

Business Monitor

Q3 2015

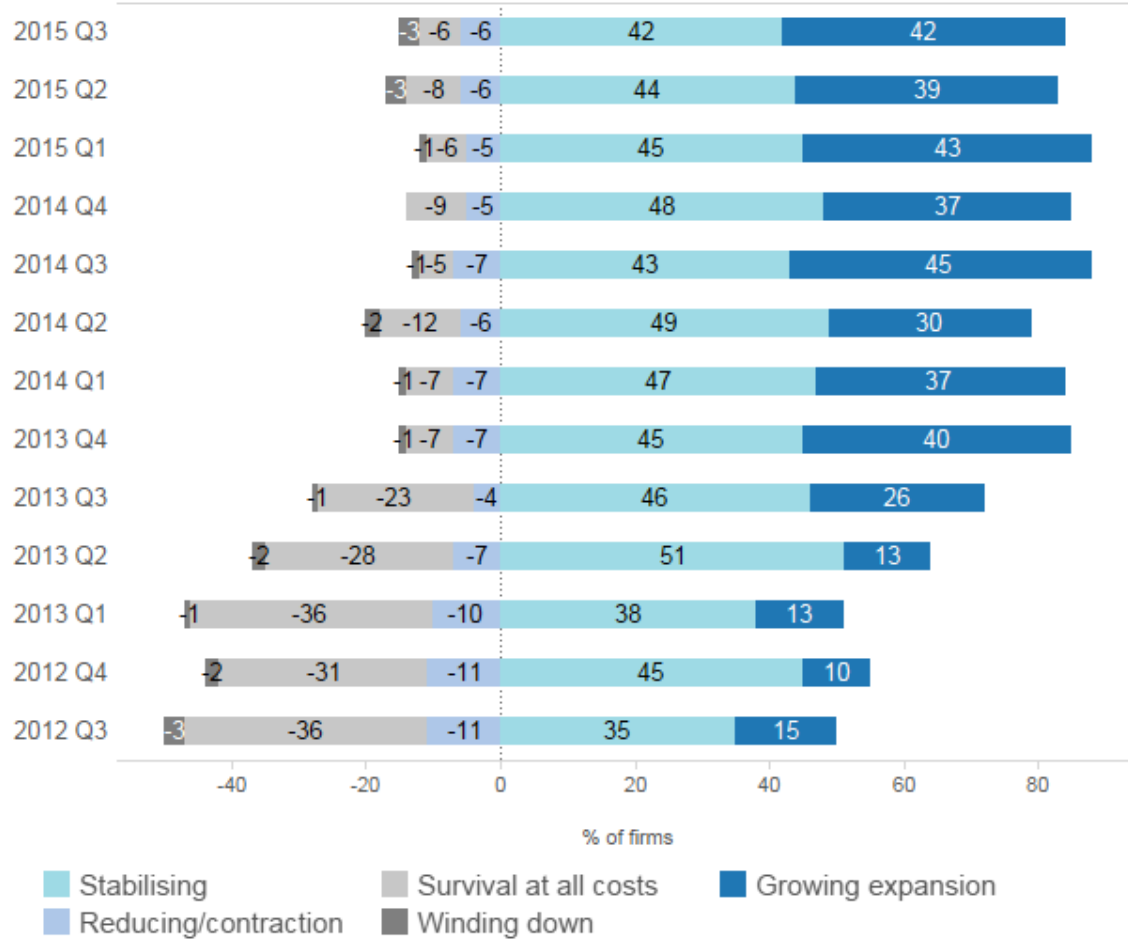


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“Recovery remains on track though growth still driven by less than half of all firms...”

