

Business Monitor Survey Q2 2012



Business
Confidence

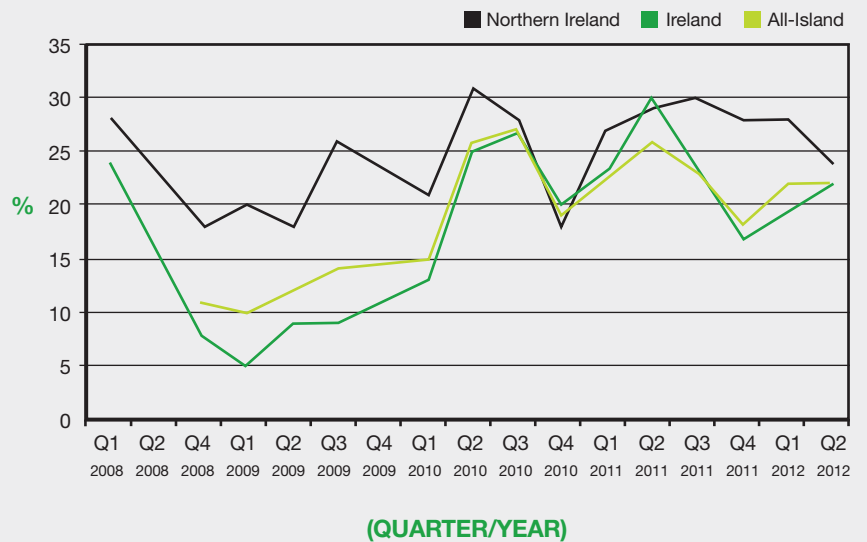
Key Findings Q2 2012

<p>Just over a fifth (22%) of businesses reported an increase in sales in Q2 2012, less than the third (34%) reporting a decrease.</p>	<p>Manufacturing and Business Services firms (both 31%) out-performed every other sector in sales increases in Q2 2012.</p>
<p>Over a fifth (21%) of businesses said they had not been profitable in the last 12 months – more in Ireland (26%) than Northern Ireland (11%).</p>	<p>Over a tenth (13%) of firms have decreased their prices over the last 3-6 months, particularly businesses located in Ireland, but many fewer than last quarter (34%).</p>
<p>Less than one in seven (13%) of firms reported they were currently in growth mode with almost half (46%) contracting, fighting for survival or winding up.</p>	<p>Just over one in ten (12%) have approached banks, venture capital funds or government agencies for financial support in the past six months.</p>
<p>Over one in four businesses (27%) cite rising costs as a very large issue for their firm, closely followed by cashflow (26%).</p>	<p>Almost three quarters (71%) of businesses are not members of any formal business networks.</p>

Sales increases...

The number of businesses (22%) who reported an increase in sales in Q2 2012 remains the same as last quarter. The gap between businesses in Northern Ireland (24%) and those in Ireland (22%) reporting an increase has narrowed again this quarter. There are still many more large firms (35%) increasing their sales than small ones (20%) and Manufacturing and Business Services were again the best performing sectors with a possible seasonal pick-up in sales for the hospitality sector.

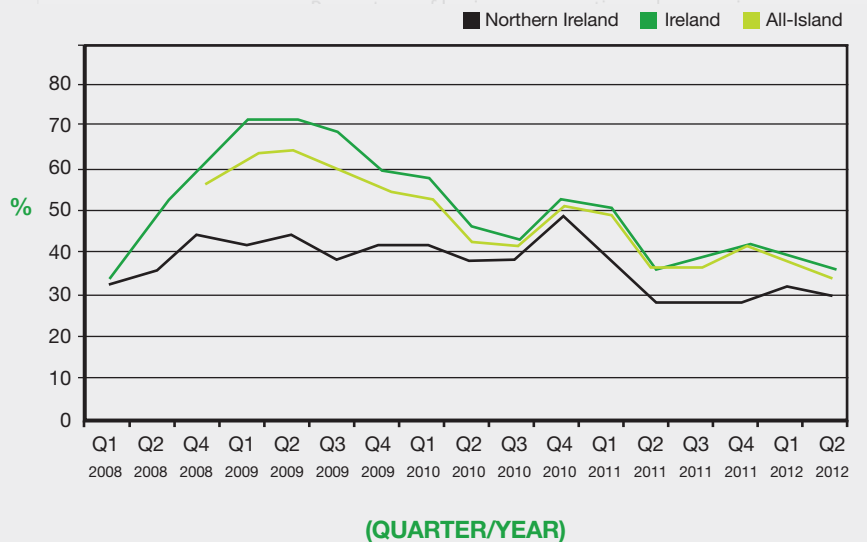
Percentage of businesses reporting an increase in sales from Quarter 1 2008 to Quarter 2 2012



