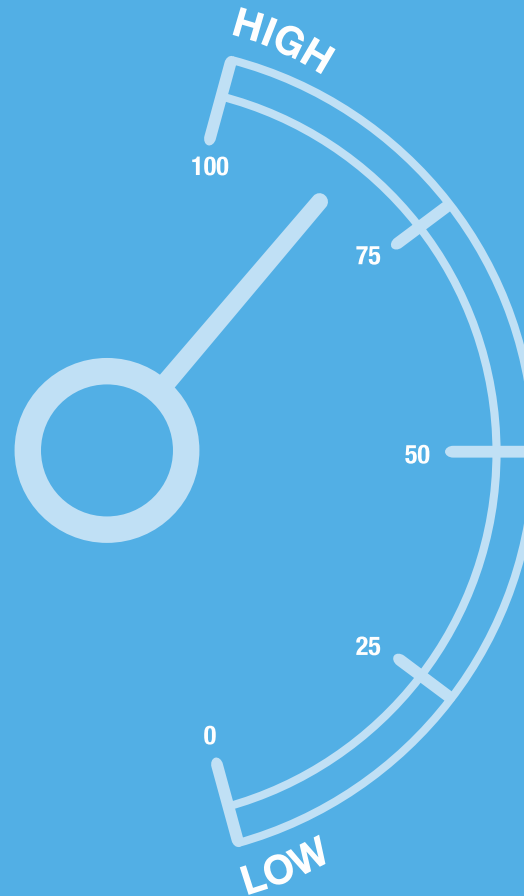


InterTradelreland

Business Monitor Q2 2014

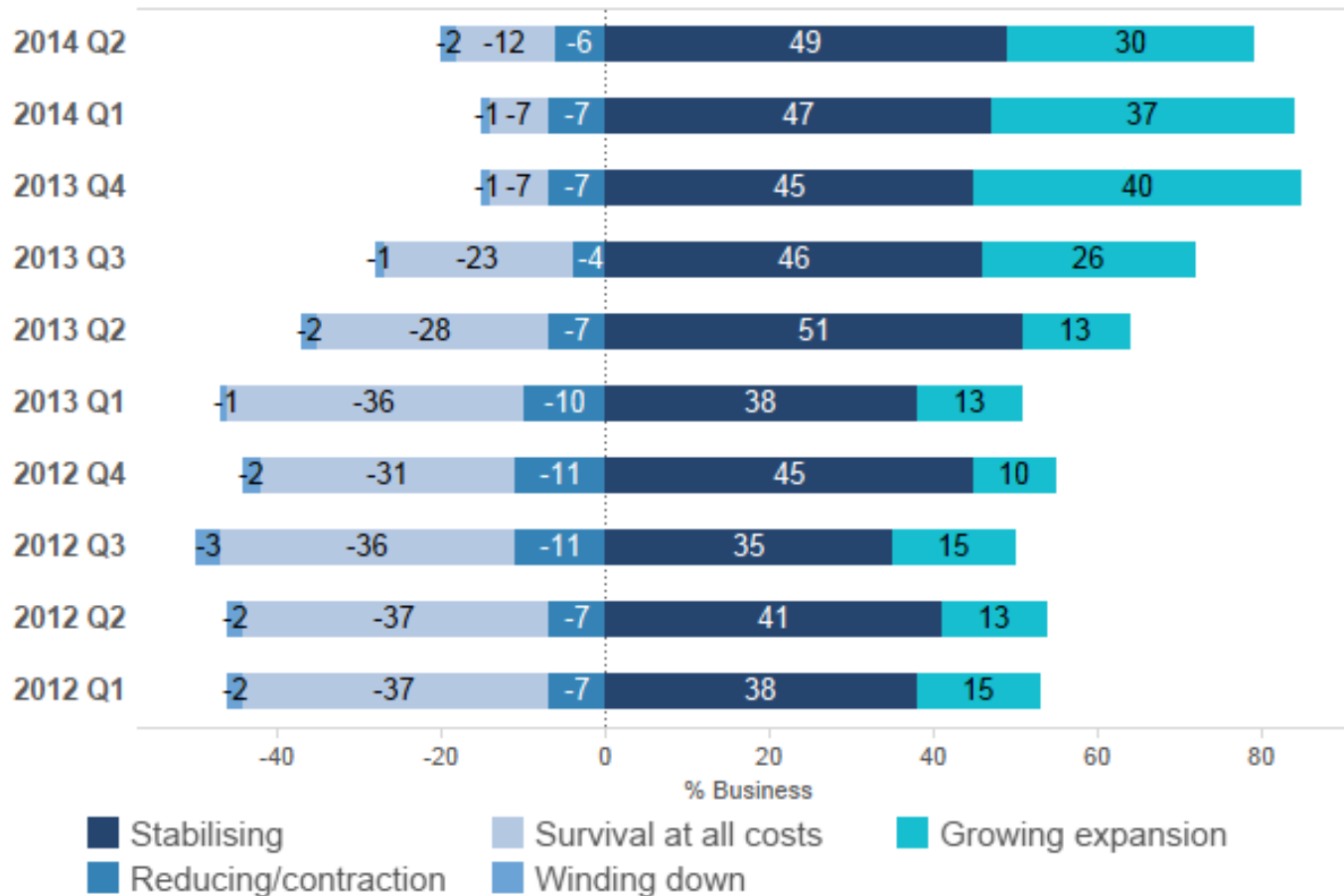


Business
Confidence

Business conditions

- Business position
- Employment levels
- Key challenges for businesses

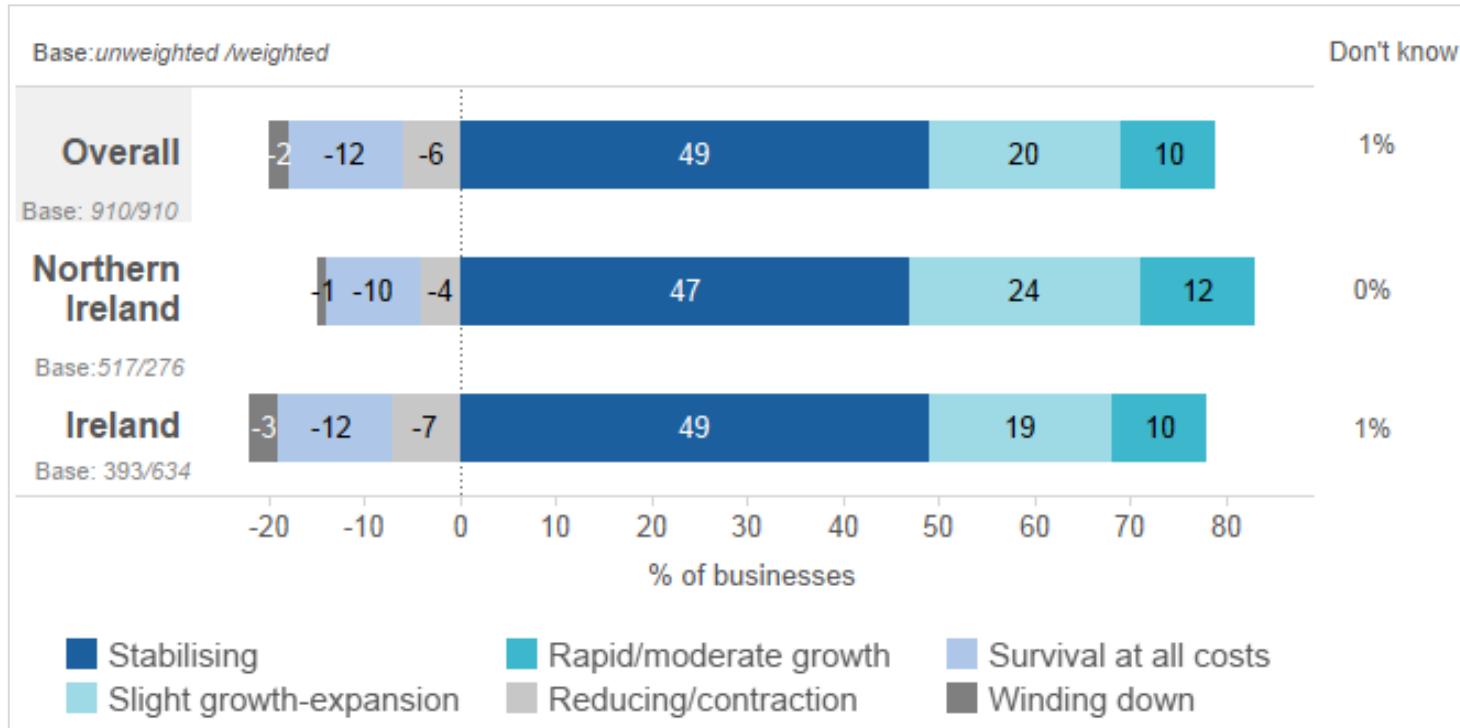
Business position



“Positive signs combined with caution as one third of firms are in growth mode...”

