InterTradeIreland

All-Island Business Monitor

Key Findings Report

Q2 2025

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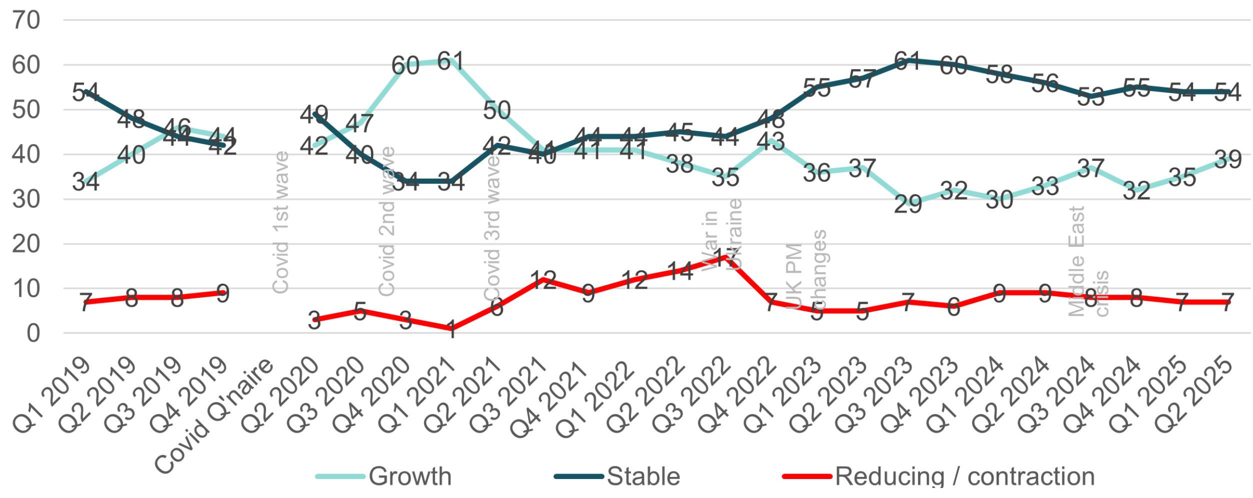
Business Performance

In Q2 2025 over half of all businesses (54%) report they are stable and 2 in 5 (39%) are growing, the highest percentage of companies in growth since Q4 2022 and up from 35% recorded in Q1 2025.

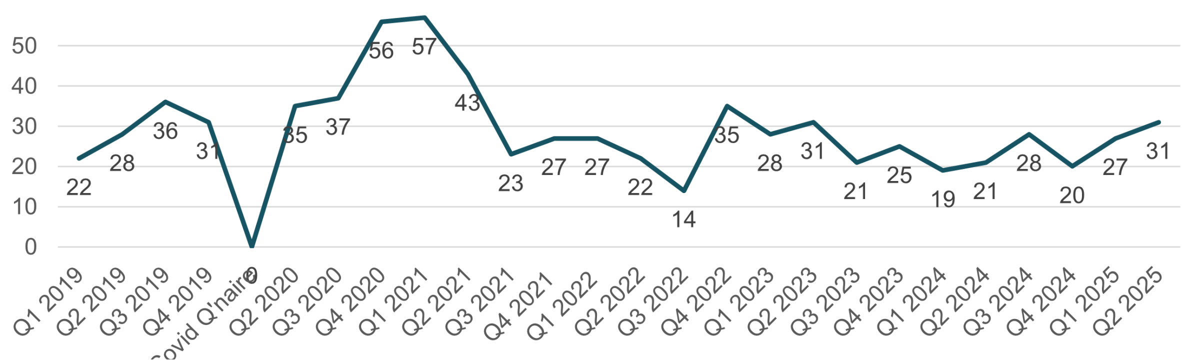
7% of businesses surveyed reported they are contracting, the same as last quarter and similar to 9% in the same quarter last year.

Business Position 2019 - 2025



The balance of firms growing is +31%, up from +27% in Q1 2025 and +21% in Q2 2024. This is the highest net growth balance in 2 years.

Net Balance: Growth vs. Contraction 2019 - 2025

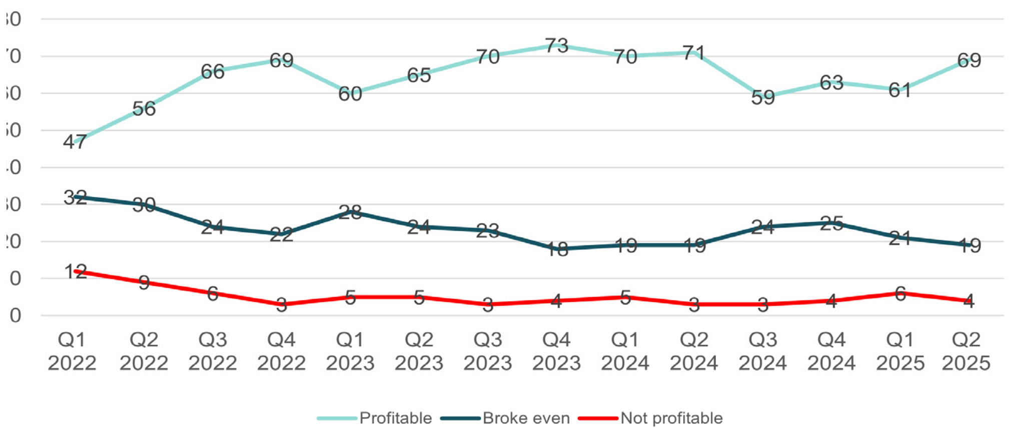


Profitability

7 in 10 businesses (69%) report they are profitable in Q2 2025, up from 61% quarter on quarter and similar to 71% in Q2 2024.

A fifth (19%) report they have broken even (from 25% at the end of 2024) and 4% have experienced a loss (slightly up on 4% at the end of 2024). The remaining businesses answered 'don't know' when asked about profitability.

