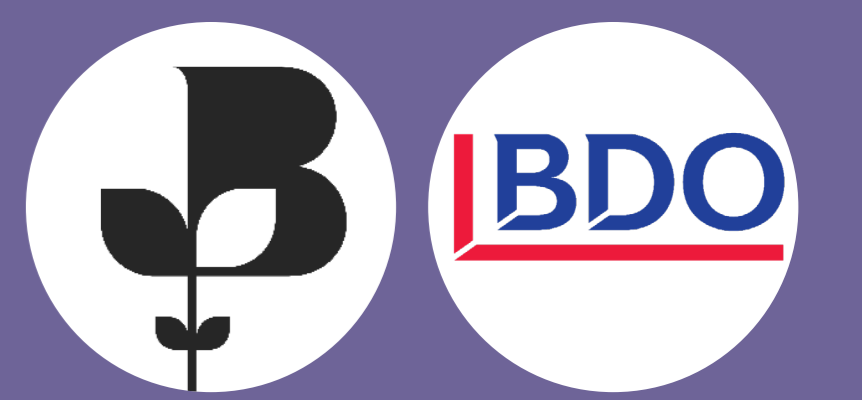


Quarterly Economic Survey

Q2 2019



northernirelandchamber.com

About

The Northern Ireland Chamber of Commerce and Industry Quarterly Economic Survey (QES), in partnership with BDO is the largest survey of business opinion conducted in Northern Ireland and closely watched by policymakers such as the NI Executive; Treasury and Bank of England. Businesses are questioned on a wide range of issues, including: home sales and orders, export sales and orders, employment prospects, investment, recruitment difficulties, cash flow and price pressures.

Economy Watch

- ☑️ NI economy is still growing
- ☑️ Most key indicators are positive
- ☑️ 63% are recruiting
- ☹️ NI's regional performance is weak and is losing some ground in Q2 2019
- ☹️ Fewer businesses are operating at full capacity
- ☹️ Recruitment difficulties remain a major concern



Brexit Watch

62%

of businesses are making preparations for Brexit

However...

42%

have scaled back preparations due to the 6 month extension to Article 50

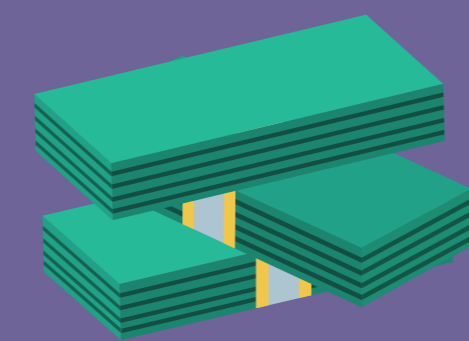


Sectors

Manufacturing

Some uplift in confidence and investment as well as price pressures easing

5th NI ranks 5th out of 12 UK regions in terms of % taking on employees in the last 3 months



Worrying signs around trade conditions for local manufacturing

Bottom three NI ranks in the bottom 3 performing UK regions for 8 of the 14 key balances



Services

A better Q2 for services after a weak start to 2019

Signs of growth - Almost all key balances are positive (13 out of 14)



Poor export performance persists with investment intentions weakening

76% of services sector members are finding it difficult to recruit the right people



Special Focus: Wages

1 in 4

members facing significant pressure to raise wages, particularly for skilled workers



19%

of members anticipating 3%+ pay rises for employees over the coming year



Key drivers include the growing competition to attract staff

33% and retain staff

34%