Business position

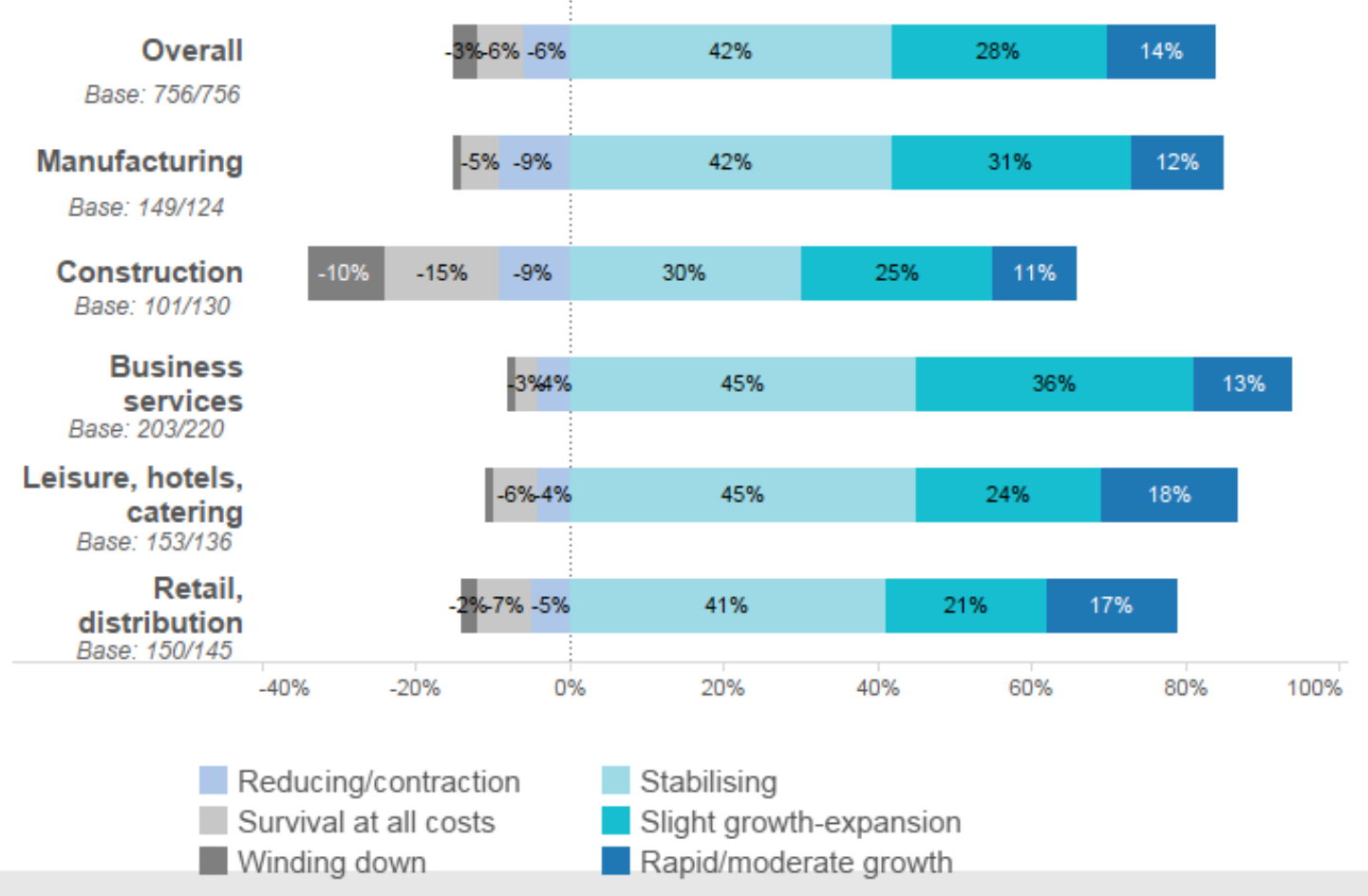
Which of the following best describes the current position of your business?



“...with most sectors performing well, particularly business services...”

Business position

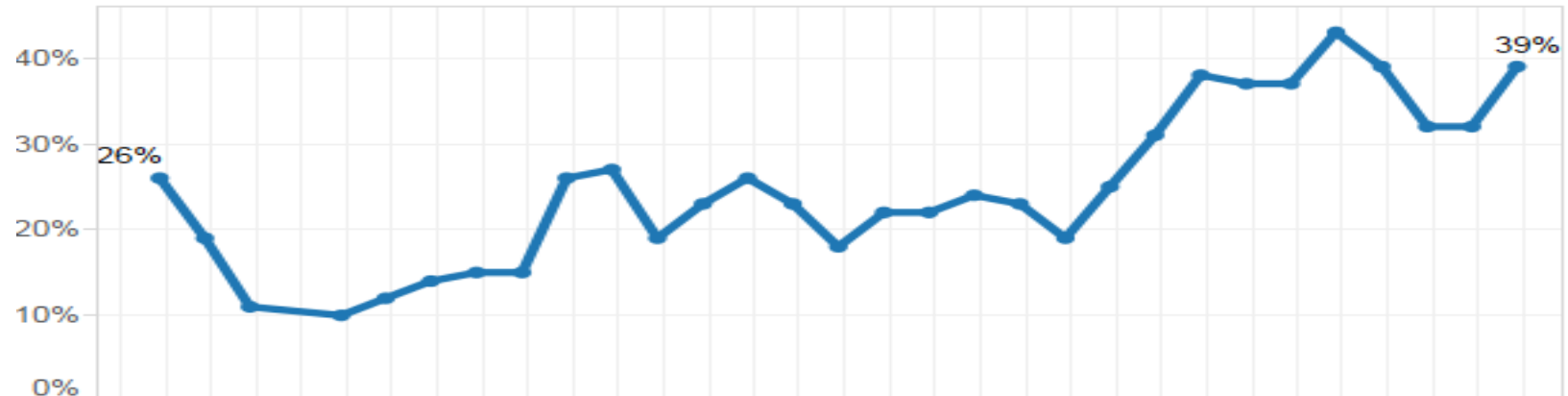
Which of the following best describes the current position of your business?



