

Press Release

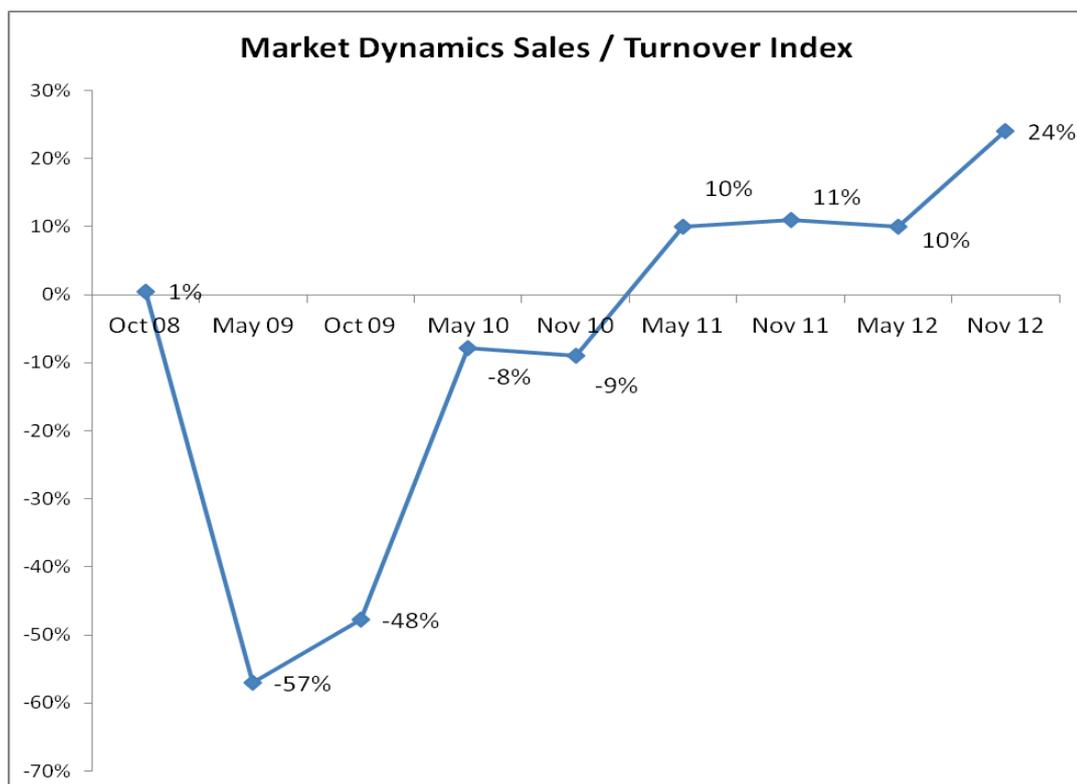
Thursday 31st January 2013

South East Business Confidence Study – November 2012

South East businesses optimistic about 2013 despite lack of improvement in external environment

Despite the lack of any apparent improvement in the external business environment South East businesses are the most positive they have been about the coming year since the SEBS began in October 2008. Though businesses continue to find credit harder to obtain and despite their increasing frustration with the government's lack of progress on the public sector and banking issues nonetheless 45% expect sales to improve in 2013 while just 21% expect a fall according to the findings of the latest South East Business Confidence Study. Most positive are businesses in the agriculture, transport / distribution / telecoms and manufacturing sectors. This is the 10th in a series of twice-yearly surveys conducted in the South-East region by Kilkenny-based market research firm, Market Dynamics. A total of 292 businesses in the region participated.

Commenting on the results, John Gilson, Managing Director of Market Dynamics, stated: ***“we have had false dawns before but it appears that this year the vast majority of businesses expect to improve on, or maintain, 2012 levels of sales / turnover. This is despite the fact that profitability is still a problem for most, workforces have fallen again in the past year, obtaining credit is more difficult and dissatisfaction with the government continues to grow.”***



Source: Market Dynamics, Nov 2012 (Figure represents % with positive expectations minus % negative)

Other Major Findings

- There was a very even split between businesses with increased sales in 2012 (36%) and with lower sales (34%)
- The economic situation continues to take its toll on profitability with 40% reporting it down in 2012 – and there have been further falls in workforce numbers
- The outlook for 2013 is much better with 45% expecting an increase and just 21% a decrease in sales – a big improvement on recent surveys
- Most positive sectors this year are Agriculture, Transport / Distribution and Manufacturing but no sector is in negative territory (i.e. with more business expecting a fall in business than a rise)
- A majority of respondents (43%) claim to be feeling more positive about their businesses than 6 months ago – little change on previous surveys
- Businesses continue to be negative about prospects for the Irish economy
- A slightly higher proportion of businesses have seen less customer activity in past six months as have seen more – a slightly more negative findings than previous survey – Kilkenny the clear exception to this with a very positive upturn in activity
- Dissatisfaction with the government's policy on the public sector (83%) and banking sector (87%) has increased for the fourth survey in a row
- Over a third of businesses think that credit has become more difficult to access in the past year while fewer than 2% think it is becoming easier
- Just 8 respondent businesses have made a loan application under the Credit Guarantee Scheme with 5 seeing a positive outcome and 3 a negative one
- Businesses in Co. Waterford reported worse outcomes in 2012 than the regional average and are least positive about their business prospects compared to 6 months ago
- Overall, the outlook among businesses is positive despite the apparent lack of improvement in the economic environment

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Note to Editor

More detailed findings and further county by county analysis is available please contact John Gilsean (details below) for further information.

Market Dynamics is an independent market research company based in Inistioge, Co. Kilkenny. The South East Business Confidence Study Series is funded by Market Dynamics and is not sponsored. For further information on the South East Business Confidence Study and its findings please contact John Gilsean on 056 775 8888 / 086 384 0062 or email john@marketdynamics.ie.