Business Profitability 2019 - 2025



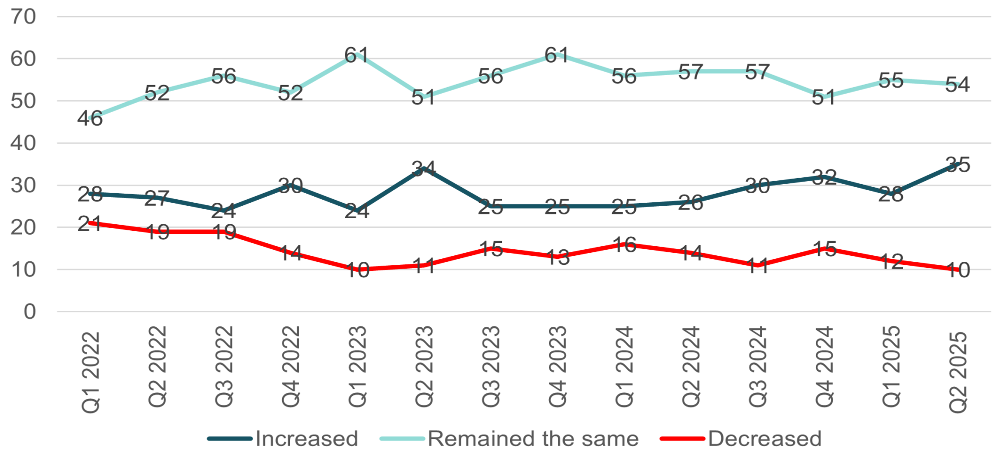
Despite appearances of stability, rolling quarterly averages (comparing the 4-quarters to June 2024 with the 4-quarters to June 2025) show profitability has weakened year-on-year, with more firms breaking even or becoming unprofitable, rising uncertainty on margins, and only stronger firms holding steady. Key findings suggest that:

- Overall profitability has declined (–8 points).
- More firms are breaking even (+3 points) or reporting losses (+1 point).
- Uncertainty is rising: “Don’t know” responses on profitability are up 6 points, while “Not sure” on profit margins is up 10 points.
- Lower-margin bands (<10%) have shrunk (–10 points) suggesting pressure on weaker, low- margin businesses.
- Although firms with 10%+ margins remain broadly stable at 29%, showing resilience among stronger performers despite the wider decline.

Sales

Sales performance remains positive with a third (35%) of businesses reporting increased sales, up from 28% in Q1 2025 and 26% of businesses this time last year.

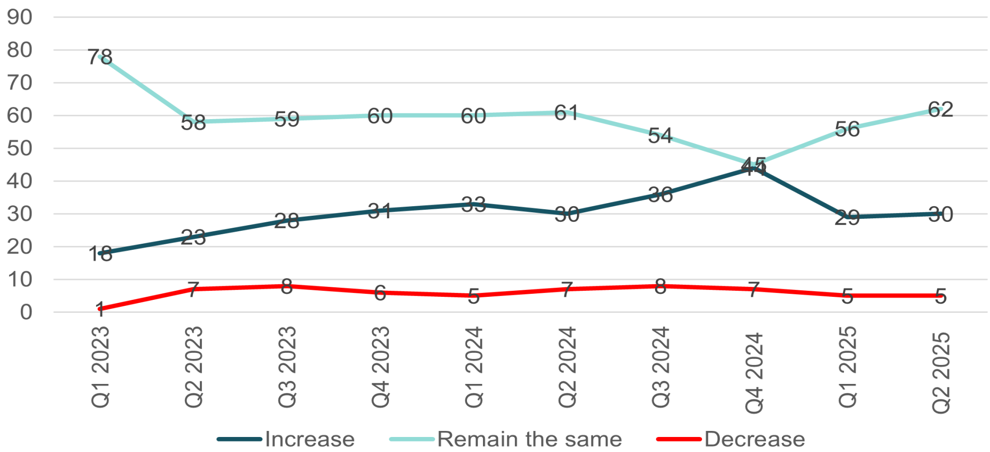
54% report stable sales, consistent with the longer-term trend and 10% report falling sales, improved slightly from 12% in Q1 2025 and 14% in Q2 last year.



Answer option 'not sure' also available

Looking ahead to the next 6 months, expectations around sales growth is more subdued. Some 30% anticipate further growth while the majority (62%) expect sales to hold steady. Only 5% predict sales to fall. 3% of businesses reported 'not sure' looking ahead to the next 6 months.

Looking ahead to the next 6 months, do you expect your sales to increase, decrease or remain the same?



Answer option 'not sure' also available

Business Challenges

The top business issues reported this quarter were:

Rising energy costs
60% reported this as an issue
(51% last quarter and 53% a year ago)

Rising costs of other overheads, such as wages and insurance costs
60% reported this as an issue
(56% last quarter and 54% a year ago)

Difficulties recruiting people
Reported by 30% of businesses
(24% last quarter and 30% last year)

Global politics and trade uncertainty
51% reported this as an issue
(53% last quarter and 64% a year ago)

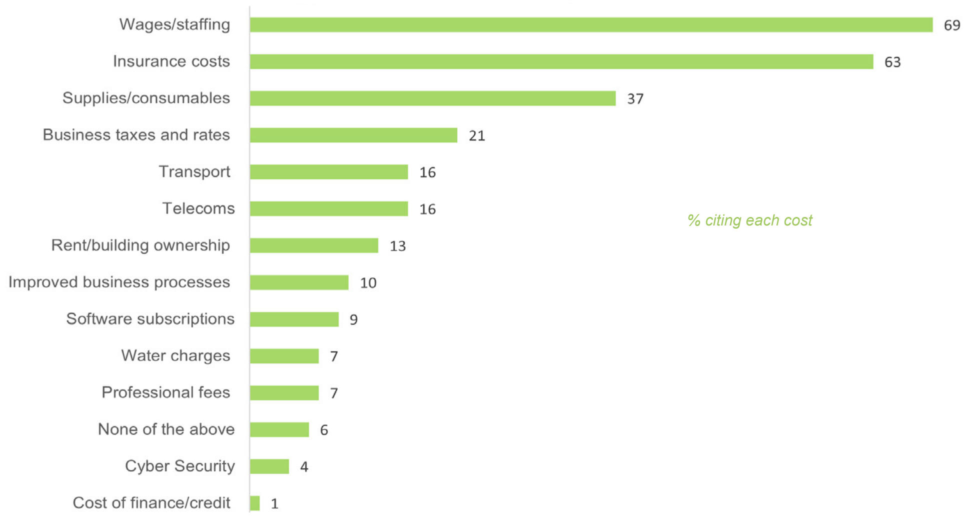
The change in key concerns rating as a level 3-5 challenge on a scale of 1-5

