

Profit Through Research



South East Business Confidence Study

Executive Summary

Nov 2012

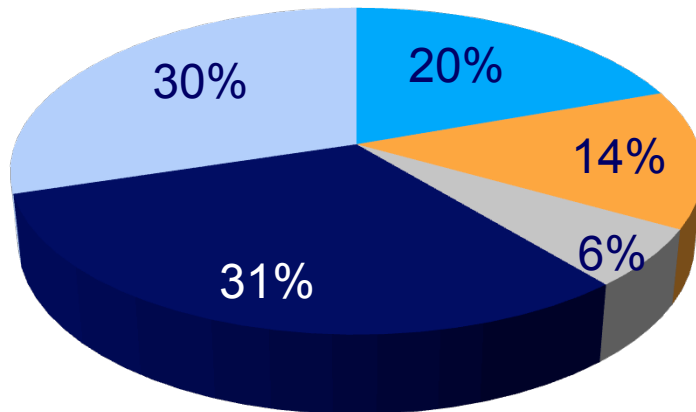
www.marketdynamics.ie

Background

- 10th iteration of survey – previously each May and Oct since May 2008
- 292 respondents completed online survey
- Distributed to over 2000 businesses including the top 300 companies in South East
 - in co-operation with business organisations e.g. Chambers of Commerce, Enterprise Boards, etc
- Incentive: Garmin Sat-Nav raffle & Executive Summary of Results

Location and Company Size

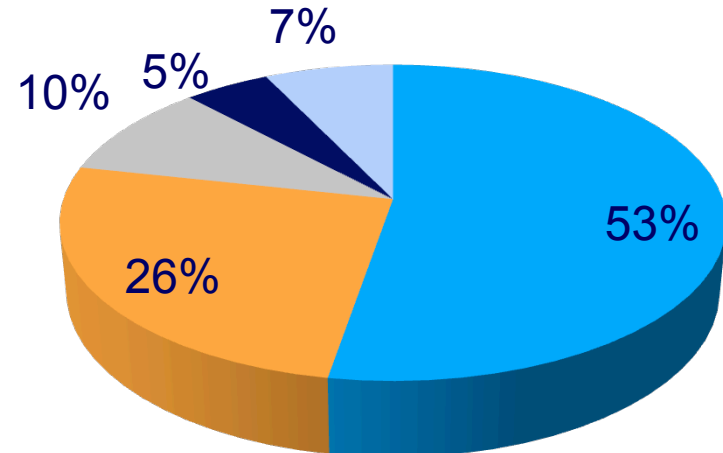
County



- Carlow
- Kilkenny
- South Tipperary
- Waterford
- Wexford

22% of respondent businesses have > 25 employees

Company Size

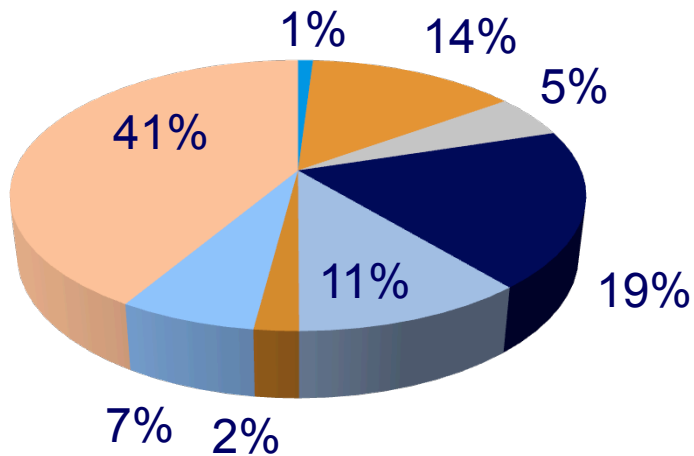


- 1-4
- 5-24
- 25-49
- 50-99
- 100+

More very small businesses (1-4) and fewer with 5-24 this time

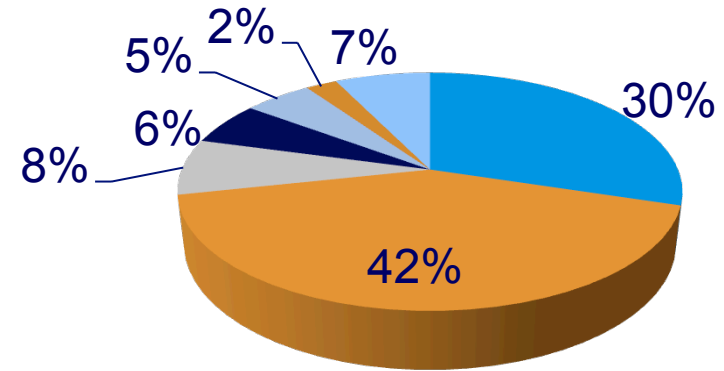
Business Sector / Respondent Profile

Industry



- Agriculture
- Manufacturing
- Construction
- Retail / Wholesale
- Hotels / Restaurants / Tourism
- Transport / Distribution / Telecoms
- Financial Services
- Business Services / Real Estate / Other Services

Job Title



- Managing Director/CEO
- Owner/Proprietor
- Operations Manager/Director
- Sales and/or Marketing Manager/Director
- Finance Manager/Director
- HR Manager/Director
- Other (please specify)