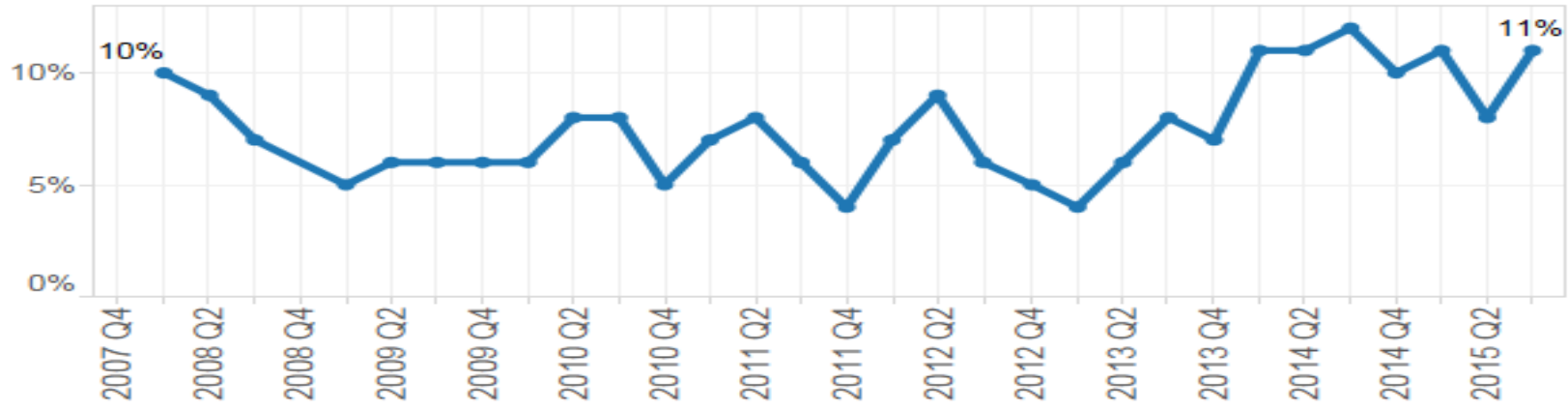
“...and growing numbers of firms increasing sales and employment across the island...”