	Quarter on Quarter	Year on Year	Comment
Rising energy costs	▲ +9	▲ +7	Energy costs remain a major concern, higher than both Q1 and last year.
Difficulty recruiting people	▲ +6	0	Recruitment difficulties increased since Q1 but steady year-on-year.
Rising costs of other overheads (apart from energy costs)	▲ +4	▲ +6	Overheads are up compared to both Q1 and Q2 2024.
Difficulty retaining/attracting appropriate skills for your business	▲ +1	▲ +3	Retention and attraction pressures are higher than last year.
Reduction of demand	▼ −2	▲ +7	Slightly lower than Q1 but stronger than a year ago.
Discounting by competitors	▼ −2	▲ +3	Discounting eased since Q1 but remains higher than last year.
New competitors in your market	▼ −3	▲ +1	Less concern on new competitors since Q1 but slightly higher than a year ago.
Access to finance	▼ −4	0	Financing pressures eased from Q1, unchanged year-on-year.
Environmental Issues	▼ −5	▲ +4	Concerns have eased since Q1 but remain above last year.
Cash flow	▼ −6	0	Cash flow concerns fell compared to Q1, steady year-on-year.
Business and consumer confidence	▼ −9	▼ −1	Down from Q1 where it had spiked and slightly below last year.
Late payments from customers	▼ −9	0	Late payments eased compared to Q1, unchanged year-on-year.

Quarter-on-quarter movements are volatile, with several issues easing back from Q1 highs. Looking year-on-year gives a clearer picture. Concerns over energy costs (+7), other overheads (+6), and reduction of demand (+7) remain significantly higher than last year, alongside smaller rises in environmental issues (+4) and competitor discounting (+3). Recruitment, finance, cash flow and late payments show little change. Importantly, confidence is less of a concern both quarter-on-quarter (-9) and year-on-year (-1).Overall, while quarterly shifts are sharp, the year-on-year trend highlights persistent cost and demand pressures.

Staff costs, insurance costs and supplies costs are still the main ‘other overheads’ of concern.

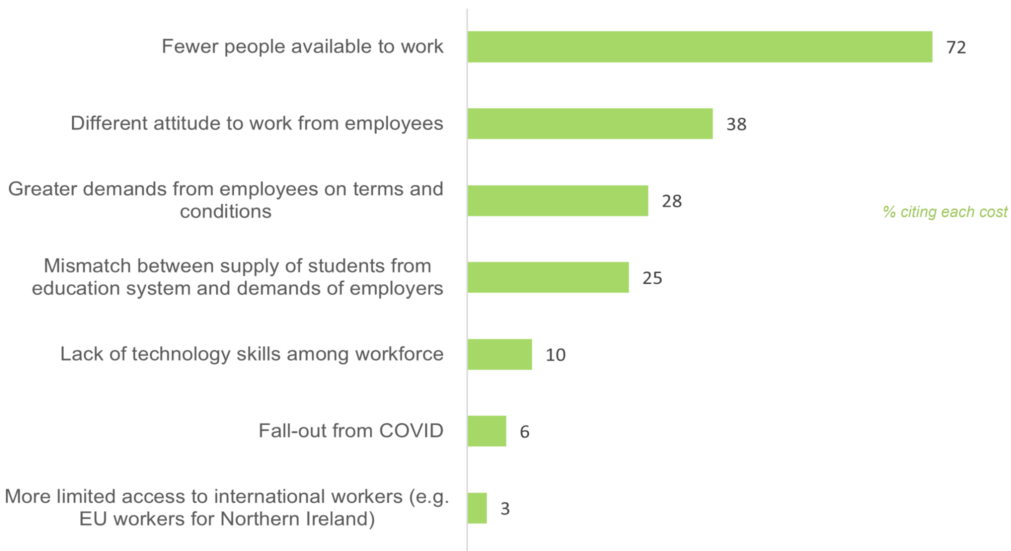
‘Other overhead’ cost challenges



AIBM data has indicated that businesses are dealing with persistent issues accessing talent. Since Q2 2024 the questionnaire has included a section asking specifically about accessing people and skills. Q1 2025’s responses are consistent with Q4 2024.

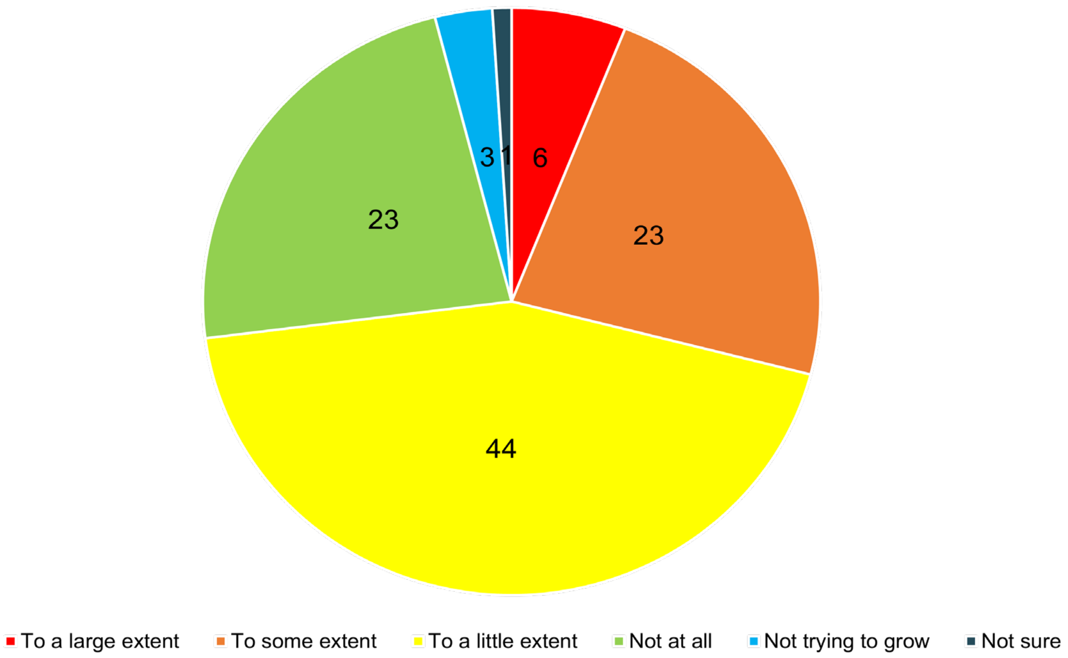
2 in 5 (44%) of those who have tried to recruit in the last two years are struggling to find the right skills for their business. 38% reported difficulties last quarter.

