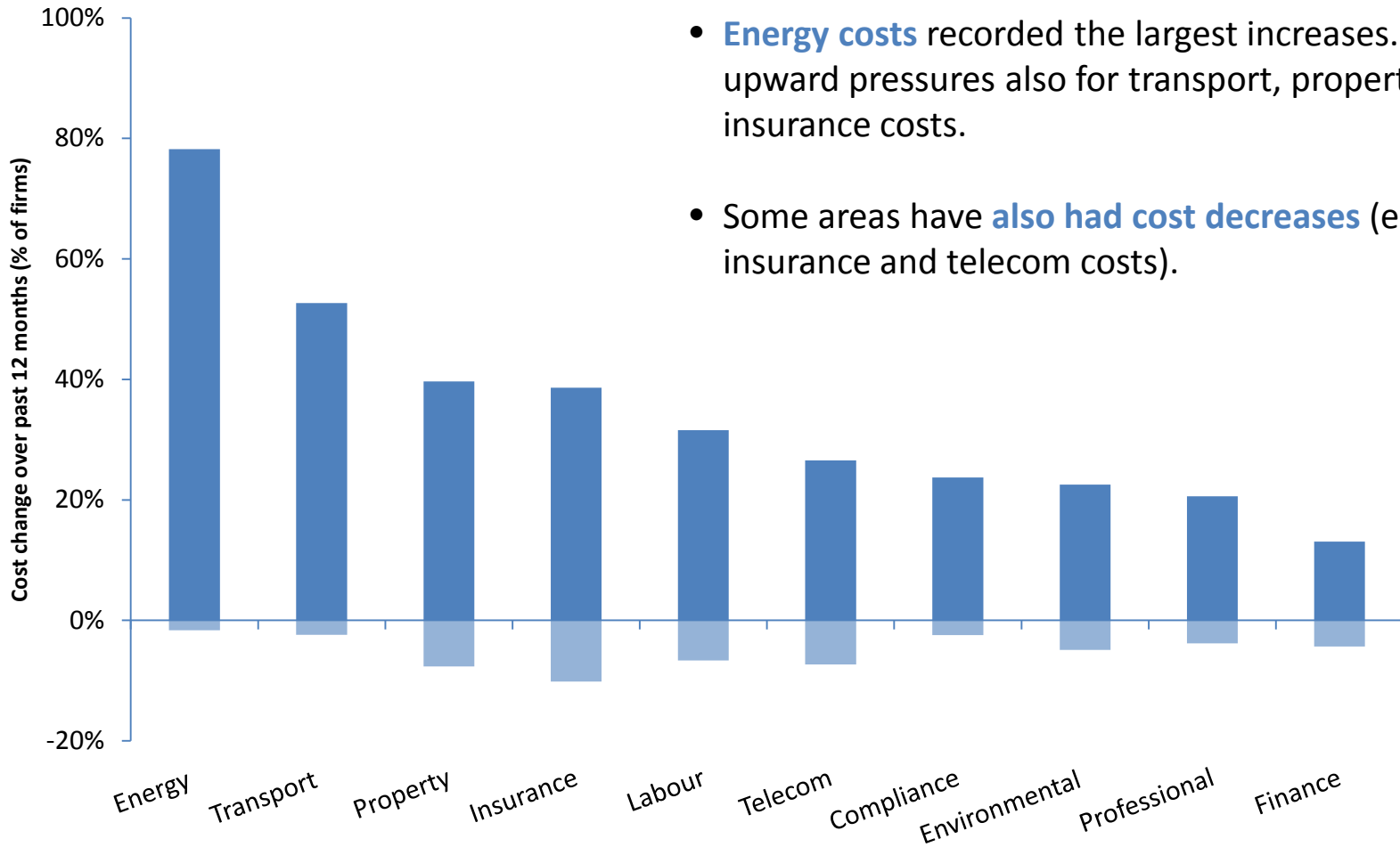


ROI business cost profile

- **Labour, energy** and **property costs** are the most important areas for businesses.
- The ROI business cost base is **broadly similar to NI**. Labour costs are much more important in ROI, whereas energy costs are much more important in NI.

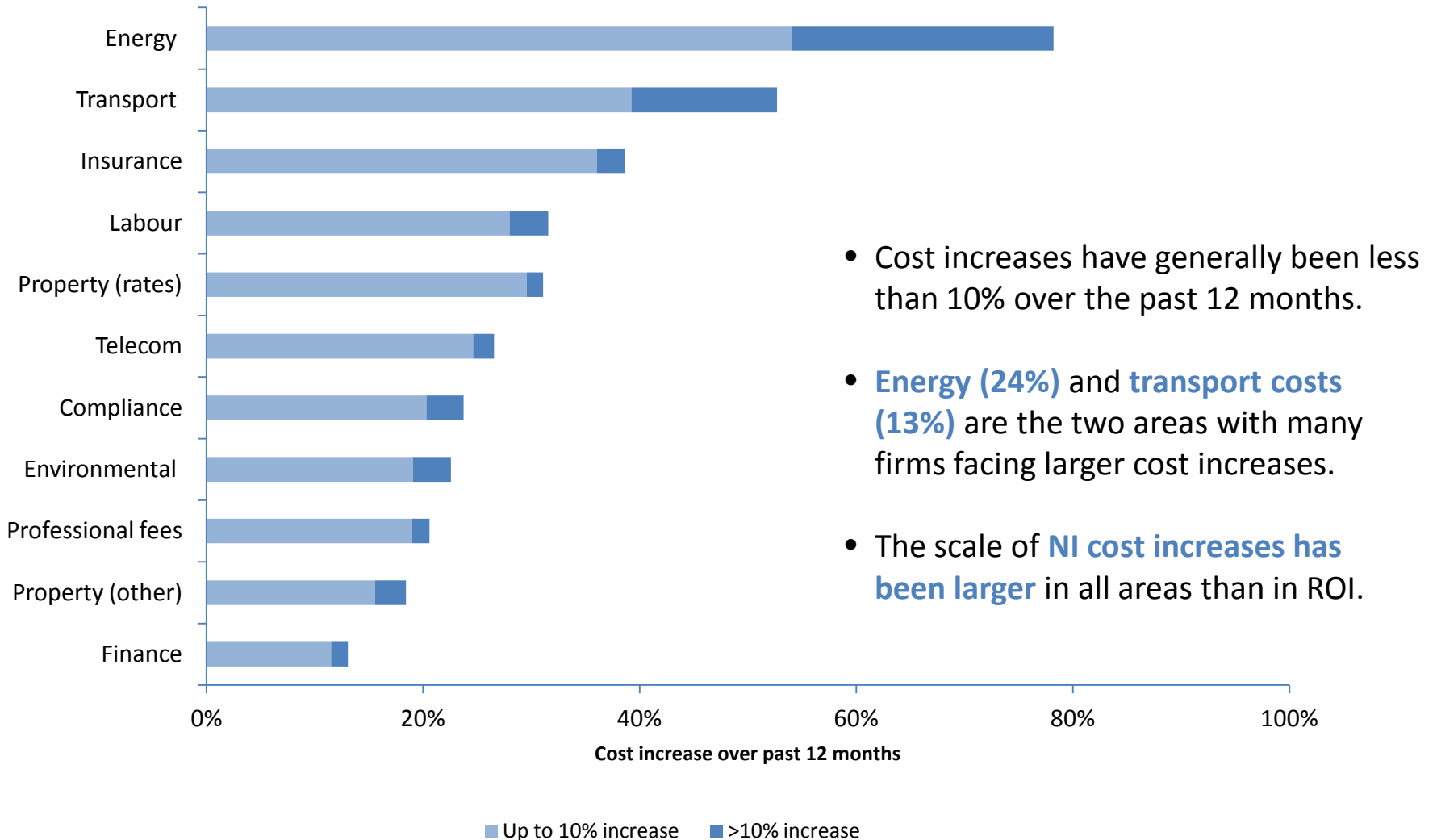


NI cost changes



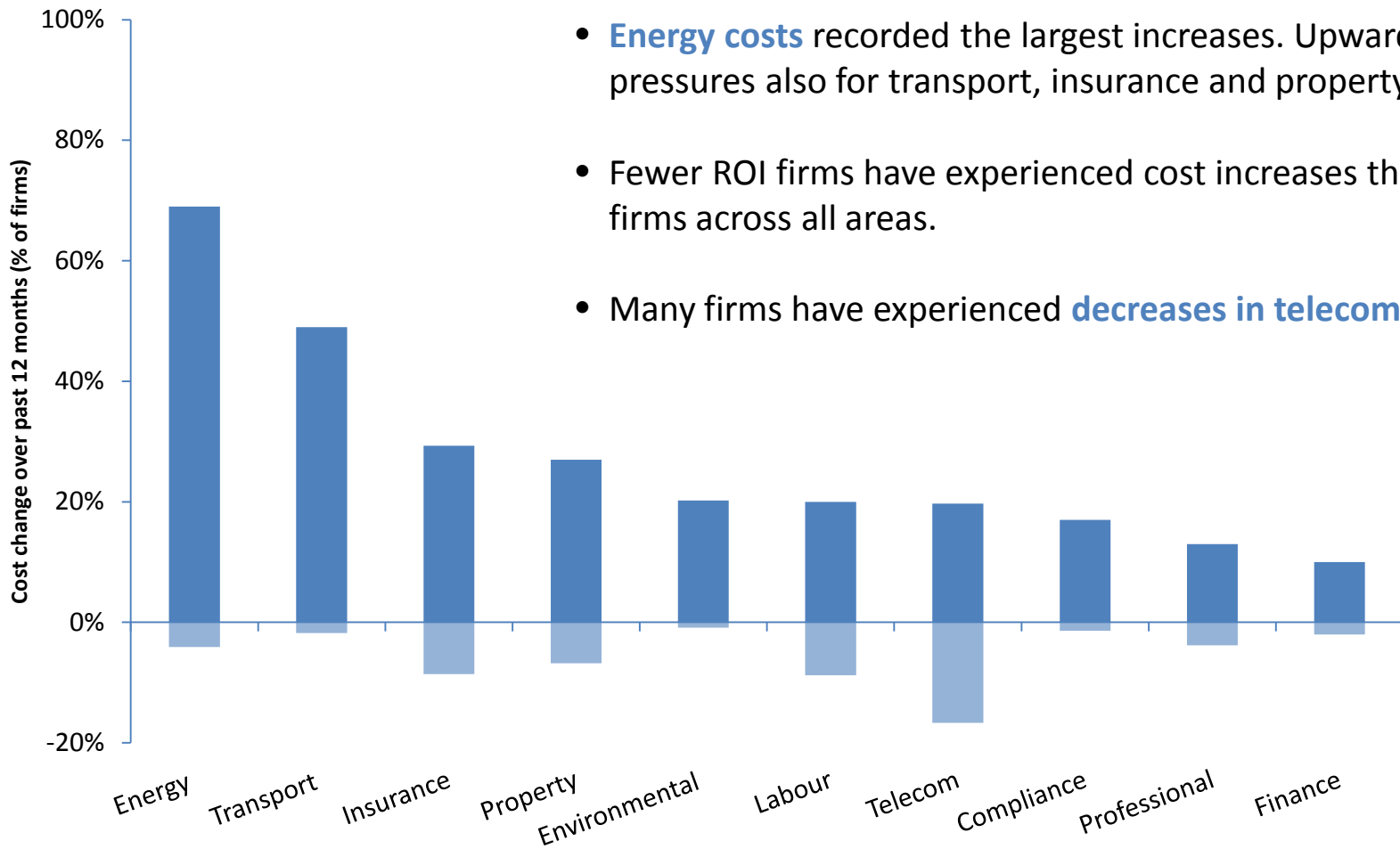
- **Cost increases found across all areas.**
- **Energy costs** recorded the largest increases. Significant upward pressures also for transport, property and insurance costs.
- Some areas have **also had cost decreases** (e.g. insurance and telecom costs).

Scale of NI cost increases

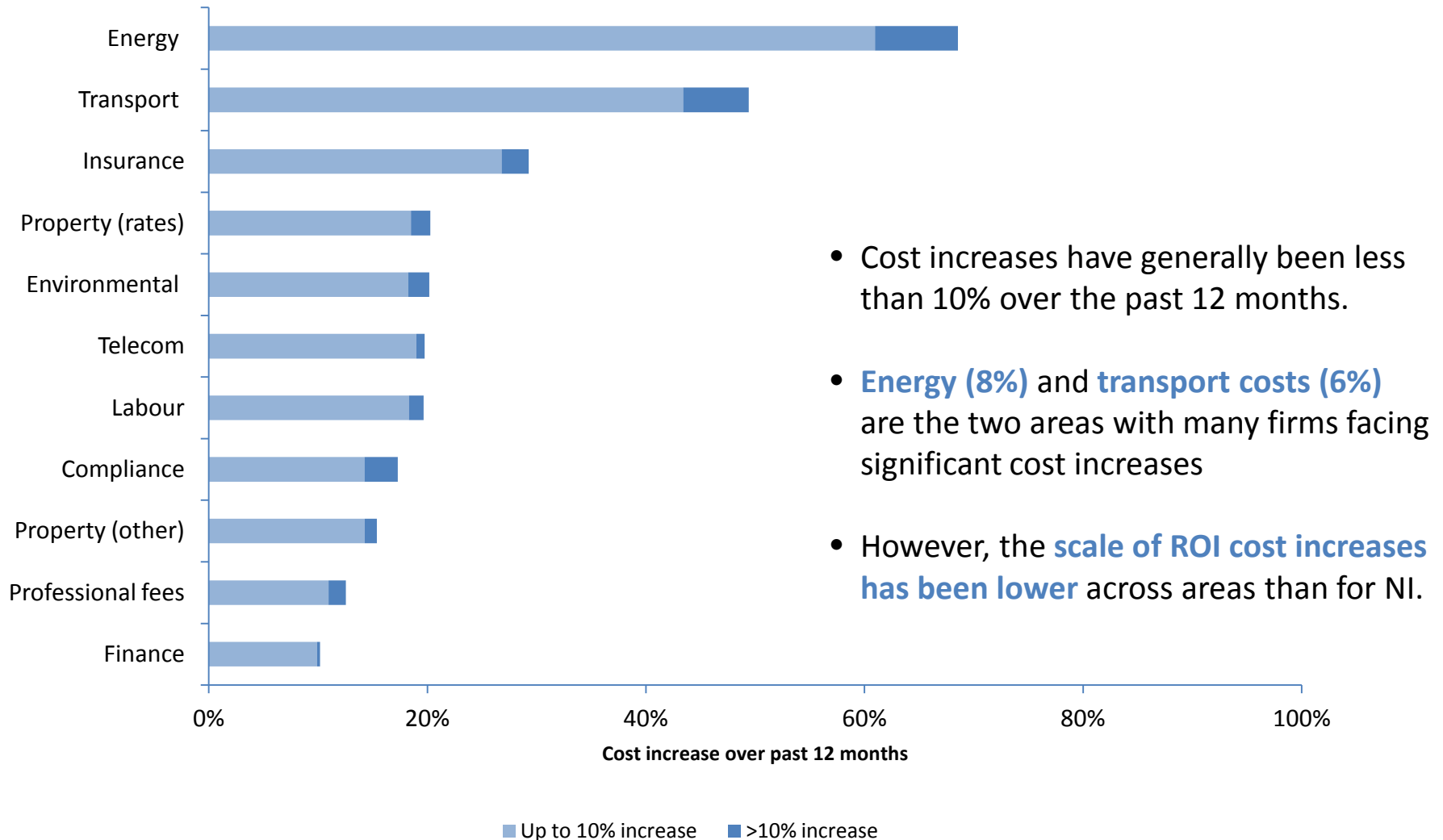


ROI cost changes

- **Cost increases found across all areas.**
- **Energy costs** recorded the largest increases. Upward pressures also for transport, insurance and property costs.
- Fewer ROI firms have experienced cost increases than NI firms across all areas.
- Many firms have experienced **decreases in telecoms costs.**

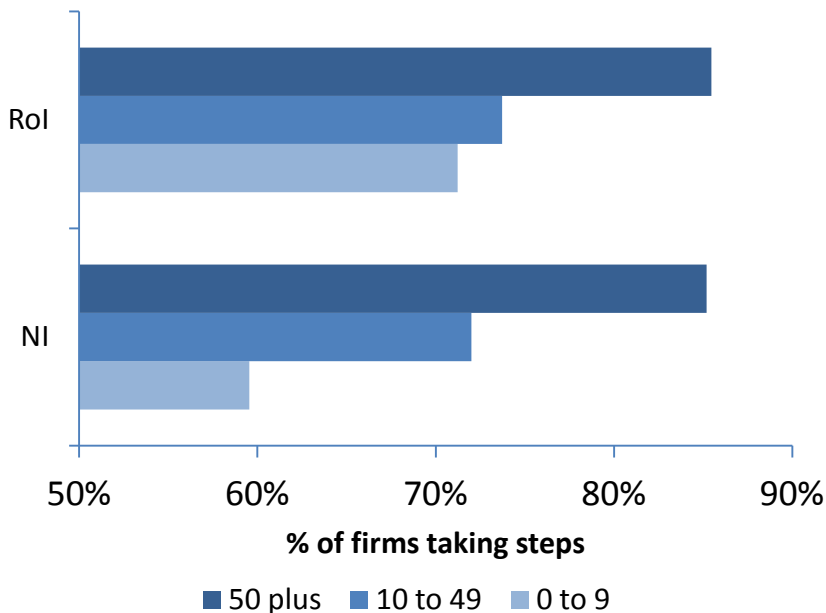
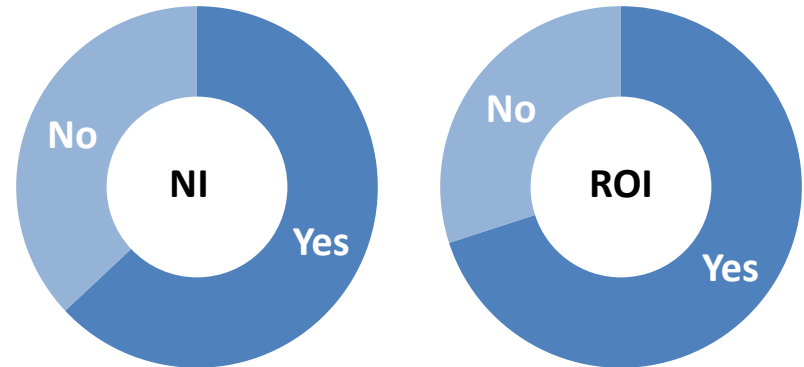


Scale of ROI cost increases



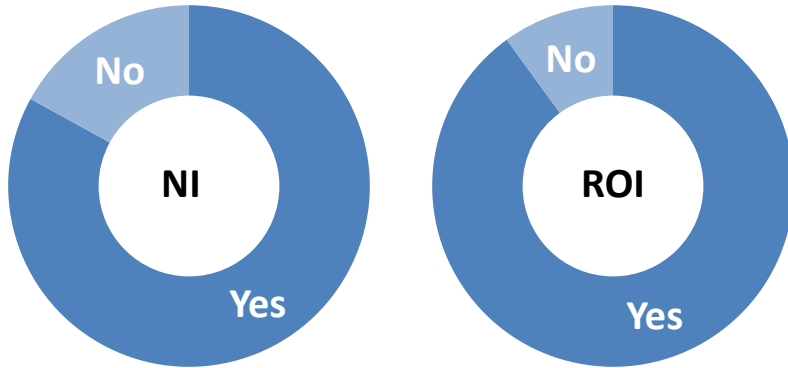
Steps to reduce costs

- Almost two-thirds (63%) of NI firms have taken steps to reduce costs. Conversely, this also means over one third (36%) **are not taking steps to reduce.**
- **ROI firms (70%) have been more proactive than NI firms** in trying to reduce their business costs.



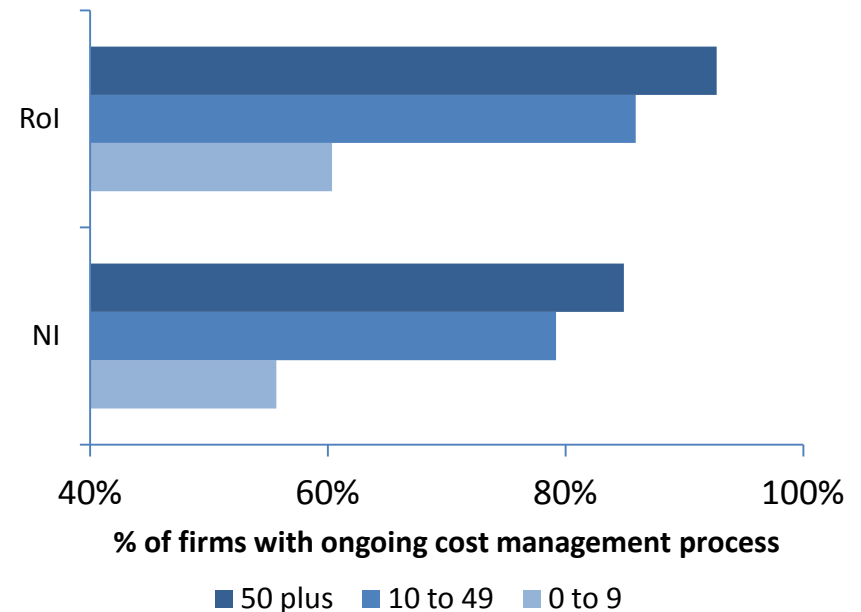
- Larger companies are more likely to be taking steps to reduce their costs base.
- This gap is much more pronounced in NI than ROI, which suggests that **NI micro business in particular struggle to address cost increases.**

Cost review/management



- A slightly higher proportion of ROI firms (65%) have an ongoing cost management process than NI (62%).
- **Fewer micro businesses have an ongoing cost management process** than small and medium/large firms.

- **Most firms regularly review their costs**, although this is more common in ROI (90%) than NI (83%).
- Micro and smaller businesses tend to be less likely to regularly review their costs.