Business position by location

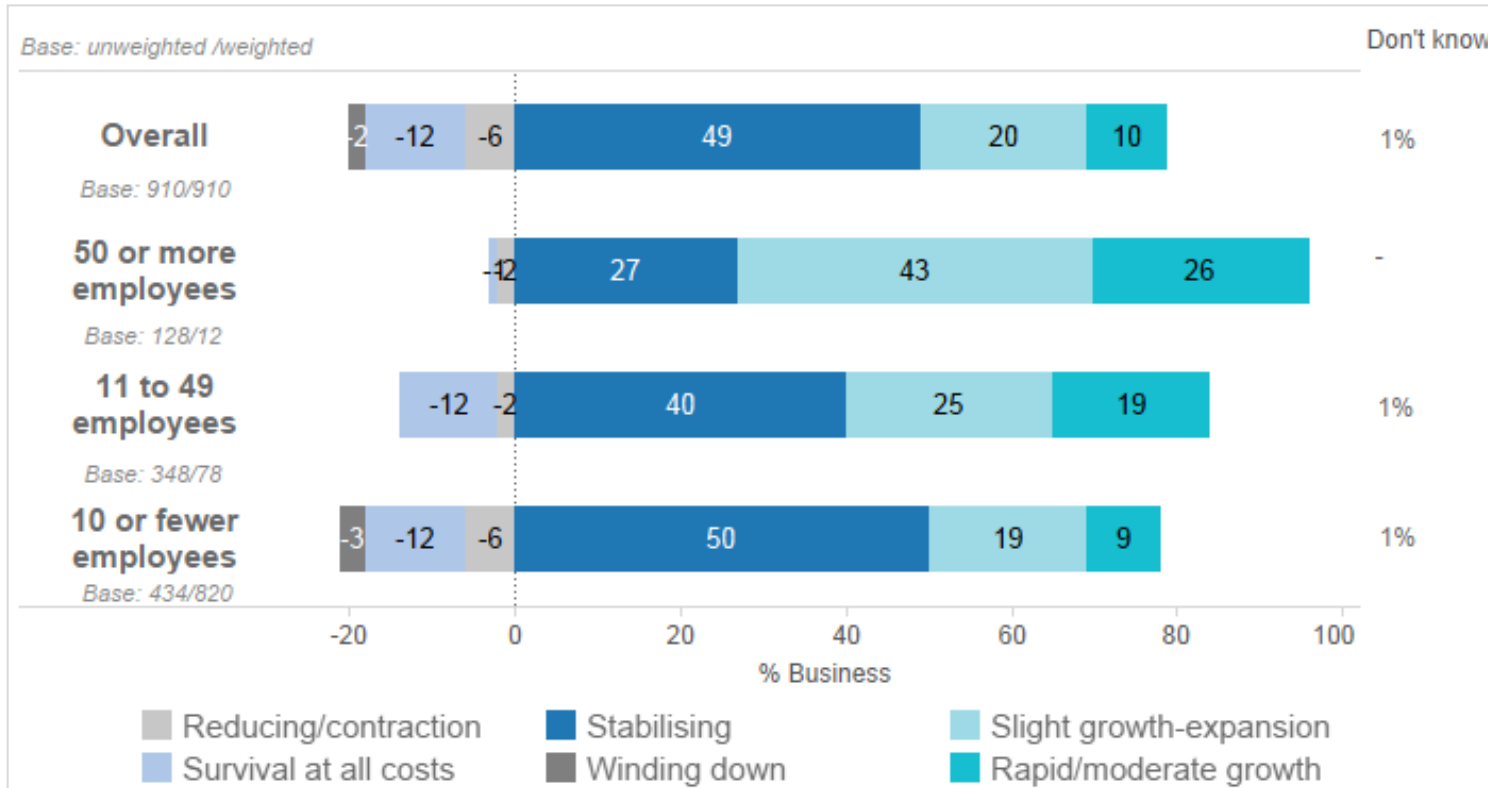
Which of the following best describes the current position of your business?



“Both economies in positive territory...”

Business position by firm size

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



“All firms recovering but larger firms growing more strongly...”

Businesses increasing employment

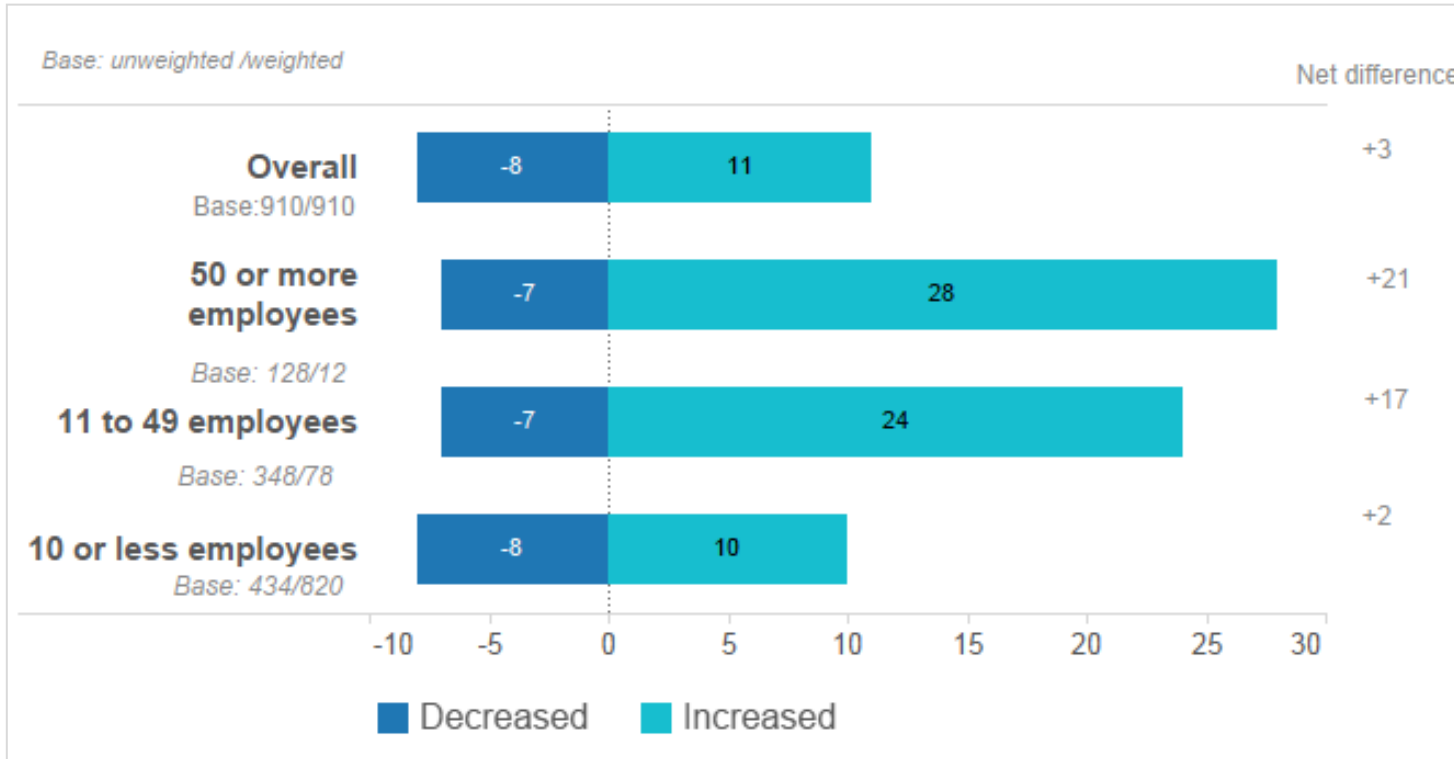
Businesses (%) reporting an increase in employment levels



“Consolidation in the number of firms employing...”

