

Press Release

Monday 10th June 2013

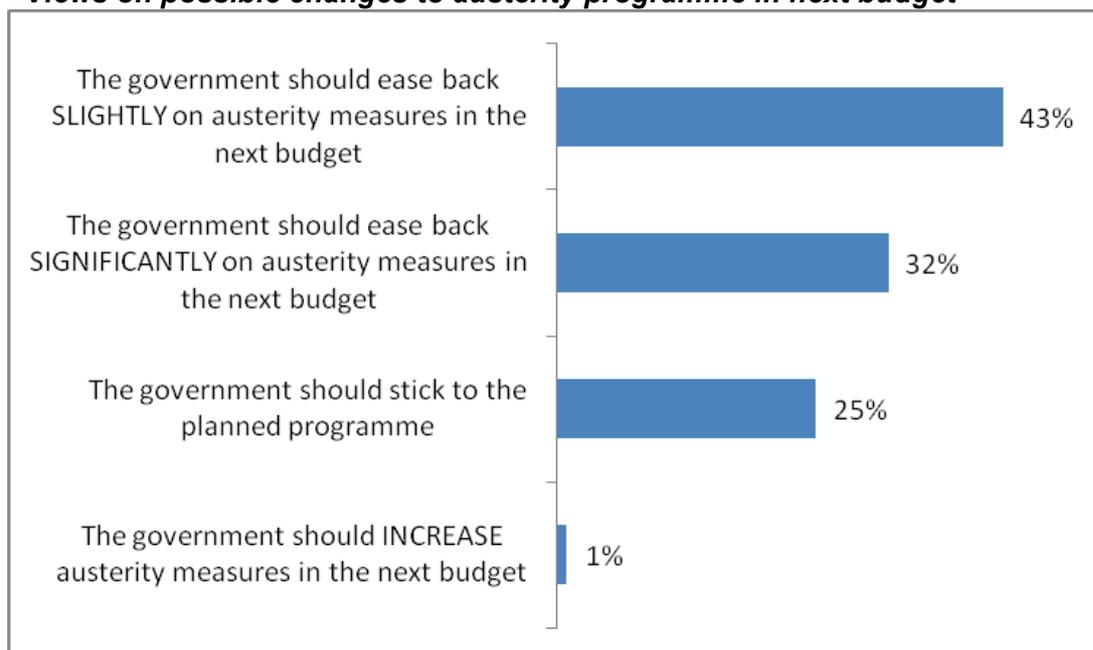
South East Business Confidence Study – May 2013

Employment set to grow for first time in five years as South East businesses call for easing of austerity measures

For the first time in five years South East businesses expect to be employing more people by the end of 2013 than the previous year. However, business leaders' opinions on the direction of government's economic policy are evenly divided and the vast majority of businesses in the region are calling for an easing of austerity measures according to the findings of the latest South East Business Confidence Study. More businesses are seeing increased customer activity and there is an air of positivity coming from most industry sectors. Most positive are businesses in agriculture, financial services and manufacturing. This is the 11th in a series of twice-yearly surveys conducted in the South-East region by Kilkenny-based market research firm, Market Dynamics. A total of 233 businesses in the region participated.

Commenting on the results, John Gilsean, Managing Director of Market Dynamics, stated: ***“the change in the number of people to be employed in the region should not be overstated - the increase is likely to be small - but it marks a turning point after five years of falling employment. The call from South East businesses for an easing of austerity measures is likely to be echoed across the country in the coming months. Most are only looking for small changes that will help them survive after many challenging years. It is also very encouraging to see that a big majority of businesses in the Hotels/Restaurants/Tourism sector are more positive about the prospects for their businesses this year. This is an important sector for the South East region”.***

- Views on possible changes to austerity programme in next budget -



Source: Market Dynamics, May 2013
More

Other Major Findings

- Businesses reported that sales in 2012 turned out better than they had expected in the previous survey - 43% higher and 36% lower
- Once again workforce numbers fell – 28% employed fewer at the end of 2012 while just 17% had more employees
- The outlook for 2013 is quite positive with 45% expecting a sales increase and just 24% a decrease – slightly less positive than previous survey, however
- Most positive sectors are Agriculture, Financial Services and Manufacturing – Retail is the most negative sector with 47% expecting a drop in sales this year
- 27% of businesses are exporting and of these almost half expect their export sales to be up this year - just 19% expect a fall
- More businesses expect their workforces to grow this year than to fall – very slight change but the first time in positive territory since the SEBS survey began in May 2008
- Wages / salaries are down in over half of all businesses compared to five years ago and in 43% of cases they are still over 10% lower
- Hardest hit on the wages / salaries front have been businesses in the Construction and Retail sectors but all sectors have seen average decreases except Manufacturing where many more businesses have seen increases than decreases
- Opinion is equally divided on the Central Bank's view that from an economic point of view the "overall policy stance is moving things in the right direction" with 39% in agreement and 39% not - Construction and Retail businesses were most negative
- There is very considerable support on the part of South East businesses for austerity measures to be eased in the next budget – 43% support a slight easing while 32% want more significant steps taken
- This is all in the context of 45% of businesses seeing an increase in customer activity in the past 6 months compared to 37% who saw a decrease – this is a reverse of the situation in the previous survey six months ago

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Note to Editor

More detailed findings and further county by county analysis is available please contact John Gilsenan (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 Gilsenan on 056 775 8888 / 086 384 0062 or email john@marketdynamics.ie.

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