1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

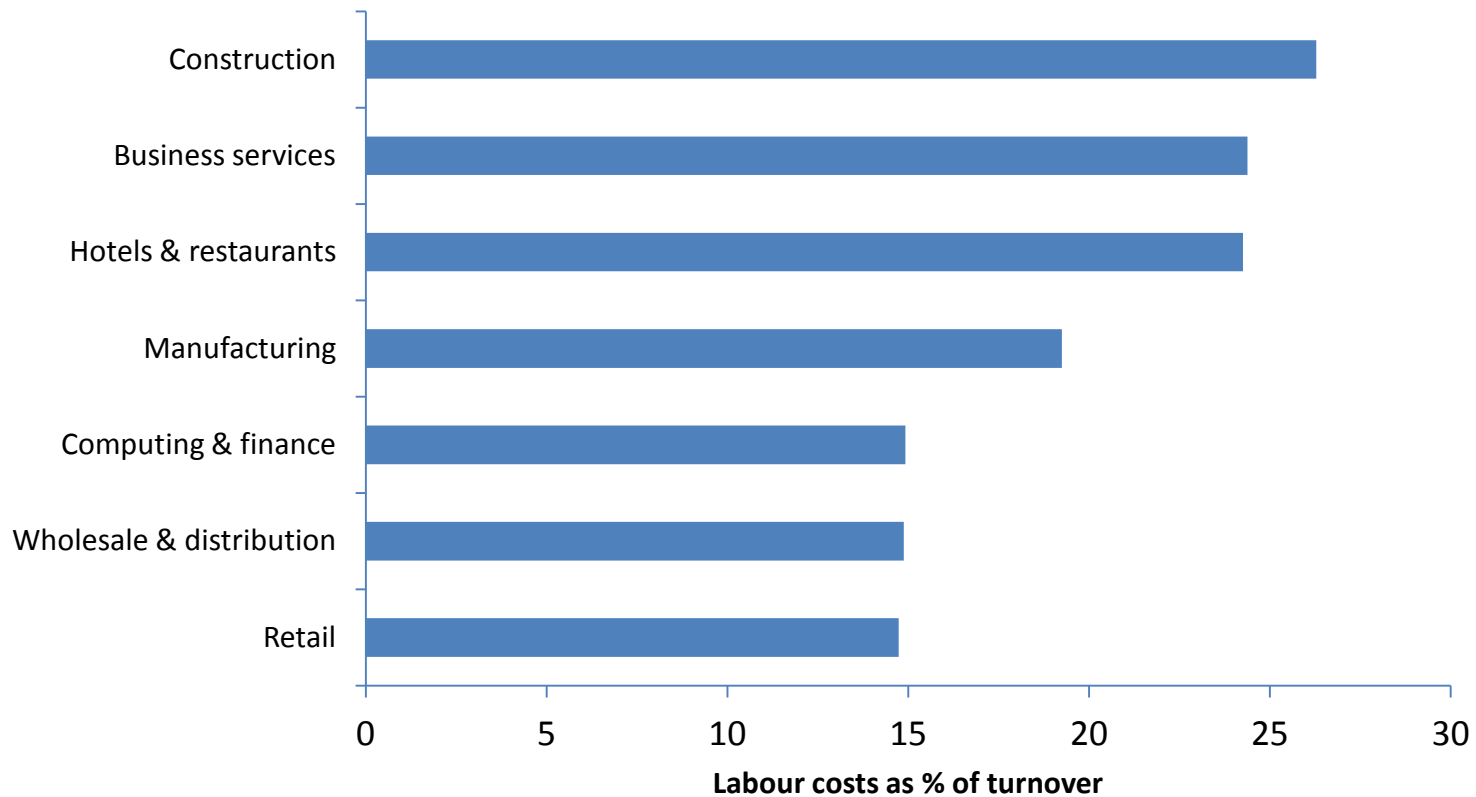
3. Data tables

Labour costs as % of turnover

20.0% of turnover in Northern Ireland

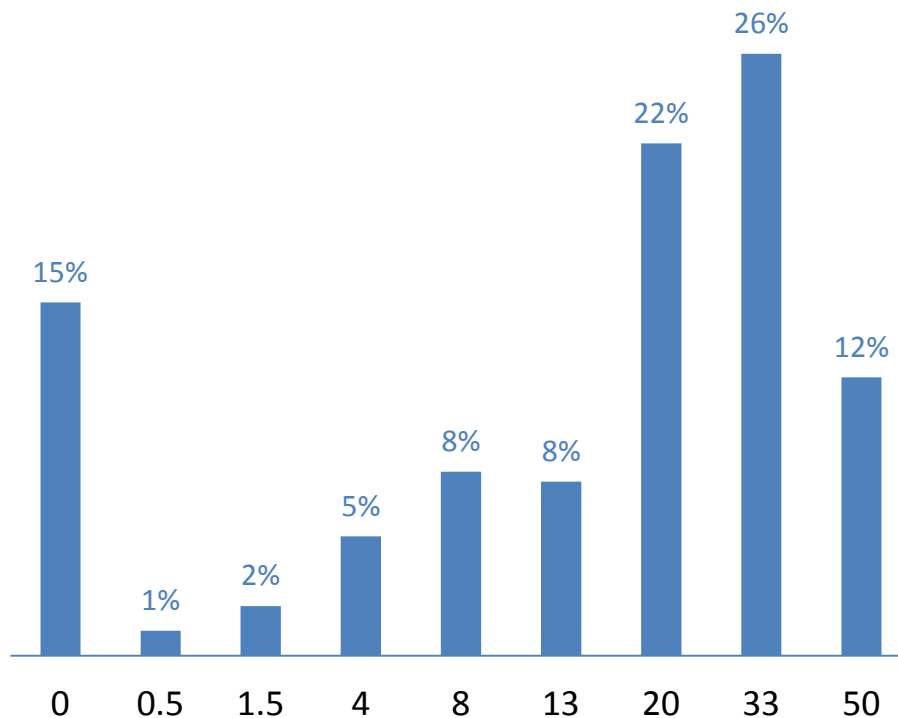
24.5% of turnover in Republic of Ireland

Ranked **1** of 10 across all cost areas



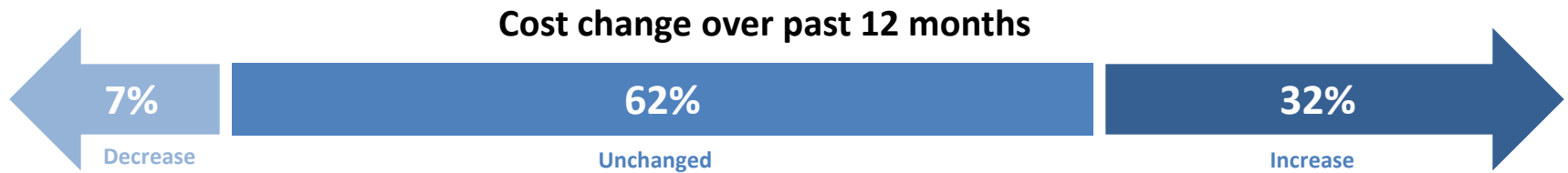
Distribution of labour costs

- A large proportion of firms reported labour costs as 0% of total turnover, which brings down the overall percentage.
- These were largely sole employers although also some micro businesses and even one firm with at least 10 employees (raises some questions about data quality for a few respondents).

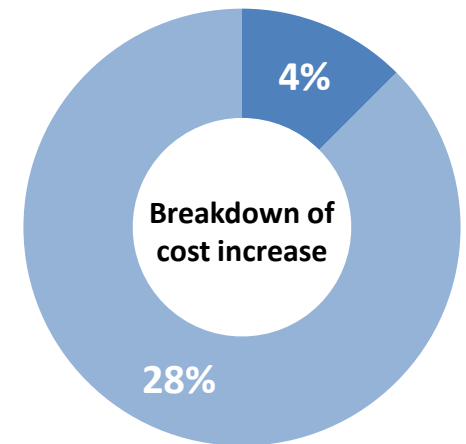


- 61% of firms reported that labour costs accounted for at least 20% of their turnover.
- Labour costs were particularly important for a number of hotels & restaurants and, to a lesser extent, construction.
- High proportions (20% or more of turnover) for labour costs were found amongst firms of all sizes.

Labour cost changes



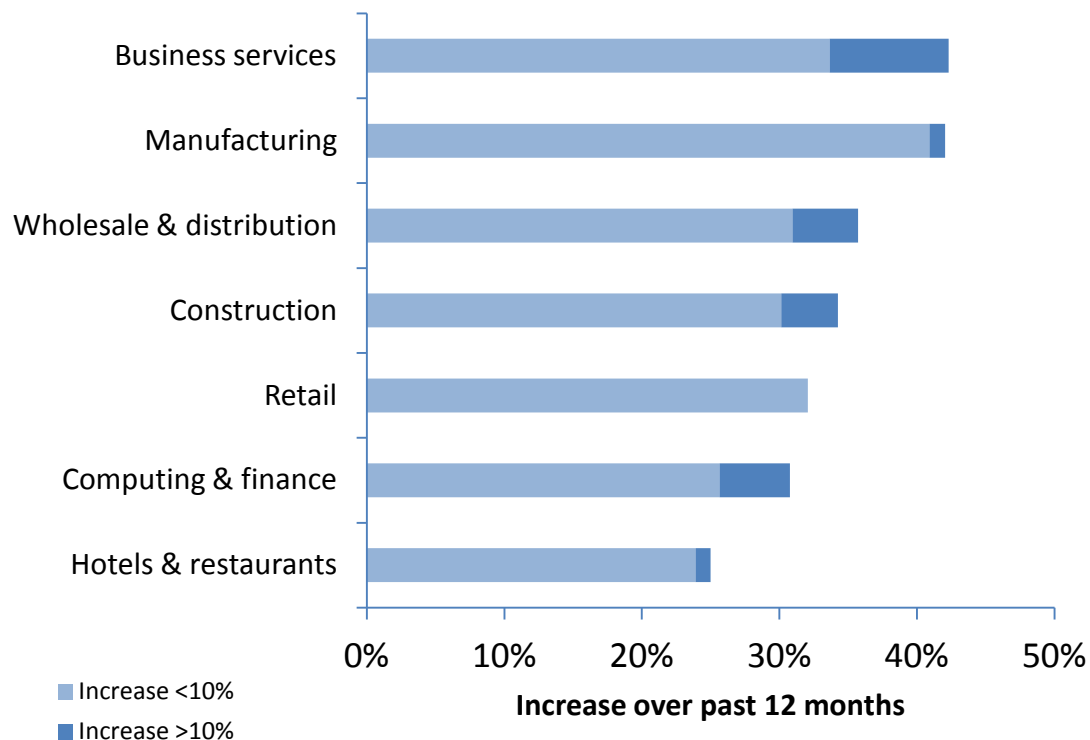
- Ranked **5th** highest out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in labour costs than those in **ROI (20%)**.
- Most **(28%)** firms report increases of less than 10% over the past year, with only **4%** of firms experiencing a larger increase.
- Growth firms more likely to report increases **(60%)**.
- Exporters also more likely to report rising labour costs **(57%)**.



- Significant rise (>10%)
- Some rise (<10%)

Sectoral labour cost increases

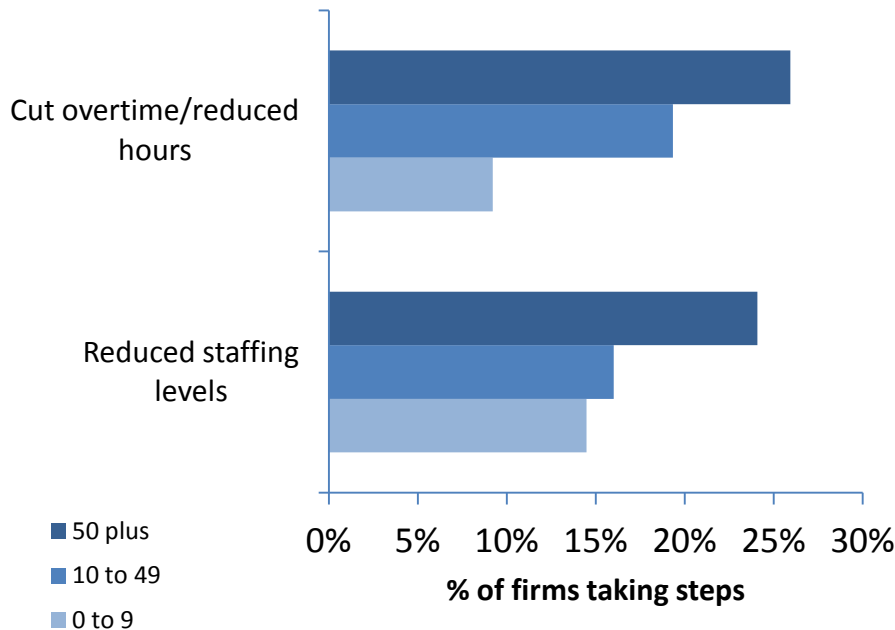
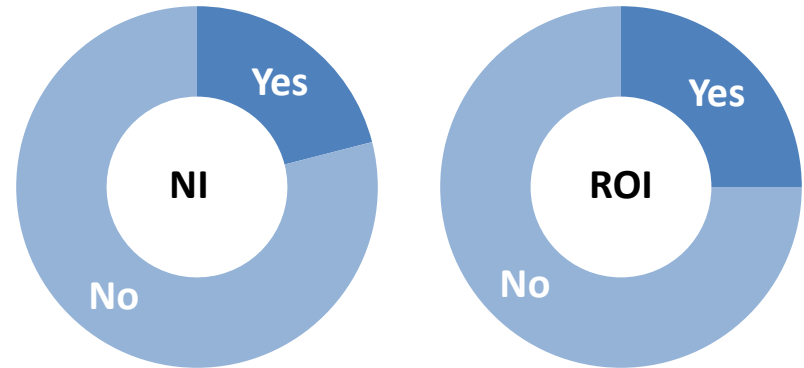
- Cost increases mainly seen in **business services** and **manufacturing**.
- Many business services firms also reporting large increases of greater than 10%.
- Fewest labour cost increases in the **hotels & restaurants** sector.



- **Computing & finance** has many firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting cost increases than in ROI.
- **Hotels & restaurants** is the only ROI sector where increases have been higher.

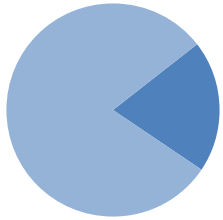
Steps to reduce labour costs

- Many firms facing cost increases are **not taking steps to reduce**.
- **NI firms (21%) less proactive than ROI firms (25%)** over past 12 months, despite more firms reporting cost increases.

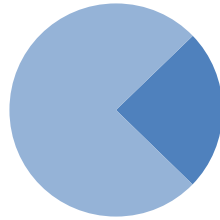


- Firms **more likely to cut staff** than reduce hours in reducing labour costs.
- **Larger firms much more proactive** in taking steps to reduce their labour costs.
- Some firms also mentioned reducing pension payments and staff benefits.

Summary of labour costs



20.0% of
NI turnover



24.5% of
ROI turnover

1

out of 10 most
important cost area

Cost change over past 12 months



5th

most common area
for increases

4%

with significant
cost increase

20%

of ROI firms with
cost increase

60%

of growth firms
with increase

57%

of exporters
with increase

Importance

Increase

Scale

Construction



Manufacturing



Business services



Computing & finance



Hotels & restaurants



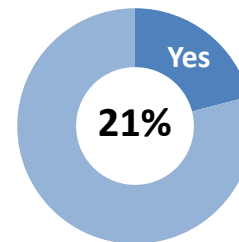
Retail



Wholesale & distribution



Steps to reduce labour costs



16% reduced hours
13% cut staff

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

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Professional services costs

Finance costs

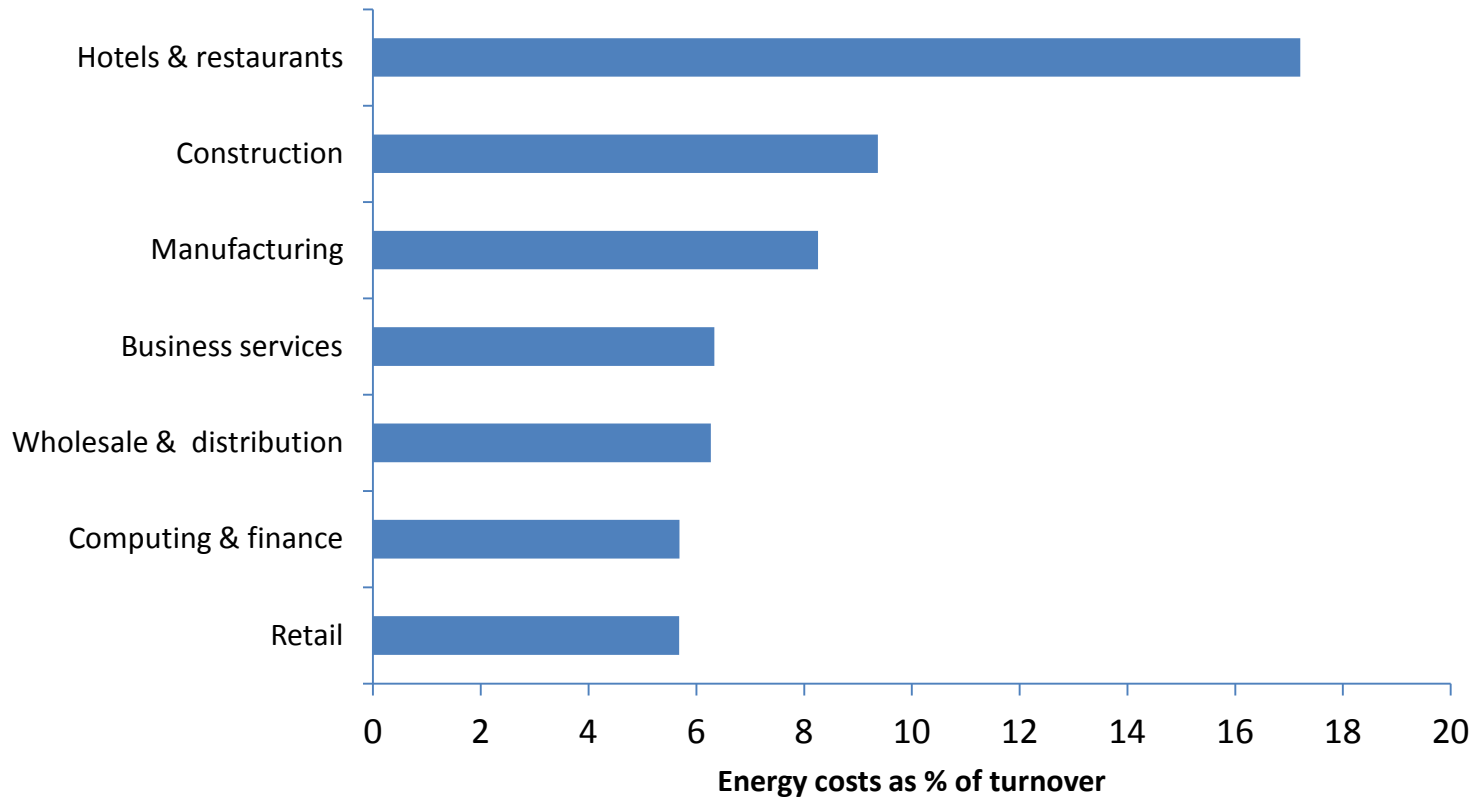
3. Data tables

Energy costs as % of turnover

9.1% of turnover in **Northern Ireland**

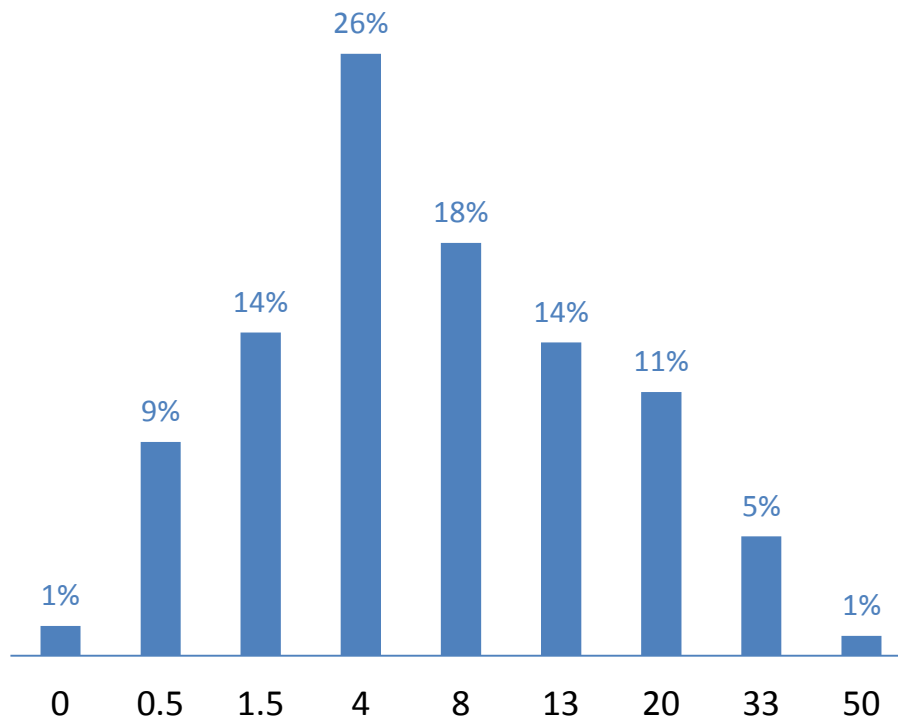
7.0% of turnover in **Republic of Ireland**

Ranked **2** of 10 across all cost areas



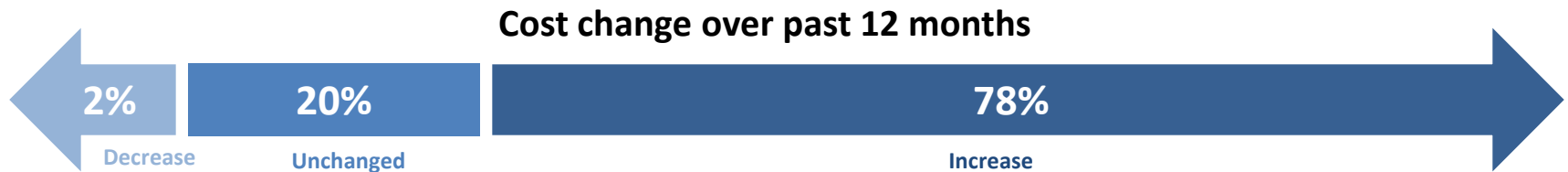
Distribution of energy costs

- Almost **one quarter (24%)** of firms reported that energy costs were not important for their businesses (i.e. no more than 1.5%).
- This was most common amongst larger businesses and in the computing & finance and wholesale & distribution sectors.

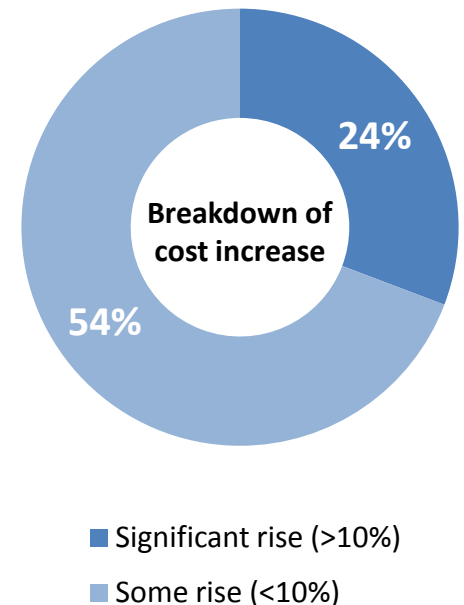


- **76% of firms** reported that energy costs were important (at least 4% of their turnover).
- **31% of firms** reported that energy costs were very important (at least 13% of their turnover).
- These tended to be larger businesses and particularly hotels & restaurants (and construction to a lesser extent).

Energy cost changes

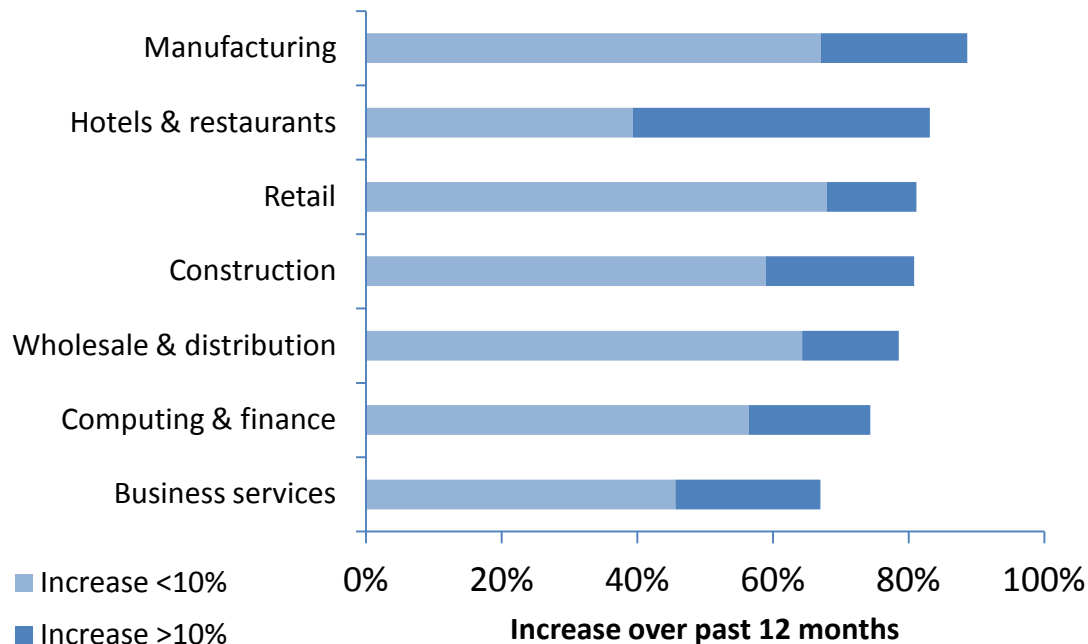


- Ranked **1st** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in energy costs than those in **ROI (69%)**.
- Over half of (**54%**) firms report increases of less than 10% over the past year, but almost one quarter (**24%**) of firms did experience a larger increase.
- Similar proportion of growth firms reported energy cost increases (**80%**).
- Even more exporters reported rising energy costs (**89%**).



