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**Business Uncertainty isn’t confined to Brexit**

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The latest InterTradeIreland Business Monitor (Q4 2018) points to the fact that SMEs are starting to feel pressure across a range of fronts.

Chief among the issues that businesses are worried about is Brexit (44%), however a number of other concerns have increased in significance.

Rising costs are a concern for over a third of SMEs (36%) while cash flow is an issue for 32% of firms. 1 in 5 are struggling to recruit people with appropriate skills. Attracting talent has been a persistent issue for larger companies over the past 3 quarters (over 10 employees) and has implications for businesses that want to grow. In the long run it could have an impact on the wider economy.

With Brexit dominating both the political and business landscape, many SMEs are operating in an environment of uncertainty. This is particularly true for cross-border traders and has been put into sharp focus by their performance in Q4. Only 37% reported growth in the period of Oct-December 2018, down from 52% a year ago.

### Generally, businesses that export tend to be the most resilient and more innovative and adaptable. The cross-border market is now worth £6bn/€7bn. InterTradeIreland will be monitoring the health of cross-border business closely over the coming months.

While Britain and the EU continue to negotiate the terms of a withdrawal agreement uncertainty is having a dampening effect on business investments. Only 14% of firms plan to invest in new plant or equipment. Worryingly only 4% are considering spending money on R&D or new product development. This is consistent with businesses holding back until the terms of the new trading relationship with Britain and the EU become clear.

Colm Gribben from Viltra Wastewater Technology says “We survived the crash in 2007/ 2008, and it was crucial for us to be able to diversify by exploring the cross-border market and introducing new products. Our business is growing, however the back-drop of Brexit does make us nervous at the moment. We have started planning and have identified areas of risk and opportunity. I would encourage all businesses to do the same. We are hesitant to take any big decisions until the outcome of Brexit is known.”

Aidan Gough, InterTradeIreland’s Designated Officer and Director of Strategy and Policy says “Business is facing many challenges and a high degree of uncertainty. While we recognise this makes planning difficult we encourage businesses, particularly cross-border traders to take a deep dive into their supply chains and logistics operations. SMEs need to assess if they are ready to deal with the bureaucracy surrounding customs and tariffs and to be aware of the regulations that govern their market and the impact of any changes. A good starting point and support in this exercise is the InterTradeIreland’s Brexit Advisory Service which offers bespoke help and assistance for SMEs, including a £/€2,500 Brexit Start to Plan Voucher, which allows individual firms to work with an approved panel of experts to devise a tailored action plan.

The business body has been helping small businesses in Ireland and Northern Ireland explore new cross-border markets, develop new products, processes and services and become investor ready over the last 20 years.

**Notes to the Editor:**

InterTradeIreland’s quarterly Business Monitor survey is the largest and most comprehensive business survey on the island and is based on the views of more than 750 business managers across Northern Ireland and Ireland since 2008. The 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 firms of all sizes from across a range of sectors to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis.

**Business Monitor infographic:**

Along with this press release is an infographic highlighting key findings from the Business Monitor report for use and reference where applicable.