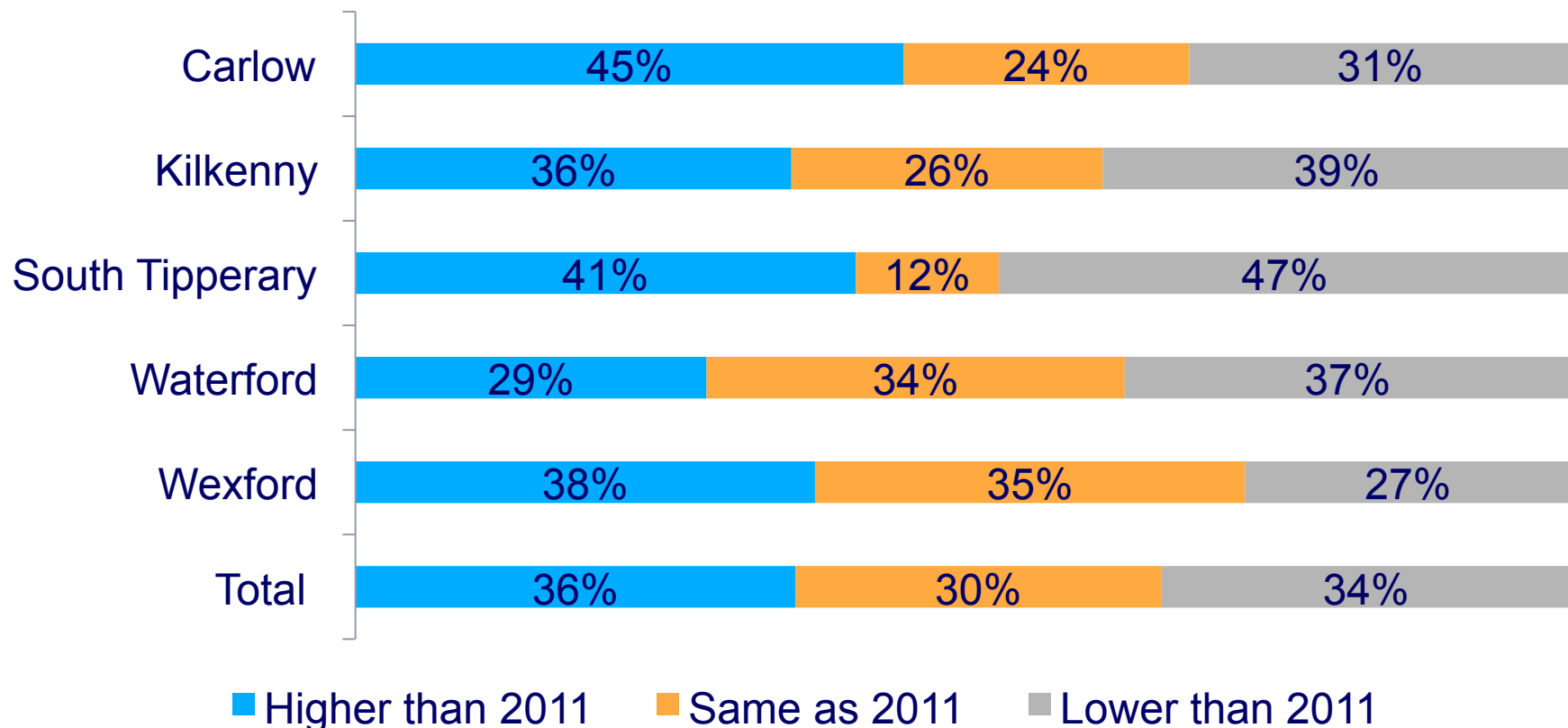
72% are Owners or MD / CEO



2012 Review

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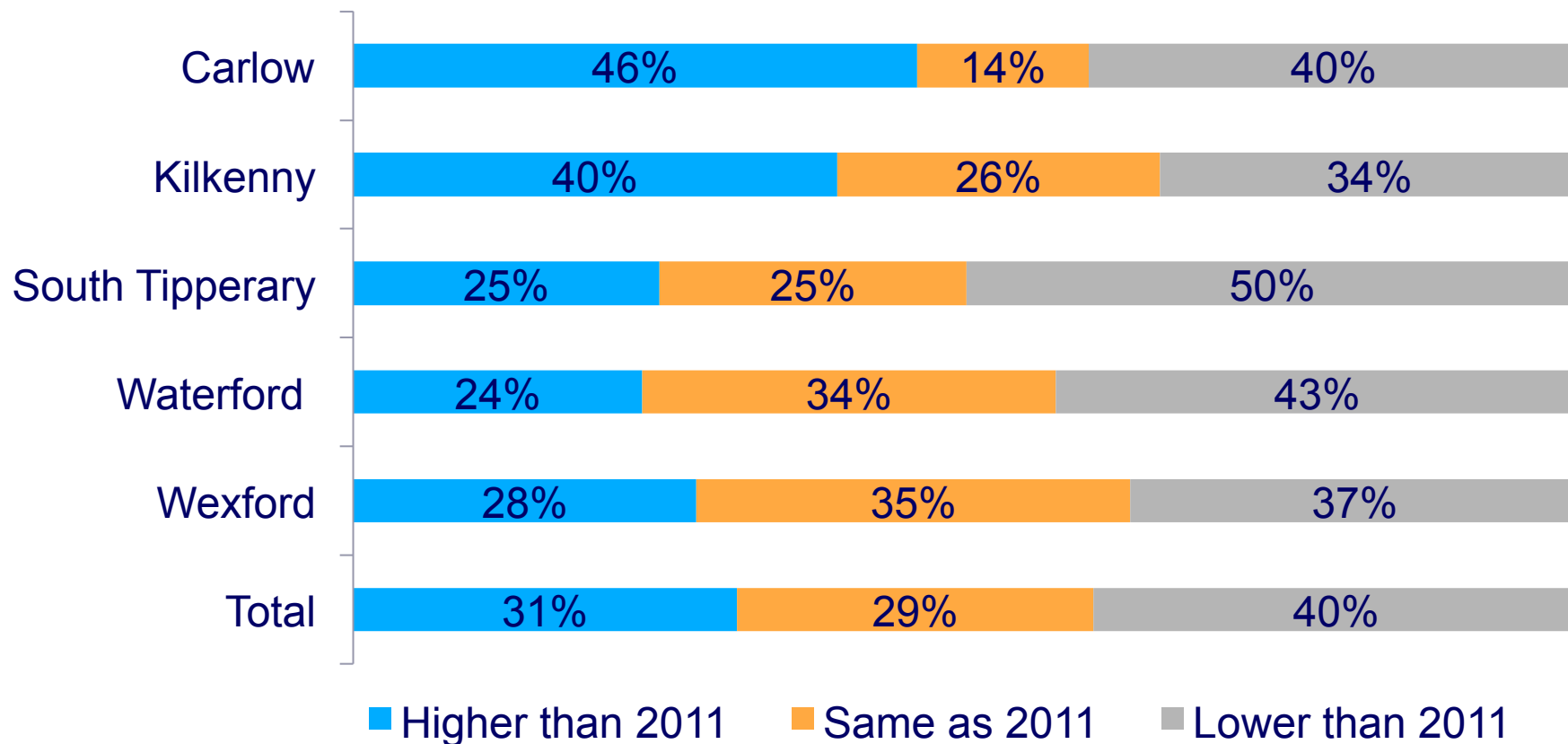
Sales / Turnover 2012 – Will your sales / turnover in 2012 be higher, lower or the same as 2011?