Sectoral energy cost increases

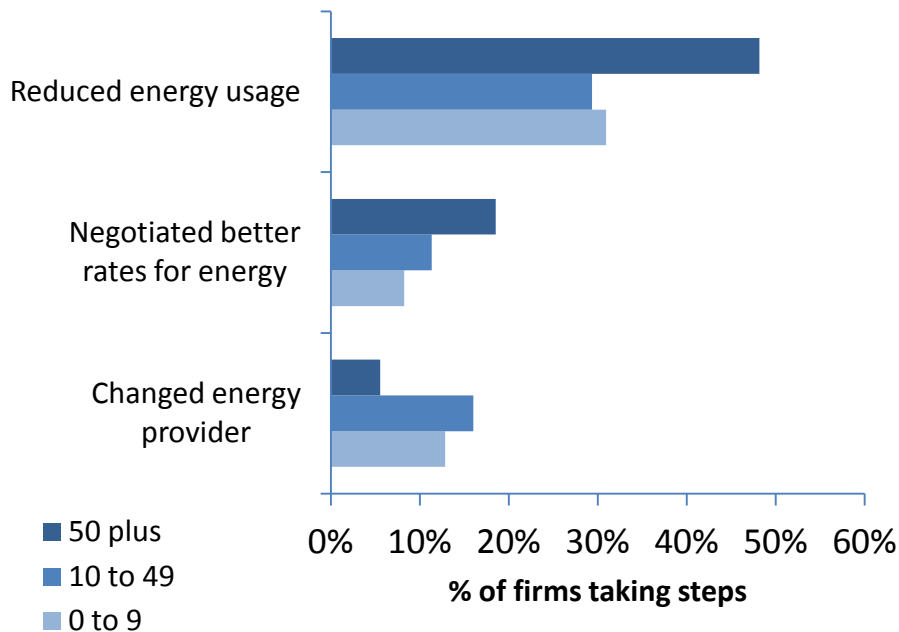
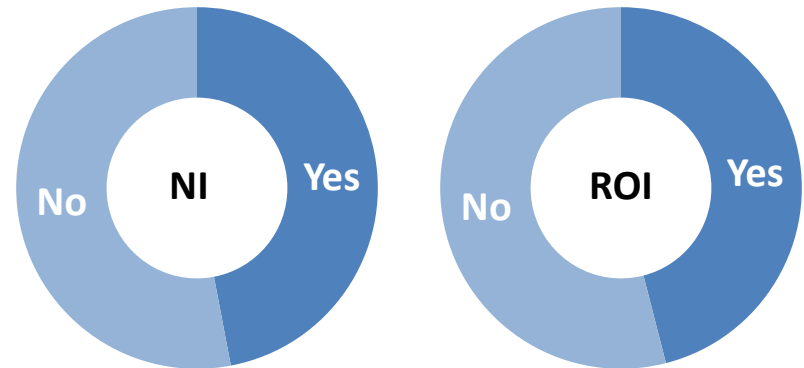
- Cost increases mainly seen in **manufacturing** and **hotels & restaurants**.
- Many firms within the hotels and restaurants sector also reporting large increases of greater than 10%.
- Fewest energy cost increases in the **business services** sector, although still the majority of firms reported increases.



- **Construction** has many firms with cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting large increases than in ROI.
- **Wholesale & distribution** is the only ROI sector where increases have been greater.

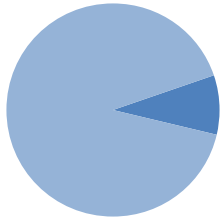
Steps to reduce energy costs

- Almost half of firms facing cost increases are **taking steps to reduce**.
- Similar proportions of **NI firms (47%)** and **ROI firms (46%)** over past 12 months, have taken steps to reduce energy costs.

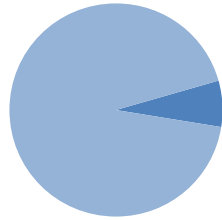


- Firms **more likely to reduce energy usage** than change energy provider or negotiate better rates.
- **Larger firms more proactive** in taking steps to reduce their energy costs.
- However, more small to medium and micro firms have changed energy provider than larger firms.

Summary of energy costs



9.1% of
NI turnover



7.0% of
ROI turnover

2

out of 10 most
important cost area

Cost change over past 12 months



1st
most common area
for increases

24%
with significant
cost increase

69%
of ROI firms with
cost increase

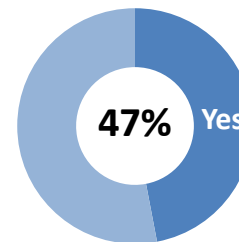
80%
of growth firms
with increase

89%
of exporters
with increase

Importance Increase Scale

Construction	●	●	●
Manufacturing	●	●	●
Business services	●	●	●
Computing & finance	●	●	●
Hotels & restaurants	●	●	●
Retail	●	●	●
Wholesale & distribution	●	●	●

Steps to reduce energy costs



32% reduced usage
13% changed provider
10% negotiated rates

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2. Analysis of individual cost areas (Northern Ireland)

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Professional services costs

Finance costs

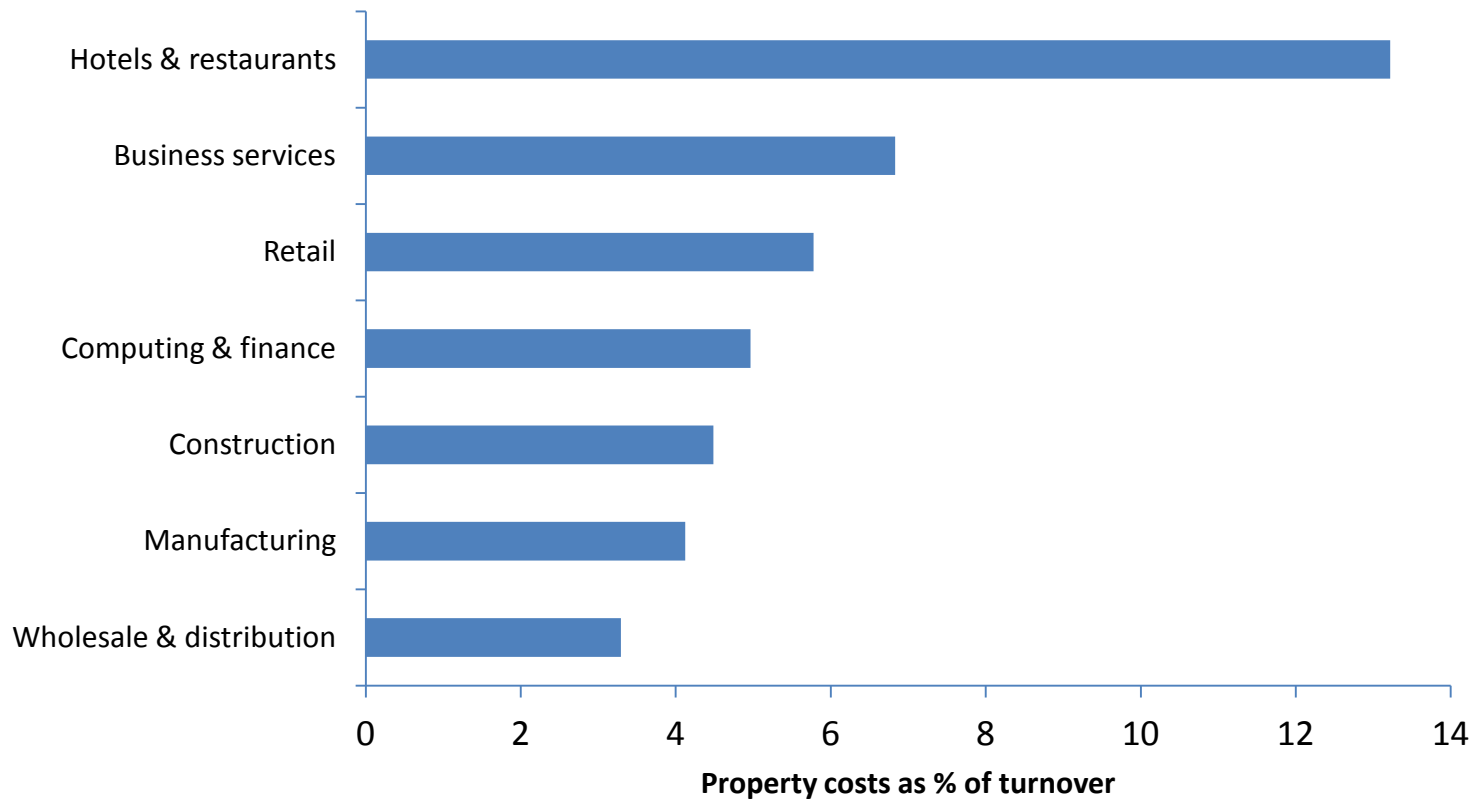
3. Data tables

Property costs as % of turnover

6.4% of turnover in **Northern Ireland**

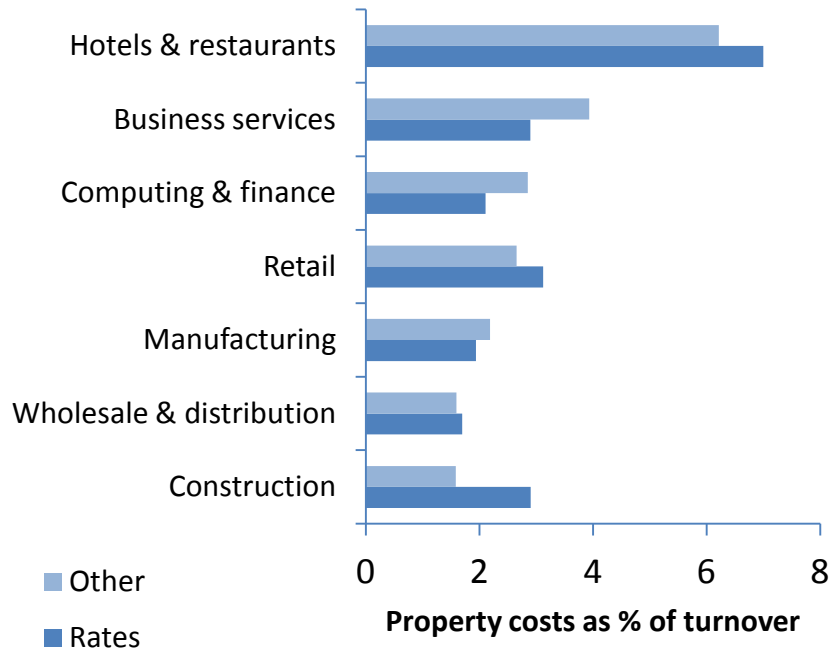
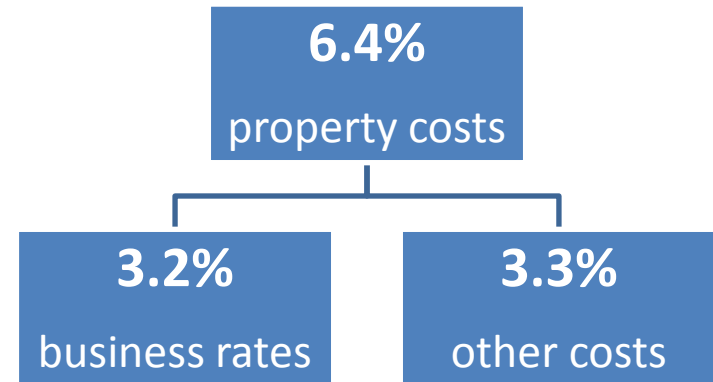
6.1% of turnover in **Republic of Ireland**

Ranked **3** of 10 across all cost areas



Split of property costs as % of turnover

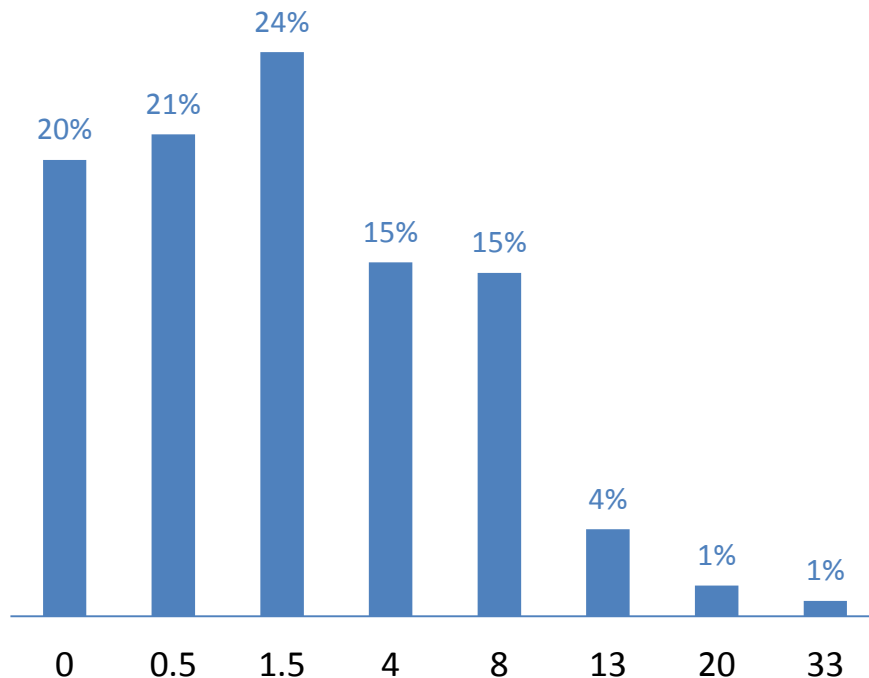
- Property costs are **evenly split between business rates and other costs**.
- **Business rates are less important in the ROI (2.8%) than in NI** whilst other property costs are the same (3.3%).



- **Hotels & restaurants** is much higher than other sectors – this difference is much less pronounced in the ROI.
- Rates are also particularly important for **construction** and **retail**.
- Other property costs are more important for **professional services** sectors than rates.

Distribution of business rates

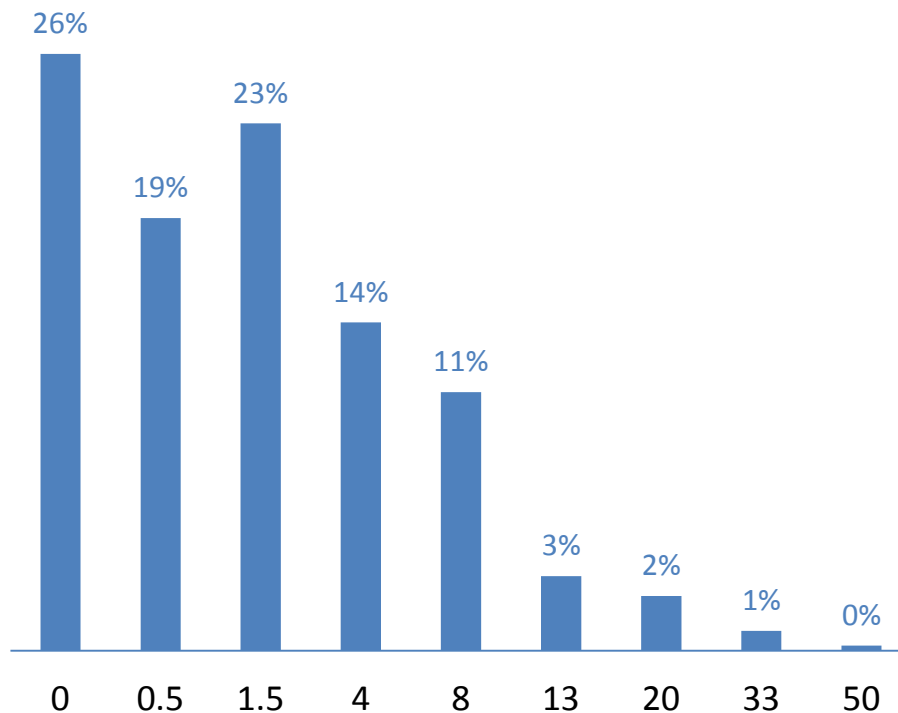
- Almost **two thirds of companies (64%)** reported that business rates were not important for their business cost base (i.e. no more than 1.5%).
- These tended to be larger businesses and also those in the wholesale & distribution and computing & finance sectors.



- **36% of firms** reported that business rates were important for their business (at least 4% of their turnover).
- **6% of firms** reported that business rates were very important (at least 13% of their turnover).
- These were mainly larger firms and those in the services sector, particularly hotels & restaurants.

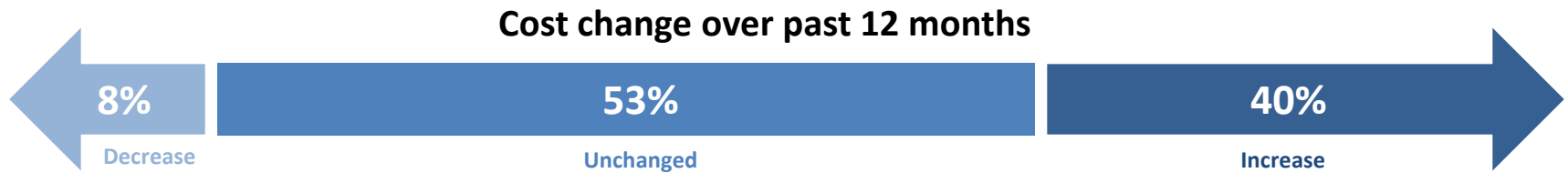
Distribution of other property costs

- Over **two thirds of companies (68%)** reported that other property costs were not important for their business cost base (i.e. no more than 1.5%).
- A higher proportion of these businesses tended to be in the construction and wholesale & distribution sectors.

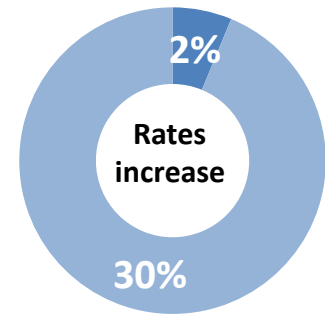


- **32% of firms** reported that other property costs were important for their business (at least 4% of their turnover).
- **7% of firms** reported that other property costs were very important (at least 13% of their turnover).
- These were mainly larger firms and those in the services sector, particularly hotels & restaurants.

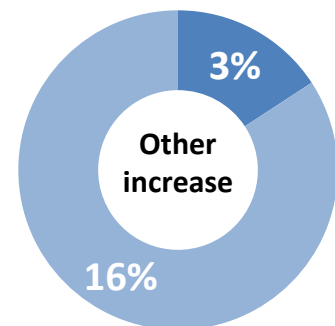
Property cost changes



- Ranked **3rd** out of the 10 cost areas in percentage of firms reporting increase.
- More companies faced business rate rises (**32%**) than other property costs (**19%**). But other property costs had slightly more firms facing significant rises.
- More NI firms reported increases in property costs than those in **ROI (27%)**. As in NI, rises in ROI rates were more common (**20%**) than other costs (**15%**).
- More growth firms reported cost increases (**45%**) and almost one-half of exporters reported property cost pressures (**48%**).

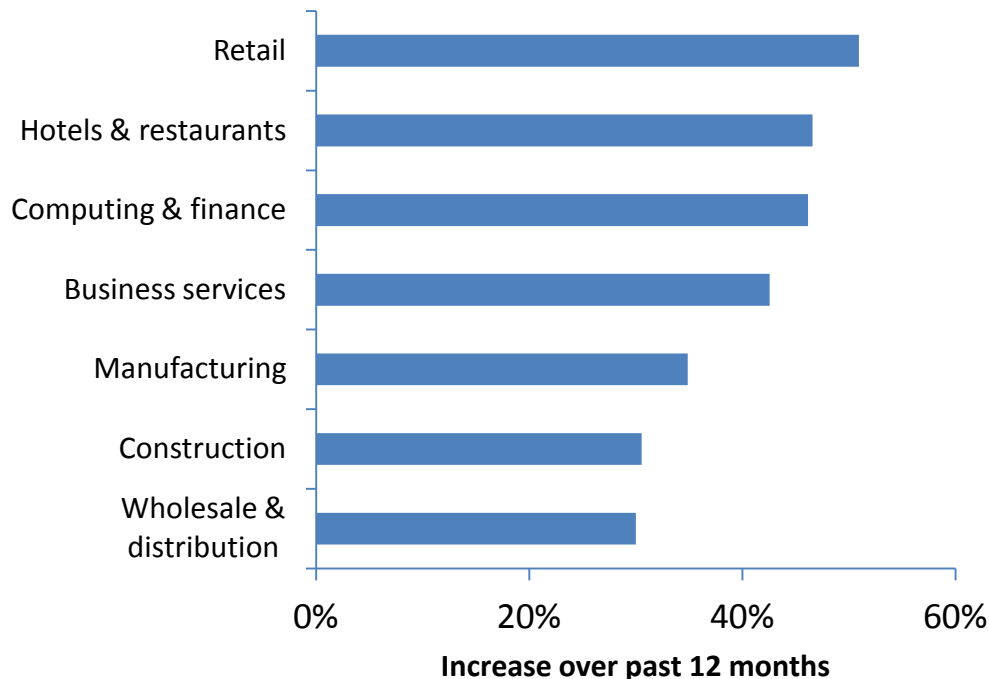


- Significant rise (>10%)
- Some rise (<10%)



Sectoral property cost increases

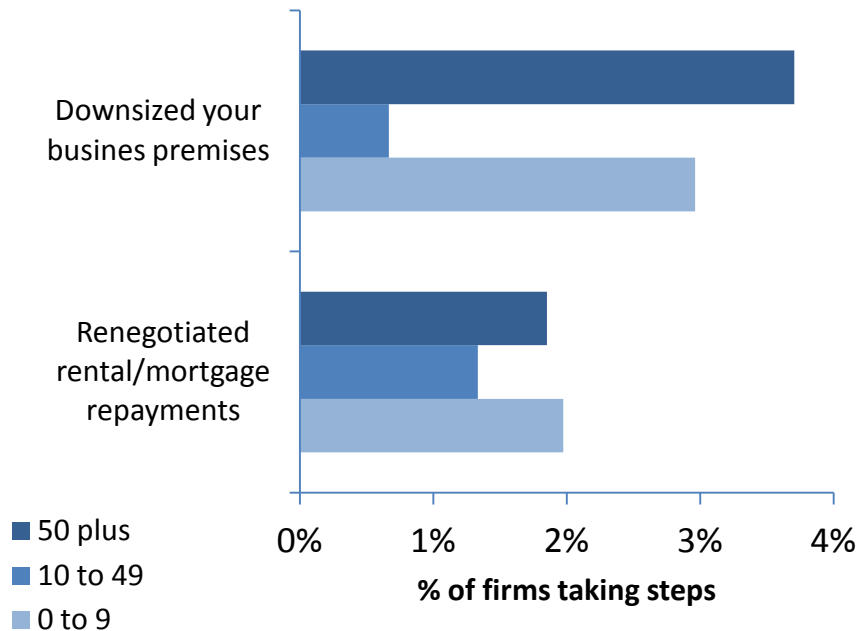
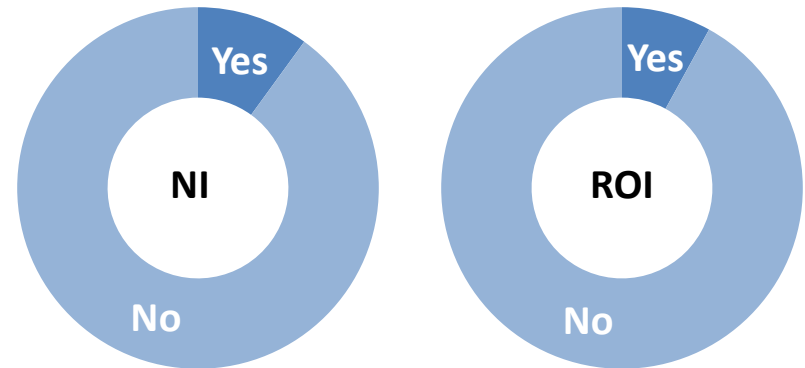
- Cost increases mainly seen in **retail, hotels & restaurants** and **computing & finance**.
- Rising business rates are a particular issue for retail (**47%**) whereas rising other property costs are also important for computing & finance (**25%**)
- Fewest property cost increases in the **wholesale & distribution** sector.



- Most firms with business rate rises of more than 10% were **hotels & restaurants**.
- But significant cost rises of other property costs were more common, both in **hotels & restaurants** and **business services**.
- **Almost all NI sectors** have more firms reporting increases than in RoI except **wholesale & distribution**.

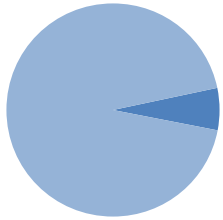
Steps to reduce property costs

- **More NI firms (10%) than ROI firms (8%)** have taken steps to reduce property costs over past 12 months.
- Firms more able to reduce other property costs **(8%)** than rates **(4%)**.

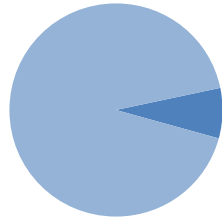


- Firms **more likely to downsize their business premises** than renegotiate rental/mortgage payments.
- **Larger firms are most proactive** in taking steps to reduce their property costs.
- Micro businesses have also been more responsive at making changes.