Employment changes by firm size

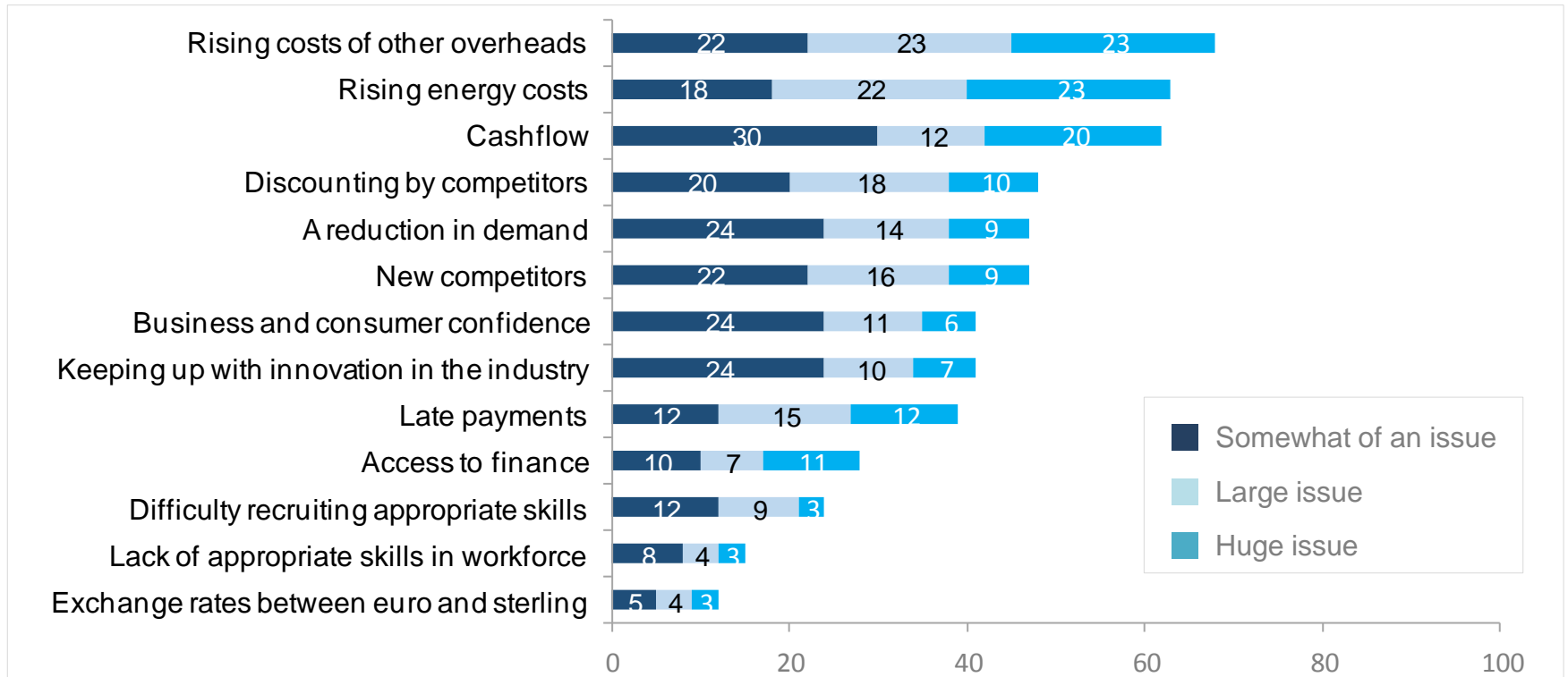
Over the past quarter has your number of employees has...?



“Larger firms continue to be more likely to employ...”

Key challenges for businesses

To what extent are each of the following an issue for your business currently? (% of firms)



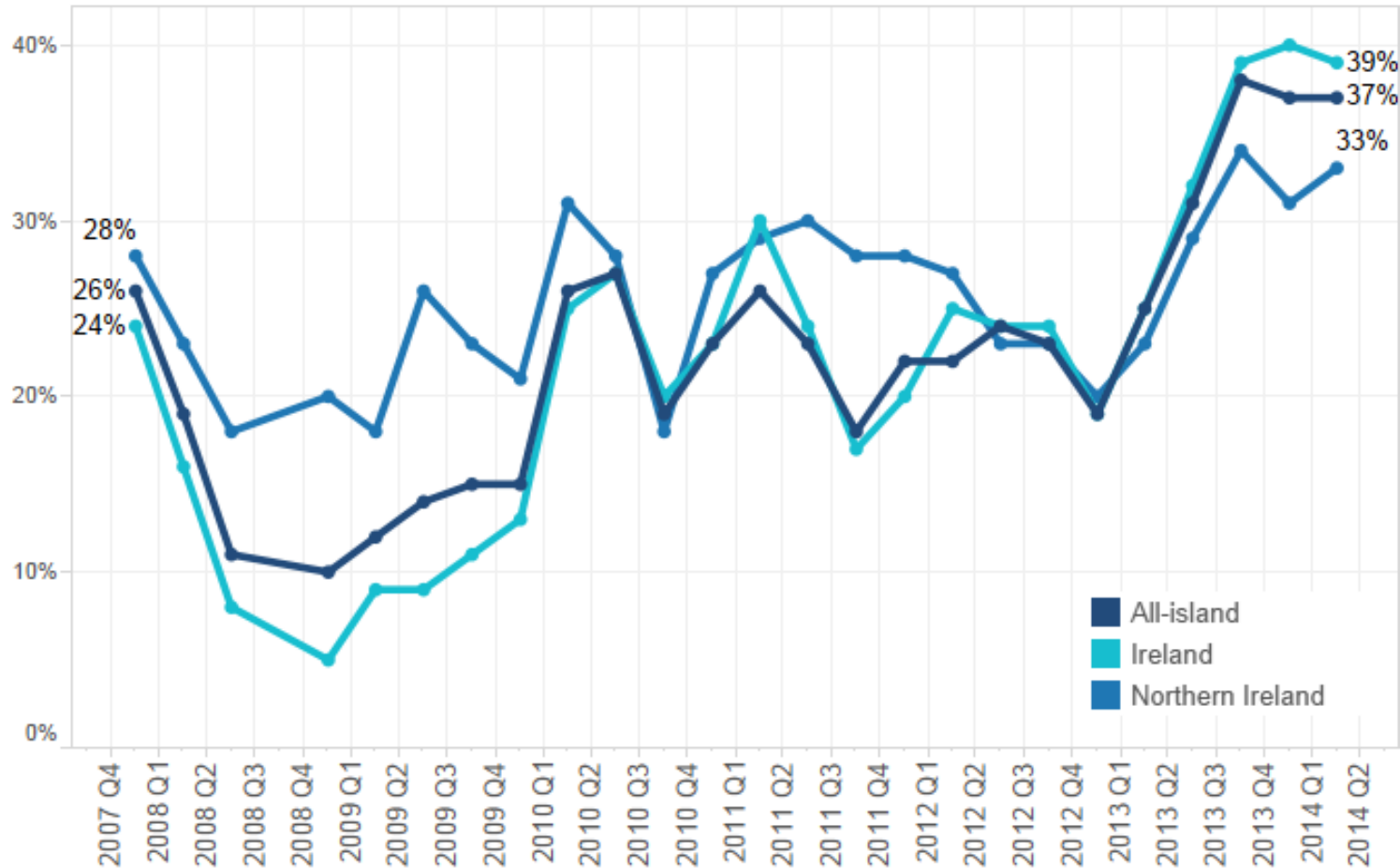
“Costs remain the key issue but cash flow is a growing challenge...”