In an open-ended question, businesses suggest reasons for the difficulties include:



7 in 10 (73%) businesses told us that the challenges they are facing right now are impacting their growth

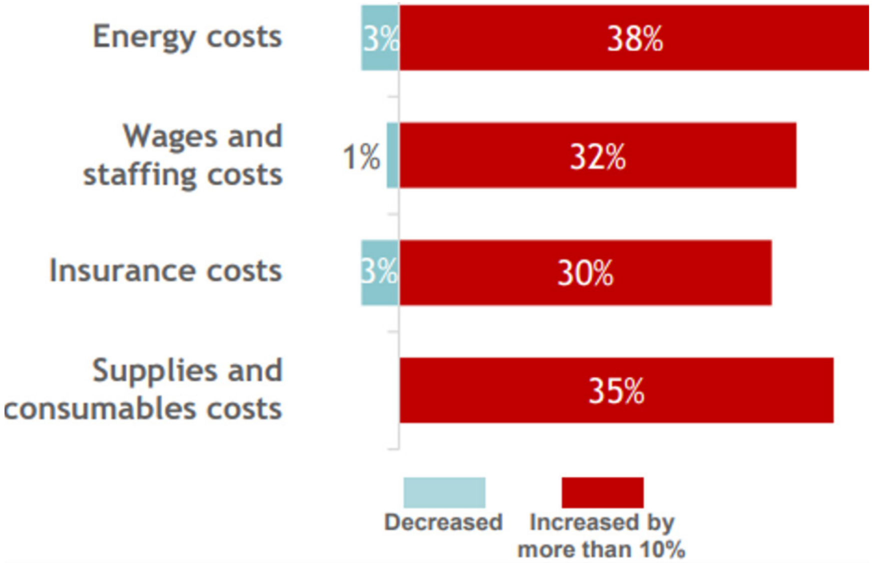
Percentage reporting impact of issues on growth



Cost of doing business

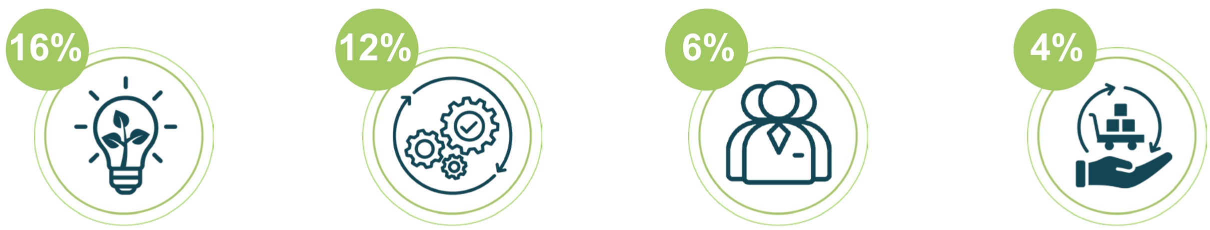
This quarter we introduced new questions about the 'cost of doing business' to understand cost increases businesses have faced in the last two years and actions they are taking to mitigate those costs.

Over a third report cost increases of more than 10% in areas such as energy, supply costs, wages and insurance over the past two years alone.



Despite these extensive cost increases, 72% of businesses said they have not taken any cost saving actions during this period.

Among the 28% that have taken action, the most common measures relate to energy and operational efficiency.



Energy and sustainability measures

Operational efficiencies

Workforce measures

Procurement and supplier management

Of those who have undertaken cost saving approaches, 59% report a positive impact

Nearly half (48%) of all businesses surveyed have increased prices in the past three to six months, and almost a third (29%) expect to raise them again.

Details of the percentage of businesses taking each cost saving approaches taken are displayed in the table below:

A18a Which, if any, of the following cost-saving approaches have you undertaken in your business in the last 6 months?	All	Sector					Size			Region	
	Overall Base:759/759	Manufacturing/ production Base: 153/137	Construction Base: 100/124	Professional services Base: 204/229	Leisure, hotels, catering Base: 153/121	Retail, distribution, other services Base: 149/148	Up to 10 Base: 347/684	11 to 49 Base:311/65	50 or more Base: 101/10	ROI Base: 382/531	NI Base: 377/228
Workforce measures	6%	5%	1%	4%	20%	3%	6%	10%	15%	5%	8%
Operational efficiencies	12%	15%	12%	8%	24%	6%	11%	17%	17%	12%	12%
Technology and automation	2%	1%	0%	3%	6%	2%	2%	4%	5%	1%	5%
Property and facilities changes	2%	0%	0%	3%	-	4%	2%	1%	2%	2%	0%
Procurement and supplier management	4%	1%	5%	4%	5%	3%	3%	8%	2%	4%	3%
Product or service adjustments	3%	1%	5%	3%	7%	3%	3%	8%	5%	4%	3%
Energy and sustainability measures	16%	12%	19%	10%	30%	14%	16%	21%	16%	17%	15%
Financial restructuring	3%	0%	2%	2%	6%	5%	3%	3%	4%	3%	1%
Revenue diversification or asset monetisation	1%	-	3%	0%	-	-	1%	-	1%	1%	0%
Staff-led innovation or internal ideas	1%	0%	5%	0%	2%	0%	1%	4%	3%	1%	1%
No cost-saving actions taken	72%	76%	71%	80%	50%	74%	73%	59%	63%	72%	70%

[1] Multiple choice question

Types of actions in the 'cost-cutting approach' categories:

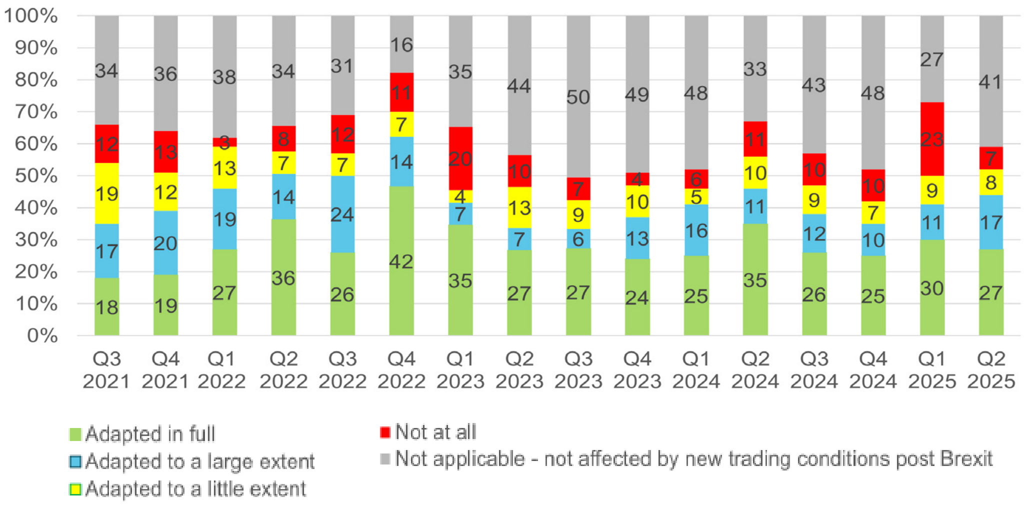
- Workforce measures (e.g. reducing staff, freezing recruitment, adjusting hours, limiting pay growth).
- Operational efficiencies (e.g. streamlining processes, cutting discretionary spend, reducing waste, improving productivity).
- Technology and automation (e.g. using digital tools, AI, or automation to reduce manual work and overheads).
- Property and facilities changes (e.g. downsizing premises, renegotiating leases, adopting hybrid/remote working).
- Procurement and supplier management (e.g. renegotiating contracts, switching suppliers, joint purchasing).
- Product or service adjustments (e.g. rationalising offerings, changing pricing, delaying launches).
- Energy and sustainability measures (e.g. reducing consumption, switching providers, investing in efficiency).
- Financial restructuring (e.g. refinancing debt, adjusting capital plans, managing cashflow more tightly).
- Revenue diversification or asset monetisation (e.g. leasing unused assets, launching new revenue streams, shifting sales models).
- Staff-led innovation or internal ideas (e.g. encouraging employee suggestions or internal cost-saving competitions).
- Other cost saving approach (please specify).
- No cost saving action taken.

Changes in Trading Conditions

Most businesses report having adapted to post-Brexit trading conditions (80%), with a minority (20%) still challenged.

Those who report EU Exit is relevant to them have adapted to different degrees (27% in full– 30% last quarter, more have adapted to a large extent – 17% up from 11% last quarter, 8% have only adapted to a little extent, similar to last quarter, and there has been a significant drop in the percentage who say they haven't adapted at all – 7%, down from 23% last quarter. Note** This spike in Q1 2025's survey may reflect the introduction of new rules, such as the Windsor Framework parcel regulations during that quarter.

To what extent, if at all, has your firm now adapted to the new trading conditions post-Brexit



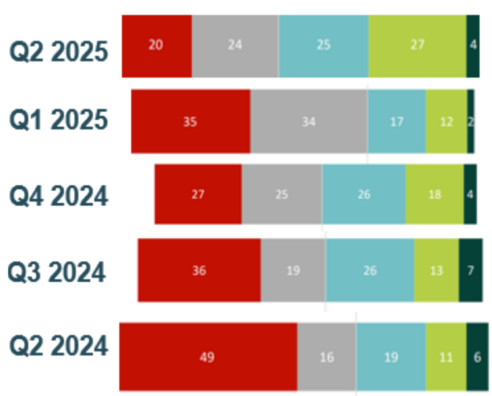
Businesses are reporting fewer Brexit-related disruptions than a year ago. For the 20% who report that they remain impacted by Brexit the impacts are largely around extra paperwork, the time and cost of adapting to new rules and regulations, the need to train staff to deal with new arrangements, and the need to adapt supply chains.

Level of knowledge of Windsor Framework

Businesses are becoming more familiar with the Windsor Framework, but gaps in understanding persist

- 43% of all businesses have no knowledge of the Windsor Framework - a sizeable minority, though down 19 points from last year.
- Overall, firms are moving from "no knowledge" to "some knowledge," but not yet into full awareness or confidence.
- A fifth of those who remain impacted by Brexit say they have no knowledge of the Windsor Framework

Knowledge levels of the Windsor Framework in businesses that remain impacted by Brexit