Businesses increasing sales & employment in past quarter

Sales Performance

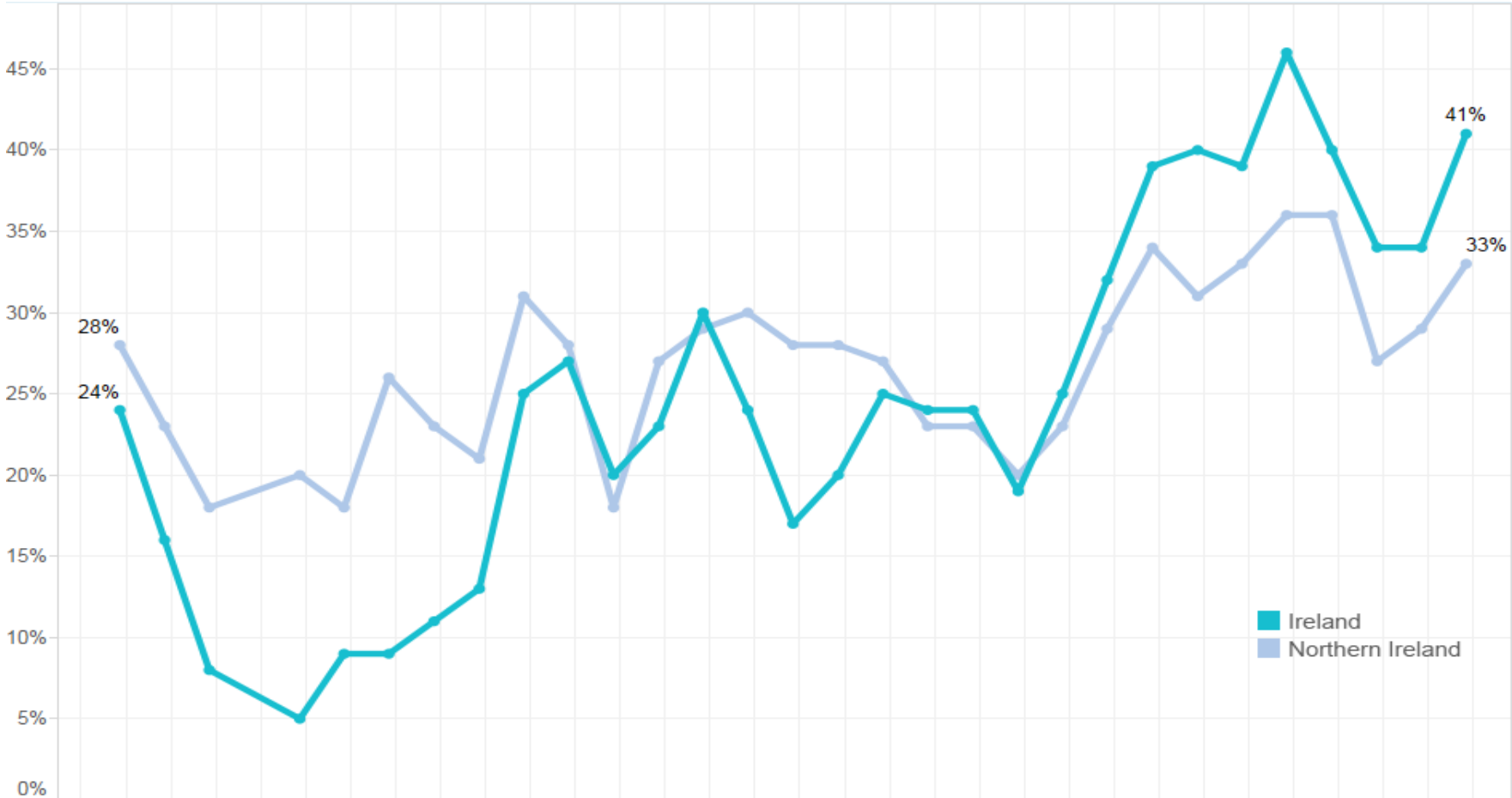


Employment increases



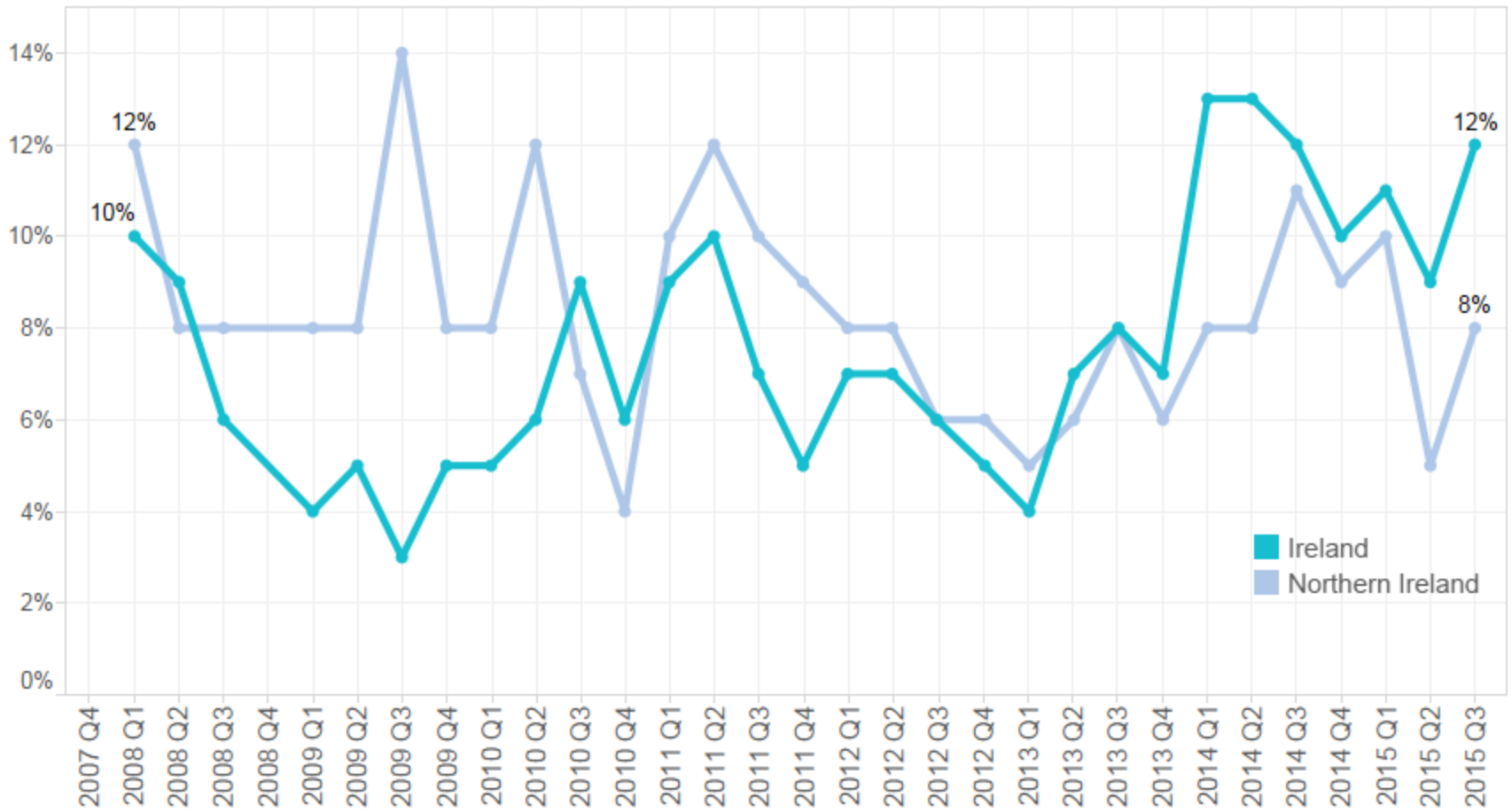
“...but a growing divergence in sales performance between North and South...”