- Wexford and Carlow businesses most positive about sales in 2012 – Waterford most negative

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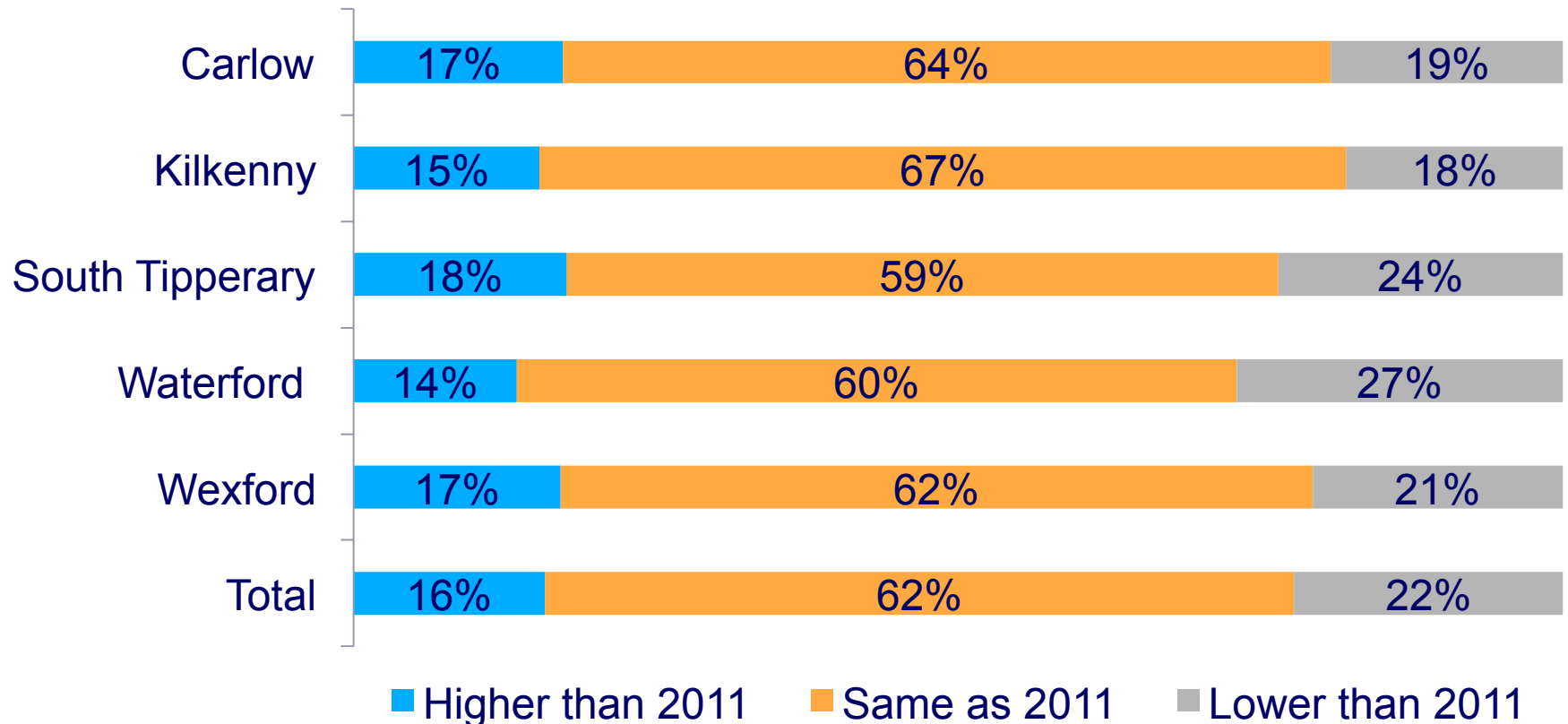
Profitability 2012 – Do you expect profitability in 2012 to be higher, lower, same as 2011?



- Waterford and South Tipp-based businesses most negative about profitability in 2012

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Workforce 2012 - Do you expect your workforce at the end of 2012 to be higher, lower or the same as at the end of 2011?



- Waterford businesses had the highest incidence of reductions in their workforces in 2012

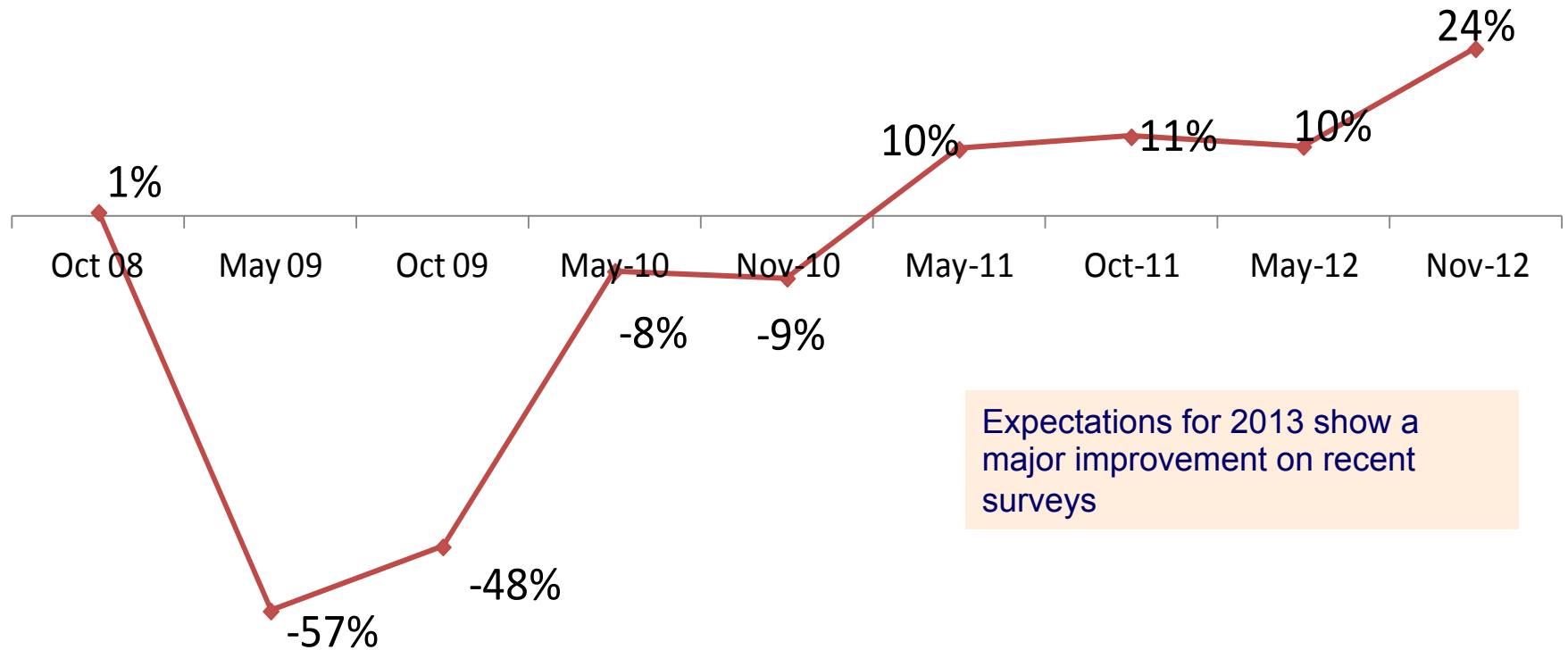
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2013 Outlook