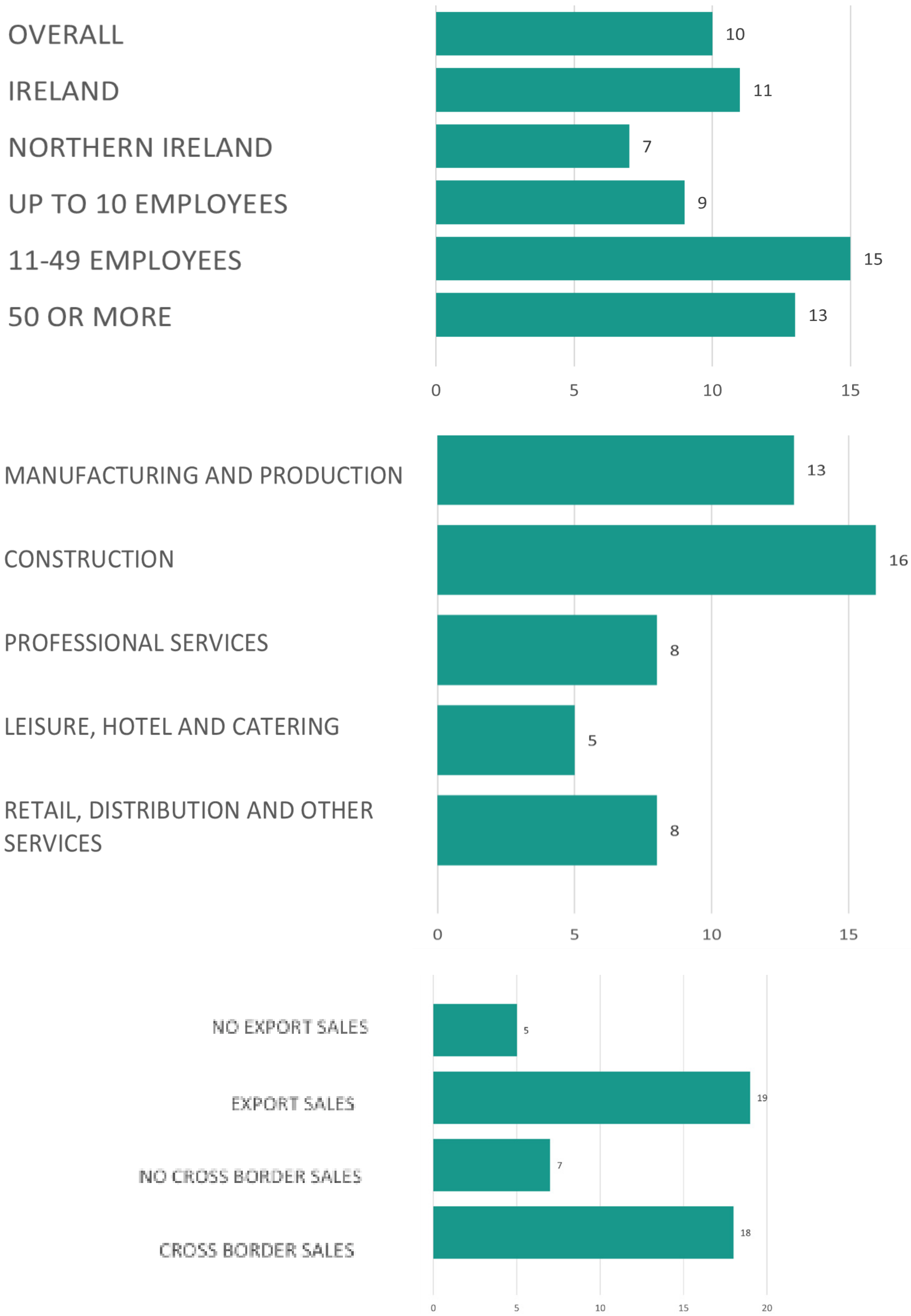


US Tariffs

Tariff concerns have eased somewhat with fewer firms feeling exposed though variation remains across sectors, business size and location.

Overall, direct exposure to a new tariff regime is reported by 10% of businesses (down from 14% in Q1). Mid sized and larger businesses (15% of those with 11-49 employees and 13% of those with 50+ employees) and Construction (16%) and Manufacturers (13%) feel more exposed. Cross-border (18%) and internationally trading (19%) businesses also suggest they are more directly exposed than their non cross-border trader and non-exporting counterparts.

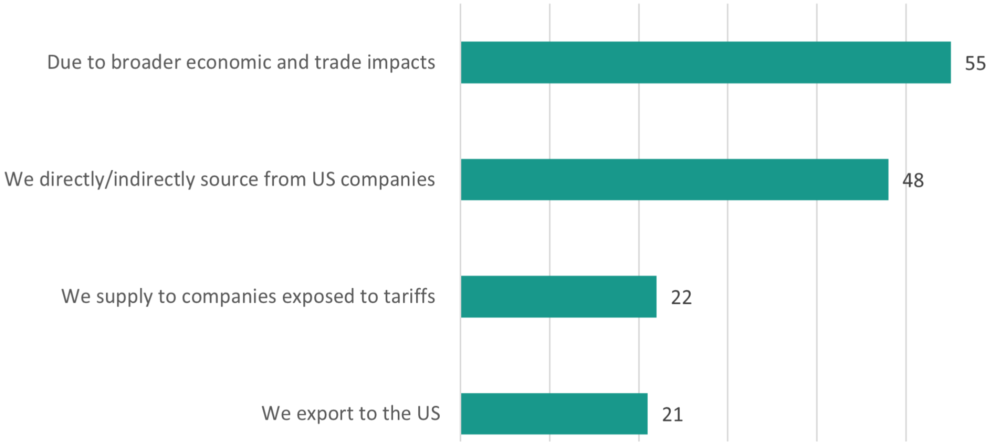
Do you feel your business is directly exposed to the impacts of US trade tariffs and potential retaliatory measures? % saying YES



We asked the 10% of businesses that feel they are directly exposed - What is the primary reason for this exposure?

**multiple choice question*

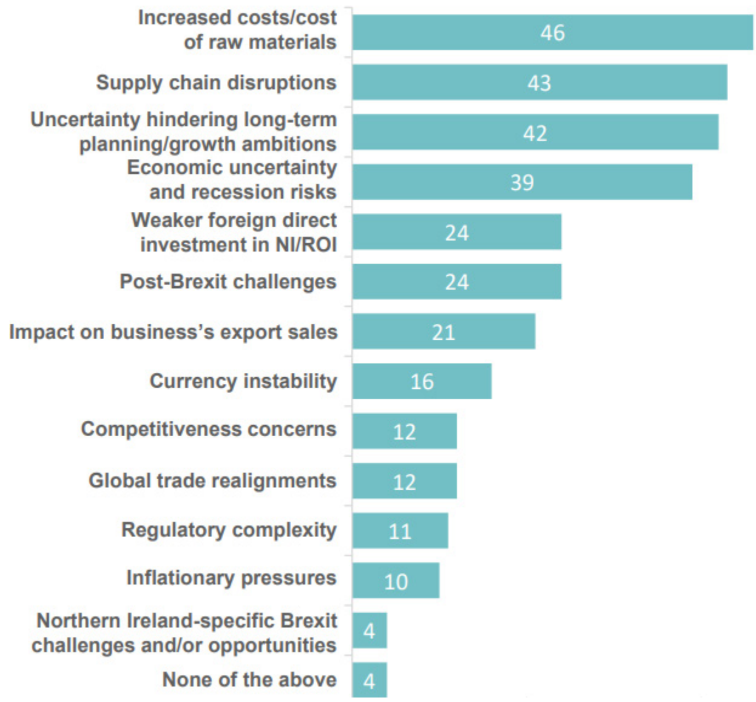
The key reason for business exposure is broader economic and trade impacts (55%). Almost half (48%) are exposed because they source directly or indirectly from the US, 22% are exposed because they supply to companies exposed to tariffs and 21% are exposed because they export to the US.



We asked businesses -
Are you concerned about the impact of US tariffs and potential retaliatory measures on any of the following?

Percentages of those directly exposed that said yes is shown in the table below
***please be aware that this relates to a small sample of businesses - the 10% (76 businesses) that feel exposed**

For the 10% directly exposed to US tariffs and potential retaliatory measures, concern span both cost-side and demand-side pressures. These include higher costs, supply chain disruption, and wider economic uncertainty. Beyond immediate pressures, long-term planning is being held back by ongoing uncertainty.



Comparison

BY SECTOR

Manufacturing

- **Growth:** Gains in slight growth are modest, while moderate/rapid growth is weaker.
- **Profitability & Uncertainty:** Profitability down overall but margins are shifting, reducing from <5% into 10–20% but uncertainty is rising with "don't know" responses up for both profitability but particularly margins.
- **Sales:** Sales are holding steady. Growth is weaker, but more firms report stable sales.
- **Sales Forecast:** Mixed outlook for the next 6 months with more firms expecting increases (+5.8), but decreases are also up (+3.3).
- **Employment:** Hiring expectations slightly weaker (–0.5), with choppy recent patterns.
- **Takeaways**
  - Manufacturing recovery is slow and uneven with weak growth, steadier sales, and only modest hiring.
  - Profitability is concentrating in the middle but clouded by rising uncertainty with more firms unsure of their true position.