Businesses increasing sales in past quarter



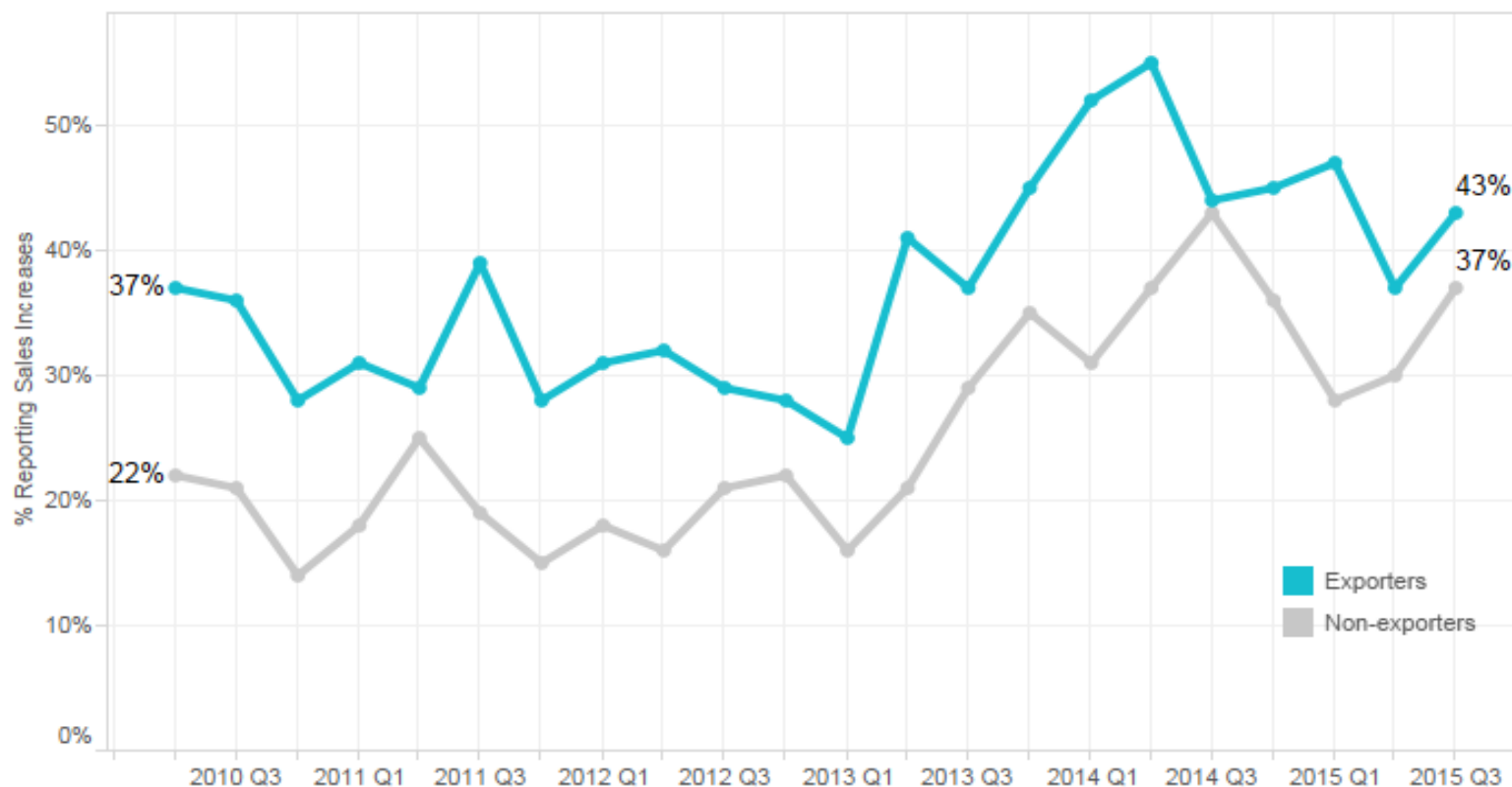
“...and in employment performance.”

Businesses increasing employment in past quarter



“In spite of difficult economic tailwinds exporters still continuing to out-perform those relying on the domestic market...”