Summary of property costs



6.4% of
NI turnover



6.1% of
ROI turnover

3

out of 10 most
important cost area

Cost change over past 12 months



3rd
most common area
for increases

32%
with business
rate increases

19%
with other property
cost increases

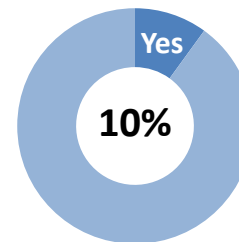
20%
of ROI firms with
cost increase

48%
of exporters
with increase

Importance Increase Scale

Construction	●	●	●
Manufacturing	●	●	●
Business services	●	●	●
Computing & finance	●	●	●
Hotels & restaurants	●	●	●
Retail	●	●	●
Wholesale & distribution	●	●	●

Steps to reduce property costs



4% business rates
8% other property costs
3% downsized premises
2% negotiated

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

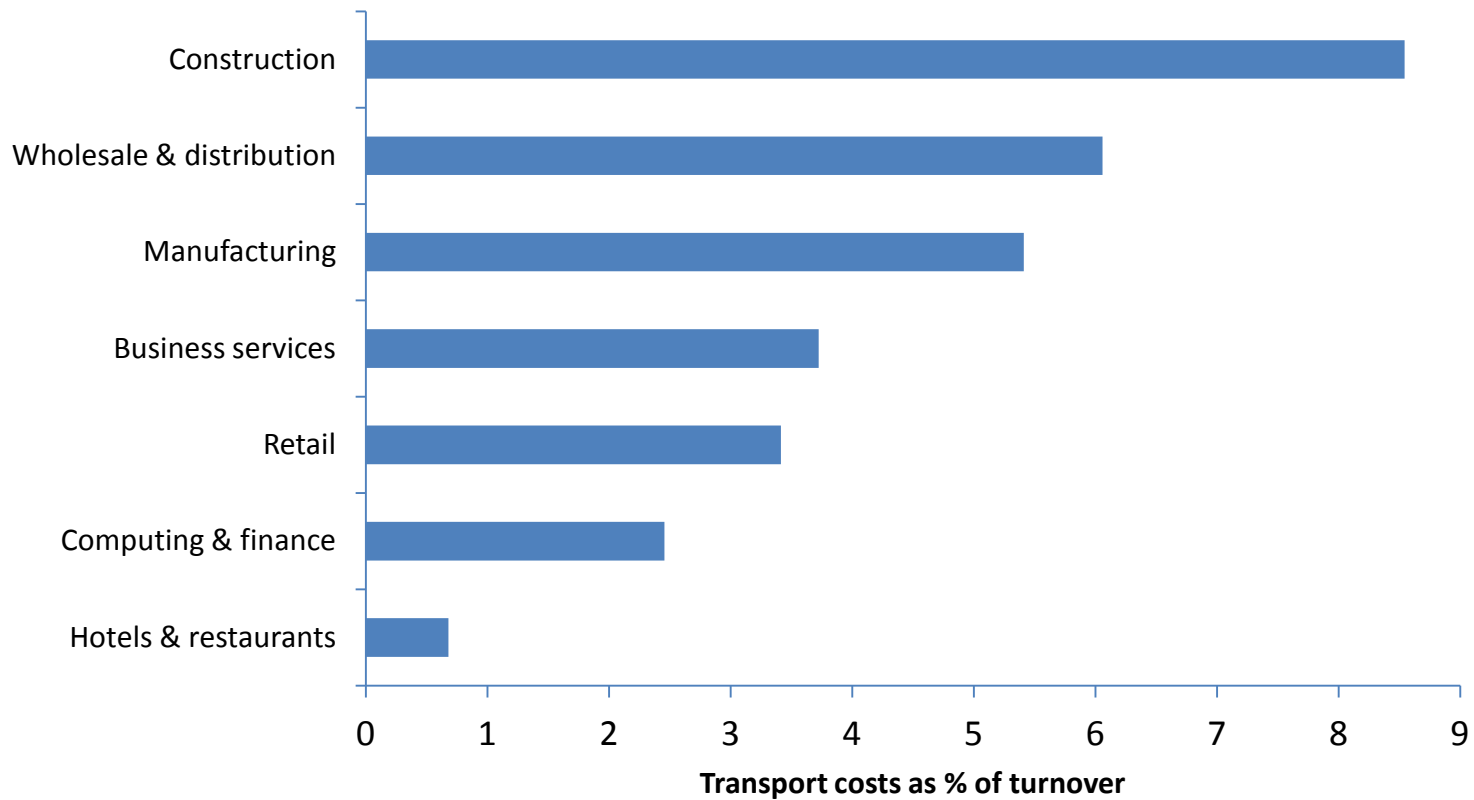
3. Data tables

Transport costs as % of turnover

4.6% of turnover in Northern Ireland

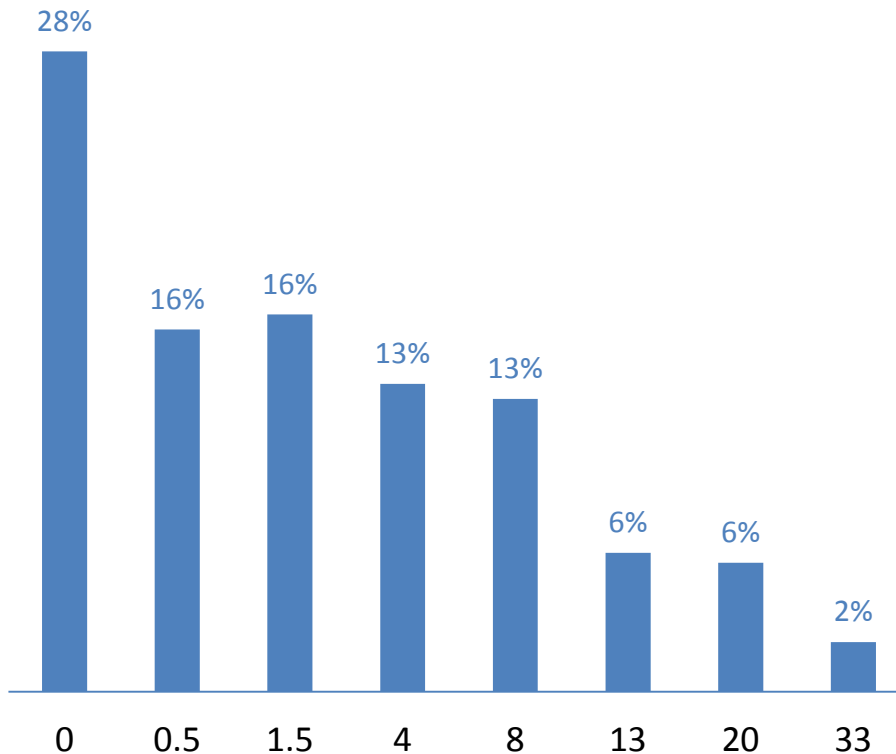
4.2% of turnover in Republic of Ireland

Ranked 4 of 10 across all cost areas



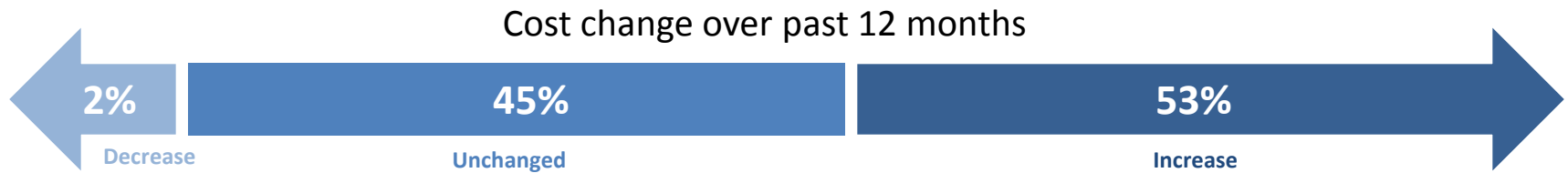
Distribution of transport costs

- **60% of firms reported that transport costs were not important** for their businesses (i.e. no more than 1.5%), with over one-quarter accounting for 0% of turnover.
- These were mainly larger firms and those in the hotels & restaurants sector.

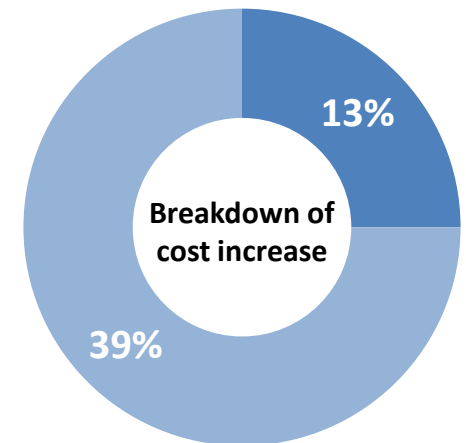


- **40% of firms** reported that transport costs were important (at least 4% of their turnover).
- **14% of firms** reported that transport costs were very important (at least 13% of their turnover).
- These tended to be micro and small businesses, particularly in construction and wholesale & distribution.

Transport cost changes



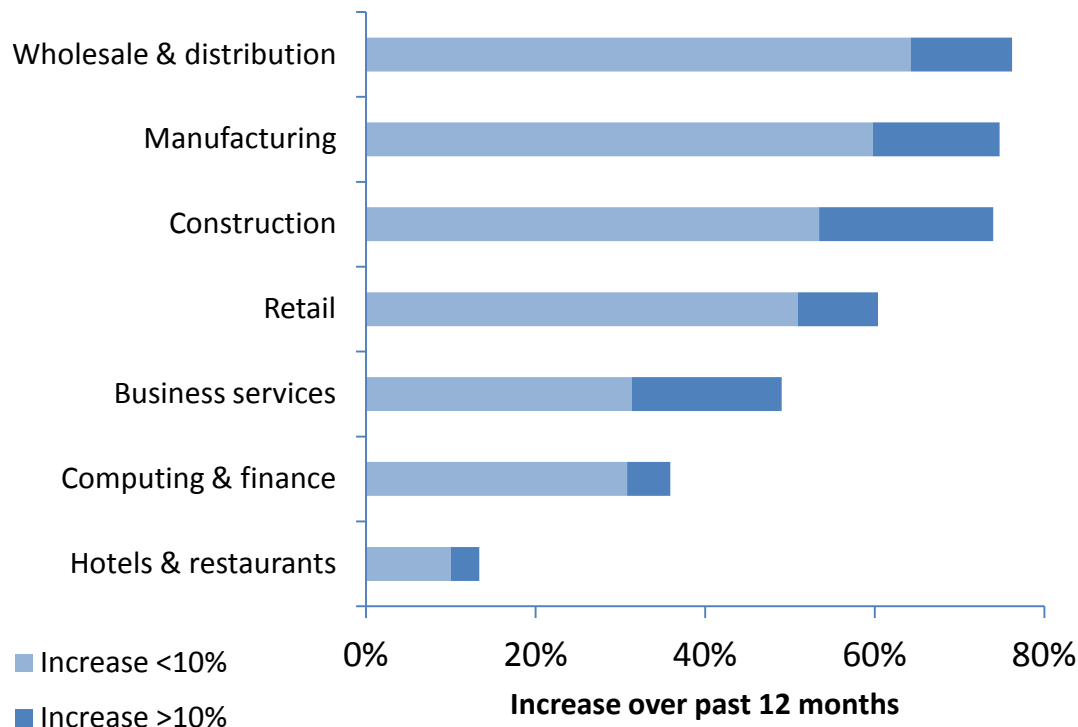
- Ranked **2nd** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in transport costs than those in **ROI (49%)**.
- Fewer than half of **(39%)** firms reported increases of less than 10% over the past year, however **13%** of firms did experience a larger increase.
- Growth firms slightly less likely to have cost increases **(45%)**.
- Exporters more likely to report rising transport costs **(68%)**.



- Significant rise (>10%)
- Some rise (<10%)

Sectoral transport cost increases

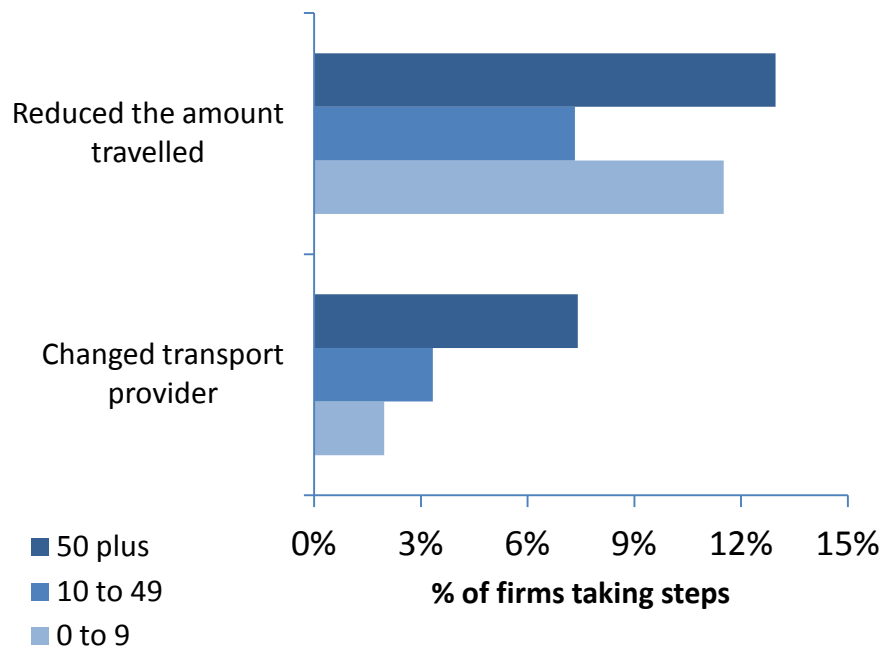
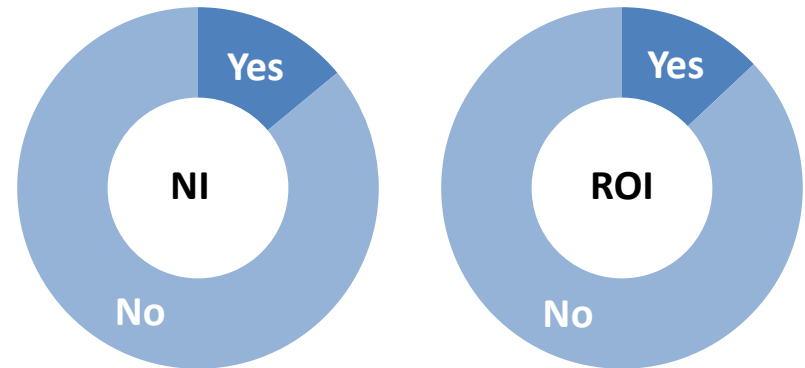
- Cost increases mainly seen in **wholesale & distribution** and **manufacturing**.
- Many firms within the **construction sector** also reporting large increases of greater than 10%.
- Fewest transport cost increases in the **hotels & restaurants** sector.



- **Business services** has many firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting increases than in RoI.
- **Hotels & restaurants** is the only RoI sector where increases have been greater.

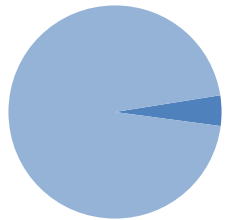
Steps to reduce transport costs

- A small proportion of firms facing cost increases are **taking steps to reduce**.
- Similar proportions of **NI firms (14%)** and **ROI firms (13%)** over past 12 months, have taken steps to reduce transport costs.

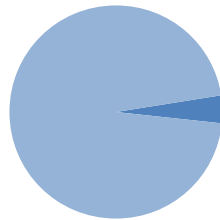


- Firms **more likely to reduce the amount travelled** than change transport provider.
- **Larger firms more proactive** in taking steps to reduce their transport costs.
- However more micro firms have reduced the amount travelled than enterprises with at least 10 employees.

Summary of transport costs



4.6% of
NI turnover



4.2% of
ROI turnover

4

out of 10 most
important cost area

Cost change over past 12 months



2nd

most common area
for increases

13%

with significant
cost increase

49%

of ROI firms with
cost increase

45%

of growth firms
with increase

68%

of exporters
with increase

Importance

Increase

Scale

Construction



Manufacturing



Business services



Computing & finance



Hotels & restaurants



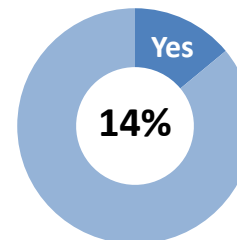
Retail



Wholesale & distribution



Steps to reduce transport costs



11% reduced travelling
3% changed provider

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

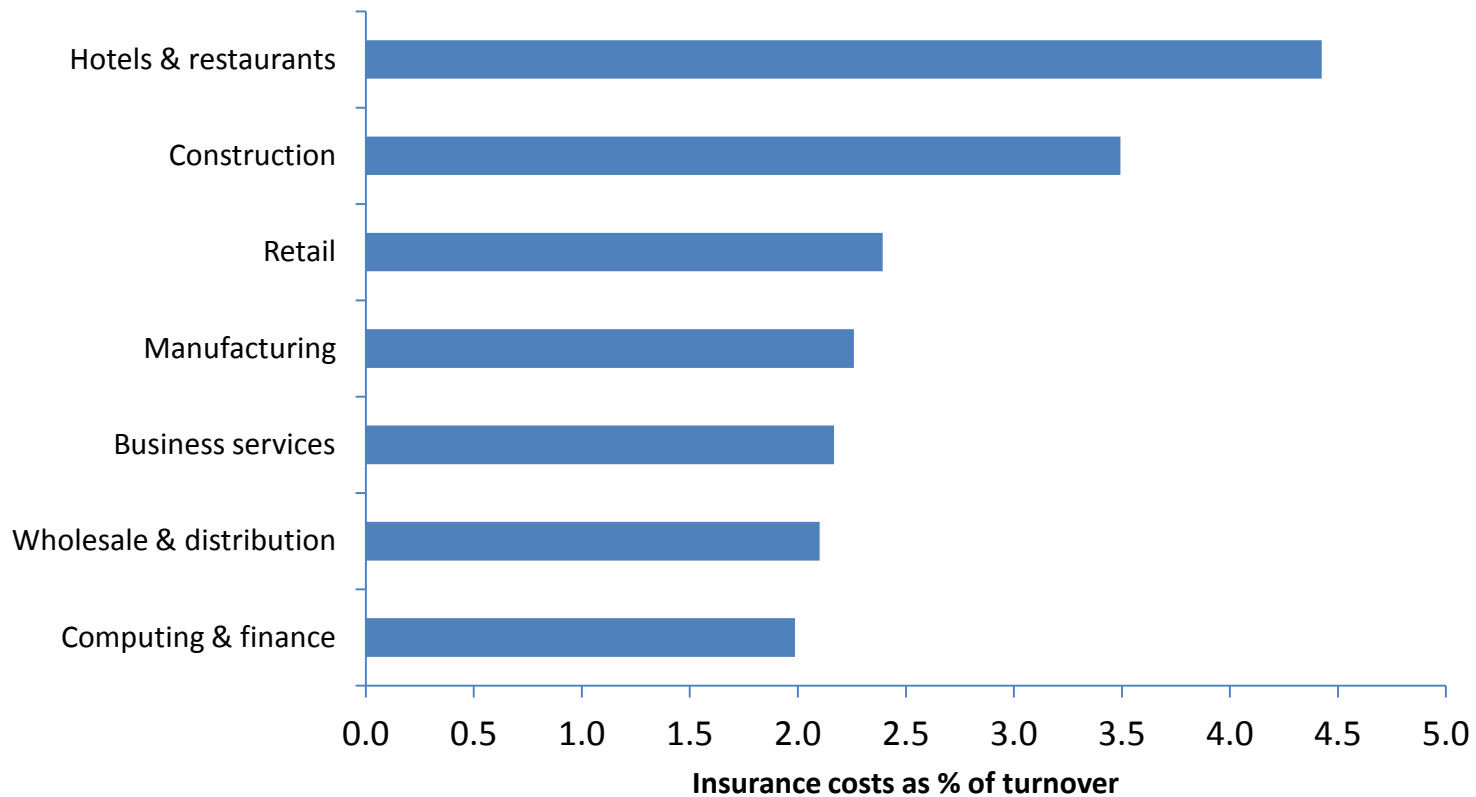
3. Data tables

Insurance costs as % of turnover

2.9% of turnover in Northern Ireland

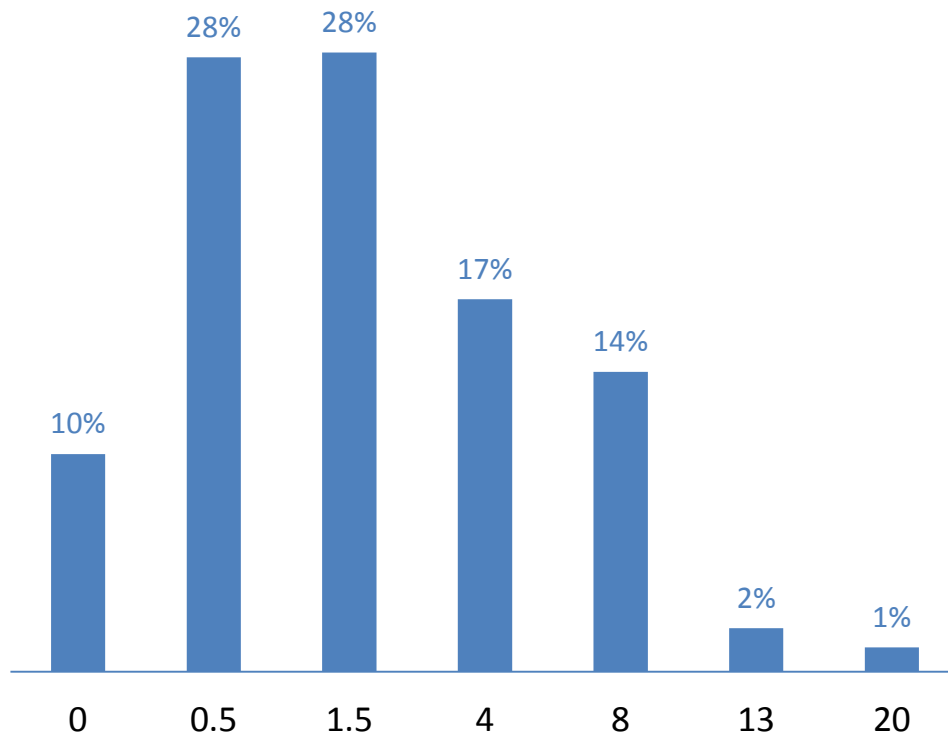
2.3% of turnover in Republic of Ireland

Ranked **5** of 10 across all cost areas



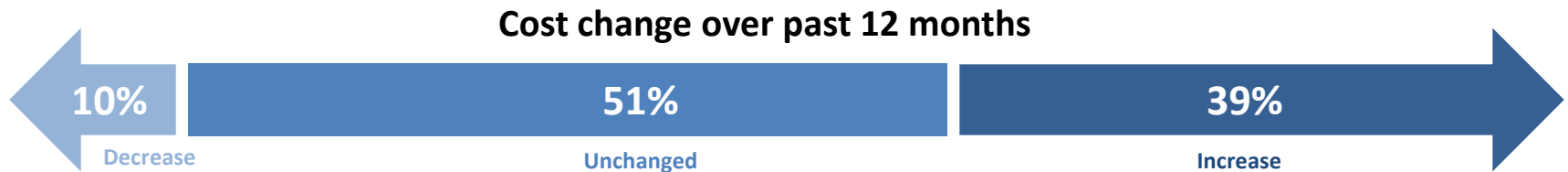
Distribution of insurance costs

- **Two thirds of firms reported that insurance costs were not important** for their businesses (i.e. no more than 1.5%).
- This was most common amongst larger businesses and those in the retail, manufacturing, computing & finance and wholesale & distribution sectors.

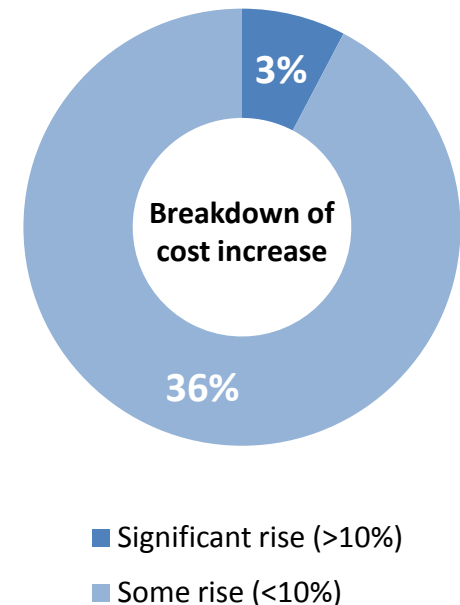


- **34% of firms** reported that insurance costs were important (at least 13% of their turnover).
- **3% of firms** reported that finance costs were very important (at least 4% of their turnover).
- These were all micro and small firms, particularly in retail, hotels & restaurants and construction.