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Sales / Turnover Index – Do you expect your TURNOVER in 2013 will be higher, lower or the same as 2012?



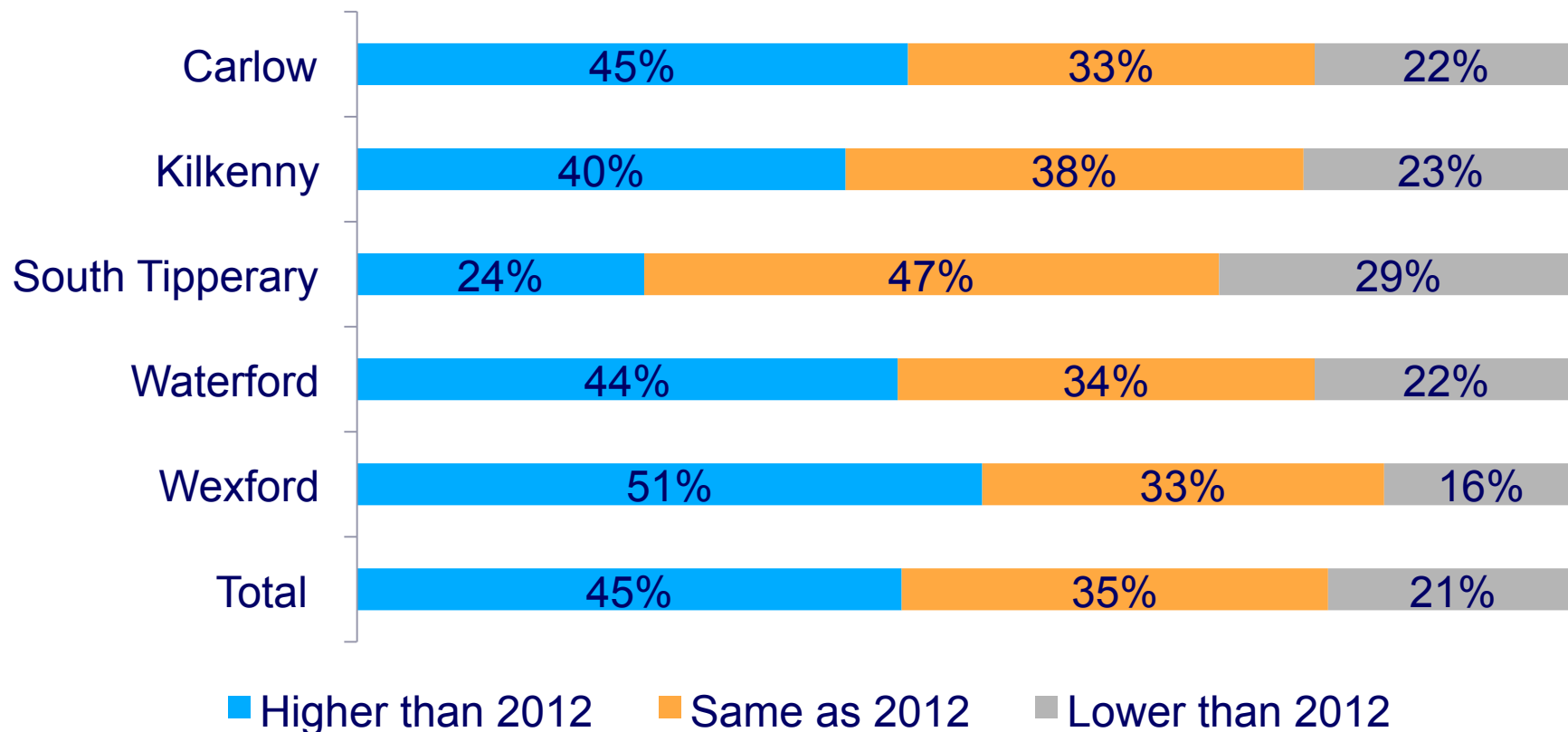
Expectations for 2013 show a major improvement on recent surveys

Index calculated as % of businesses expecting sales to increase in the coming year minus % who expect sales to fall

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Sales / Turnover 2013 – by county

