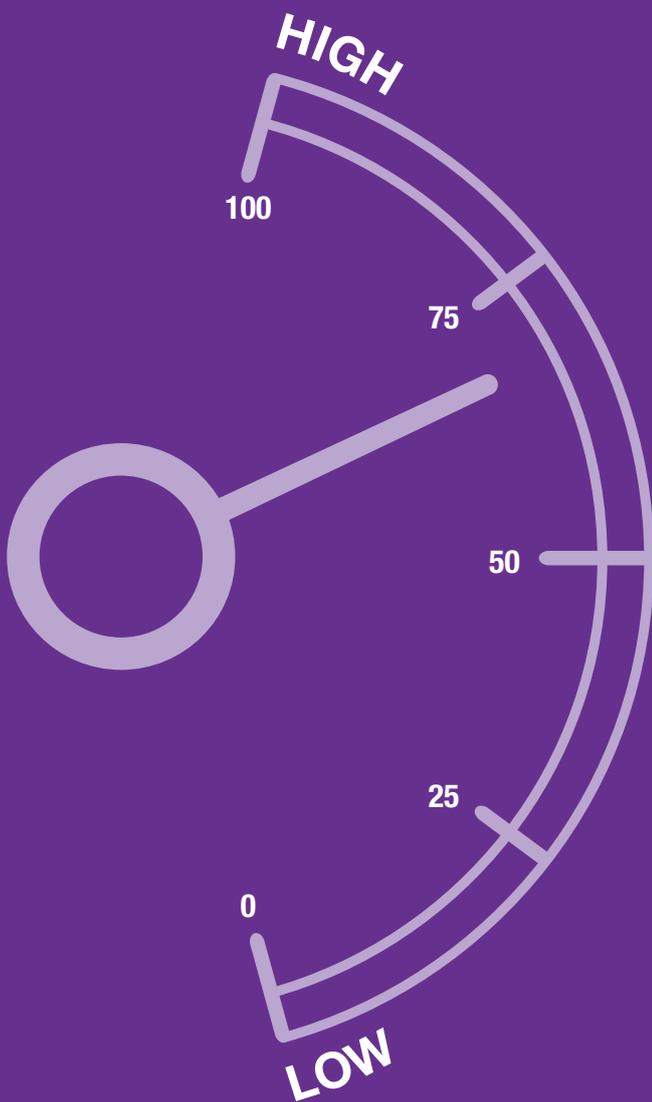


InterTradelreland
**Business
Monitor
Q3 2013**



Business
Confidence



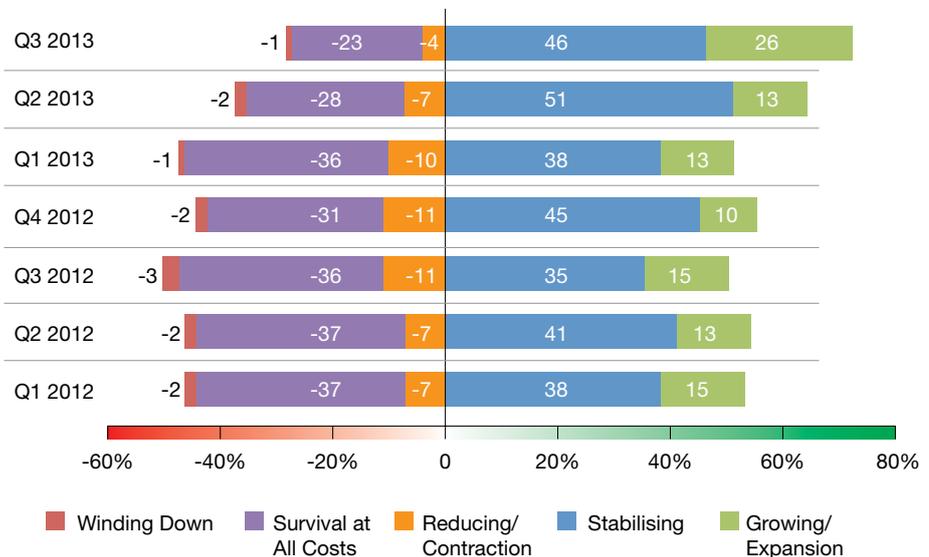
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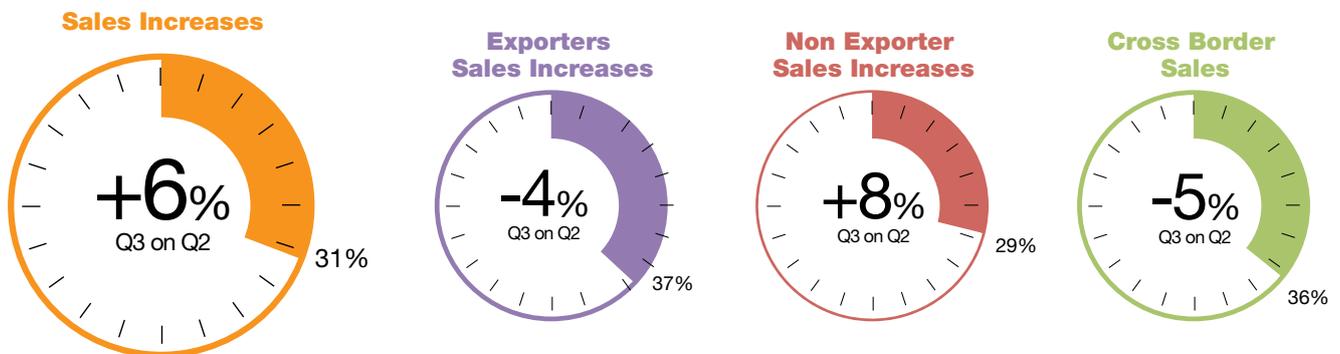
Overview Q3