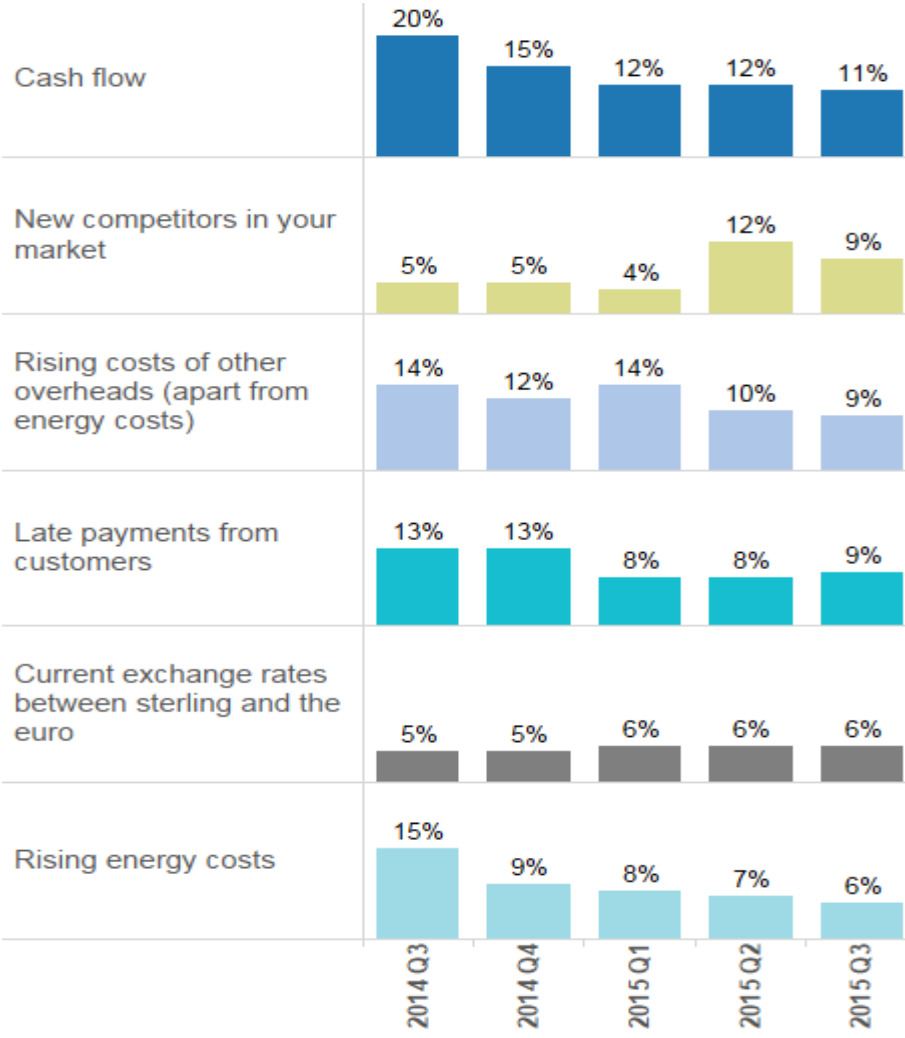
Businesses increasing sales: exporters vs non-exporters



“...and issues for business now increasingly arising from market pressures.”