Insurance cost changes

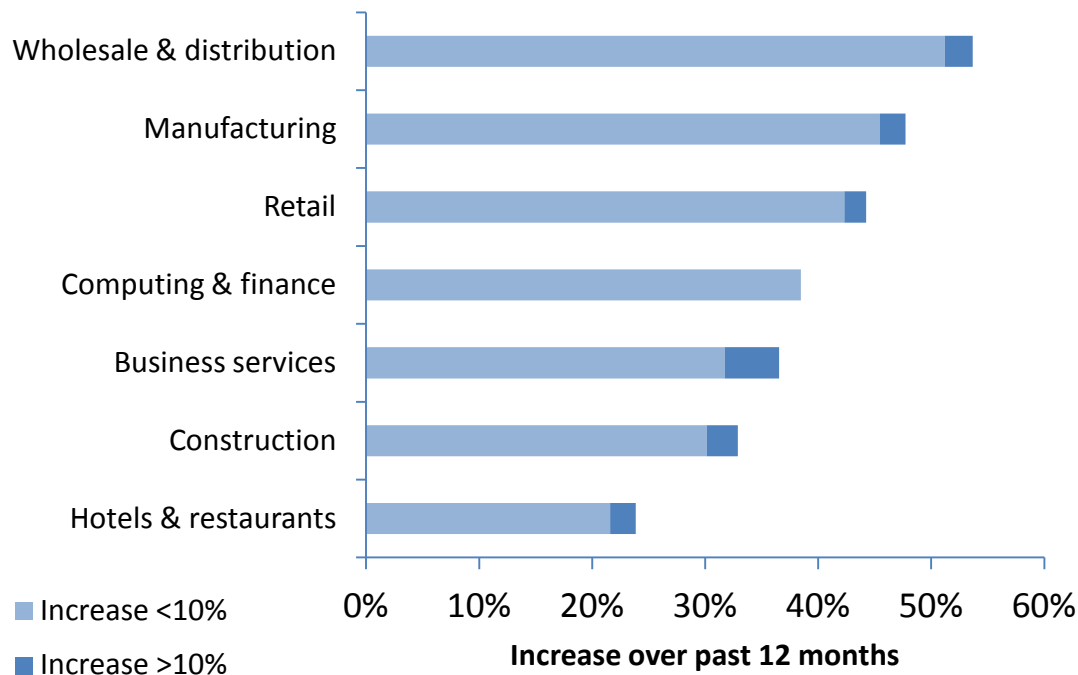


- Ranked **4th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in insurance costs than those in **ROI (29%)**.
- Over a third (**36%**) of firms report increases of less than 10%, with only **3%** experiencing a larger increase.
- Cost increases were similar for growth firms (**38%**).
- A slightly higher proportion of exporters reported rising insurance costs (**41%**).



Sectoral insurance cost increases

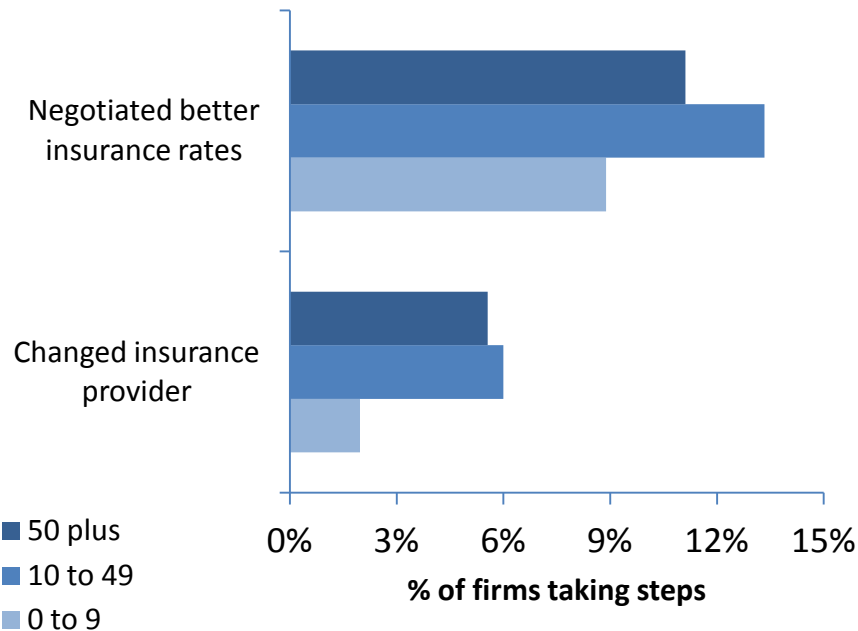
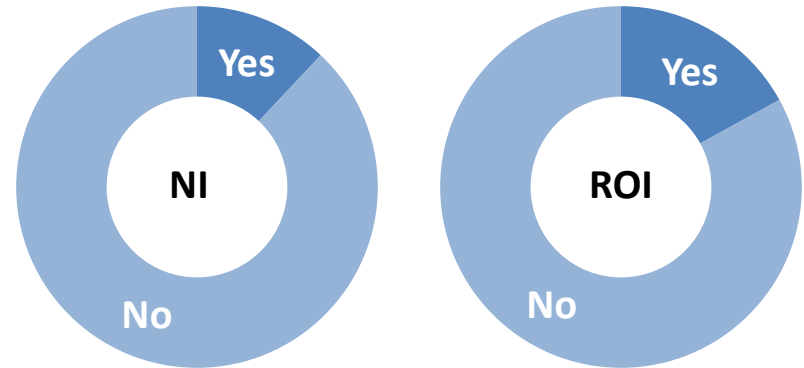
- Cost increases mainly seen in **manufacturing** and **wholesale & distribution**.
- Many firms within the business services sector also reporting increases of greater than 10%.
- Fewest insurance cost increases in the **hotels & restaurants** sector although some firms are reporting increases of greater than 10% here too.



- **Construction** has a number of firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting increases than in RoI.
- **Hotels & restaurants** and **construction** are the only RoI sectors where increases have been greater.

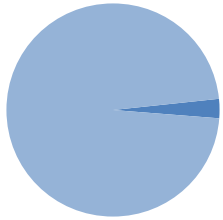
Steps to reduce insurance costs

- Only a small proportion of firms facing cost increases are **taking steps to reduce**.
- A larger proportion of **ROI firms (17%)** than **NI firms (12%)** over past 12 months, have taken steps to reduce insurance costs.

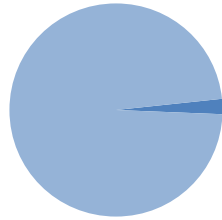


- Firms **more likely to negotiate better insurance rates** than change insurance provider.
- **Small firms more proactive** in taking steps to reduce their insurance costs than larger firms.

Summary of insurance costs



2.9% of
NI turnover



2.3% of
ROI turnover

5

out of 10 most
important cost area

Cost change over past 12 months



10%

Decrease

51%

39%

4th

most common area
for increases

3%

with significant
cost increase

29%

of ROI firms with
cost increase

38%

of growth firms
with increase

41%

of exporters
with increase

Importance

Increase

Scale

Construction



Manufacturing



Business services



Computing & finance



Hotels & restaurants



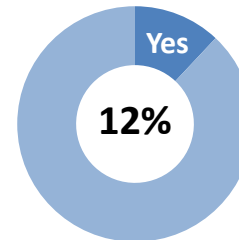
Retail



Wholesale & distribution



Steps to reduce insurance costs



10% negotiated rates
3% changed provider

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

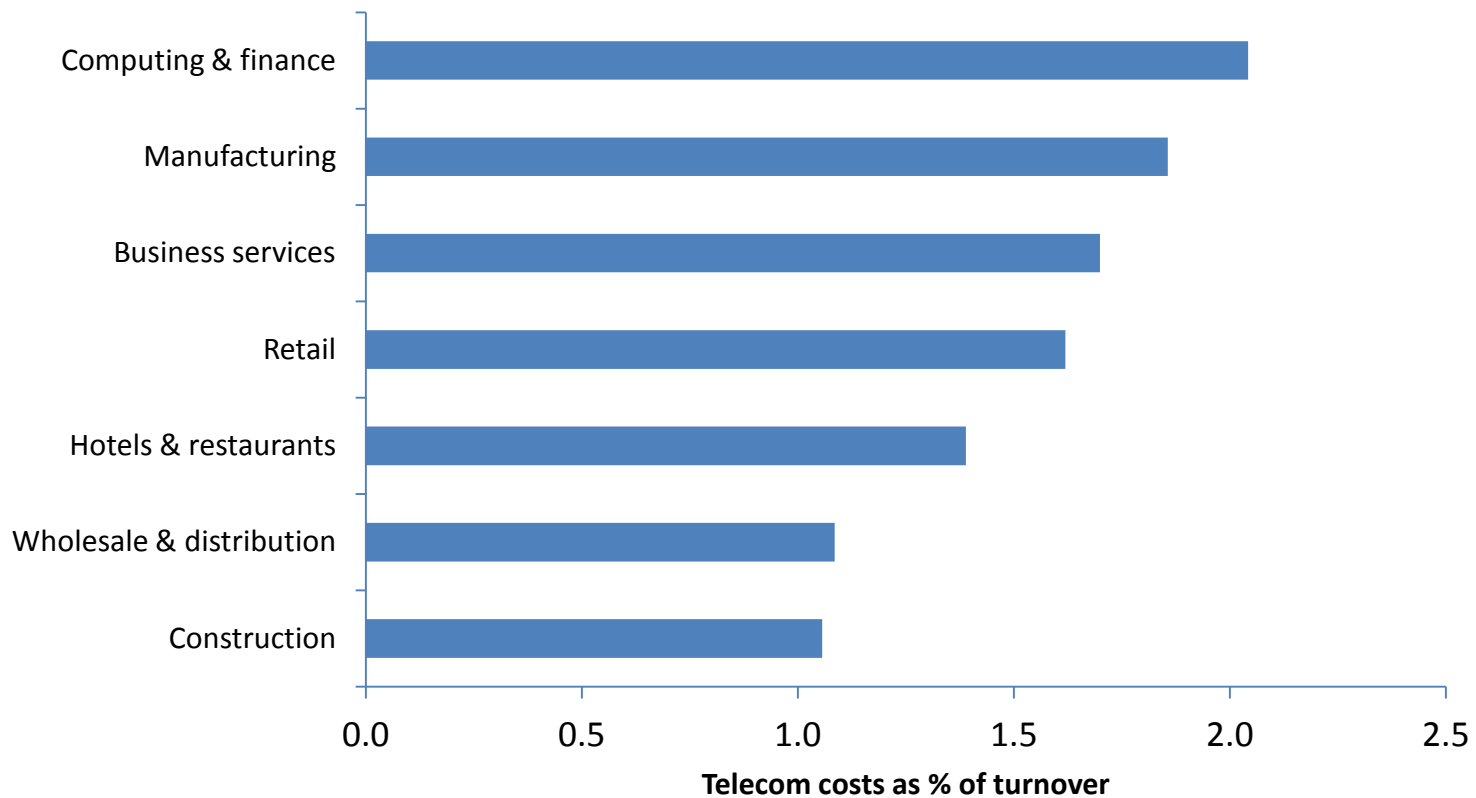
3. Data tables

Telecom costs as % of turnover

1.6% of turnover in Northern Ireland

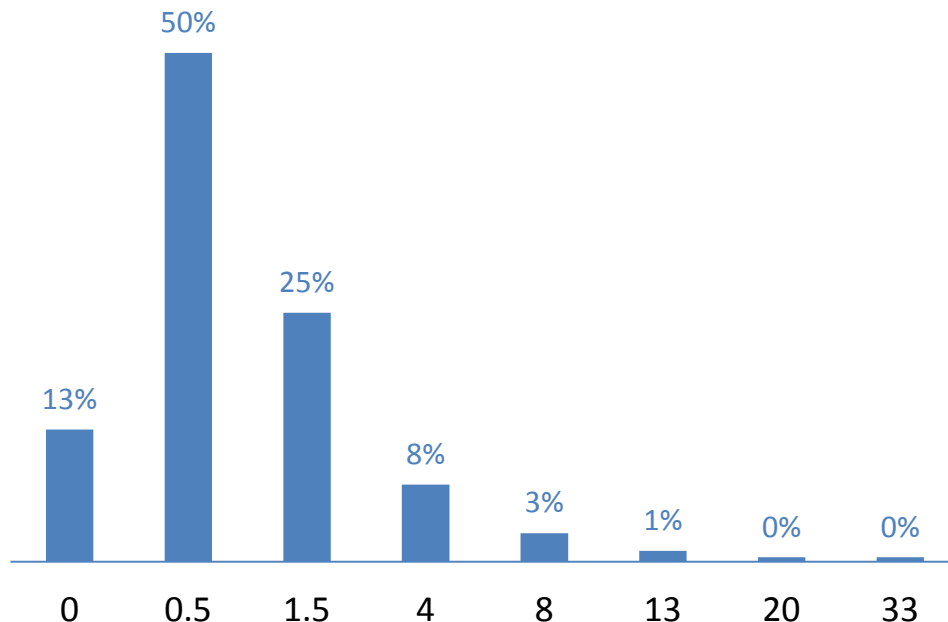
1.7% of turnover in Republic of Ireland

Ranked **6** of 10 across all cost areas



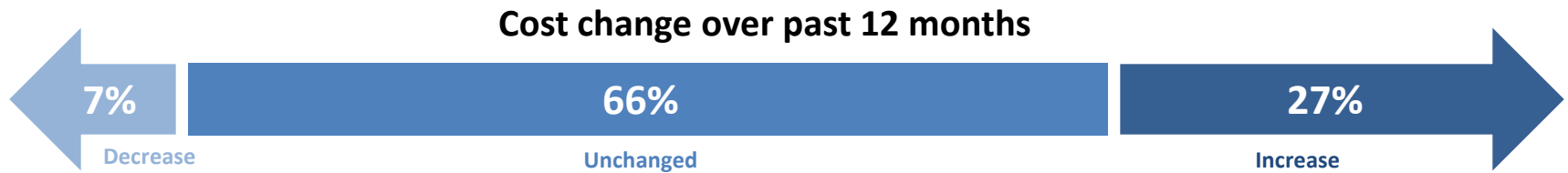
Distribution of telecom costs

- **88% of firms reported that transport costs were not important** for their businesses (i.e. no more than 1.5%).
- This was most common in retail, wholesale & distribution and construction.

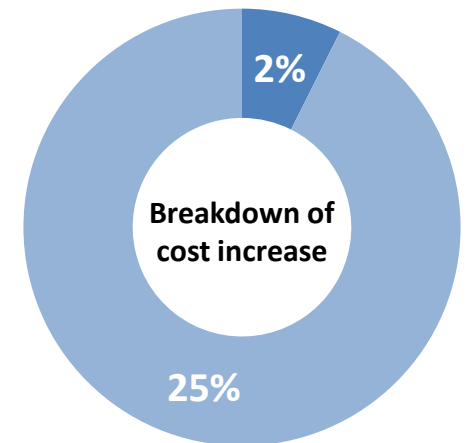


- **12% of firms** reported that transport costs were important (at least 4% of their turnover).
- **2% of firms** reported that transport costs were very important (at least 13% of their turnover).
- These firms tended to be in manufacturing and computing & finance.

Telecom cost changes



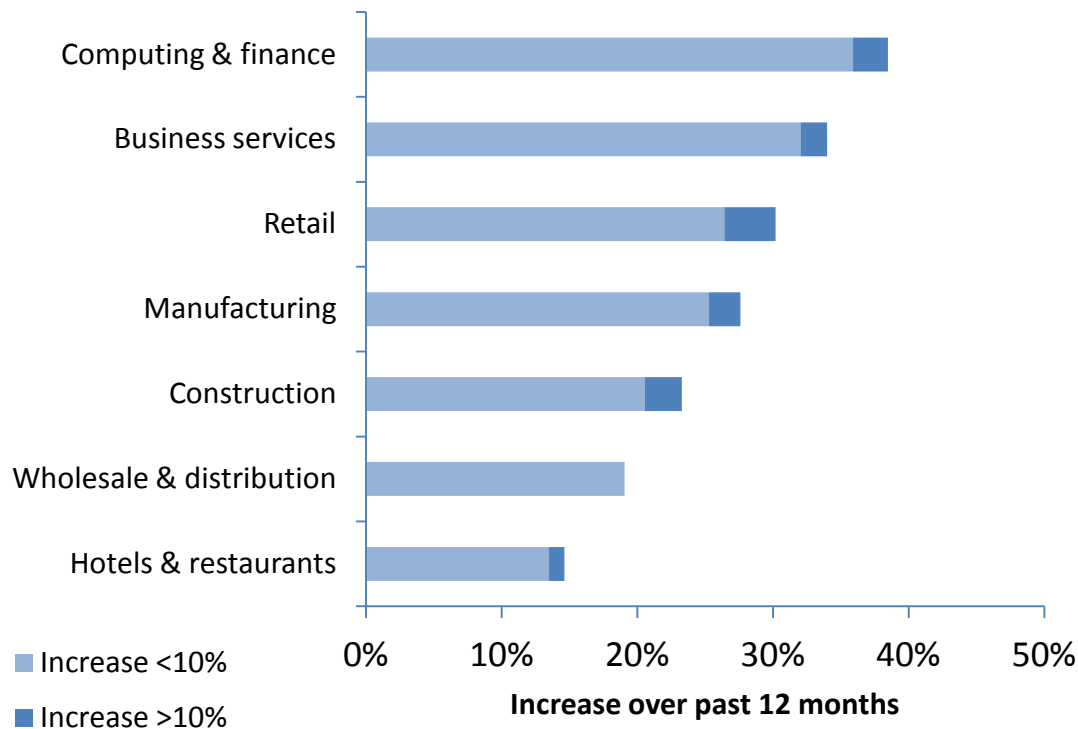
- Ranked **6th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in telecom costs than those in **ROI (20%)**.
- A quarter of **(25%)** firms report increases of less than 10% over the past year, however **2%** of firms did experience a larger increase.
- Almost one third of growth firms reported telecom cost increases **(29%)**.
- Many more exporters reported rising telecom costs **(45%)**.



- Significant rise (>10%)
- Some rise (<10%)

Sectoral telecom cost increases

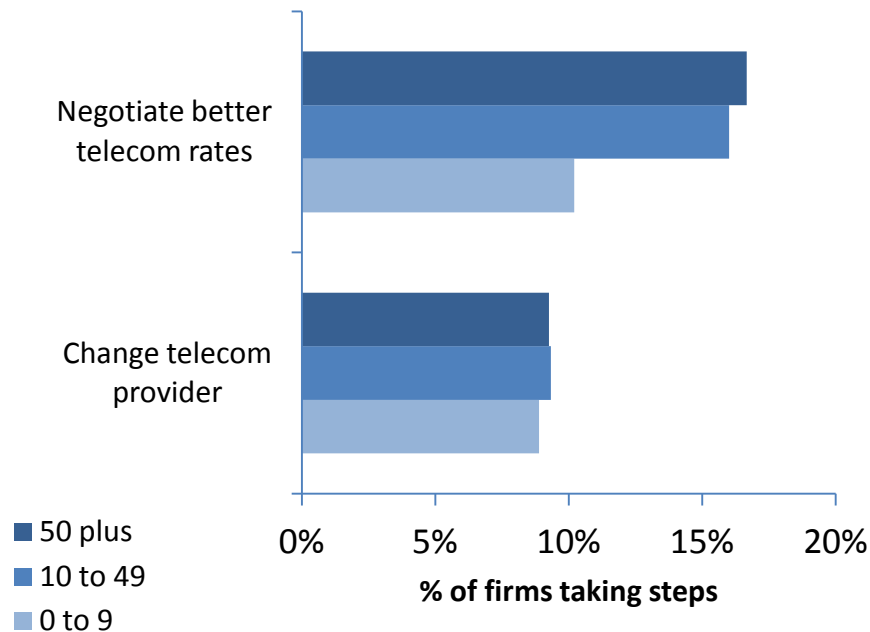
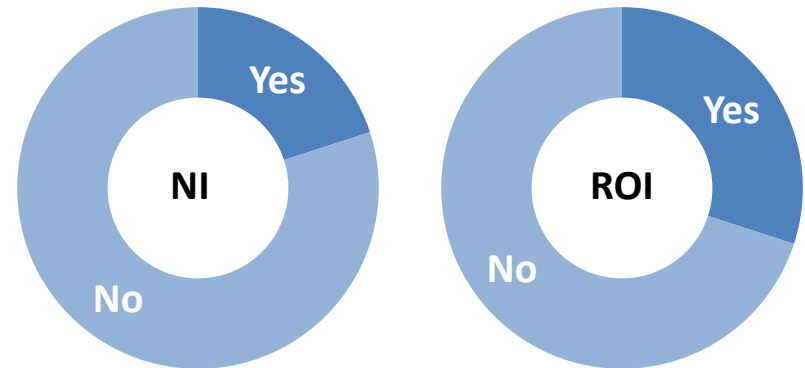
- Cost increases mainly seen in **computing & finance** and **business services**.
- Many firms within the **retail** sector also reporting large increases of greater than 10%.
- Fewest telecom cost increases in the **hotels & restaurants** sector.



- **Construction** also has firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting increases than in RoI.
- **Hotels & restaurants** is the only RoI sector where increases have been greater.

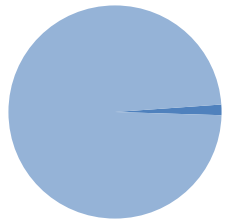
Steps to reduce telecom costs

- Around one-fifth of firms are **taking steps to reduce telecoms costs**.
- More firms in **RoI (30%)** than in **NI (20%)** over past 12 months, have taken steps to reduce telecom costs.

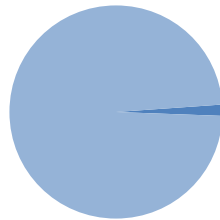


- Firms **more likely to negotiate better telecom rates** than change telecom providers.
- **Larger firms more proactive** in taking steps to reduce their telecom costs.
- Noteworthy that all businesses appear to be making efforts to change telecom providers.