Business Conditions

This quarter, **26% of companies are in Growing/Expansion mode**. The percentage of companies in growth mode is the highest to date and has doubled from last quarter (13%).

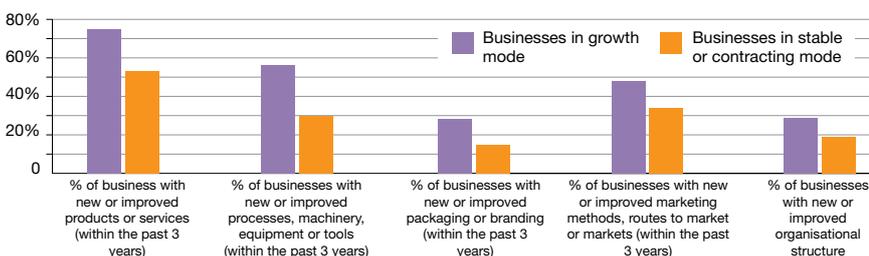


Export and Sales Barometer



31% of Businesses reported an increase in sales this quarter, up 6% on Quarter 2. Exporters and cross-border traders are still more likely to be growing (37% and 36% respectively), however there has been an 8% increase in non-export firms reporting sales increases.

In Focus: Business and innovation

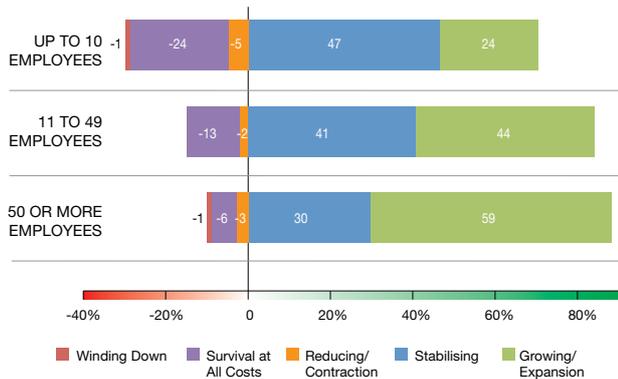


“It is clear in the results, that companies in growth mode have taken on the competitive challenge brought with the economic downturn by doing things differently and by being willing to take risks and innovate”