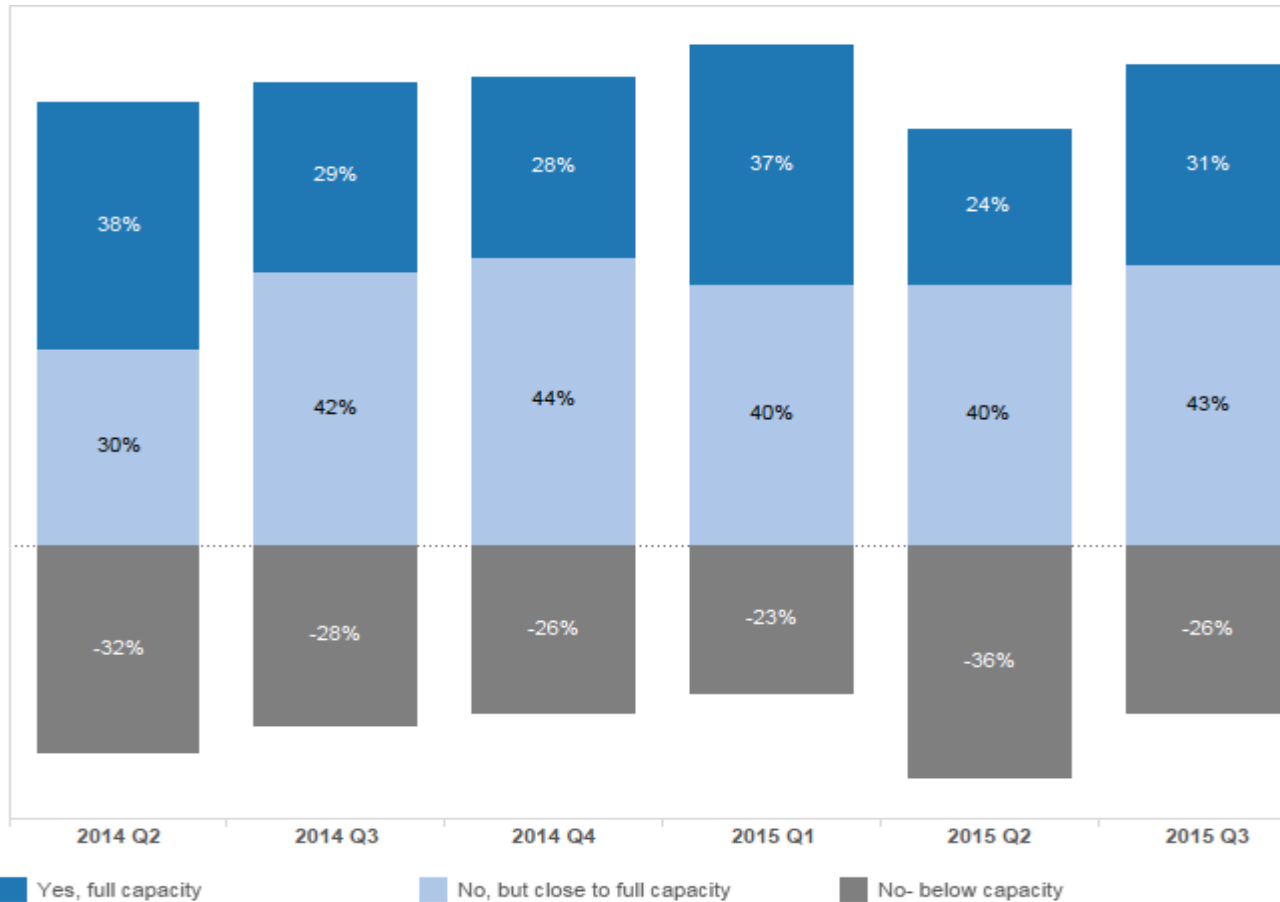
Key challenges for businesses

- ❑ Most of the challenges faced by businesses continue to decline in importance and the biggest ones are now due to pressures from the market
- ❑ Cashflow now the leading issue facing firms closely followed by managing internal costs
- ❑ Competition is a concern for a significant number of firms, especially exporters
- ❑ Energy costs has declined from the biggest issue, given low oil prices, but still a concern for large firms and those in hospitality
- ❑ Euro/sterling exchange rates continues to be an issue, particularly for exporters, larger businesses and manufacturers



“Despite the recovery most businesses still have a lot of spare capacity...”

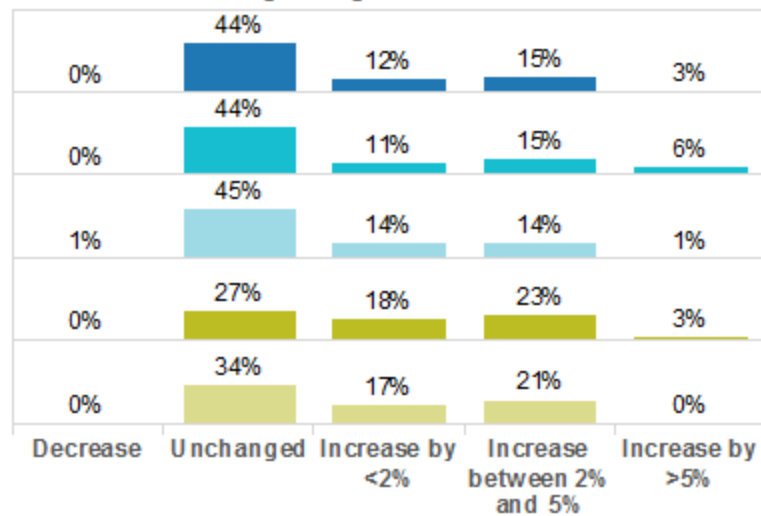
Are businesses operating at capacity?



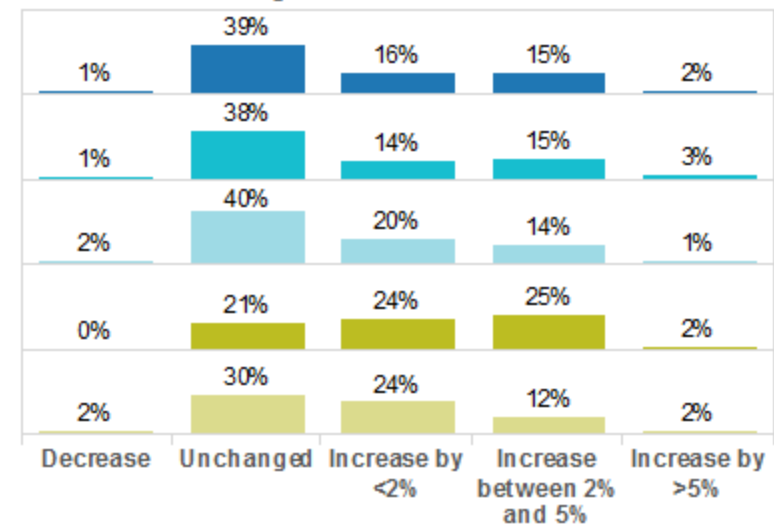
“... and only a third of all firms plan wage rises in the next year, rising to half of all larger firms.”