Sales and export barometer

- ❑ Sales performance
- ❑ Exporters performance

Sales performance

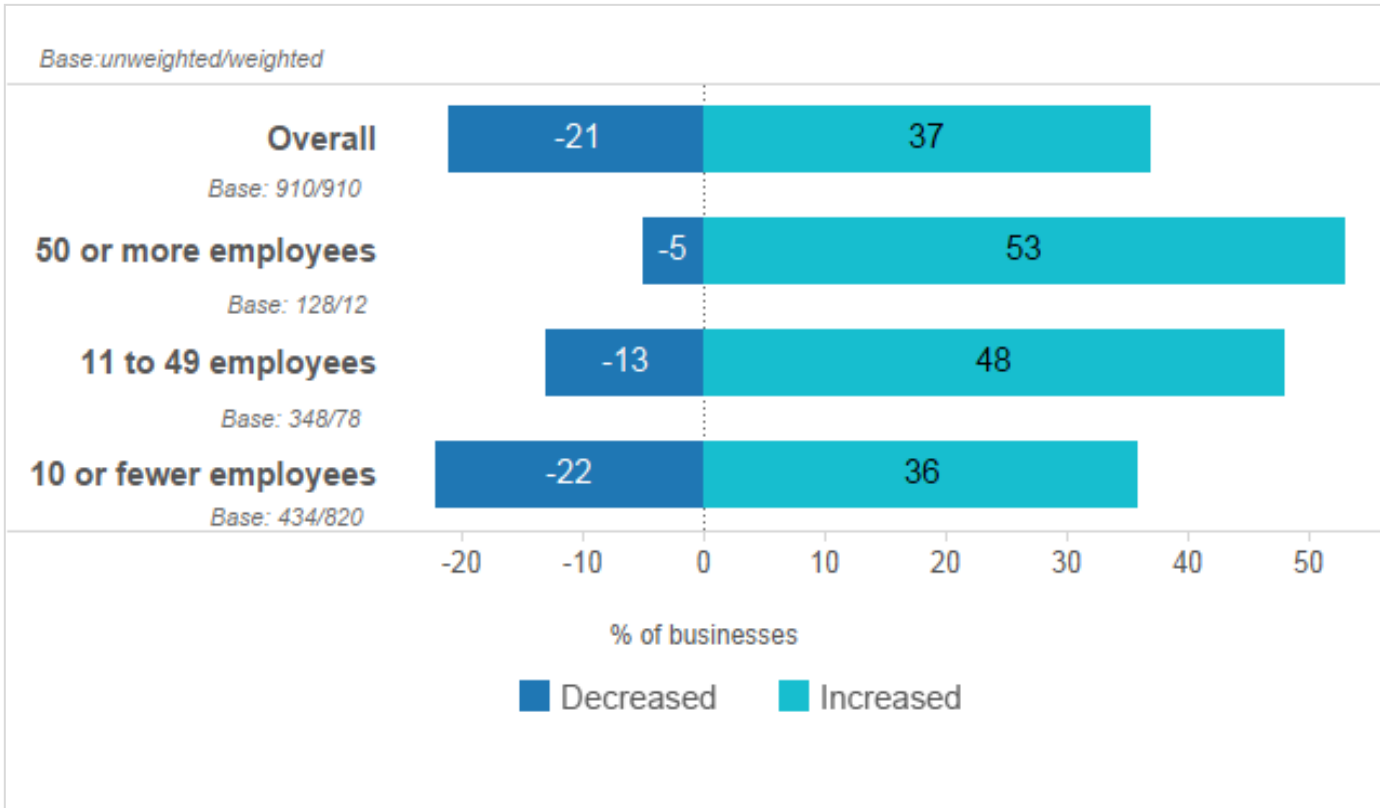
Businesses (%) reporting an increase in sales



“ Small increase in sales performance in Northern Ireland part of an overall positive picture...”

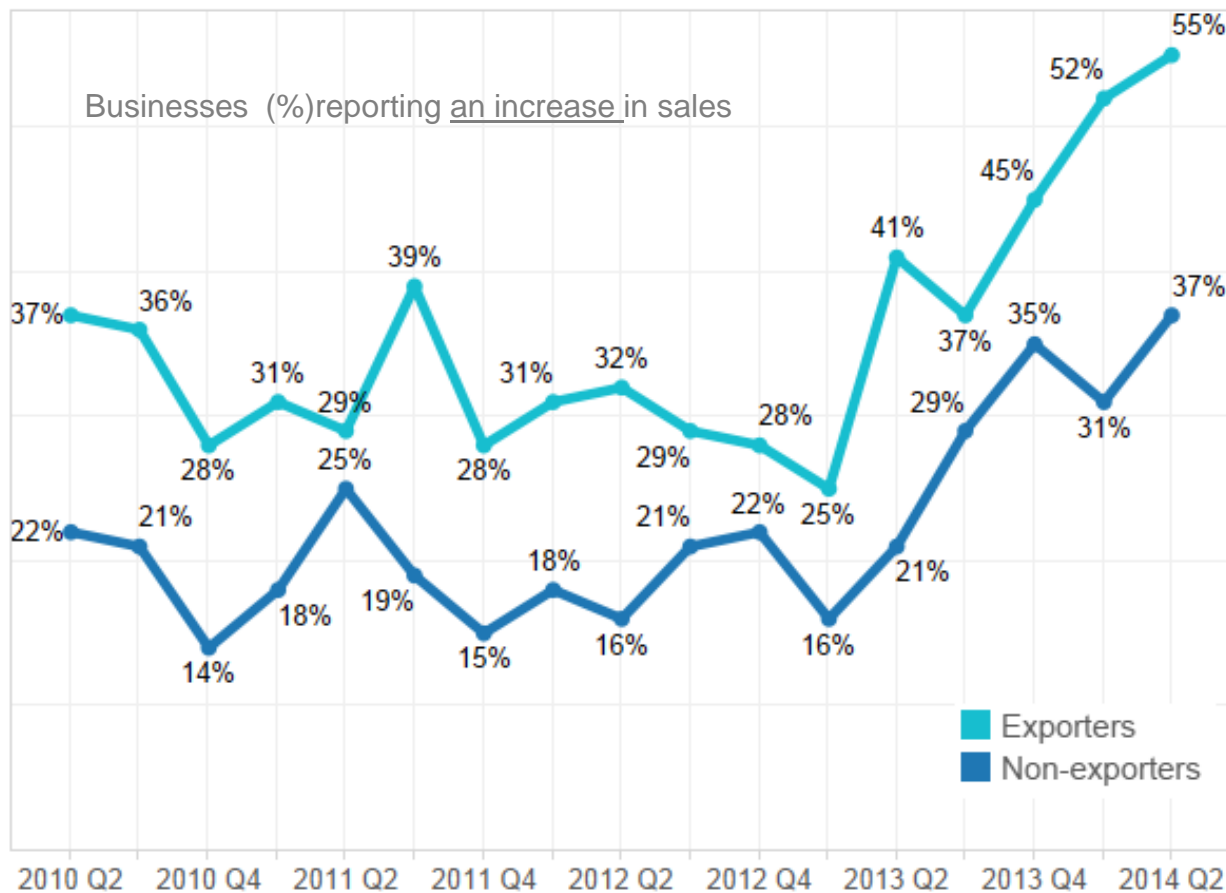
Sales performance by firm size

Have your sales over the past quarter increased or decreased?



“Improving sales performance in general although a cohort of micros still struggling to find customers...”