Construction

- **Growth:** Annual gains remain evident, though recent quarterly momentum has eased with conditions stabilising.
- **Profitability & Margins:** Profitability has weakened, with fewer firms reporting "profitable" or "quite profitable." Low-margin firms (<5%) have fallen back and higher margin brackets are softer. Uncertainty is rising across both profitability and margins, with a sharp increase in "don't know" responses.
- **Sales:** Sales are firmer, with 31% reporting increases (+5pts year on year), though stability remains dominant (64%).
- **Sales Forecast:** Outlook is the strongest across sectors, with increases up (+8 year on year).
- **Employment:** Hiring expectations are modestly stronger (+2).
- **Takeaways:**
  - Strong annual recovery, though profitability is weaker and uncertainty has risen.
  - Sales and hiring are more positive, leaving the sector better positioned than a year ago.

Professional Services

- **Growth:** Broad-based growth with increases in both slight (+7.5) and stronger growth (+4.0). Stability fell back (–6.0).

- **Profitability & Margins:** Profitability is slipping, with fewer firms "profitable" (–4.75) and "quite profitable" (–2.25). Margins show a clear shift into 10–20% (+3.75), while fewer firms report 20%+. Uncertainty is higher, with more "don't know" responses.

- **Sales:** Strong rebound, with 40% reporting increases (+14pts year on year) and fewer stable ("same" down sharply).

- **Sales Forecast:** Very strong, with increases up (+6.5 year on year) and "same" down (–9.75).

- **Employment:** Hiring expectations are the strongest improvement across sectors (+2.75).

- **Takeaways**
  - Solid recovery with growth and sales rebounding, supported by stronger hiring.
  - Profitability is moderating, with a shift to mid-range margins and higher uncertainty.

Hotels, Leisure, Catering

- **Growth:** Strongest rebound across sectors. Growth is up sharply (Growth +10.3, Slight +7.5 year on year). Seasonal effects likely amplify the Q2 rebound.

- **Profitability & Margins:** Profitability is weaker. More firms are breaking even or reporting slight/ unprofitable positions. Margins are shifting, with fewer firms at <5% and higher margin bands down, while uncertainty is rising sharply: "don't know" profitability (+5.5) and "not sure" margins (+11.5).

- **Sales:** The strongest upswing across all sectors: 40% report increases (+19pts year on year), while "same" has collapsed (–16pts).

- **Sales Forecast:** Positive, with more firms expecting increases (+2.75 year on year) and decreases holding stable.

- **Employment:** Hiring outlook is improving (+2.25).

- **Takeaways**
  - Strong quarter for growth and sales, supported by seasonal strength.
  - Profitability is softer, with margins normalising and uncertainty rising.

Retail Distribution

- **Growth:** Net balance remains positive (+31) but the overall picture is flat, with little change between growth and contraction shares.
- **Profitability & Margins:** Retail remains the weakest sector for profitability. More firms are breaking even (+9) or slightly unprofitable (+1.5). Margins show <5% down, 10–20% broadly flat, and 20%+ weaker. Uncertainty is up, with "don't know" profitability (+5) and "not sure" margins (+12.5).
- **Sales:** 32% of firms report increases (+7pts year on year), while "same" is broadly steady and decreases edging down.
- **Sales Forecast:** Improving, with increases up (+5.75 year on year).
- **Employment:** Hiring outlook is modestly better (+0.75).
- **Takeaways**
  - Retail remains steady but subdued, with profits most squeezed and uncertainty higher.
  - Sales and forecasts point to only modest gains.

BY BUSINESS SIZE

Summary

Micro businesses (less than 10 employees)

- **Growth:** Gradual gains, with a similar pattern to the overall economy. Shift from flat into growth is visible, with modest improvements across sales and hiring.

- **Profitability & Margins:** Profitability is weaker than a year ago, with fewer firms profitable (–8.5) and more breaking even (+2.5). Margins remain tight, with fewer low-margin firms (<5% –8) and while a small rise in mid-range (10–20% +1.25), high-margin bands are softer, and uncertainty is rising across both profitability and margins.

- **Sales:** 34% of firms report increases (+8pts year on year), reflecting gradual improvement.

- **Sales Forecast:** Expectations of increases are up (+4.5 year on year).

- **Employment:** Hiring intentions are modestly stronger (+2).

- **Takeaways**
    - Profitability is down on the year but stabilising around mid-range margins.
    - Sales and hiring are showing gradual improvement, in line with the overall trend.

Businesses with 11-49 employees

- **Growth:** Strongest performance, with the largest balance across growth, profitability, sales, and hiring. Growth momentum is robust, with 45% reporting sales increases (+17pts year on year) as "same" fell sharply.

- **Profitability & Margins:** Profitability is broadly stable, with "profitable" slightly down (–5.75) but more firms breaking even (+3.25). Margins show a strong shift into 10–20% (+6.5) and profit margin 10%+ (+5). Lower bands (<5% –8.25, 5–10% –3.25) are weaker. Uncertainty has edged slightly higher with more "don't know" responses.

- **Sales:** Among the strongest performers, with nearly half of firms reporting increases.

- **Sales Forecast:** Outlook is also strong, with increases forecast (+4.25 year on year).

- **Employment:** Hiring expectations are flat (–0.25), with most firms expecting little change.

- **Takeaways**
    - Mid-sized firms show the strongest performance, holding profitability better and tilting toward higher margins.
    - Sales and outlook are the strongest among firm-size groups, showing the most resilient performance.

Businesses with 50+ employees

- **Growth:** Generally stable, though with less momentum than mid-sized firms. 44% report sales increases (+9pts year on year), while “same” remains high and decreases low (6%).

- **Profitability & Margins:** Profitability is more polarised. Fewer firms are “profitable” (–8.5) or “quite profitable” (–5.5), while “very profitable” edged up (+1). At the same time, “very unprofitable” rose (+1.25) and more firms are breaking even (+1.75). Margins are flatter, with fewer firms reporting <5%, 10–20% broadly steady, and 20%+ unchanged. Uncertainty is rising, with “don’t know” profitability (+5.25) and “not sure” margins (+10).

- **Sales:** Stable, with steady increases and limited downside.

- **Sales Forecast:** Still positive (+2 year on year) but weaker than mid-sized firms.

- **Employment:** Hiring outlook is flat (–0.25), with most businesses expecting little change.

- **Takeaways**
  - Large firms remain solidly positive but less dynamic than mid-sized firms.
  - Profitability is more polarised, with higher uncertainty around margins.