Aidan Gough, Strategy and Policy Director, InterTradelreland

Business Conditions

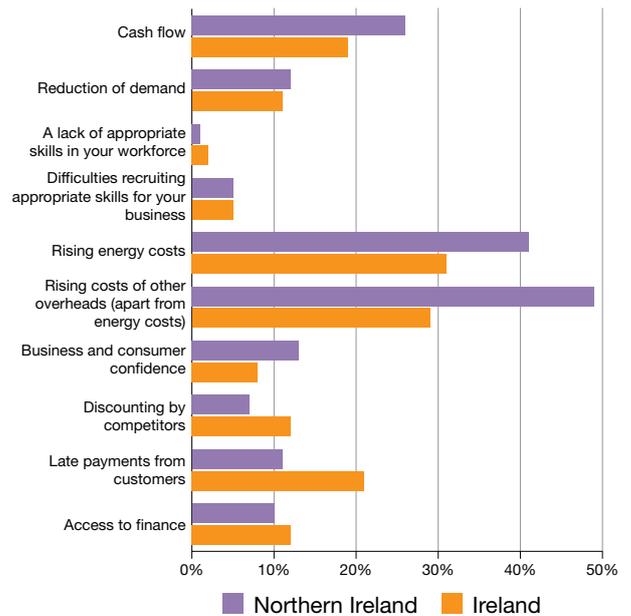
Current position of businesses



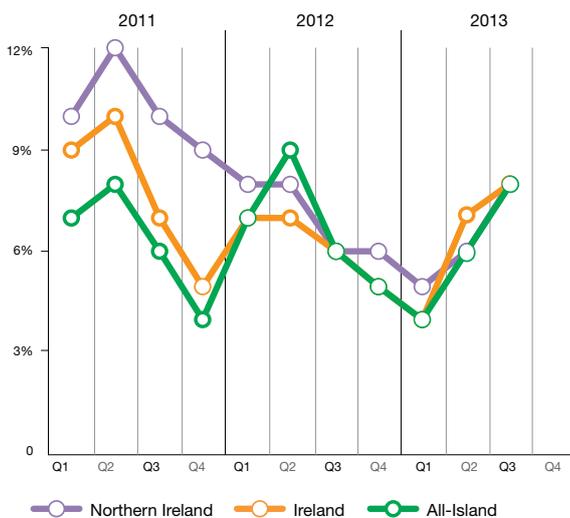
“Over the last few quarters, we have seen signs of economic improvement with more firms moving into stabilisation. This quarter we observe a broadening recovery with more businesses now moving from stabilisation to a position of growth”

Aidan Gough, Strategy and Policy Director, InterTradelreland

Key challenges for businesses

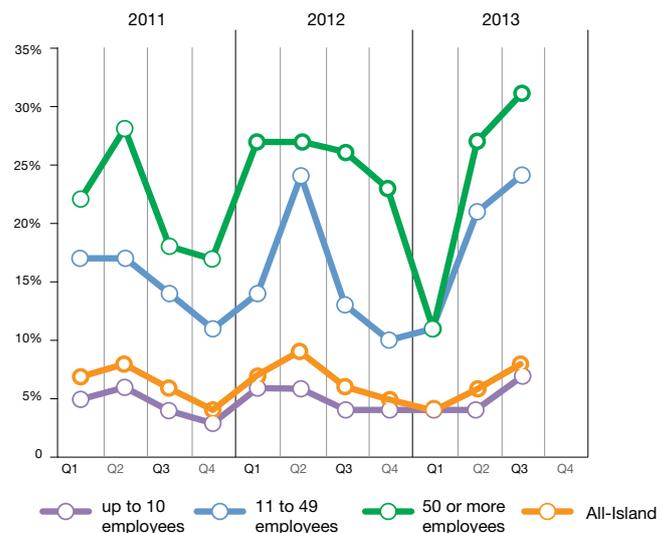


Employment increases



Trend data shows a slight positive rise in the percentage of businesses that are recruiting.

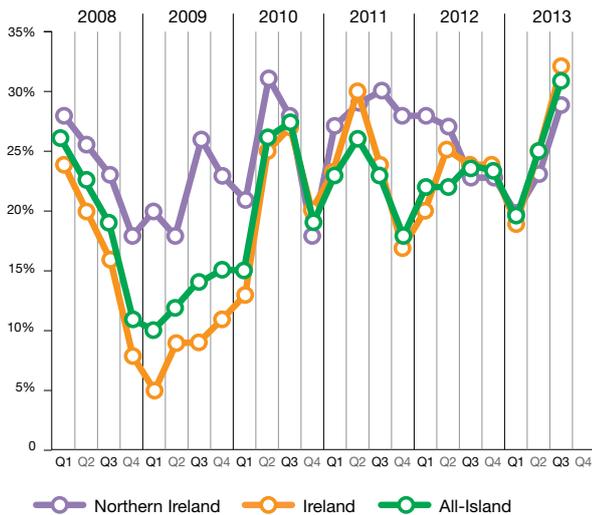
Employment increases by firm size



Analysis by firm size highlights that larger businesses, were most likely to have recruited this quarter (31% compared to 24% of mid- and 7% of small-sized businesses).