Summary of telecoms costs



1.6% of
NI turnover



1.7% of
ROI turnover

6

out of 10 most
important cost area

Cost change over past 12 months



6th

most common area
for increases

2%

with significant
cost increase

20%

of ROI firms with
cost increase

29%

of growth firms
with increase

45%

of exporters
with increase

Importance

Increase

Scale

Construction



Manufacturing



Business services



Computing & finance



Hotels & restaurants



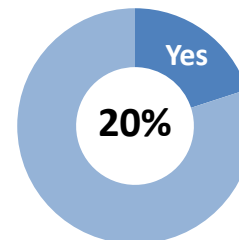
Retail



Wholesale & distribution



Steps to reduce telecoms costs



12% negotiated rates
9% changed provider

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

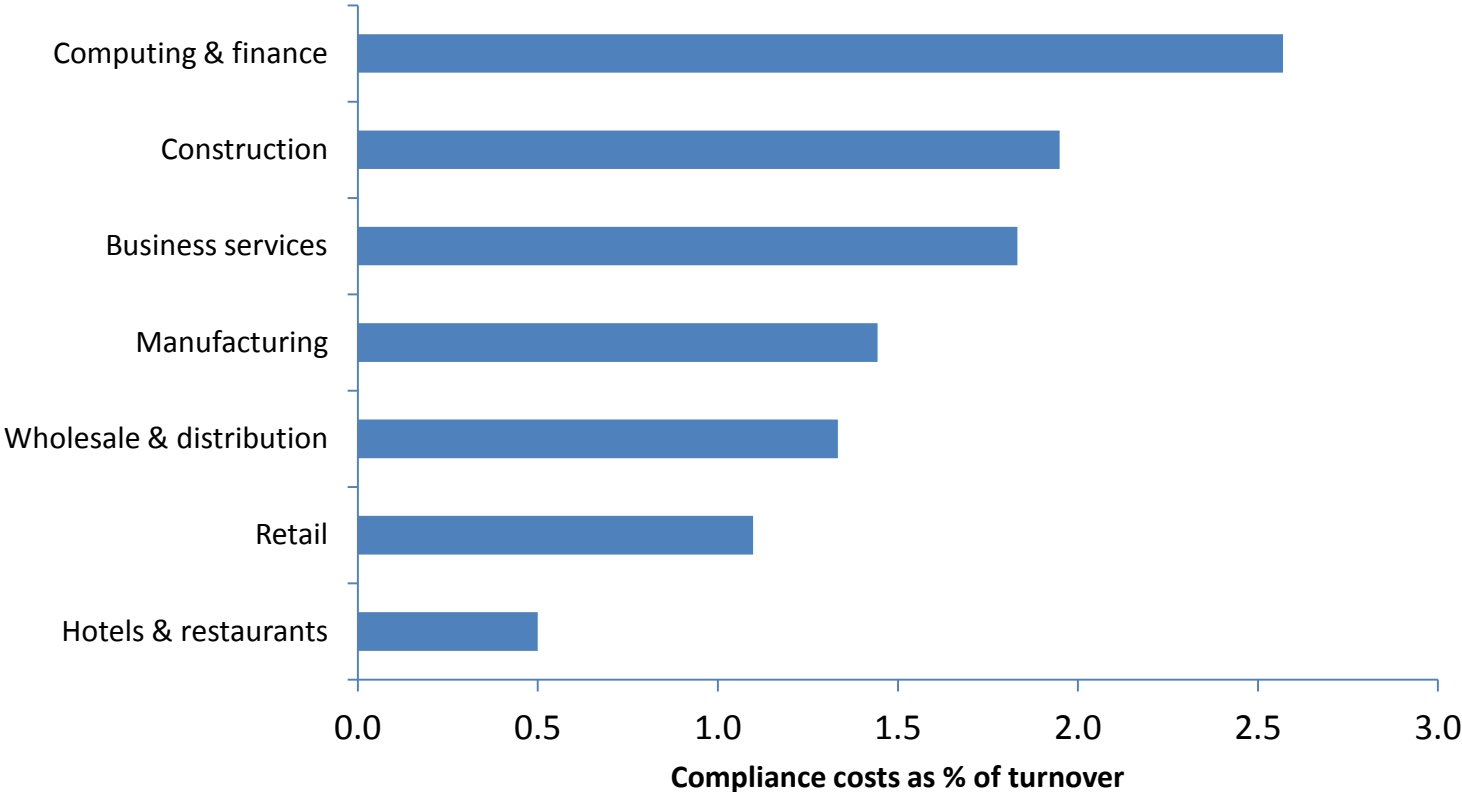
3. Data tables

Compliance costs as % of turnover

1.6% of turnover in Northern Ireland

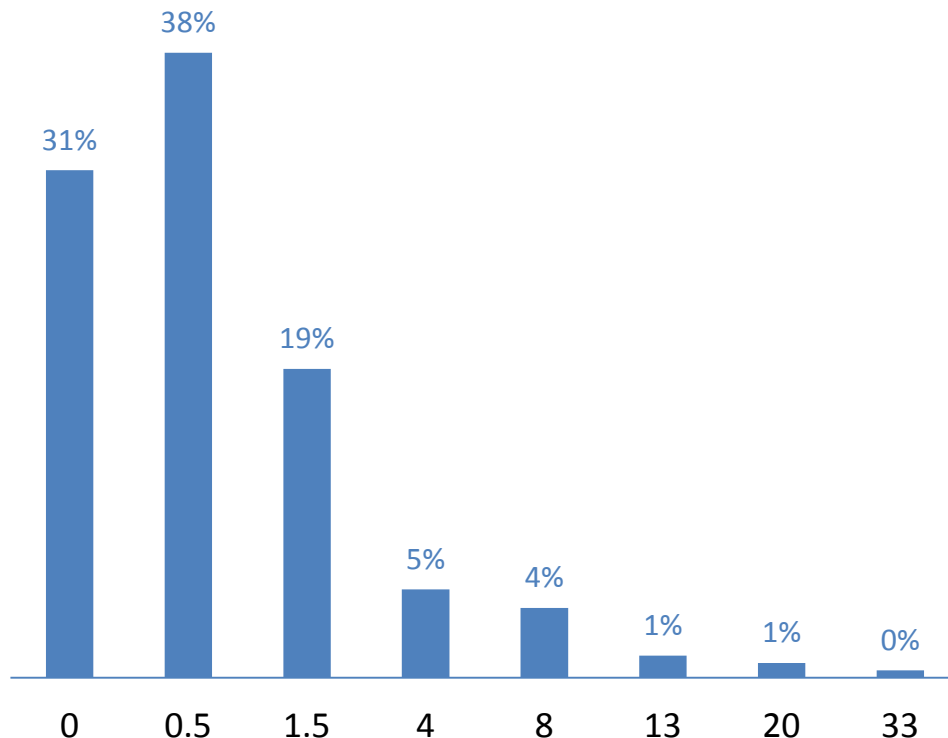
1.7% of turnover in Republic of Ireland

Ranked 7 of 10 across all cost areas



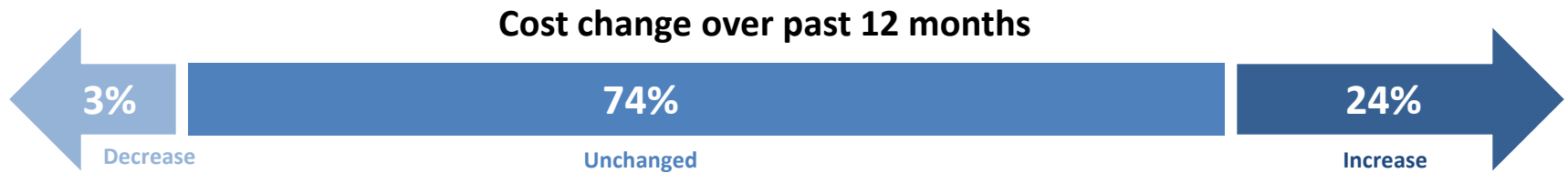
Distribution of compliance costs

- **88% of firms reported that insurance costs were not important** for their businesses (i.e. no more than 1.5%).
- This was most common amongst hotels & restaurants, manufacturing and wholesale & distribution.

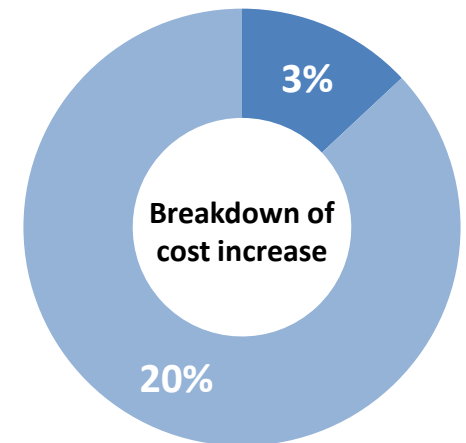


- **12% of firms** reported that insurance costs were important (at least 4% of their turnover).
- **3% of firms** reported that finance costs were very important (at least 13% of their turnover).
- These tended to be micro businesses and those in the construction sector.

Compliance cost changes



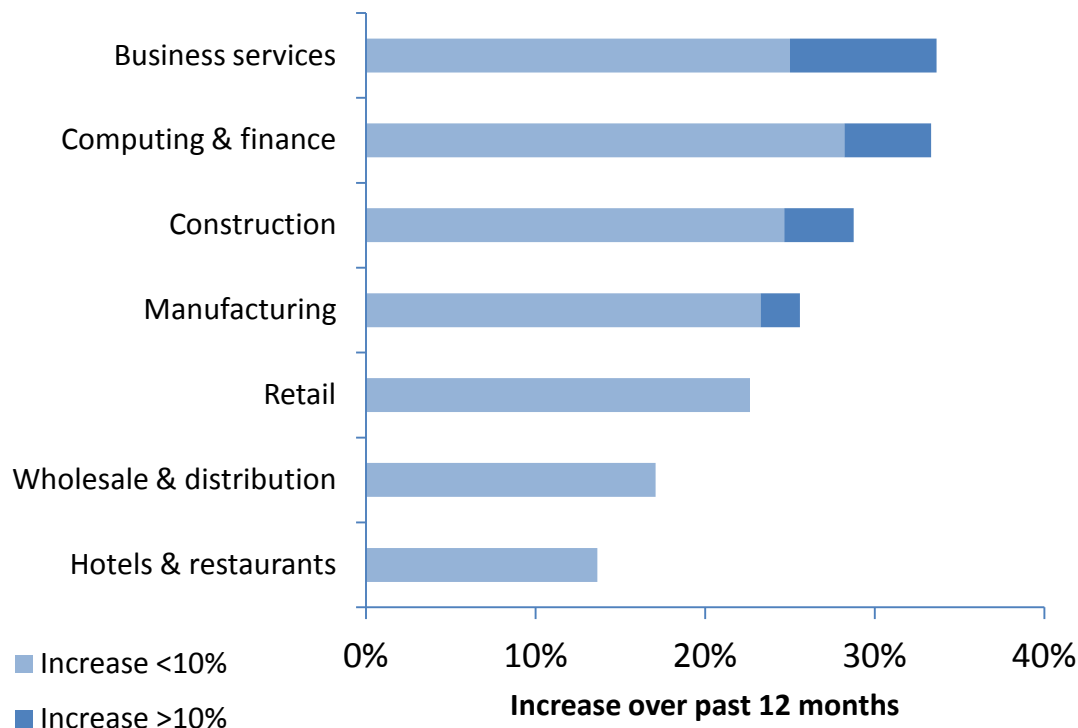
- Ranked **7th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in compliance costs than those in **ROI (17%)**.
- One fifth (**20%**) of firms reported increases of less than 10% over the past year, only **3%** of firms did experience a larger increase.
- More growth firms reporting increased costs (**38%**).
- Greater proportion of exporters also facing higher compliance costs (**37%**).



- Significant rise (>10%)
- Some rise (<10%)

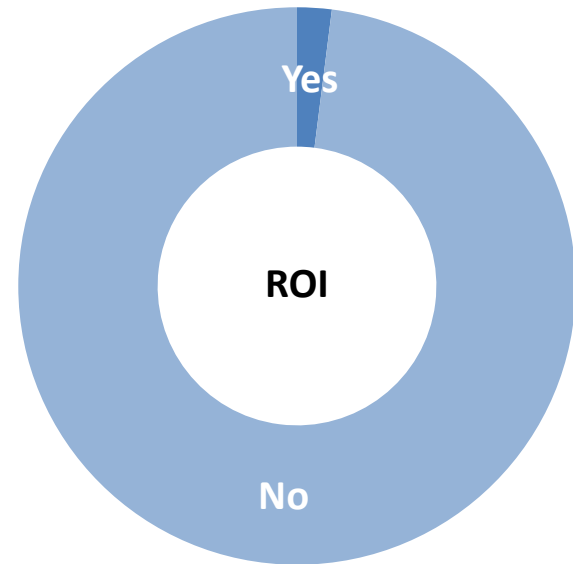
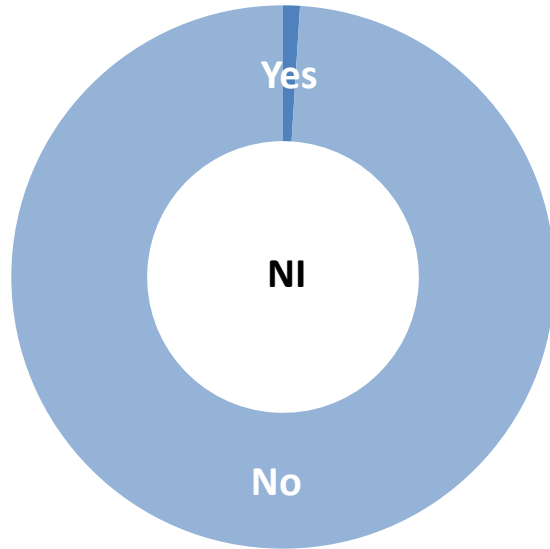
Sectoral compliance cost increases

- Cost increases mainly seen in **business services** and **computing & finance**.
- Many firms within the construction sector also reporting increases of greater than 10%.
- Fewest compliance cost increases in the **hotels & restaurants** sector.



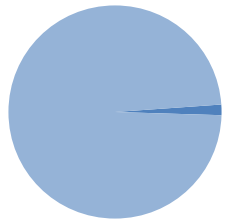
- **Manufacturing** has a number of firms facing cost increases of greater than 10% over the past year.
- **A majority of NI sectors** have firms reporting greater increases than in RoI.
- **Manufacturing, hotels & restaurants** and **wholesale & distribution** have all had greater increases in the ROI.

Steps to reduce compliance costs

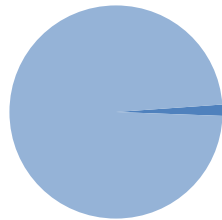


- Only a very small proportion of firms facing cost increases are **taking steps to reduce**.
- A similar proportion of **NI firms (1%) and ROI firms (2%)** over past 12 months, have taken steps to reduce compliance costs.
- No further information is available on what these steps are.

Summary of compliance costs



1.6% of
NI turnover



1.7% of
ROI turnover

7

out of 10 most
important cost area

Cost change over past 12 months



7th
most common area
for increases

3%
with significant
cost increase

17%
of ROI firms with
cost increase

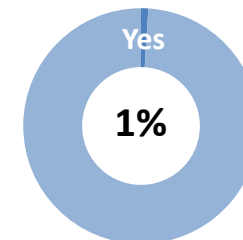
38%
of growth firms
with increase

37%
of exporters
with increase

Importance Increase Scale

Construction	●	●	●
Manufacturing	●	●	●
Business services	●	●	●
Computing & finance	●	●	●
Hotels & restaurants	●	●	●
Retail	●	●	●
Wholesale & distribution	●	●	●

Steps to reduce compliance costs



1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

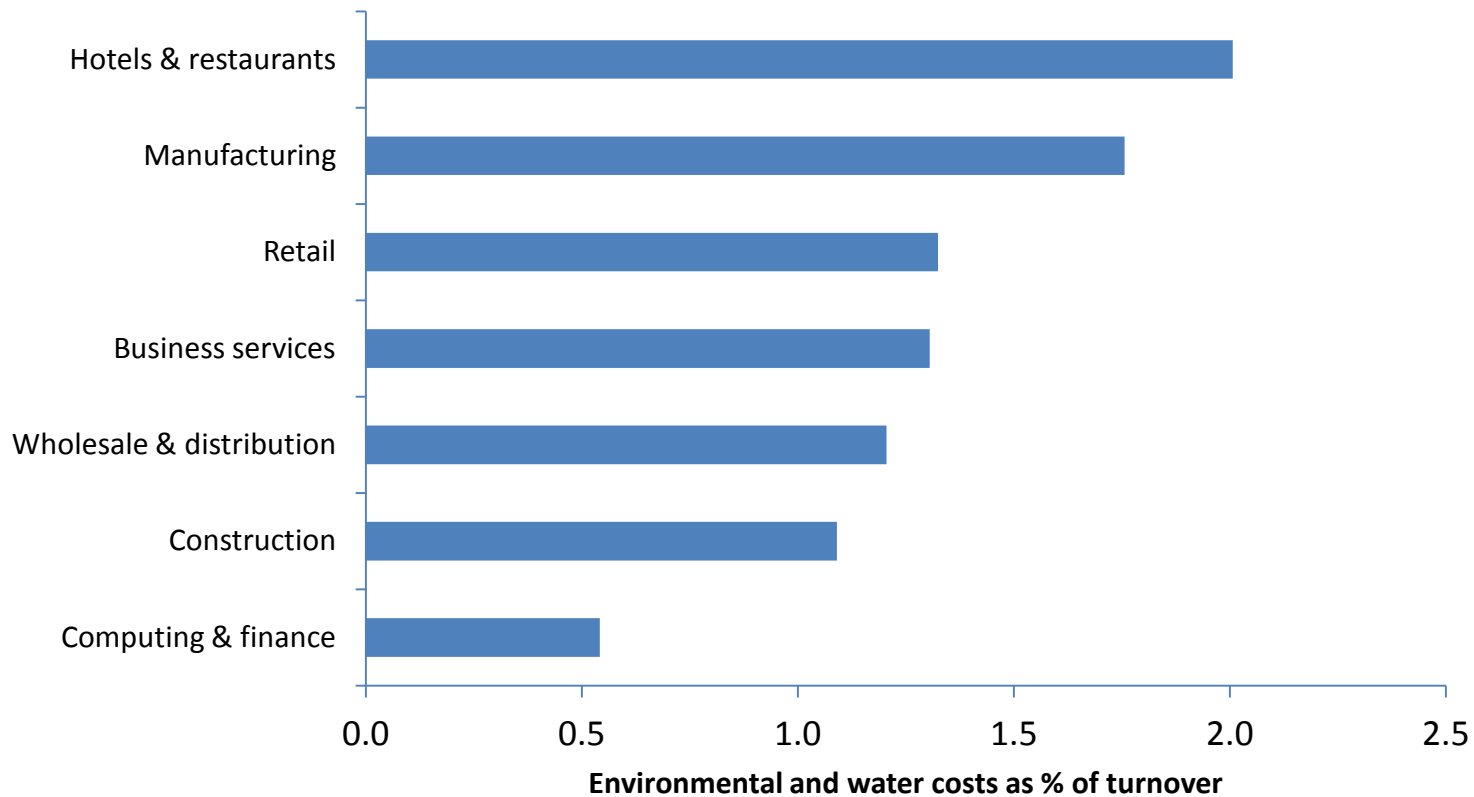
3. Data tables

Environmental costs as % of turnover

1.4% of turnover in Northern Ireland

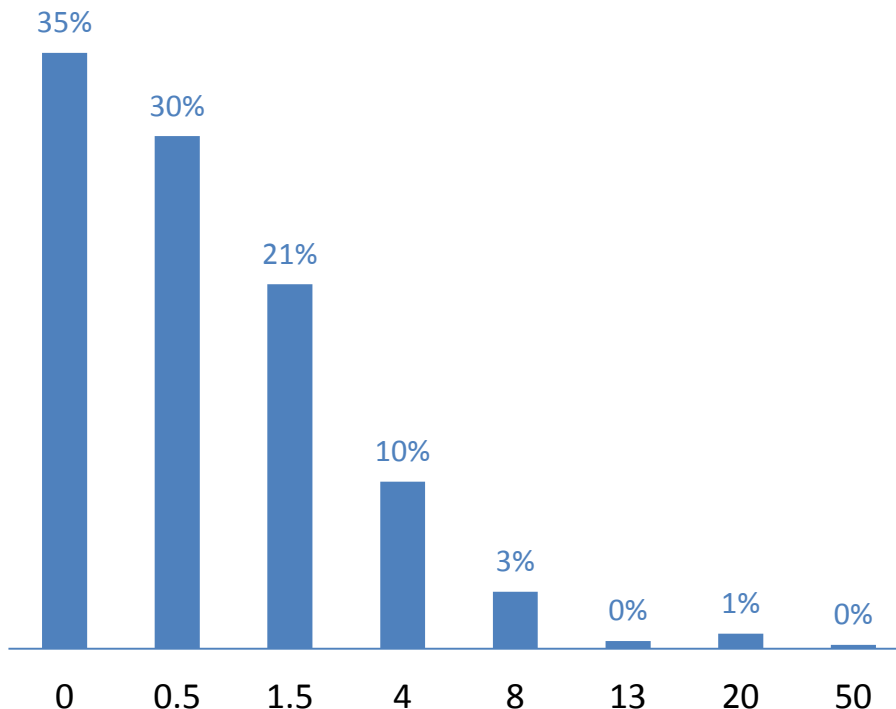
1.5% of turnover in Republic of Ireland

Ranked 8 of 10 across all cost areas



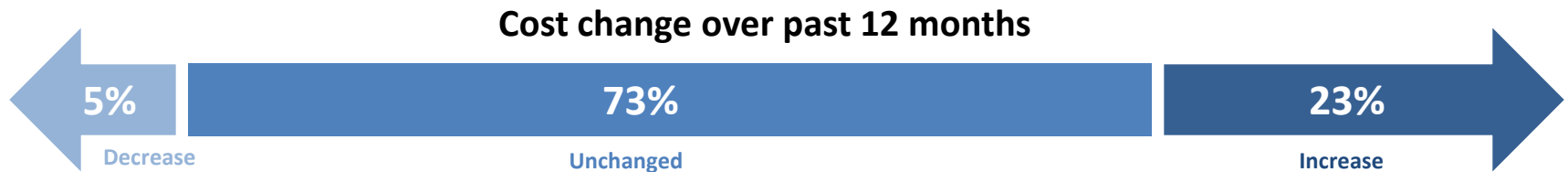
Distribution of environmental costs

- **85% of firms reported that energy costs were not important** for their businesses (i.e. no more than 1.5%), with over one-third reporting 0% of turnover.
- This was most common in the computing & finance, wholesale & distribution and construction sectors.

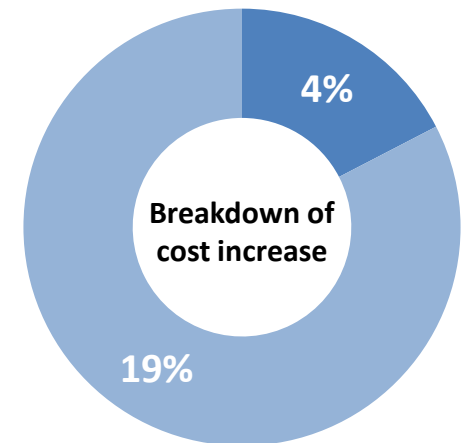


- Just **15% of firms** reported that environmental costs were important (at least 4% of their turnover).
- There is a **small group of firms (2%)** where environmental costs are very important.
- These tended to be larger businesses in the hotels & restaurants sector.

Environmental cost changes



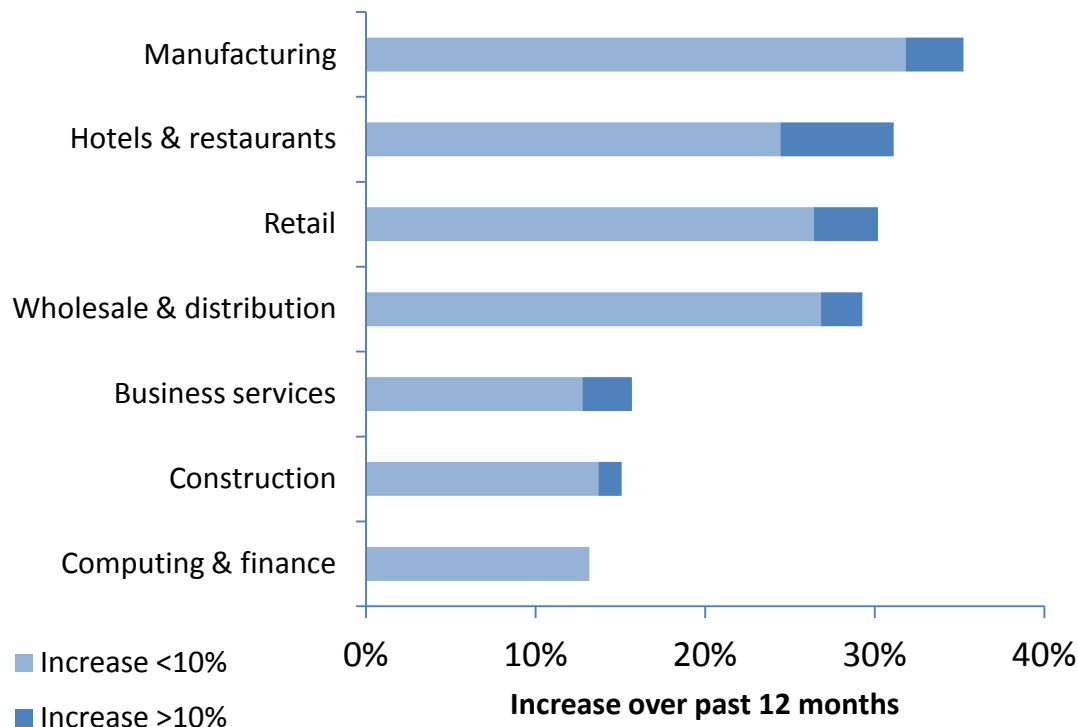
- Ranked **8th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in environmental costs than those in **ROI (20%)**.
- Close to one fifth of **(19%)** firms report increases of less than 10% over the past year, with **4%** of firms experiencing a larger increase.
- More growth firms reported cost increases **(28%)**.
- Over one-third of exporters reported environmental cost pressures in this area **(36%)**.