Are businesses planning to increase wages in the next year?

% of firms increasing management salaries

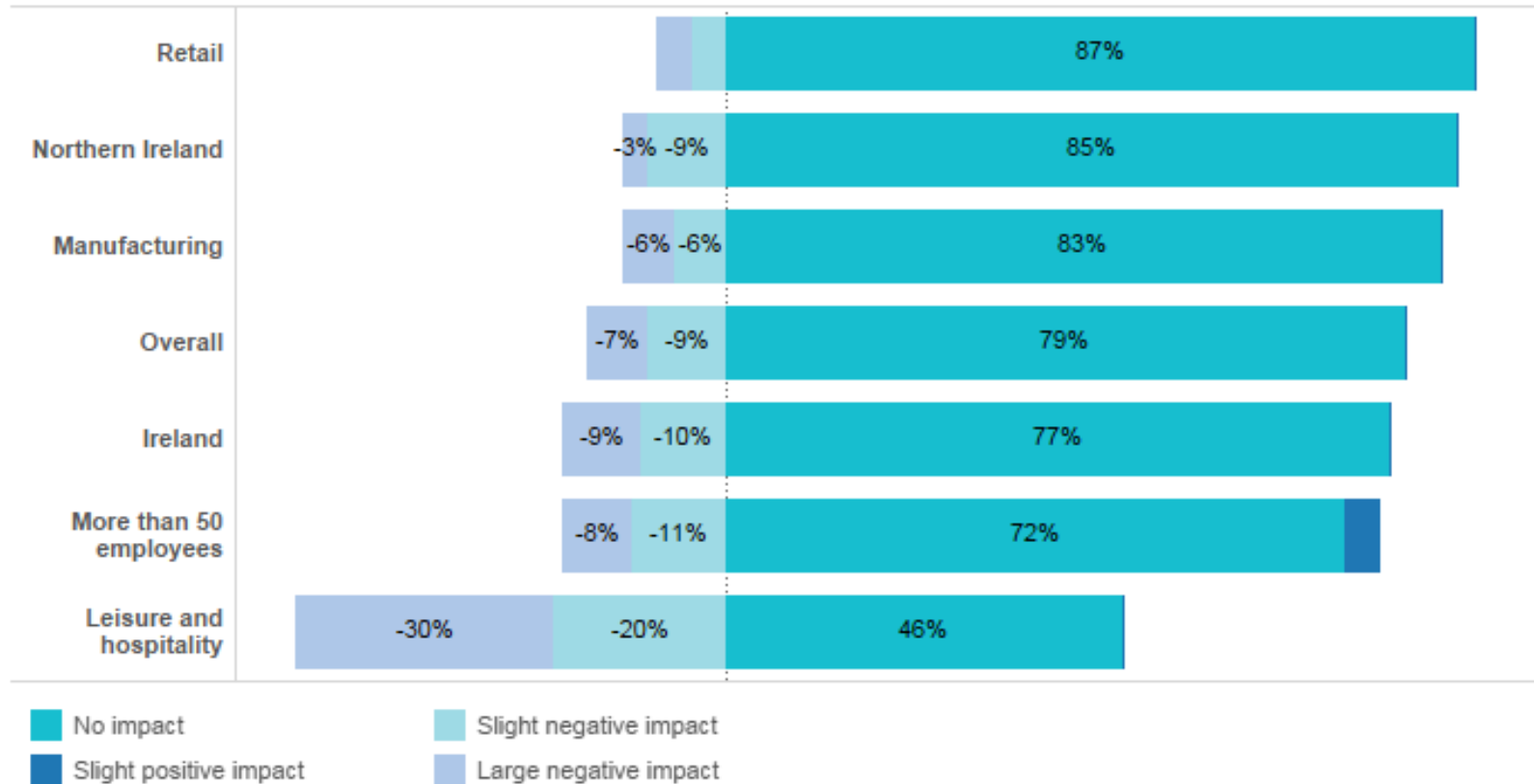


% of firms increasing staff salaries



■ Overall
■ Ireland
■ Northern Ireland
■ More than 50 employees
■ Manufacturing

“Finally, a majority of firms, excepting the hospitality industry, do not expect the national living wage to have a negative impact...”



Conclusions...

Recovery continues to develop but still not being felt by all firms...

Significant divergence between North and South in sales and employment performance of firms...

The issues facing firms now much more focussed on the normal market pressures: cash management, competition and winning new customers...

Spare capacity remains in many firms leading to less pressure for wage rises...

...and about a quarter of businesses employ staff below the national living wage making the impact of this a factor only for some firms, especially in hospitality.



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