Sales increases: Exporters vs non-exporters

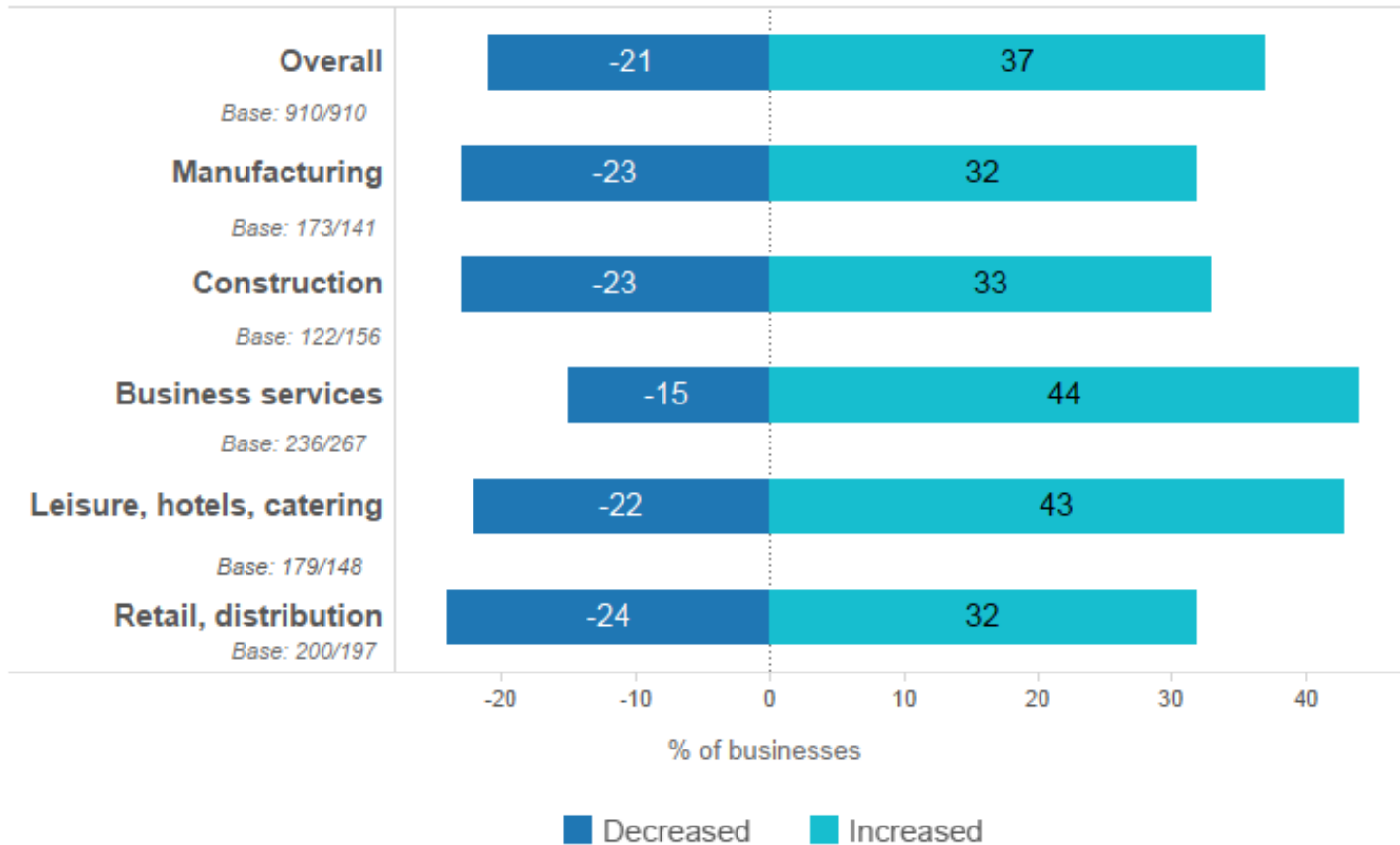


*“Sales premium
for exporters still
in evidence...”*

Sales performance by sector

Have your sales over the past quarter increased or decreased ?

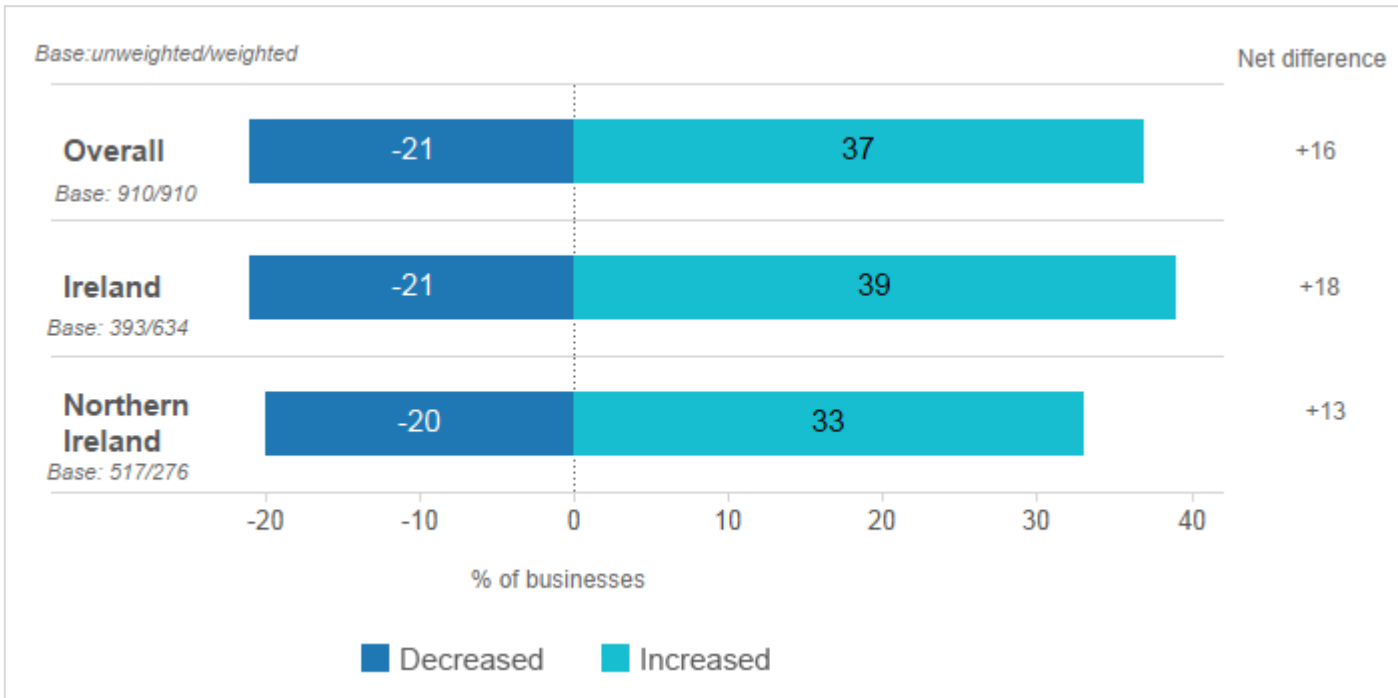
Base: unweighted/weighted



“ Positive sales performance in all sectors...”

Sales performance by location

Have your sales over the past quarter increased or decreased ?



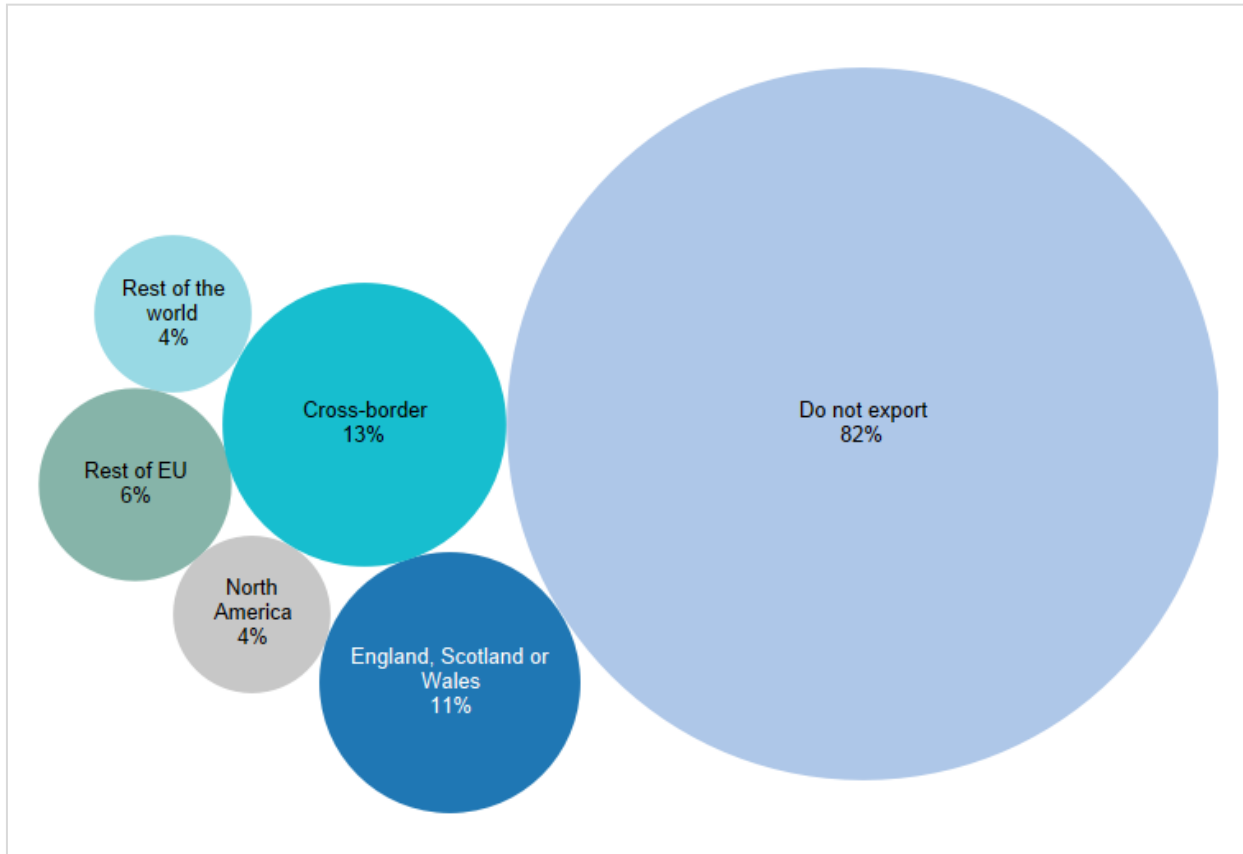
*“Similar trends
in the sales
performance
of both
economies...”*

Exporting activity

- Export destination
- Levels of cross-border trade
- Why SMEs are not exporting cross-border
- Factors influencing SMEs export activity
- How long have SMEs been exporting?
- Expectations on cross-border trade