- Significant rise (>10%)
- Some rise (<10%)

Sectoral environmental cost increases

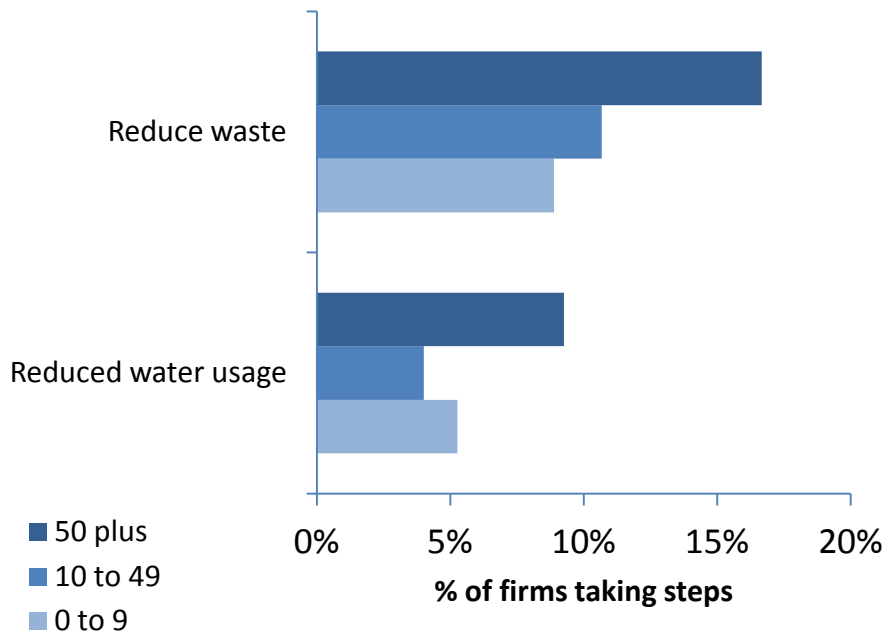
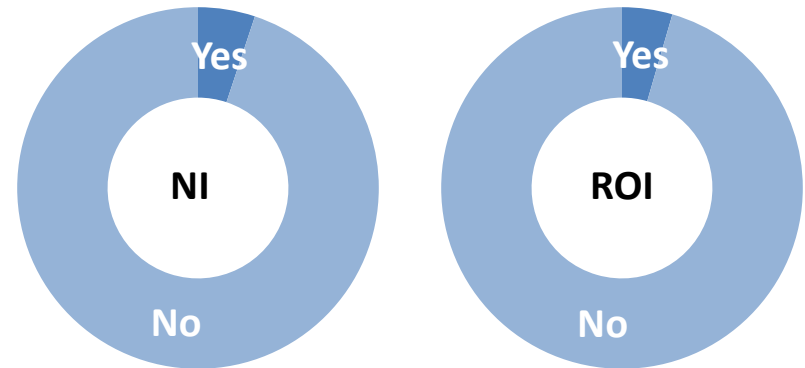
- Cost increases mainly seen in **manufacturing** and **hotels & restaurants**.
- Many firms within the hotels and restaurants sector also reporting large increases of greater than 10%.



- Fewest environmental cost increases in the **computing & finance** sector.
- **Retail** has the second highest proportion firms facing cost increases of more than 10% over the past year.
- **All NI sectors** have more firms reporting increases than in RoI.

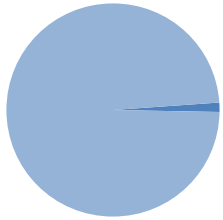
Steps to reduce environmental costs

- Only a small proportion of firms facing cost increases are **taking steps to reduce**.
- The same proportion of **NI firms (5%)** and **ROI firms (5%)** over past 12 months, have taken steps to reduce environmental costs.

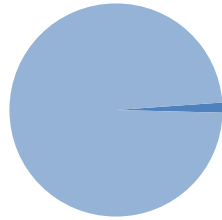


- Firms **most likely to reduce waste**, although some also cut water usage.
- **Larger firms more proactive** in taking steps to reduce their environmental costs.
- However, more micro firms have reduced water usage than small firms.

Summary of environmental costs



1.4% of
NI turnover



1.5% of
ROI turnover

8

out of 10 most
important cost area

Cost change over past 12 months



8th

most common area
for increases

4%

with significant
cost increase

20%

of ROI firms with
cost increase

28%

of growth firms
with increase

36%

of exporters
with increase

Importance

Increase

Scale

Construction



Manufacturing



Business services



Computing & finance



Hotels & restaurants



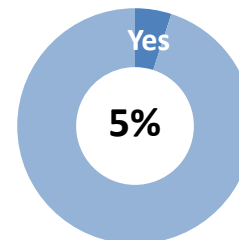
Retail



Wholesale & distribution



Steps to reduce environmental costs



10% reduced waste
5% cut water usage

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

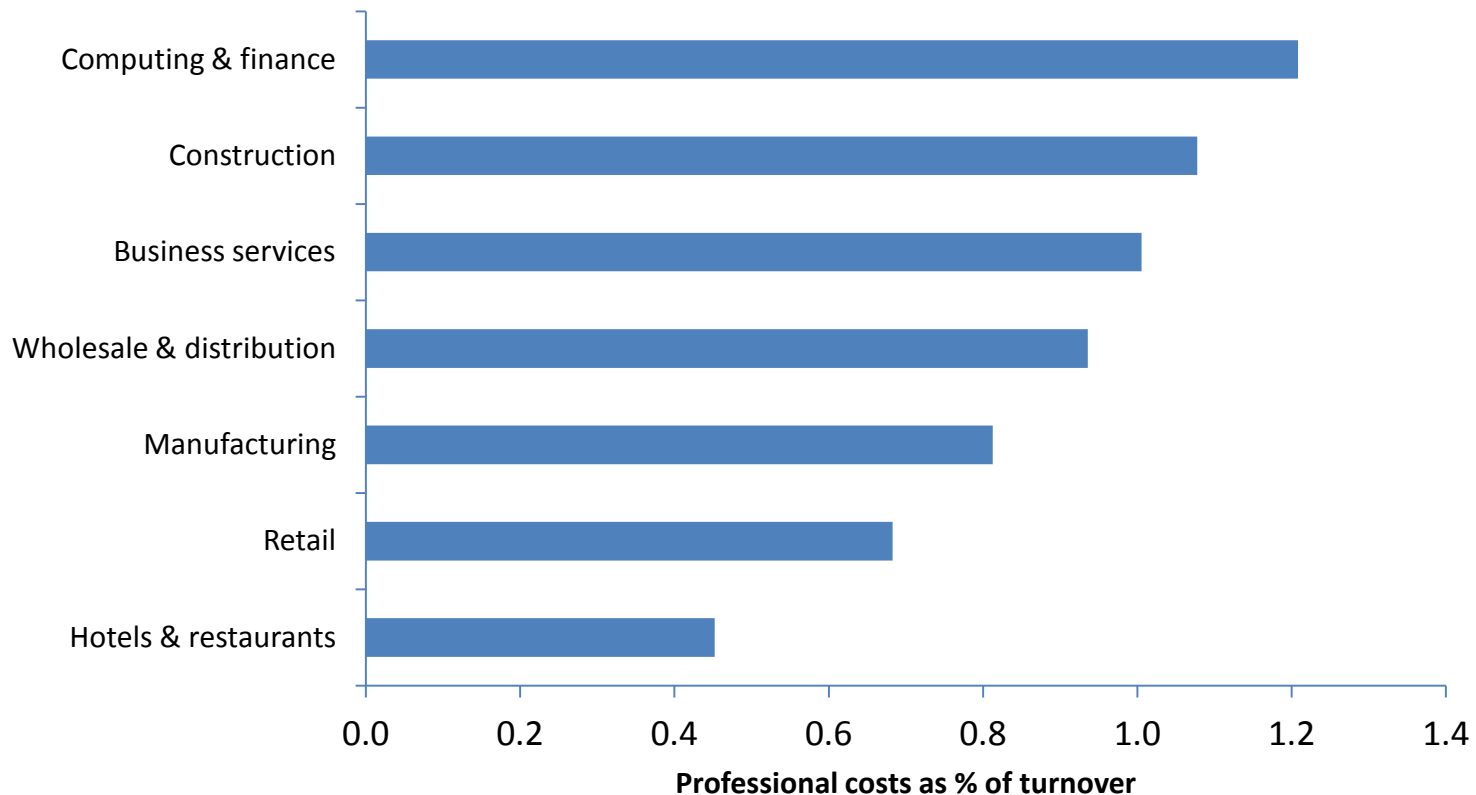
3. Data tables

Professional costs as % of turnover

1.0% of turnover in Northern Ireland

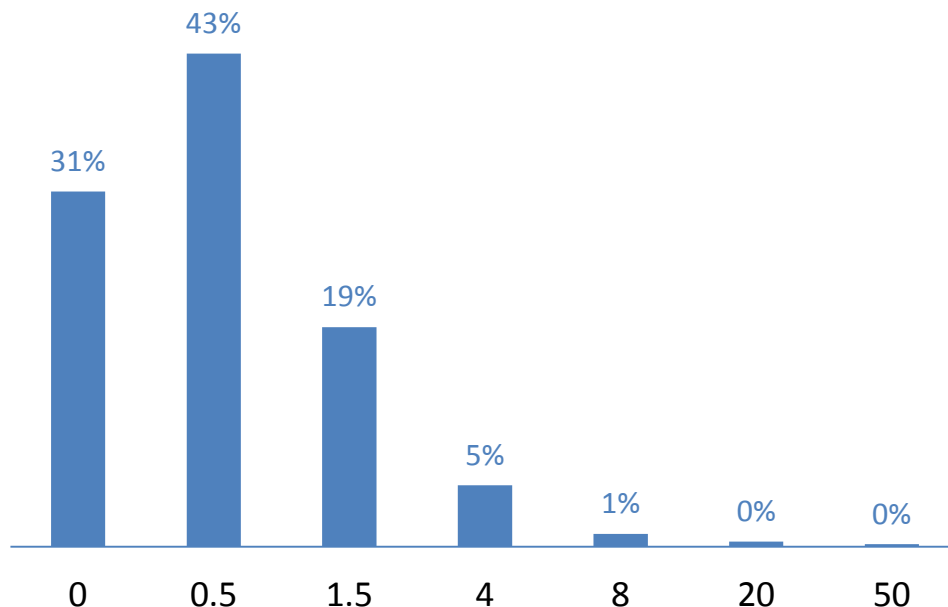
1.1% of turnover in Republic of Ireland

Ranked **9** of 10 across all cost areas



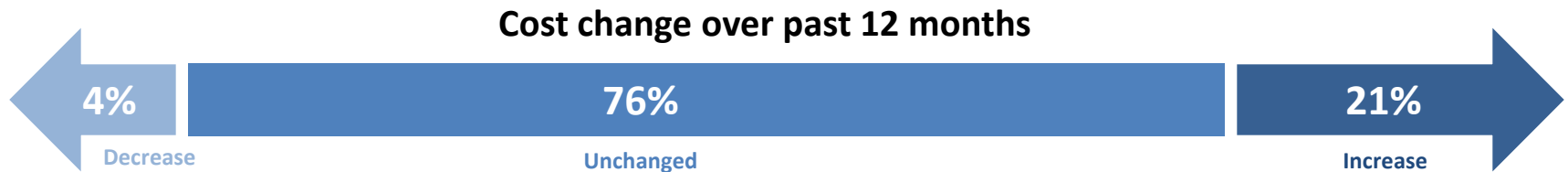
Distribution of professional costs

- **93% of firms reported that insurance costs were not important** for their businesses (i.e. no more than 1.5%).
- This was similar amongst firms of all sizes and sectors.

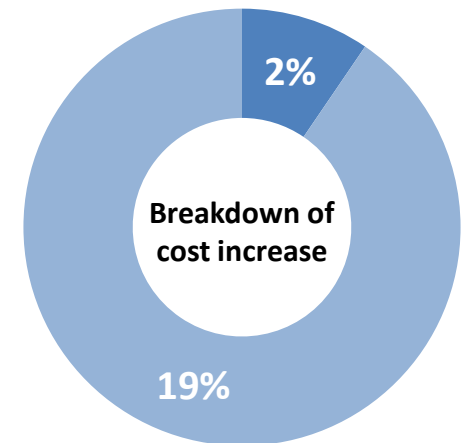


- **7% of firms** reported that insurance costs were important (at least 4% of their turnover).
- **1% of firms** reported that finance costs were very important (at least 13% of their turnover).
- These were all micro businesses.

Professional cost changes



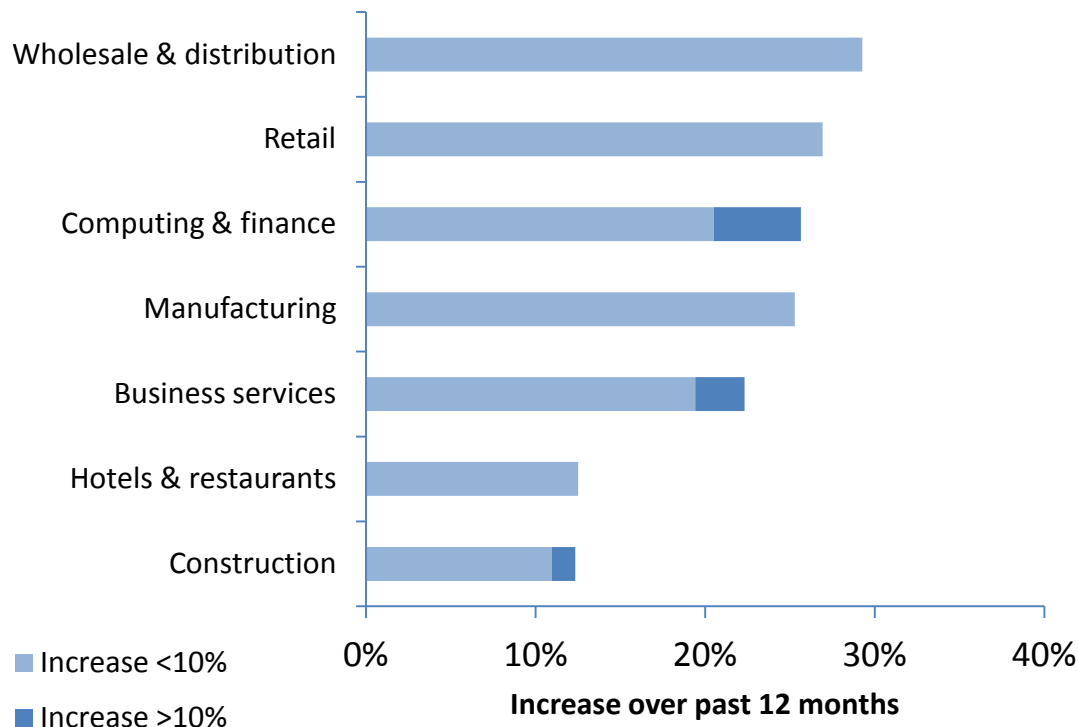
- Ranked **9th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in professional costs than those in **ROI (13%)**.
- Almost one fifth (**19%**) of firms reported increases of less than 10%, with only **2%** of firms experiencing a larger increase.
- Significantly more growth firms reported increased professional costs (**29%**).
- Over a third of exporters reported rising costs (**36%**).



- Significant rise (>10%)
- Some rise (<10%)

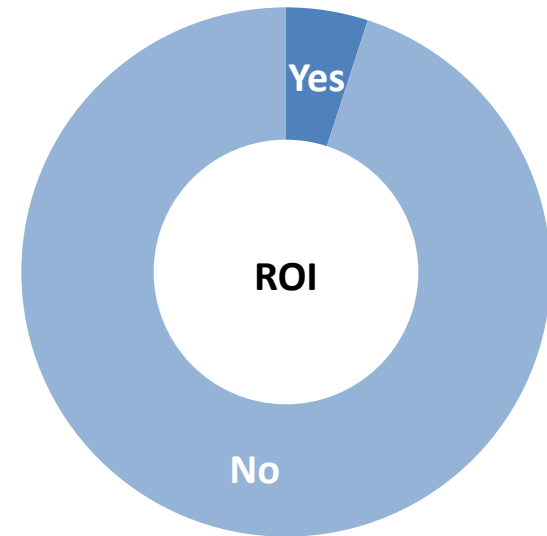
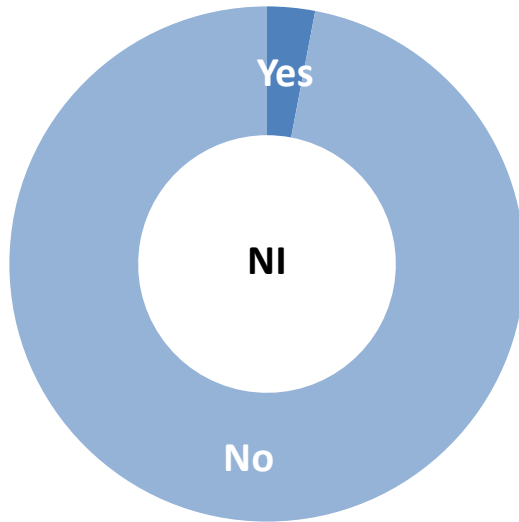
Sectoral professional cost increases

- Cost increases mainly seen in **wholesale & distribution** and **retail**.
- Many firms within the computing and finance sector also reporting increases of greater than 10%.
- Fewest professional cost increases in the **construction** sector.



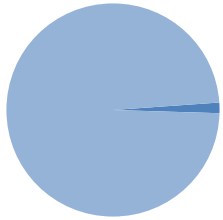
- **Business services** has a number of firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting increases than in RoI.
- **Hotels & restaurants** is the only RoI sector where increases have been greater.

Steps to reduce professional costs

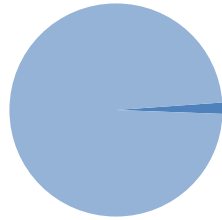


- Only a very small proportion of firms facing cost increases are **taking steps to reduce**.
- A similar proportion of **NI firms (3%) and ROI firms (5%)** over past 12 months, have taken steps to reduce professional costs.
- No further information is available on what these steps are.

Summary of professional costs



1.0% of
NI turnover



1.1% of
ROI turnover

9

out of 10 most
important cost area

Cost change over past 12 months



9th

most common area
for increases

2%

with significant
cost increase

13%

of ROI firms with
cost increase

29%

of growth firms
with increase

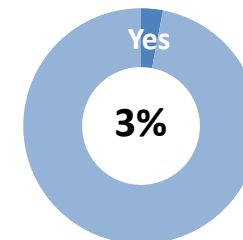
36%

of exporters
with increase

Importance Increase Scale

Construction	●	●	●
Manufacturing	●	●	●
Business services	●	●	●
Computing & finance	●	●	●
Hotels & restaurants	●	●	●
Retail	●	●	●
Wholesale & distribution	●	●	●

Steps to reduce professional costs



1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

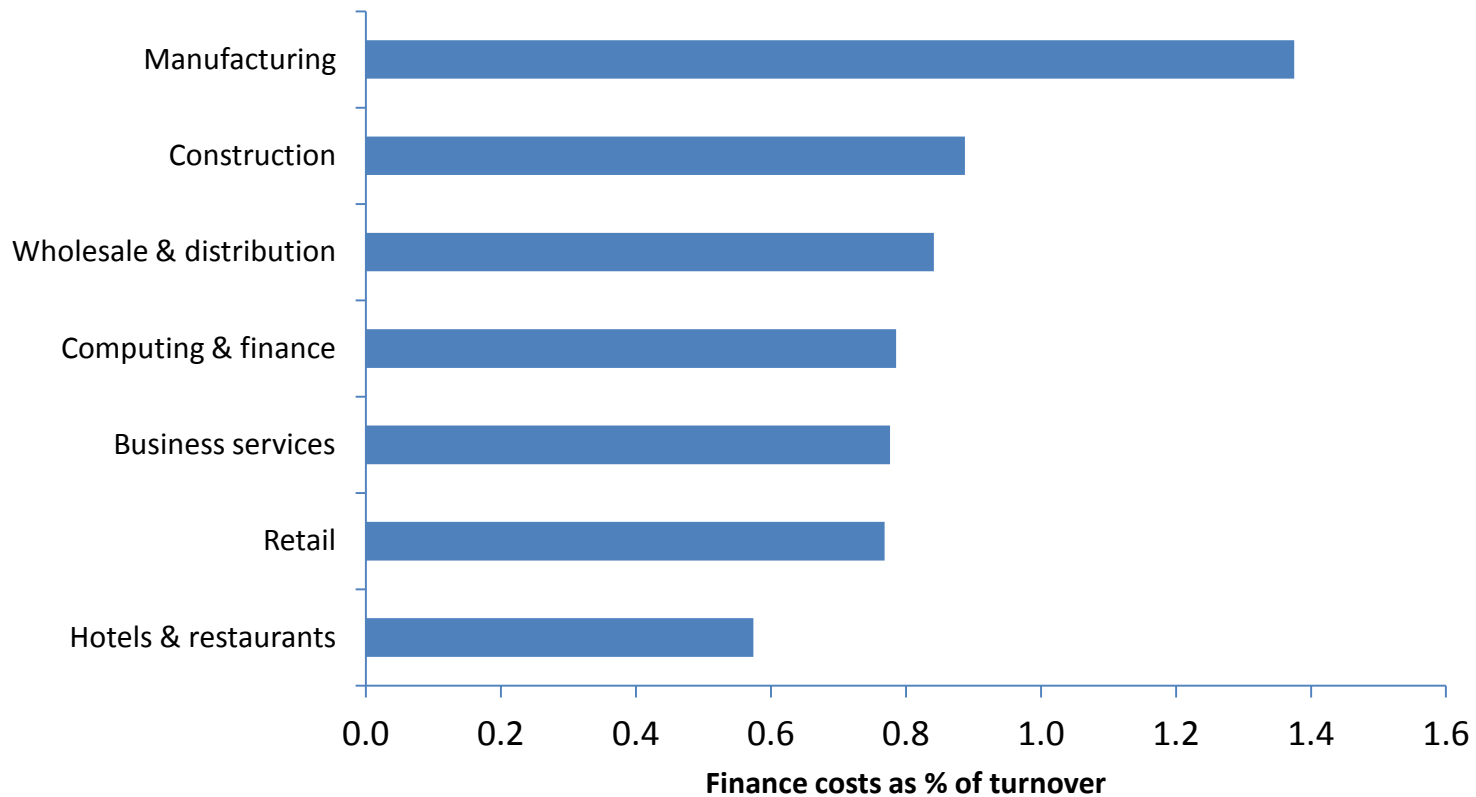
3. Data tables

Finance costs as % of turnover

0.8% of turnover in Northern Ireland

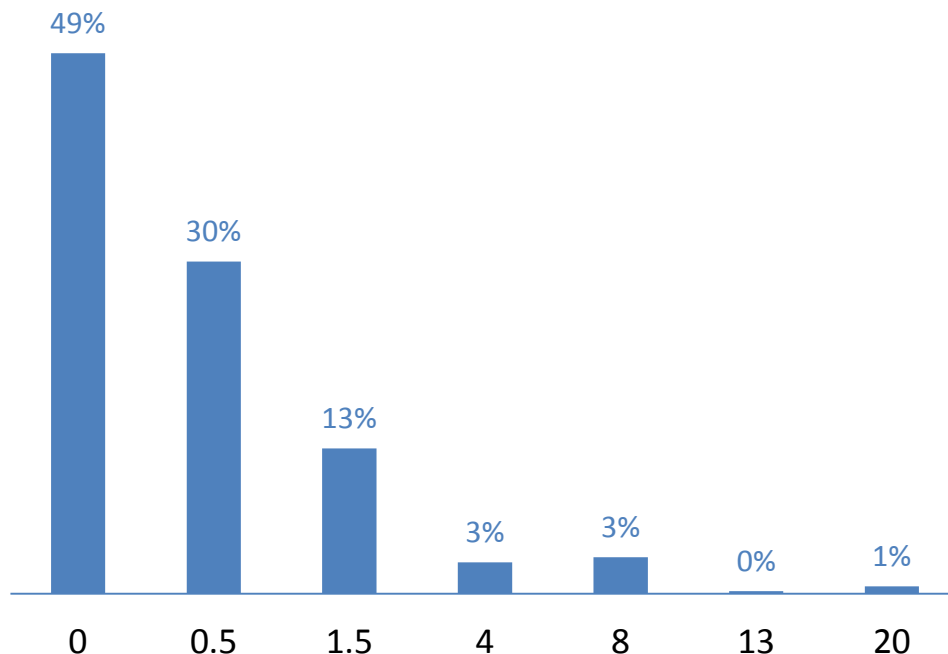
1.3% of turnover in Republic of Ireland

Ranked **10** of 10 across all cost areas



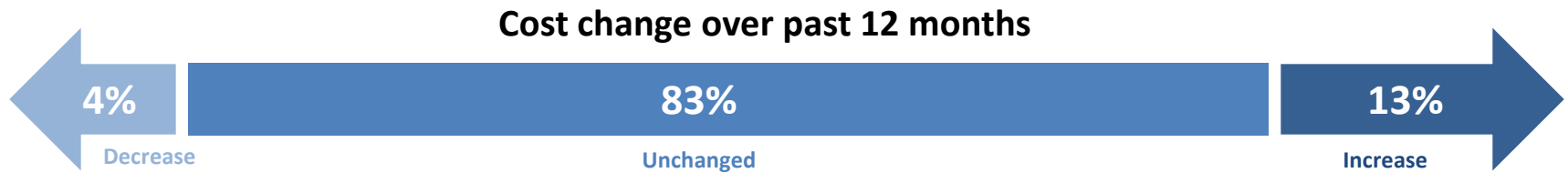
Distribution of finance costs

- The large majority (93%) of firms reported that finance costs were not important to their business. Almost half did not have any finance costs.
- This was most common amongst services firms, particularly retail and wholesale & distribution.