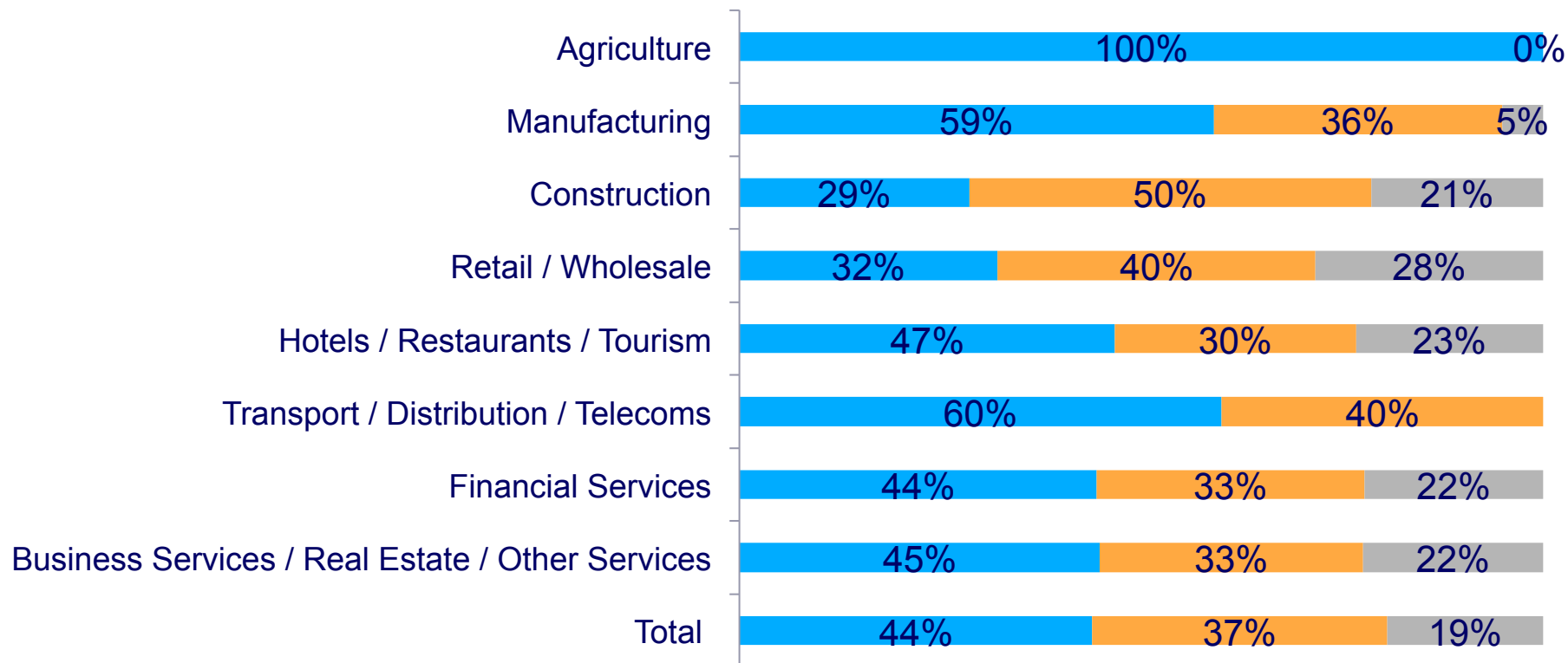
Will your sales / turnover in 2013 be higher, lower or the same as 2012?



- The big change is a reduction in the proportion of businesses who expect sales to fall in 2013

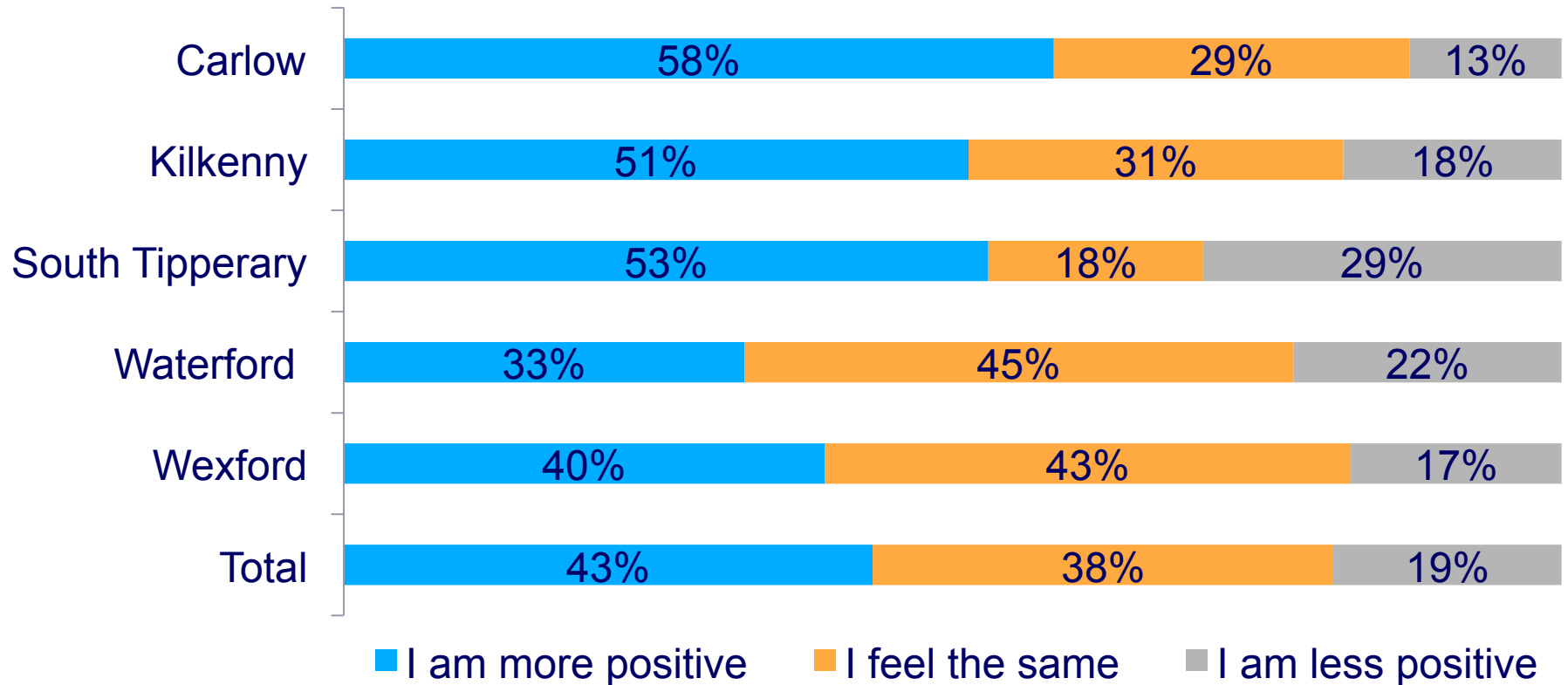
Sales / Turnover 2013 – by industry

Will your sales / turnover in 2013 be higher, lower or the same as 2012?