SUMMARY OF BUSINESSES IN IRELAND AND NORTHERN IRELAND

Ireland – Key Points

- **Growth:** The picture is steady and cautious, with incremental improvement. More businesses moved into slight growth and growth year on year, while contraction eased. Net balance is +32, a little stronger than the overall trend.

- **Profitability & Margins:** Profitability is lower than a year ago, with fewer firms in the profitable categories. More are breaking even, and margins are shifting toward the 10–20% band. Uncertainty has risen, with more firms unsure of their position.

- **Sales:** 36% report increases (+8 points year on year), while "same" remains dominant (55%) but is edging lower.

- **Sales Forecast:** Steady and improving, with more firms expecting sales to rise (+3.5 year on year).

- **Employment:** Forecasts are stable, with a small rise in firms expecting to increase employment.

- **Takeaways**
  - Gradual improvement, with growth, sales, and employment moving up steadily.
  - High profit levels are eroding, with firms bunching around mid-tier margins and uncertainty rising.

Northern Ireland – Key Points

- **Growth:** The picture is more volatile, with bigger swings in performance. Strongest pivot to growth (Growth +11.8, Slight +9.0 year on year), with stability down (–11.3). Net balance (growth minus contraction) is +31, similar to Ireland but driven by volatility rather than steadiness.

- **Profitability & Margins:** Profitability is weaker, with fewer firms profitable and more breaking even. Margins have shifted away from <5%, while mid-tier margins are steadier. Uncertainty is elevated, with over 40% of firms unsure of their margin position.

- **Sales:** 32% report increases (+9pts year on year), but more firms still report decreases (16% vs. 8% in Ireland). Stability is falling (–8 year on year).

- **Sales Forecast:** Stronger improvement than elsewhere, with firms expecting sales to rise jumping (+6.5 year on year).

- **Employment:** Forecasts are more upbeat, with more firms expecting to hire (+4), though patterns are less stable.

- **Takeaways**
  - Strongest pivot to growth, but with greater volatility.
  - Profitability is weaker and uncertainty is high, though sales and hiring expectations are firmer.

Overview of Q2 2025 Findings

- **Resilient base:** Two in five firms are growing, and over half report stability, leaving only a small minority contracting.
- **Profitability steady:** Most firms remain profitable, though margins are tighter and confidence is weaker than last year.
- **Rising costs dominate:** Wages, energy and insurance are driving higher overheads, putting pressure on pricing and margins.
- **Recruitment pressures:** Many firms face persistent vacancies, especially in labour-intensive sectors such as construction and hospitality.
- **Windsor Framework:** Awareness has improved, but detailed understanding remains limited and uneven across firms.
- **US tariffs:** Direct exposure is low, but uncertainty persists and some businesses are more exposed.
- **Overall outlook: steady but fragile – Resilience is holding for now, but prolonged cost inflation and tighter margins could tip sentiment more quickly.**

Independent Economist Overview

Q2 2025 AIBM FINDINGS

Headline figures for Ireland and Northern Ireland continue to point to resilience, but businesses are operating in an environment of volatility and uncertainty. Ireland's growth remains heavily influenced by multinational flows, while Northern Ireland presents a more even profile. Firms trading across borders or further afield face the greatest pressure from rising costs, softer demand, and unsettled policy.

In Ireland, headline GDP was volatile, up 0.2% in Q2 after a revised 7.4% surge in Q1 linked to multinational export flows into the US ahead of tariff hikes. These shifts mask a steadier domestic picture, where Modified Domestic Demand (MDD), the preferred measure of the domestic economy, continues to grow (+0.6% in Q2), supported by household spending, government investment, and services. Forecasts for MDD in 2025 remain around 2%, pointing to modest expansion against weaker sentiment and trade uncertainty. The employment rate stood at 74.7%, one of the highest on record, and real wage recovery is taking place.

Northern Ireland's economy shows a flatter profile. Output dipped slightly at the start of the year (−0.6%) but remains above year-ago levels (+1.6%), with services holding up reasonably well while production has softened. The labour market is holding firm, with the employment rate (16–64) at 71.6% in Q2 2025, and PAYE median monthly pay rose 6.3% in the year to July, supporting household incomes. Export-oriented firms report tougher conditions as global demand softens and costs remain elevated, but Northern Ireland's Windsor Framework status—meaning dual access to the UK internal market and the EU single market for goods—provides a practical buffer, helping sustain more stable EU trade links despite wider pressures.
Against these contrasting growth profiles, cross-border trade continues to stand out as a shared source of resilience. In the 12 month period up to June 2025, all-island goods trade totaled almost €11 billion, up 4% year-on-year and nearly 7% quarter-on-quarter in Q2 2025. The expansion has been broad-based across sectors, making the all-island market an increasingly vital outlet at a time of wider unpredictability, even as cost and regulatory pressures persist.

At the same time, businesses in both economies are feeling the impact of tighter financial and labour conditions. Inflation has eased from its peak but borrowing costs remain high, with interest-rate policy from both the ECB and Bank of England keeping pressure on investment and consumer confidence. Labour markets are tight, with skills shortages in some sectors adding to recruitment challenges. Pay growth is helping sustain demand but is also keeping cost pressures elevated for employers. There is something of a watching brief here, as there are hints of labour-market softening in the UK.

Trade policy shifts and regulatory divergence between the UK and EU, a more interventionist US trade stance, and ongoing geopolitical tensions affecting energy and shipping routes all add uncertainty to export demand and costs. Both governments recognise the risks of a weaker global trade environment. In Dublin, forecasts for domestic demand have been revised down, with ministers pressing for EU-level action and encouraging firms to diversify. In London, attention is on ensuring that the Windsor Framework continues to provide stability for Northern Ireland, even as policy divergence between the UK, EU and US adds uncertainty for exporters.

Overall, Q2 shows that a mix of challenges is stretching growth. The headline numbers point to modest underlying expansion, but some businesses report softer order books and squeezed margins. In Ireland, multinational flows continue to drive GDP volatility, while in Northern Ireland a steady aggregate masks softer production and weaker external demand. Export-exposed firms carry significant strain, with weaker overseas demand, shifting tariffs and regulatory divergence among a myriad of global headwinds. The picture is one of resilience, albeit under pressure.

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A telephone survey of 764 businesses was conducted on an all island basis, with the aim to provide a deeper understanding of the needs, experiences and issues facing businesses. The survey was conducted between the 23rd June – 29th July 2025. Please note that differences in percentages quoted in InterTradeIreland's press release for this quarter are due to rounding and weighting of data in component parts of questions that are included in the key findings report.