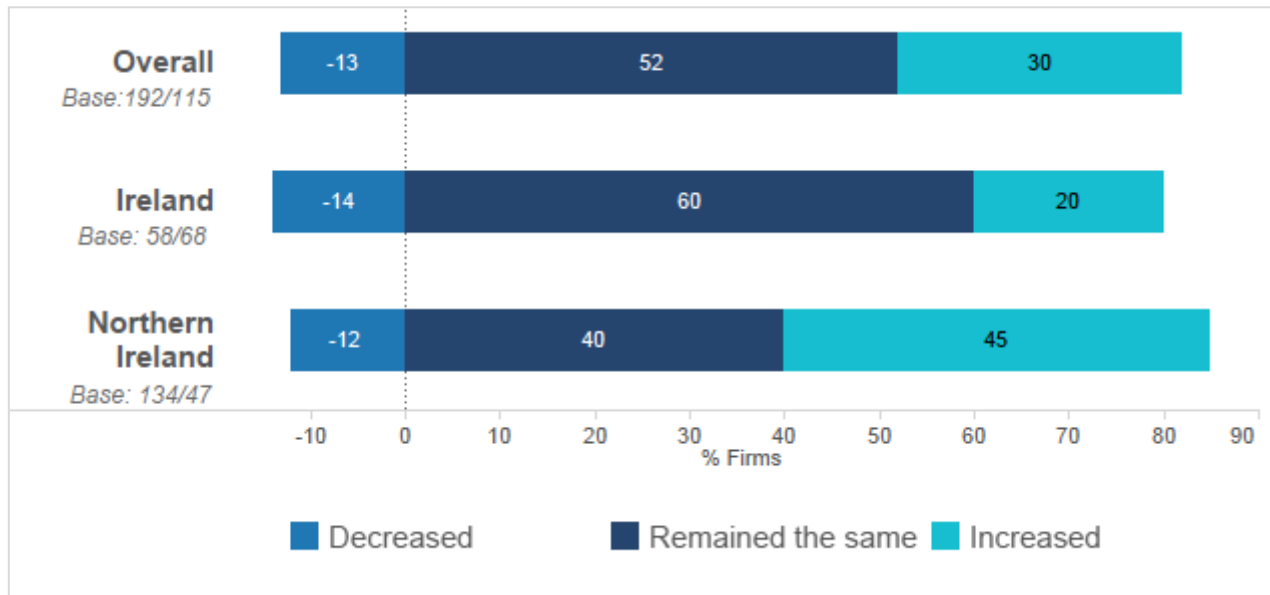
Export destination

Has your business undertaken sales in the past 12 months to any of the following locations?



Change in levels of cross-border exports by location

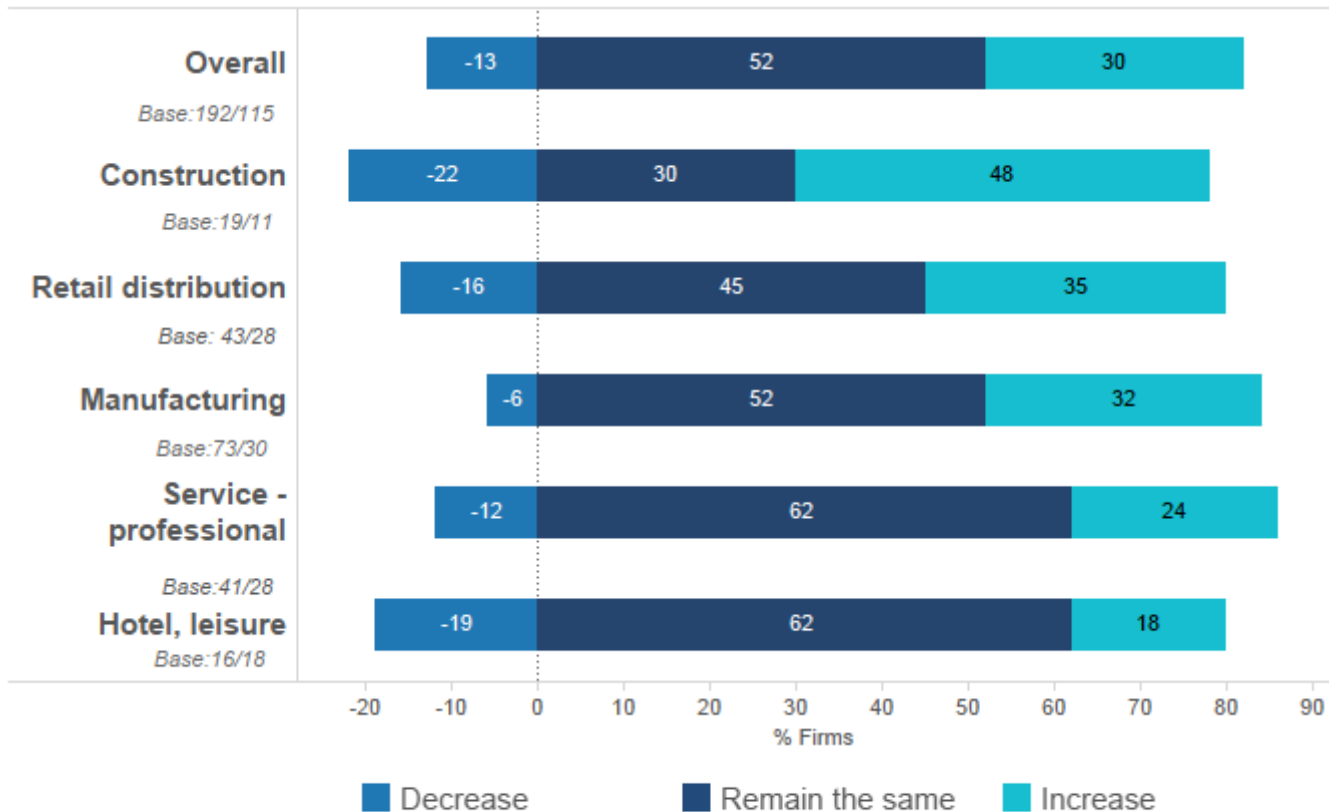
Have your cross-border sales increased, decreased or remained the same compared to the previous 12 months?



“All cross-border traders seeing good market growth, especially those in Northern Ireland...”

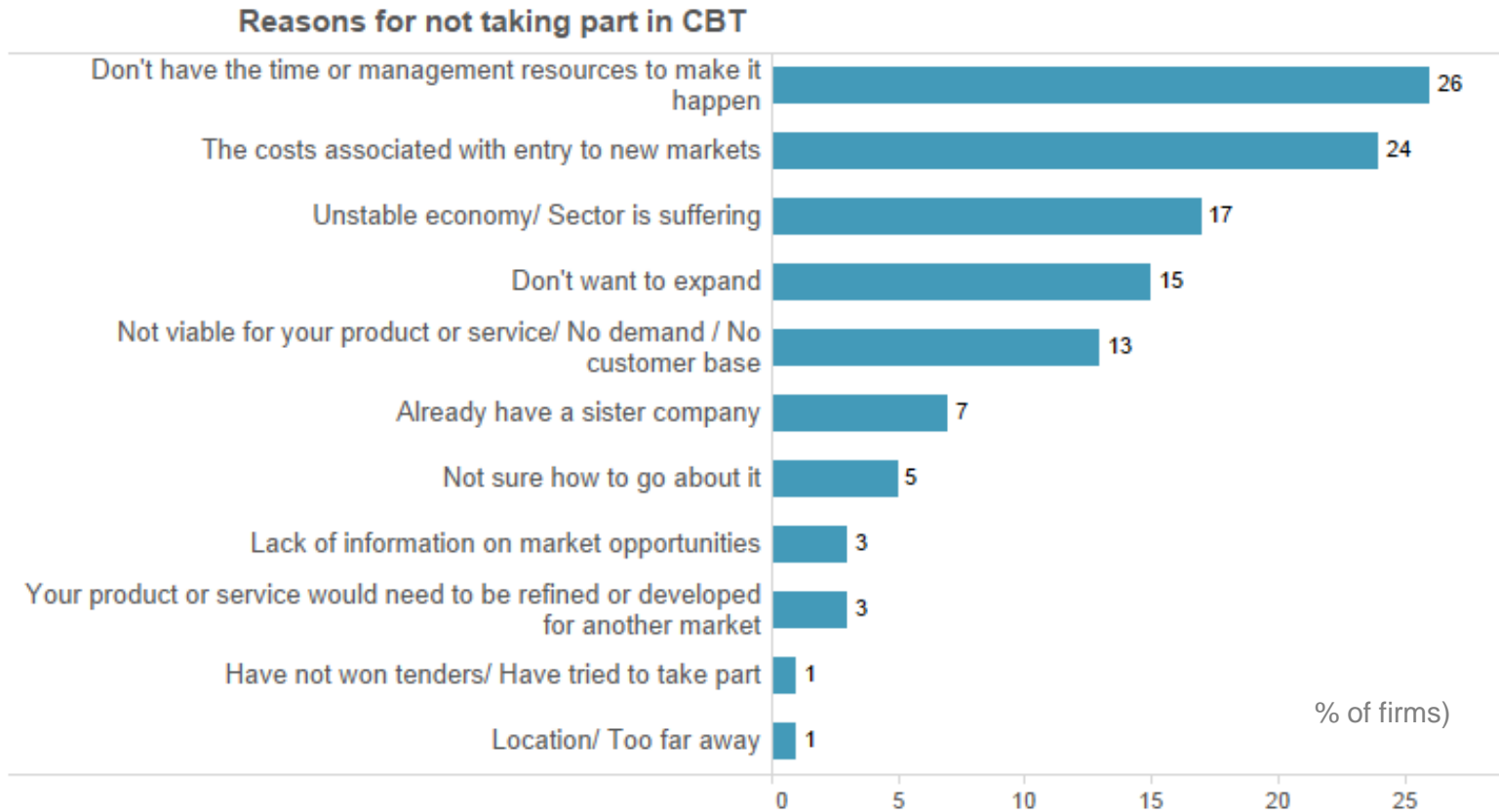
Change in levels of cross-border exports by sector