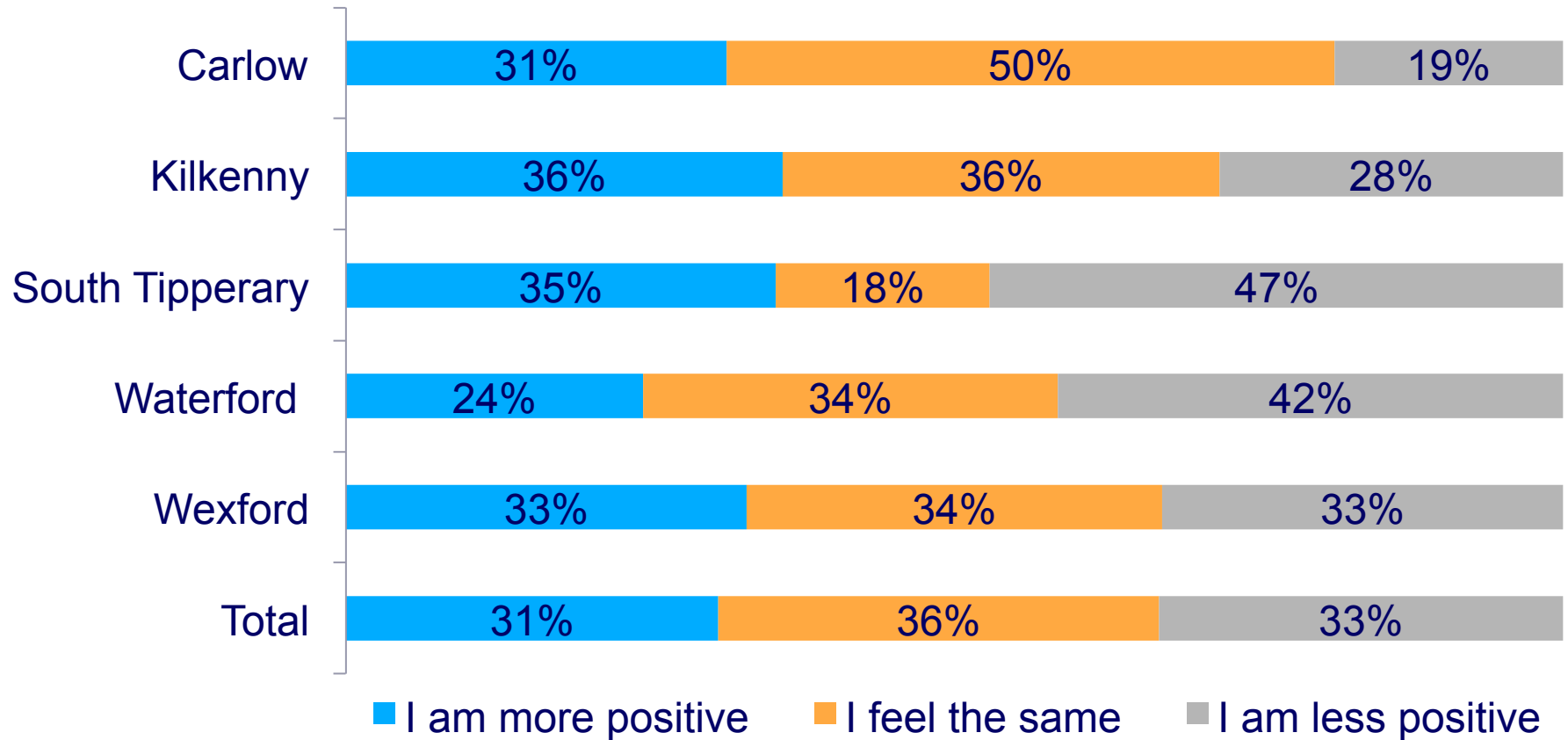
■ Higher than 2012 ■ Same as 2012 ■ Lower than 2012

Do you consider yourself more or less positive about the prospects for YOUR BUSINESS compared to 6 months ago?



• Virtually no change since previous survey

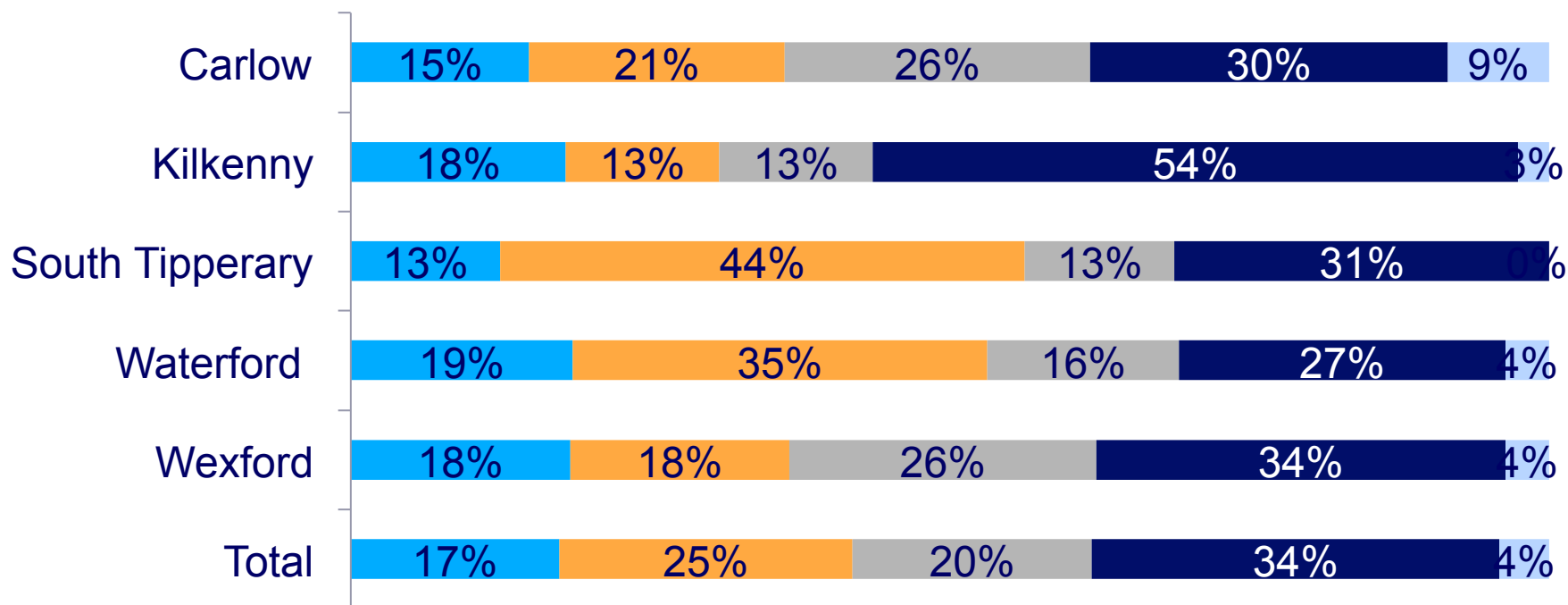
Do you consider yourself more or less positive about the prospects for the IRISH ECONOMY compared to 6 months ago?