Sales decreases...

There was another small fall in the number of businesses (34%) reporting a decrease in sales. The figures are now close to where they were four quarters ago (36%) after a rise in the intervening year. The gap between firms in Ireland (36%) and their peers in Northern Ireland (30%) continues to close. Small firms (35%), businesses who trade only in their local market (39%) and those in retail (40%) and 'other services' (42%) all report higher than average decreases in sales.

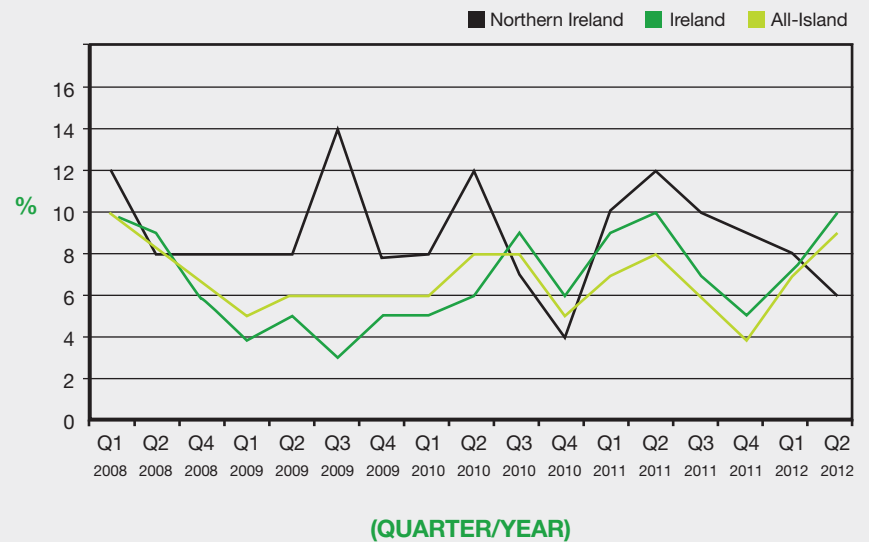
Percentage of businesses reporting a decrease in sales from Quarter 1 2008 to Quarter 2 2012



Employment increases...

Less than one in ten (9%) of businesses across the island reported an increase in staff numbers in Q2 2012, although this is the second quarter to show a small rise. Large firms (27%), exporters (12%) and cross-border traders (12%) are far outperforming the average in this area. In terms of sectors, Manufacturing firms (13%) are better than average with fewer retail (6%) or construction (7%) businesses hiring.

Percentage of businesses reporting an increase in employment from Quarter 1 2008 to Quarter 2 2012



Employment decreases...

Just over one in eight (12%) firms reported that they had decreased the size of their workforces in the previous quarter. This figure has remained the same for three quarters and there is little difference between Northern Ireland (11%) and Ireland (13%). Large firms (17%) have been more active in decreasing their workforces than medium or small businesses. When it comes to sectors the figures are consistent with the exceptions of Construction (17%) and Business Services (16%) which have been laying off more than others.

Percentage of businesses reporting a decrease in employment from Quarter 1 2008 to Quarter 2 2012