Have your cross-border sales increased, decreased or remained the same compared to the previous 12 months?



“Strong growth across all sectors, with the exception of the tourism-related ones...”

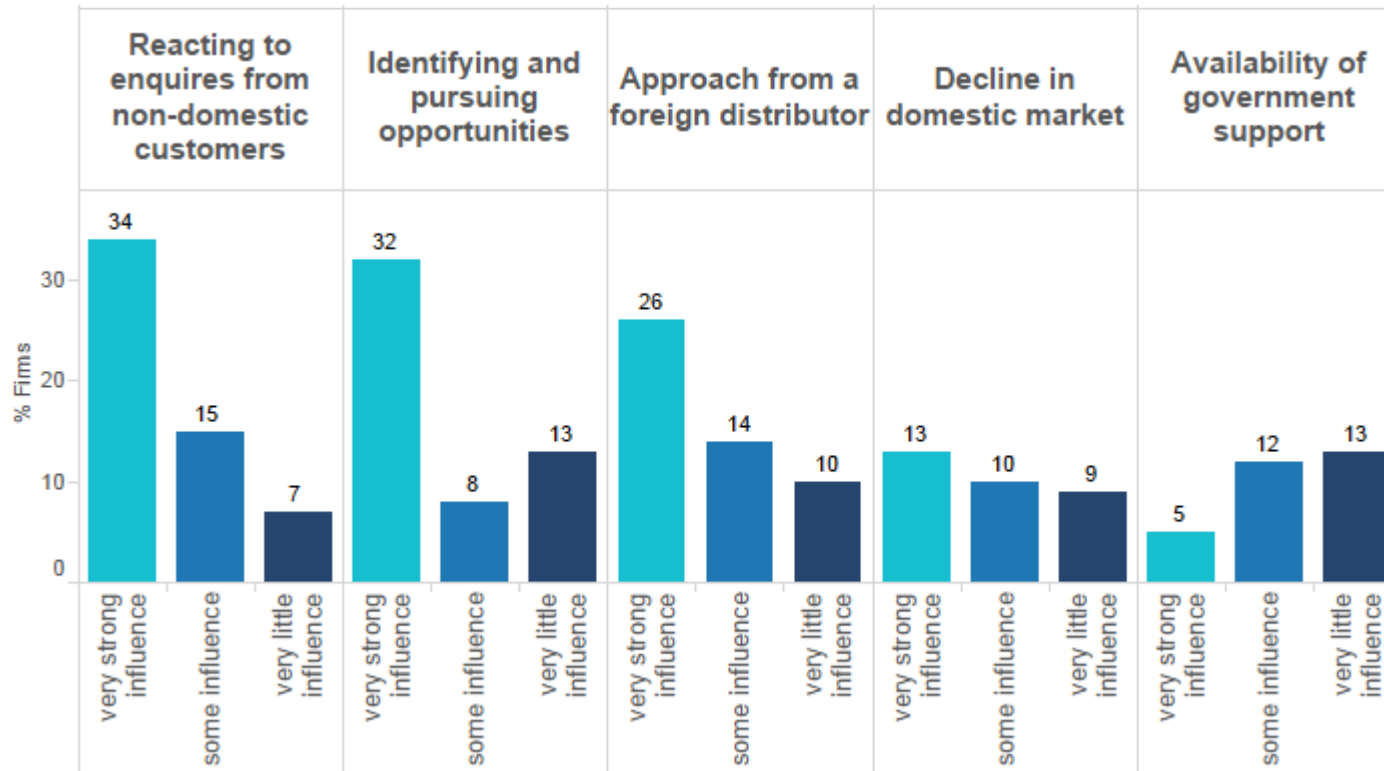
Why SMEs are not exporting cross-border?



“... Resources the key challenge for potential exporters...”

Factors that influence SMEs exporting activity

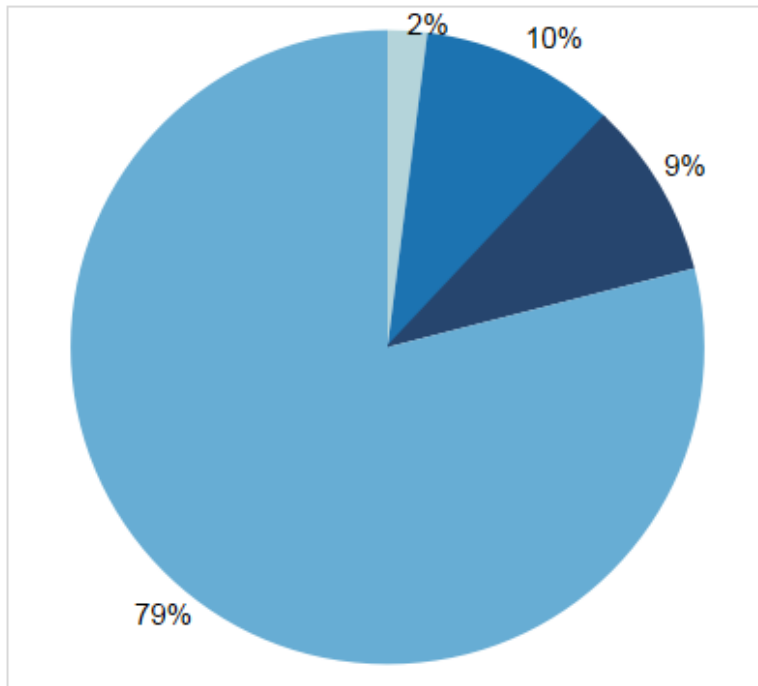
To what extent, if at all, did the following influence the development of your export/cross border business?



“Positive factors driving proactive companies to export...”

How long have SMEs been exporting?

How long has your business been undertaking sales outside the island of Ireland?

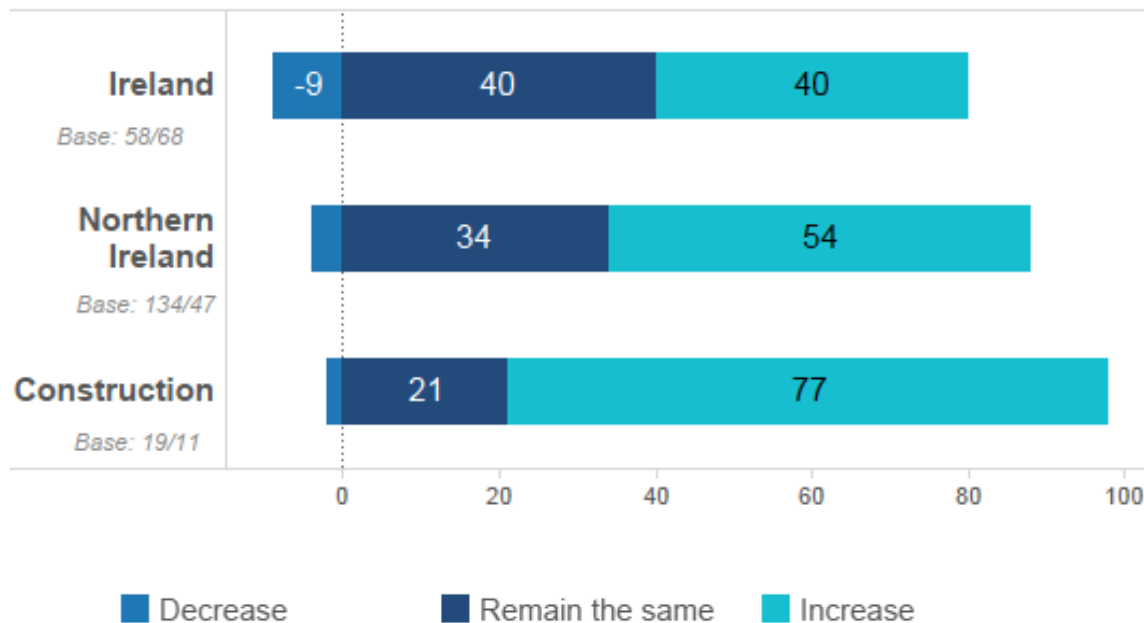


- Less than one year
- More than one but less than three years
- More than three years but less than five years
- More than five years

“Challenge remains to encourage more first time exporters...”