• Again little change in positive sentiment from previous survey

Customer Activity

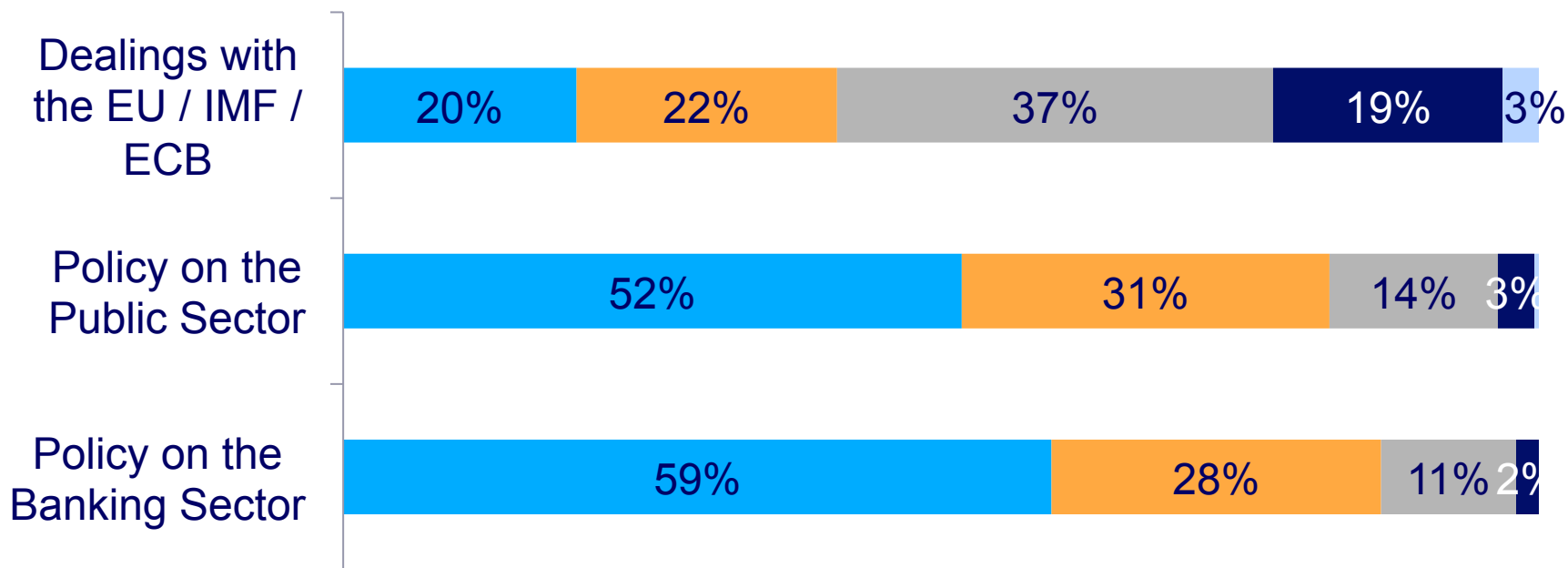
- Has there been any change in the level of your customers' activity compared with 6 months ago? (change is measured by sales, orders, enquiries, etc.)



■ Much LESS ■ Slightly LESS ■ Same as 6 months ago ■ Slightly MORE ■ Much MORE

- Customer activity less positive with more businesses reporting less activity than more – Kilkenny is the exception and much more positive

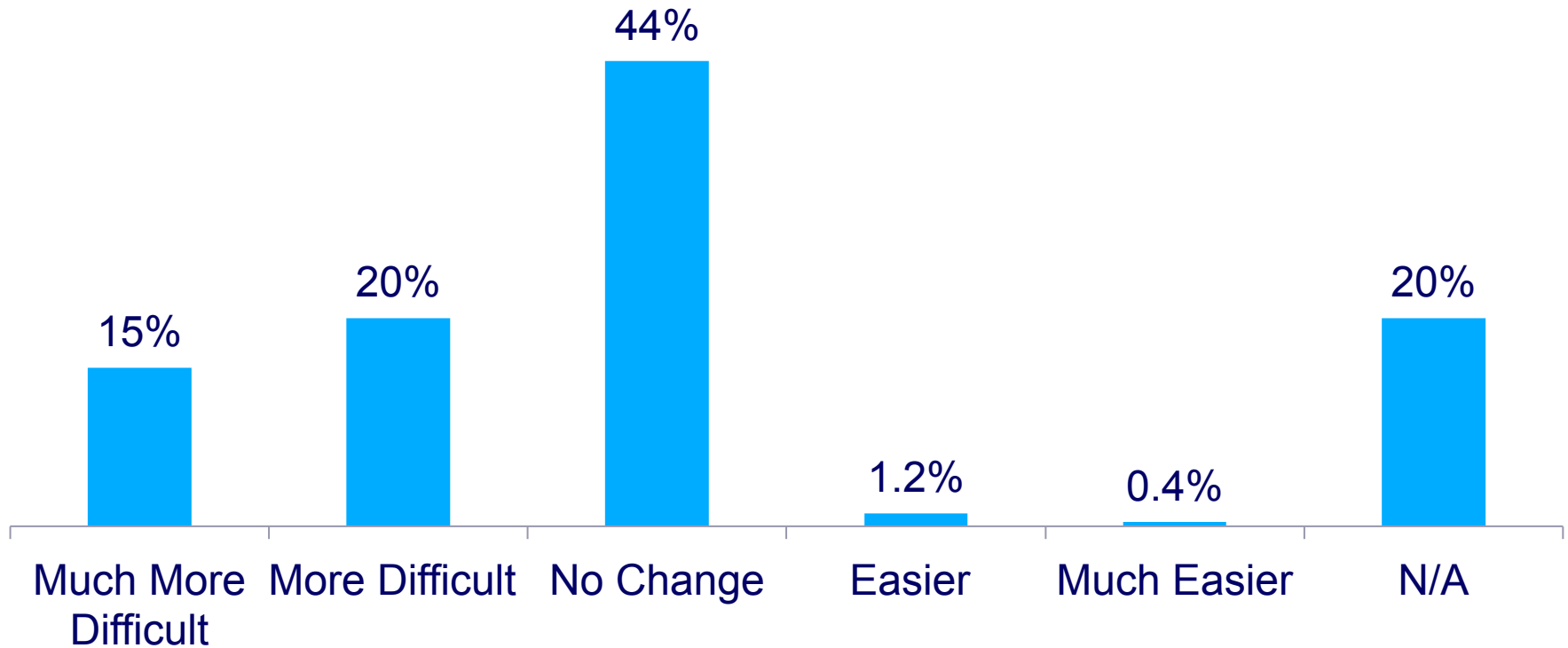
Government Effectiveness – The government has now been in place for 18 months. How satisfied are you to date with its performance on the following issues?