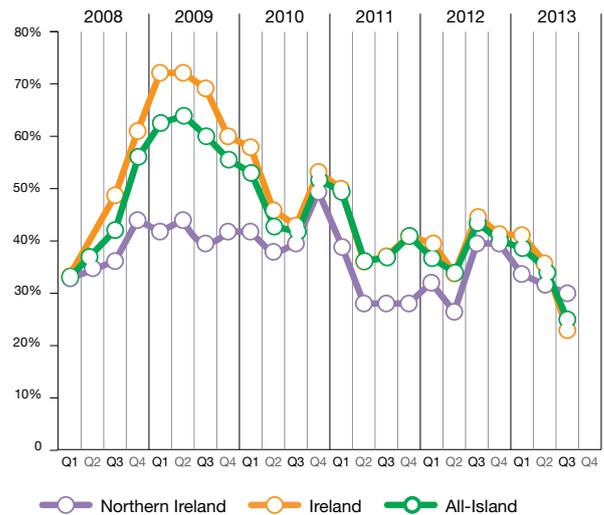
Export and Sales Barometer

Sales increases



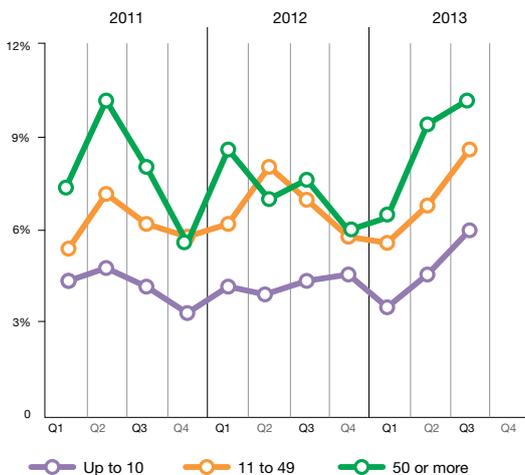
The trend data indicates a steep rise in the percentage of businesses that are reporting increased sales, both in Ireland and Northern Ireland.

Sales decreases



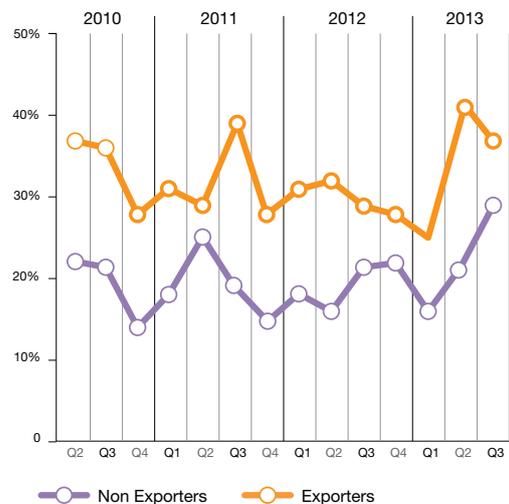
There is a more modest reduction in the percentages for those who say sales are down.

Sales increases: Large Firms vs Small Firms



The data shows that larger businesses are performing better in terms of sales increases than smaller businesses on the island. However the trend data also indicates a generalised improvement in the percentage of firms with sales increases.