Expectations on cross-border trade by location

Do you expect your percentage of cross border trade to increase, decrease or remain the same over the next 12 months?

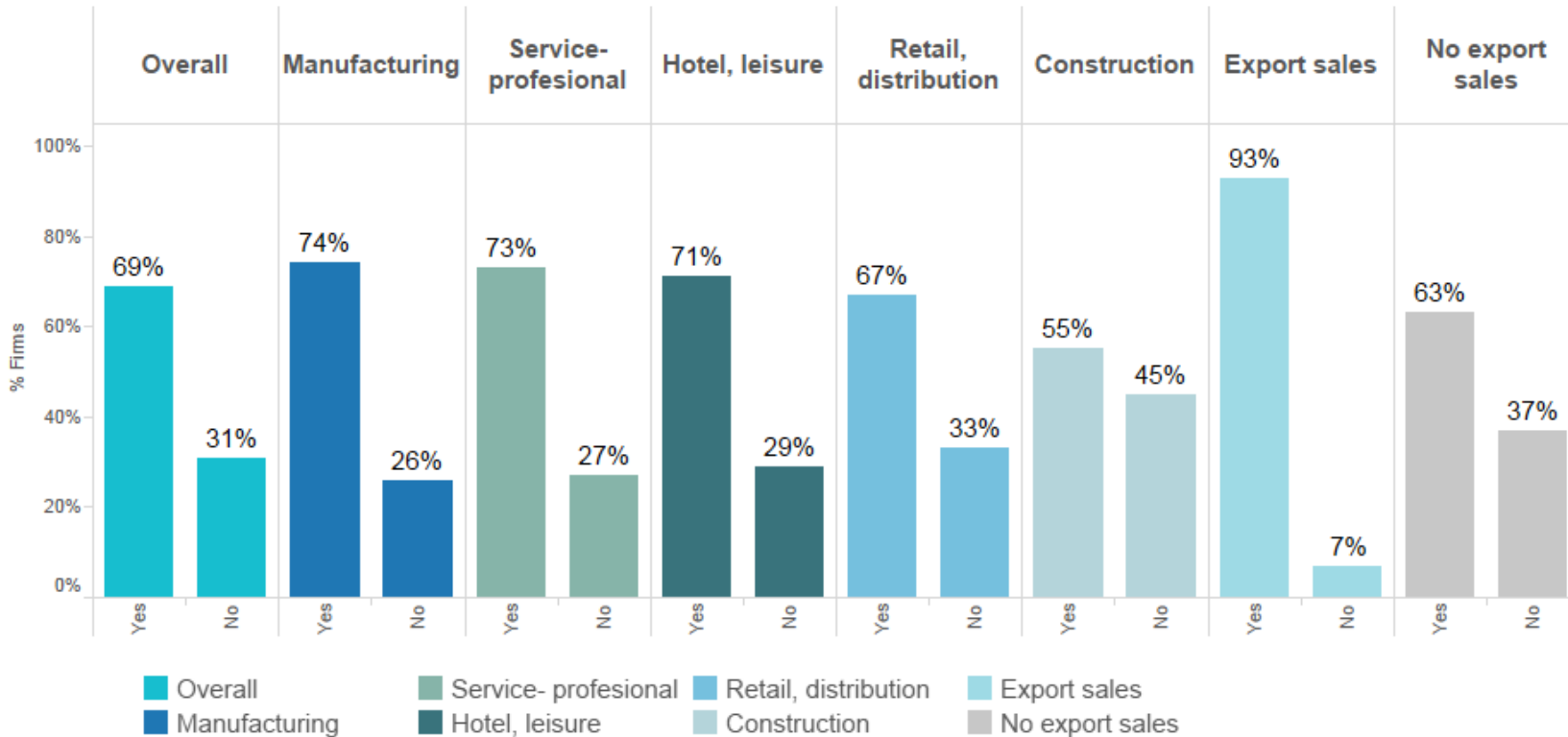


“... Firms expecting the cross-border market to continue to recover strongly...”

SMEs investment plans

Investment plans

Do you have plans to undertake any investment for your business in the next 12 months?



“Exporters and manufacturing businesses most likely to invest...”

In conclusion...

Continuing positive sales and employment performance across all sectors...

Leading to investment plans for the next 12 months...

...but businesses remain cautious about the recovery

Cross-border sales have grown in the last 12 months and a good 2014 expected.

InterTradelreland Business Monitor

InterTradelreland's quarterly Business Monitor survey is the largest and most comprehensive business survey on the island covering business owner's views both Northern Ireland and Ireland from interviews conducted with more than 750 SMEs. It differs from other surveys by feeding directly from telephone interviews conducted with a robust sample of businesses across a range of sectors. It has a lengthy time series of six years and tracks all-island economic indicators such as sales, employment, business outlook and other specific topical issues on a quarterly basis.

In the next quarter, the Business Monitor will look at: Access to finance for SMEs

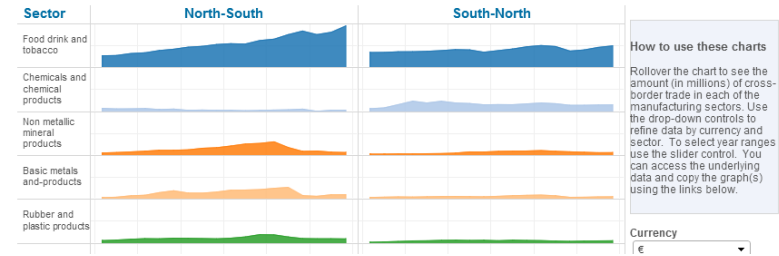
Did you know that at InterTradeIreland's website, you can find cross-border statistics and key data on cross-border flows?

Explore the interactive charts and data at:

<http://www.intertradeireland.com/researchandpublications/trade-statistics/>

Cross-border trade by sector

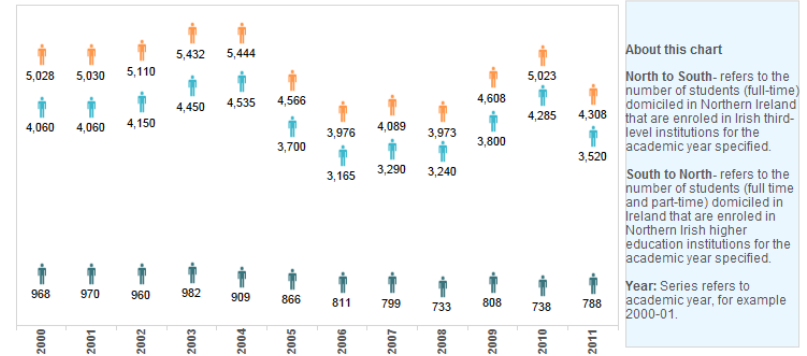
In these charts you will find cross-border trade data and trends for manufacturing sectors. For an analysis of the levels of aggregate and sectoral cross-border trade between Ireland and Northern Ireland, see InterTradeIreland's report 'A Gravity Model Approach to Estimating the Expected Volume of North/South Trade' (2009).



Cross-border Student Flows

These charts give an indication of the number students who are enrolled in higher education institutions from the other. The data supports findings from the OECD report 'Collaborating across borders: the case of Ireland-Northern Ireland' highlights that despite the proximity and absence on language barriers, student mobility north-south of the border, remains low.

Cross-border student flows



Northern Ireland's share of tourism revenue by origin

	2011	2012
Domestic	27.70%	28.55%
GB	36.78%	35.72%
Ireland	9.23%	10.25%
Overseas	26.29%	25.48%

Ireland's share of tourism revenue by origin

	2011	2012
Domestic	24.66%	23.83%
GB	19.35%	18.78%
Northern Ireland	5.15%	5.04%
Overseas	50.84%	52.35%

Tourism revenue by origin