■ 1 - Very Dissatisfied ■ Dissatisfied ■ Neither ■ Satisfied ■ 5 - Very Satisfied

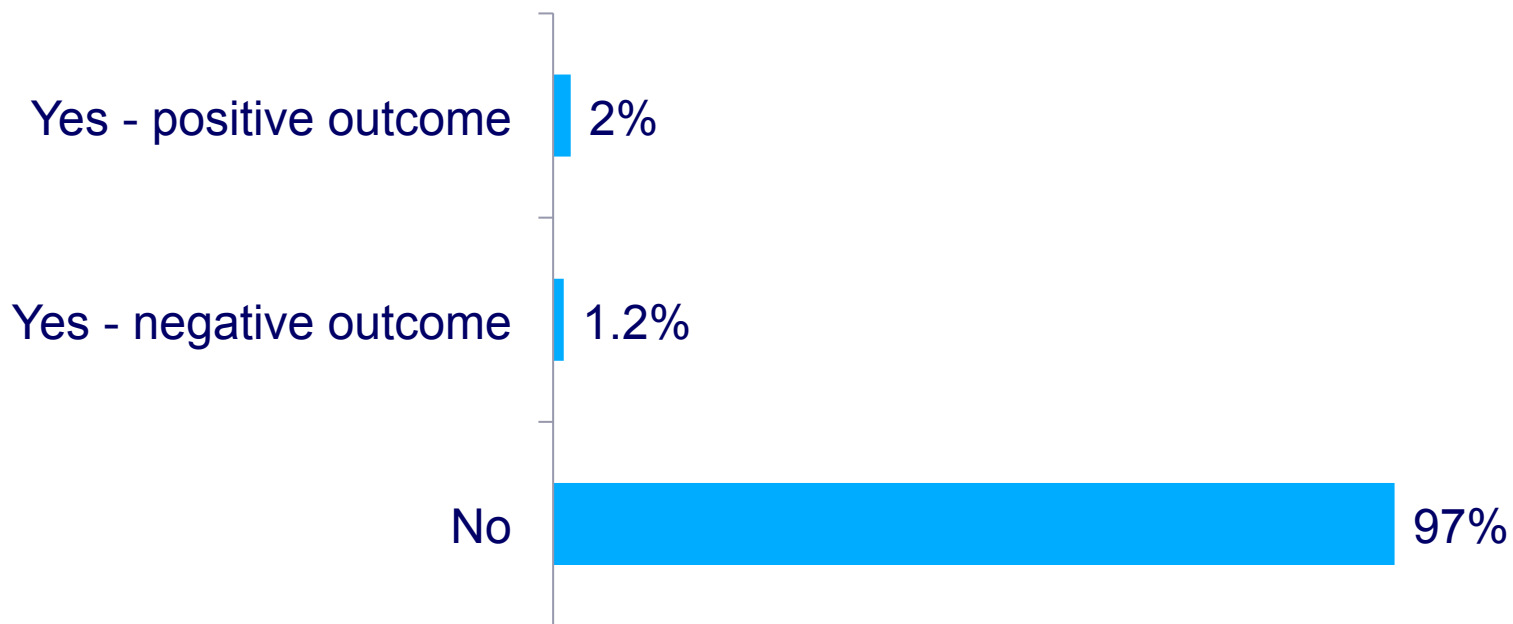
- For the fourth survey in a row since the government took office levels of dissatisfaction with its performance on the public sector and banking issues have increased

Availability of Credit - Has the level of difficulty in accessing credit for your business changed in the past year?



- Over a third of businesses find that credit is becoming more difficult to access while less than 2% think things are easing up on that score – however a substantial minority of businesses have no need for credit

Credit Guarantee Scheme - The Credit Guarantee Scheme is now in place. Has your business had a loan application reviewed under the scheme and if so was the outcome positive or negative?



CGS having little impact in South East – just 8 businesses from 255 who answered the question have made an application

Summary of Findings

- 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 further falls in workforce numbers
- Outlook for 2013 much better with 45% expecting an increase and just 21% a decrease in sales – big improvement on recent surveys
- Most positive sectors this year are Agriculture, Transport / Distribution and Manufacturing but no sector is in negative territory
- A majority of respondents (43%) claim to be feeling more positive about their businesses than 6 months ago – little change on previous
- Businesses continue to be negative about 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 than previous survey – Kilkenny the clear exception to this

Summary of Findings

- Dissatisfaction with the government's policy on the public (83%) and banking sector (87%) has increased for the 4th survey in a row
- Over a third of businesses think that credit has become more difficult to access in the past year - 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
- Businesses in Co. Waterford reported much worse outcomes in 2012 than the regional average and are least positive about their businesses compared to 6 months ago
- Overall, the outlook among businesses is positive despite the apparent lack of improvement in the economic environment