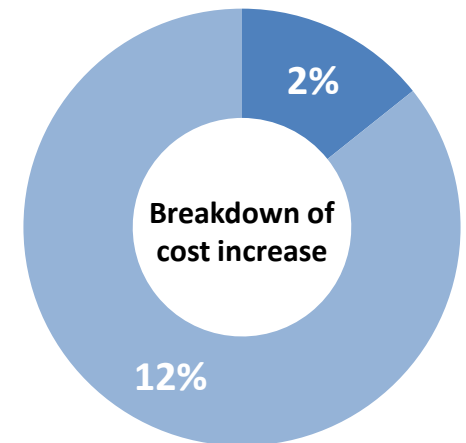


- 7% of firms reported that finance costs were important (at least 4% of their turnover).
- 2% of firms reported that finance costs were very important (at least 13% of their turnover).
- These firms tended to be in manufacturing and computing & finance.

Finance cost changes



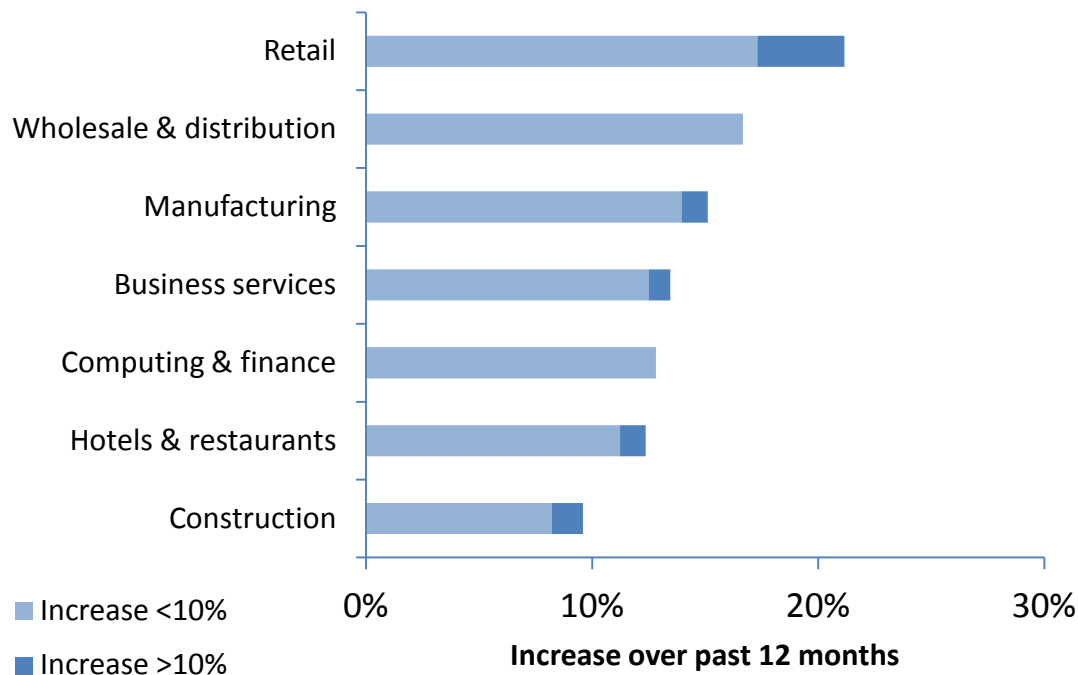
- Ranked **10th** out of the 10 cost areas in percentage of firms reporting increases.
- More NI firms reported increases in finance costs than those in **ROI (10%)**.
- **12%** of firms reported increases of less than 10% over the past year, with only **2%** facing rises of more than this.
- More growth firms than average reported increasing finance costs (**17%**).
- A higher proportion of exporters also reported rises (**19%**).



- Significant rise (>10%)
- Some rise (<10%)

Sectoral finance cost increases

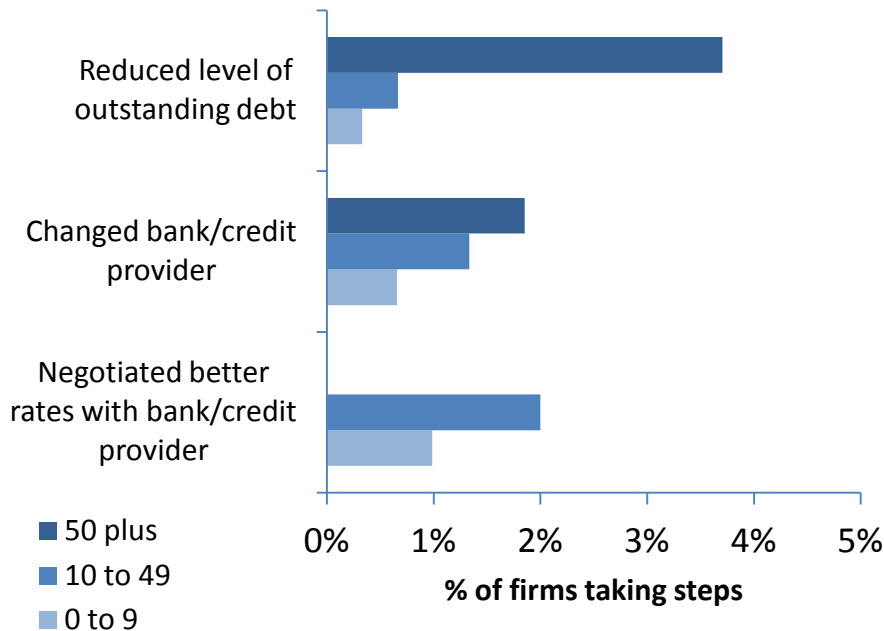
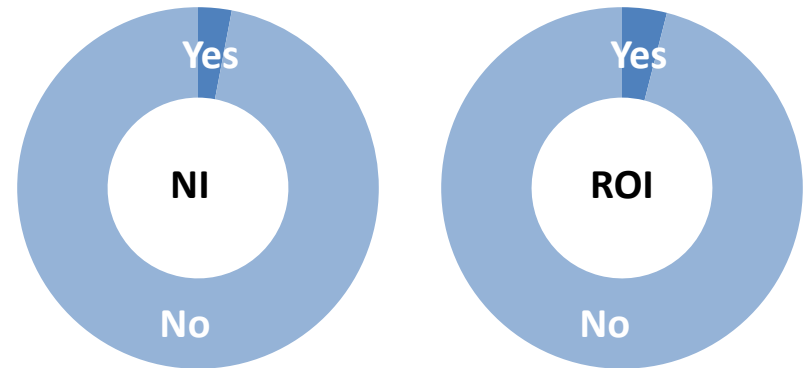
- Cost increases mainly seen in **retail** and **wholesale & distribution**.
- Many firms within the **hotels & restaurants** sector also reporting increases of greater than 10%.
- Fewest cost increases in the **construction** sector although firms are reporting increases of greater than 10% here too.



- **Business services** has a number of firms facing cost increases of greater than 10% over the past year.
- **Almost all NI sectors** have more firms reporting increases than in RoI.
- **Hotels & restaurants** is the only RoI sector where increases have been greater.

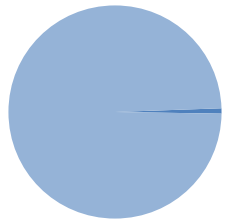
Steps to reduce finance costs

- Only a very small proportion of firms facing cost increases are **taking steps to reduce**.
- Similar proportions of **NI firms (3%)** and **ROI firms (4%)** over past 12 months, have taken steps to reduce finance costs.

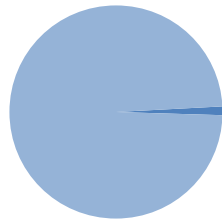


- Firms **more likely to reduce level of outstanding debt** than change bank/credit provider or negotiate better rates with bank/credit provider.
- **Larger firms more proactive** in taking steps to reduce their finance costs.
- However no large firms surveyed entered negotiations for better rates with bank or credit providers.

Summary of finance costs



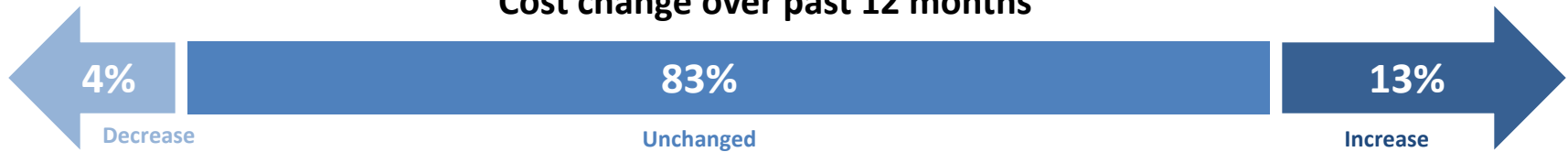
0.8% of
NI turnover



1.3% of
ROI turnover

10 out of 10 most
important cost area

Cost change over past 12 months



10th
most common area
for increases

2%
with significant
cost increase

10%
of ROI firms with
cost increase

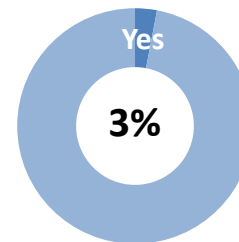
17%
of growth firms
with increase

19%
of exporters
with increase

Importance Increase Scale

	Importance	Increase	Scale
Construction	●	●	●
Manufacturing	●	●	●
Business services	●	●	●
Computing & finance	●	●	●
Hotels & restaurants	●	●	●
Retail	●	●	●
Wholesale & distribution	●	●	●

Steps to reduce finance costs



1% negotiated rates
1% changed provider
1% reduced credit level

1. Headline results for Northern Ireland and Republic of Ireland

2. Analysis of individual cost areas (Northern Ireland)

Labour costs

Energy costs

Property costs

Transport costs

Insurance costs

Telecoms costs

Compliance costs

Environmental costs

Professional services costs

Finance costs

3. Data tables

Issues facing businesses

Q: To what extent, if at all, are each of the following an issue for your business currently? Please use a scale of 1 to 5, where 1 is not an issue at all and 5 is a huge issue.

Northern Ireland	as percentage of total firms				
	1	2	3	4	5
Cash flow	29.0%	17.8%	25.7%	12.3%	15.3%
Reduction in demand	47.7%	20.1%	14.9%	9.7%	7.5%
Keeping up with innovations	65.7%	17.5%	9.5%	4.1%	3.2%
Lack of skills	80.2%	12.5%	3.7%	2.9%	0.6%
Recruiting appropriate skills	63.2%	14.8%	8.5%	9.5%	4.1%
Rising energy costs	14.4%	12.1%	19.8%	33.0%	20.7%
Rising other costs	13.7%	13.0%	23.4%	31.0%	18.8%
Business & consumer confidence	51.4%	22.3%	16.8%	6.3%	3.3%
New competitors	39.4%	22.8%	18.8%	15.0%	4.1%
Competitor discounting	29.9%	18.0%	24.2%	19.7%	8.2%
Currency exchange rates	79.3%	8.2%	8.5%	2.1%	2.0%
Late payments	51.5%	13.3%	12.6%	12.4%	10.2%
Access to finance	73.8%	10.5%	6.6%	4.8%	4.2%

Issues facing businesses

Q: To what extent, if at all, are each of the following an issue for your business currently? Please use a scale of 1 to 5, where 1 is not an issue at all and 5 is a huge issue.

Republic of Ireland	as percentage of total firms				
	1	2	3	4	5
Cash flow	24.0%	15.5%	22.9%	14.2%	23.5%
Reduction in demand	37.8%	20.5%	20.1%	10.7%	10.9%
Keeping up with innovations	54.2%	16.5%	15.3%	10.4%	3.6%
Lack of skills	78.4%	12.0%	5.6%	3.2%	0.7%
Recruiting appropriate skills	66.7%	12.6%	10.2%	9.1%	1.4%
Rising energy costs	13.5%	14.5%	20.1%	29.4%	22.5%
Rising other costs	12.5%	15.6%	25.0%	27.6%	19.4%
Business & consumer confidence	30.3%	29.4%	21.1%	12.8%	6.4%
New competitors	34.6%	22.8%	19.6%	14.6%	8.4%
Competitor discounting	25.0%	19.1%	24.8%	20.4%	10.6%
Currency exchange rates	70.9%	13.3%	9.8%	4.6%	1.4%
Late payments	46.4%	14.8%	14.3%	12.3%	12.2%
Access to finance	72.9%	7.6%	7.3%	5.2%	6.9%

Cost changes

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Northern Ireland	as % of total firms				
	Decrease	Unchanged	Increase (1-10%)	Large Increase (>10%)	Any Increase
Labour	6.6%	61.8%	28.0%	3.6%	31.6%
Energy	1.7%	20.1%	54.1%	24.1%	78.2%
Environmental	4.9%	72.6%	19.1%	3.5%	22.6%
Property	7.6%	52.7%	*	*	39.7%
<i>Rates</i>	6.1%	62.9%	29.6%	1.5%	31.1%
<i>Other</i>	4.0%	77.6%	15.6%	2.9%	18.4%
Transport	2.4%	44.9%	39.2%	13.4%	52.7%
Telecom	7.3%	66.1%	24.6%	1.9%	26.5%
Finance	4.3%	82.6%	11.5%	1.6%	13.1%
Insurance	10.1%	51.2%	36.0%	2.6%	38.6%
Compliance	2.4%	73.8%	20.3%	3.4%	23.7%
Professional fees	3.8%	75.6%	19.0%	1.6%	20.6%

* Not available as this question was asked separately for rates and other property costs then combined into total property costs

Cost changes

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Rep of Ireland	as % of total firms				
	Decrease	Unchanged	Increase (1-10%)	Large Increase (>10%)	Any Increase
Labour	8.8%	71.5%	18.3%	1.3%	19.7%
Energy	4.1%	27.4%	61.0%	7.6%	68.5%
Environmental	0.9%	78.9%	18.2%	1.9%	20.2%
Property	6.8%	65.7%	*	*	27.5%
<i>Rates</i>	4.1%	75.7%	18.5%	1.8%	20.3%
<i>Other</i>	5.2%	79.4%	14.3%	1.1%	15.4%
Transport	1.8%	48.7%	43.4%	6.0%	49.4%
Telecom	16.7%	63.5%	19.0%	0.7%	19.7%
Finance	2.0%	87.9%	9.9%	0.3%	10.2%
Insurance	8.6%	62.1%	26.8%	2.5%	29.3%
Compliance	1.4%	81.3%	14.3%	3.0%	17.3%
Professional fees	3.8%	83.7%	11.0%	1.6%	12.5%

* Not available as this question was asked separately for rates and other property costs then combined into total property costs

Cost increases by sector

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Northern Ireland	Percentage of firms reporting an increase							
	AVE	MAN	CON	BUS	F&C	H&R	RET	W&D
Labour	31.6%	42.0%	34.2%	42.3%	30.8%	25.0%	32.1%	35.7%
Energy	78.2%	88.6%	80.8%	67.0%	74.4%	83.1%	81.1%	78.6%
Environmental	22.6%	35.2%	15.1%	15.7%	13.2%	31.1%	30.2%	29.3%
Property	39.7%	34.9%	30.6%	42.6%	46.2%	46.6%	50.9%	30.0%
<i>Rates</i>	31.1%	29.1%	24.7%	34.7%	35.9%	36.8%	47.2%	20.0%
<i>Other</i>	18.4%	18.2%	16.4%	20.4%	25.6%	20.4%	11.3%	11.9%
Transport	52.7%	74.7%	74.0%	49.0%	35.9%	13.3%	60.4%	76.2%
Telecom	26.5%	27.6%	23.3%	34.0%	38.5%	14.6%	30.2%	19.0%
Finance	13.1%	15.1%	9.6%	13.5%	12.8%	12.4%	21.2%	16.7%
Insurance	38.6%	47.7%	32.9%	36.5%	38.5%	23.9%	44.2%	53.7%
Compliance	23.7%	25.6%	28.8%	33.7%	33.3%	13.6%	22.6%	17.1%
Professional fees	20.6%	25.3%	12.3%	22.3%	25.6%	12.5%	26.9%	29.3%

AVE = average, MAN = manufacturing, CON = construction, BUS = business services, F&C = finance & computing, H&R = hotels & restaurants, RET = retail, W&D = wholesale, distribution & logistics

Cost increases by sector

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Rep of Ireland	Percentage of firms reporting an increase							
	AVE	MAN	CON	BUS	F&C	H&R	RET	W&D
Labour	19.7%	20.9%	11.0%	25.7%	23.5%	30.8%	21.7%	31.9%
Energy	68.5%	69.8%	75.3%	56.5%	63.2%	79.8%	71.7%	82.6%
Environmental	20.2%	30.2%	13.7%	14.7%	8.8%	27.0%	21.7%	27.7%
Property	27.5%	18.8%	23.3%	28.4%	17.9%	40.4%	30.4%	35.6%
<i>Rates</i>	20.3%	16.3%	13.7%	22.1%	16.2%	29.7%	26.1%	26.1%
<i>Other</i>	15.4%	8.1%	13.7%	15.9%	10.3%	22.2%	13.0%	23.4%
Transport	49.4%	69.8%	74.0%	44.1%	14.7%	27.5%	43.5%	72.3%
Telecom	19.7%	22.1%	11.0%	15.9%	17.6%	16.5%	23.9%	19.1%
Finance	10.2%	8.1%	5.5%	11.6%	8.8%	16.9%	17.4%	12.8%
Insurance	29.3%	35.3%	38.4%	27.1%	22.1%	29.7%	19.6%	29.8%
Compliance	17.3%	26.7%	12.3%	26.1%	16.2%	29.7%	21.7%	25.5%
Professional fees	12.5%	10.5%	8.2%	15.9%	10.3%	19.8%	13.0%	14.9%

AVE = average, MAN = manufacturing, CON = construction, BUS = business services, F&C = finance & computing, H&R = hotels & restaurants, RET = retail, W&D = wholesale, distribution & logistics

Cost increases by sales

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Northern Ireland	Percentage of firms reporting an increase			
	Average	Growth Firms	Off-island sales	Exporters
Labour	31.6%	60.0%	49.2%	57.1%
Energy	78.2%	79.7%	80.6%	88.7%
Environmental	22.6%	28.2%	30.3%	35.5%
Property	39.7%	44.9%	42.9%	47.5%
<i>Rates</i>	31.1%	38.5%	34.4%	39.3%
<i>Other</i>	18.4%	21.3%	18.7%	19.0%
Transport	52.7%	44.9%	70.1%	68.3%
Telecom	26.5%	28.8%	35.5%	45.2%
Finance	13.1%	16.7%	16.8%	19.4%
Insurance	38.6%	37.5%	39.2%	41.3%
Compliance	23.7%	31.3%	31.7%	37.1%
Professional fees	20.6%	28.8%	27.2%	35.5%

Cost increases by sales

Q: Compared to 12 months ago, to what extent, if at all, have your costs changed in each of the following areas?

Northern Ireland	Percentage of firms reporting an increase			
	Average	Growth Firms	Off-island sales	Exporters
Labour	19.7%	41.7%	33.3%	41.5%
Energy	68.5%	66.0%	71.9%	76.9%
Environmental	20.2%	19.1%	24.0%	29.2%
Property	27.5%	35.9%	29.8%	34.9%
<i>Rates</i>	20.3%	25.5%	21.7%	24.5%
<i>Other</i>	15.4%	18.1%	16.7%	19.8%
Transport	49.4%	45.3%	51.1%	40.6%
Telecom	19.7%	22.1%	17.2%	17.9%
Finance	10.2%	8.4%	9.5%	6.7%
Insurance	29.3%	30.2%	38.5%	39.0%
Compliance	17.3%	30.5%	30.0%	34.0%
Professional fees	12.5%	14.7%	15.6%	15.1%

Cost profile

Q: For this question I am interested in the amount that your business spends as a percentage of your turnover across the range of areas. What percentage of turnover do you spend on the following areas?

Northern Ireland	as % of total turnover							
	AVE	MAN	CON	BUS	F&C	H&R	RET	W&D
Labour	20.0	19.3	26.3	24.4	14.9	24.3	14.7	14.9
Energy	9.1	8.3	9.4	6.3	5.7	17.2	5.7	6.3
Environmental	1.4	1.8	1.1	1.3	0.5	2.0	1.3	1.2
Property	6.4	4.1	4.5	6.8	5.0	13.2	5.8	3.3
<i>Rates</i>	3.2	1.9	2.9	2.9	2.1	7.0	3.1	1.7
<i>Other</i>	3.3	2.2	1.6	3.9	2.9	6.2	2.7	1.6
Transport	4.6	5.4	8.5	3.7	2.5	0.7	3.4	6.1
Telecom	1.6	1.9	1.1	1.7	2.0	1.4	1.6	1.1
Finance	0.8	1.4	0.9	0.8	0.8	0.6	0.8	0.8
Insurance	2.9	2.3	3.5	2.2	2.0	4.4	2.4	2.1
Compliance	1.6	1.4	1.9	1.8	2.6	0.5	1.1	1.3
Professional fees	1.0	0.8	1.1	1.0	1.2	0.5	0.7	0.9

AVE = average, MAN = manufacturing, CON = construction, BUS = business services, F&C = finance & computing, H&R = hotels & restaurants, RET = retail, W&D = wholesale, distribution & logistics

Cost profile

Q: For this question I am interested in the amount that your business spends as a percentage of your turnover across the range of areas. What percentage of turnover do you spend on the following areas?

Rep of Ireland	as % of total turnover							
	AVE	MAN	CON	BUS	F&C	H&R	RET	W&D
Labour	24.5	25.8	18.9	31.0	30.5	26.5	23.2	20.2
Energy	7.0	6.6	6.4	5.5	3.3	12.3	7.0	5.9
Environmental	1.5	1.0	2.3	0.9	0.8	2.0	1.4	1.9
Property	6.1	3.3	5.3	6.8	4.3	9.6	6.3	5.3
<i>Rates</i>	2.8	1.9	2.8	2.8	1.6	4.8	2.8	2.6
<i>Other</i>	3.3	1.4	2.5	4.0	2.7	4.8	3.6	2.7
Transport	4.2	5.7	5.6	4.0	2.2	1.8	3.1	5.7
Telecom	1.7	1.3	0.7	1.7	2.5	2.1	1.3	1.3
Finance	1.3	1.2	0.7	1.3	0.8	1.3	1.3	2.0
Insurance	2.3	2.1	2.7	2.1	1.3	2.8	2.1	1.7
Compliance	1.7	1.1	0.6	2.0	2.9	2.7	1.4	1.4
Professional fees	1.1	0.8	0.6	1.4	1.7	1.3	0.8	1.0

AVE = average, MAN = manufacturing, CON = construction, BUS = business services, F&C = finance & computing, H&R = hotels & restaurants, RET = retail, W&D = wholesale, distribution & logistics

Steps to reduce costs

Q: In the last 12 months have you actively taken any steps to reduce costs in any of the following areas?

	as % of total firms	
	Northern Ireland	Rep of Ireland
Labour	21.4%	25.2%
Energy	46.6%	45.6%
Environmental	5.1%	4.5%
Property	10.4%	7.8%
<i>Rates</i>	3.6%	3.6%
<i>Other</i>	8.2%	5.1%
Transport	13.8%	13.4%
Telecom	19.9%	30.0%
Finance	3.0%	4.1%
Insurance	11.5%	16.6%
Compliance	1.4%	2.0%
Professional fees	3.3%	5.0%
None of the above	35.9%	27.8%

Actions to reduce costs

Q: What actions have you taken to reduce costs over the past 12 months?

	as % of total firms	
	Northern Ireland	Rep of Ireland
Reduced staffing levels	15.6%	17.0%
Cut overtime/reduced hours	12.5%	11.7%
Reduced energy usage	32.3%	29.2%
Changed energy provider	12.7%	17.0%
Negotiated better energy rates	9.7%	13.5%
Reduced waste	9.9%	8.7%
Reduced water usage	5.4%	3.8%
Downsized business premises	2.6%	1.9%
Renegotiated rent/repayments	1.9%	1.9%
Changed transport provider	2.7%	4.1%
Reduced the amount travelled	10.9%	11.3%
Negotiated better telecom rates	11.8%	17.2%
Changed telecom provider	9.0%	16.6%
Changed bank/credit provider	0.9%	0.6%
Negotiated better finance rates	1.1%	3.3%
Reduced level of credit	0.7%	0.6%
Changed insurance provider	3.0%	5.0%
Negotiated better insurance rates	9.8%	15.3%
None of the above	35.9%	27.8%