

Press Release

Friday 6th June 2014

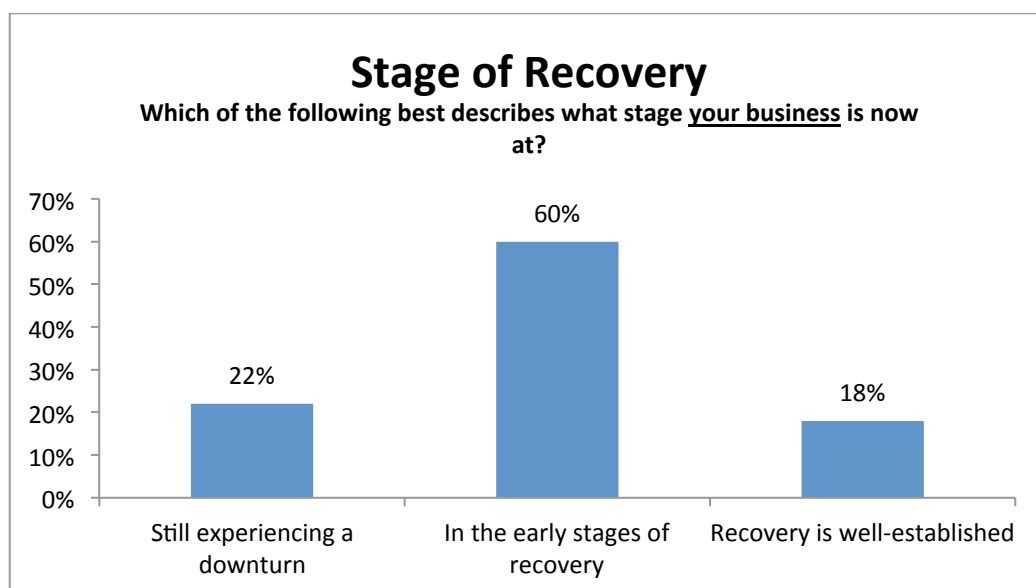
South East Business Confidence Study – May 2014

Recovery continues in the South East economy with further evidence that the domestic market is moving again

Further signs that the domestic market in the South East continues to improve, albeit slowly, are evidenced by the fact that nearly two-thirds of businesses are reporting improved customer activity in the last 6 months. As a result, 59% of businesses expect sales to be better this year than last and around one in four expects to employ more people by the end of the year. These good bits of news are the key findings of the latest South East Business Confidence Study.

The hotels / restaurants / tourism sector will see the biggest increase in employment with 38% of businesses expecting to hire more – followed by financial services (32%) and construction (30%). However, businesses in all sectors are broadly positive about sales this year. In fact, almost 1 in 5 businesses claim their recovery is "well-established".

Commenting on the results, John Gilson, Managing Director of Market Dynamics, stated: ***“the steady improvement in the business environment is continuing and the fact that the transport and distribution sector is so positive is yet another indicator that the domestic market is literally “moving” again. As we would expect, increased employment will follow well behind increased sales as spare capacity is likely to exist at the moment. One concern is that though all sectors are showing positive signs, nonetheless, there is a proportion of businesses in every sector whose sales are still falling and for whom the improving business environment has not been sufficient to turn the tide. For many of these, you would have to worry about their future prospects”.***



Source: Market Dynamics, May 2014
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Other Major Findings

- Just half of businesses saw an increase in sales in 2013 though fewer (45%) saw an increase in profitability
- Fewer than one in four businesses saw an increase in their workforce during 2013 – in line with predictions from last survey
- More businesses expect a sales increase this year than in the last survey (59%) but number expecting a fall is also up (9%)
- Most positive sectors are Hotels / Restaurants / Tourism, Transport / Distribution / Telecoms and Manufacturing but no sector is in negative territory
- Hiring will not track sales increases with just 25% expecting to hire more during 2014 though 65% will maintain numbers
- Hotels / restaurants / tourism will see the biggest increase in employment with 38% of businesses expecting to hire more – followed by financial services (30%) and Construction (30%) – however more businesses in retail / wholesale will see a reduction in workforce this year than an increase
- The proportion of respondents who feel more positive about the prospects for their business (55%) is down on the last survey but well up on a year ago (43%)
- 63% of businesses are seeing more customer activity than 6 months ago while just 13% are seeing less
- 60% of respondents believe their businesses are still in the early stages of recovery while 18% consider recovery is well-established
- Interestingly, 83% consider that the Irish economy is in the early stages of recovery with just 2% saying it is well-established
- Just over a quarter of businesses have had major difficulty finding people with particular skills in the past year
- Just 14% of business will be awarding pay rises to all staff this year while there will be no pay rise for anyone in 68% of firms

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Note to Editor

More detailed findings and further county by county analysis is available please contact John Gilsonan (details below) for further information. This is the 13th in a series of twice-yearly surveys conducted in the South-East region by Kilkenny-based market research firm, Market Dynamics. A total of 210 businesses in the region participated.

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 Gilsonan on 056 775 8888 / 086 384 0062 or email john@marketdynamics.ie.

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