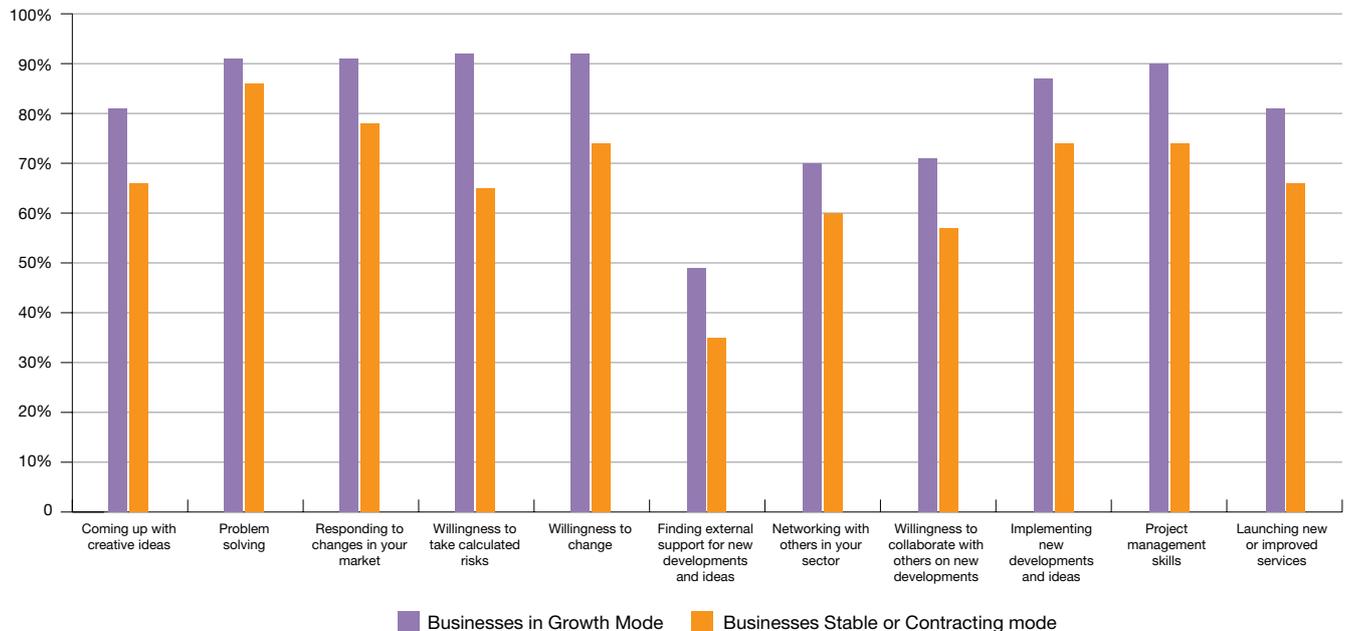
Sales increases: Exporters vs Non Exporters



As in previous quarters, those businesses who export or who have cross-border sales are more likely to report increased sales (37%) than companies relying solely on the domestic market (29%).

In Focus: Business and innovation

Business and innovation attributes*



*Percentage of businesses rating themselves as good in these attributes.

“Innovation related attributes are more closely associated with growth companies”

Aidan Gough, Strategy and Policy Director, InterTradelreland

Other findings:

- **29%** of companies have a formal process for managing new developments or improvements, this percentage increases for exporting companies (39%)
- The top drivers for business to innovate are: **Increasing market share (47%); improving quality (39%); increasing range of products/services (22%)**
- When deciding and implementing new developments or improvements, the majority of companies (**66%**) do so on their own while **34%** collaborates in different degrees with external organisations.
- Only **12%** of firms have used support for innovation from public sector agencies in the last three years (9% in Ireland and 17% in N. Ireland).
- Two in five (39%) confirmed that they have a written business plan. This is more predominant among larger-sized (86%) and mid-sized businesses (57%) than among the smaller businesses (37%).

About the Business Monitor

InterTradelreland commissioned Perceptive Insight Market Research to conduct the quarterly Business Monitor. Each quarter interviews are conducted with 750 business owner/managers across the island of Ireland. The sample is stratified by number of employees, sector, region (Ireland/Northern Ireland) and the data weighted at the overall reporting level to reflect the profile of businesses.

The InterTradelreland Business Monitor 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 businesses of all sizes across a range of sectors. It has a lengthy time series of six years and continues to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis.

About Us

InterTradelreland is the only organisation which has been given responsibility by both Governments to boost North/South economic co-operation to the mutual benefit of Northern Ireland and Ireland. By encouraging better use of our collective resources we help to expedite trade and business growth across the island and create an environment where it is easier to do business. We support SMEs across the island to identify and develop North/South trade and innovation opportunities.

We do this through:

- Business programmes
- Research and statistics
- Networks and partnerships

For more information about InterTradelreland and our supports and services please visit our website **www.intertradeireland.com**

InterTradelreland will endeavour to facilitate requests for alternative formats of this publication including Irish Language, Ulster Scots, Braille, disk and audio cassette.

For more information, please contact:
Communications Department

Telephone: 028 3083 4100 (048 from Ireland), **Textphone:** 028 3083 4169 (048 from Ireland)

Email: equality@intertradeireland.com