Northern Ireland Assembly

Research and Information Service
Briefing Note

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Committee for Enterprise, Trade and Investment's business survey – headline results

1 Introduction

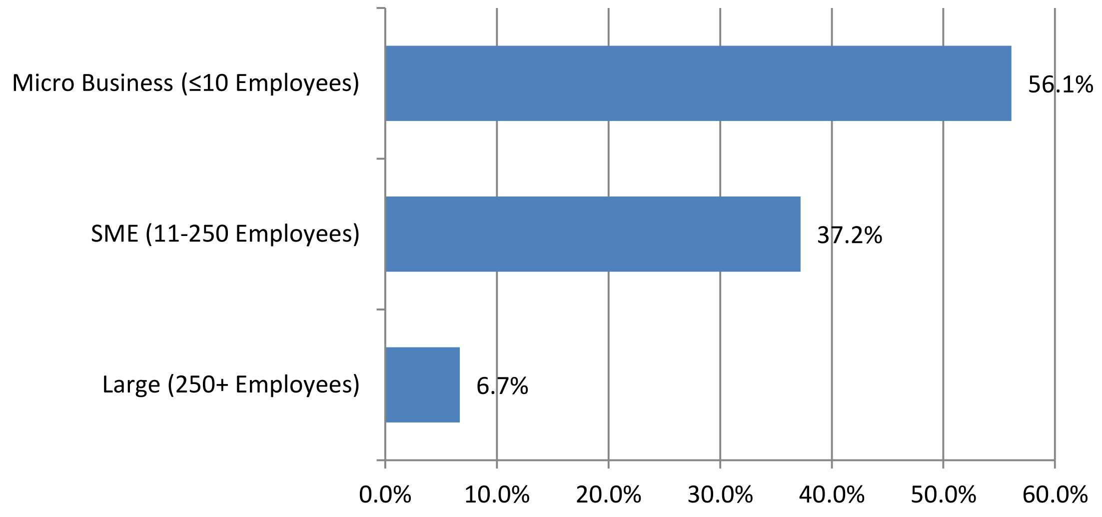
The following paper outlines the headline results of the Committee for Enterprise, Trade and Investment's survey of Northern Ireland businesses.

In total 223 businesses completed this survey which ran from the 1 January 2015 until the 10 March 2015.

2 What size is your business?

Figure 1 shows the proportion of survey respondents falling into three business size categories: 56.1% of respondents represented microbusinesses (businesses with fewer than ten employees); 37.2% of respondents represented SMEs (between 11 and 250 employees); and 6.7% of respondents represented large businesses (more than 250 employees). According to the Interdepartmental Business Register, the make-up of Northern Ireland's business landscape, as of 4 February 2015, was: microbusiness made up 88% of all VAT or PAYE registered business; SMEs (11 to 250 employees) made up 11.4%; and large businesses made up 0.4%.[1]

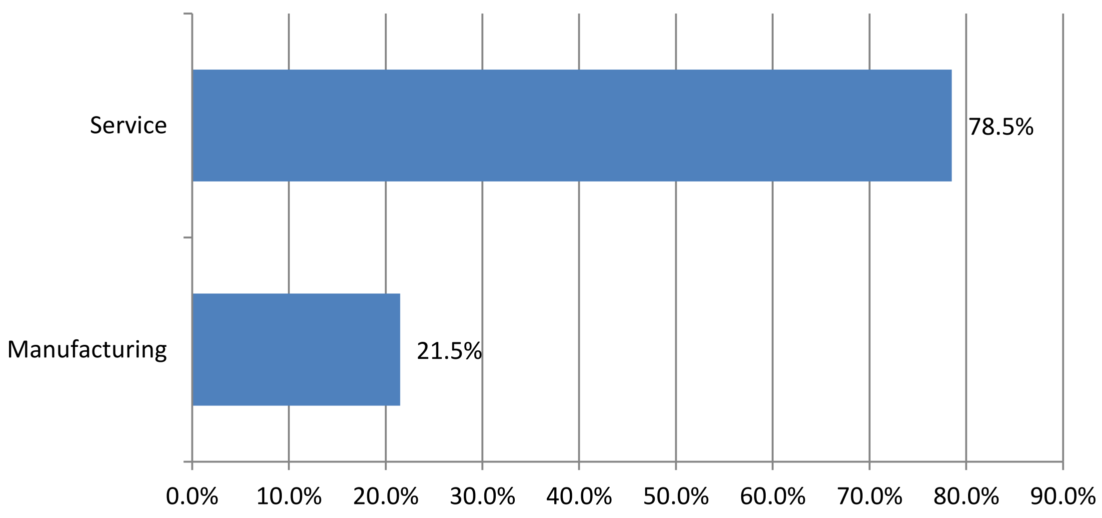
Figure 1: What size is your business (223 respondents)?



3 Do you operate mainly in the manufacturing or service sector?

Figure 2 shows that the majority of those responding to the survey were service sector businesses, 78.5% of respondents operated in this sector, while 21.5% of respondents defined themselves as mainly operating in the manufacturing sector.

Figure 2: Do you operate mainly in the manufacturing or service sector (223 respondents)?

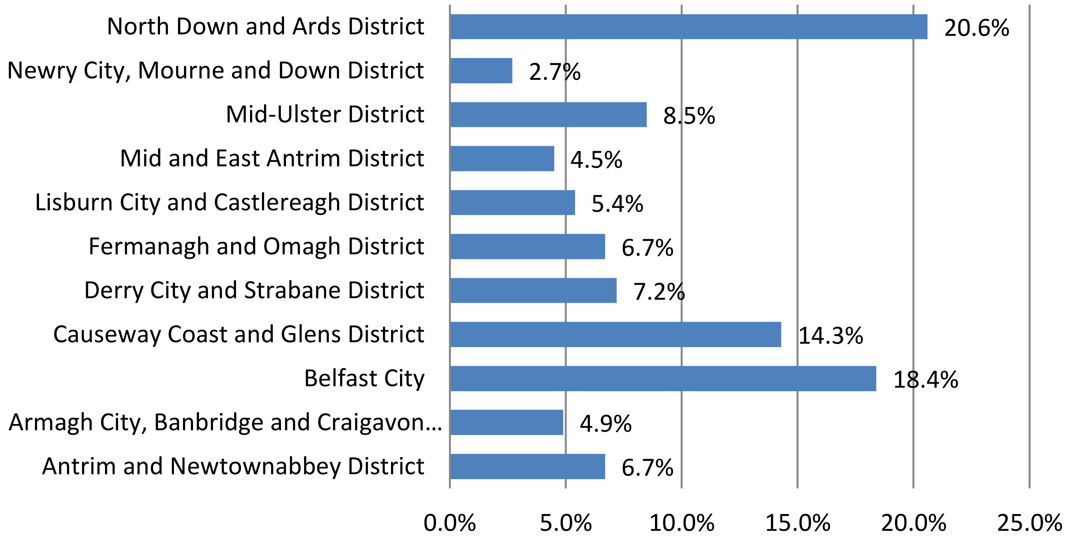


[1] http://www.detini.gov.uk/idbr_publication_edition_17_updated_jan_2015.pdf?rev=0

4 In which new council area is your main Northern Ireland business located?

The survey received responses from business in each of the 12 new council areas across Northern Ireland. The largest number of responses came from business in the North Down and Ards District followed by Belfast City.

Figure 3: In which new council area is your main Northern Ireland business located (223 respondents)?

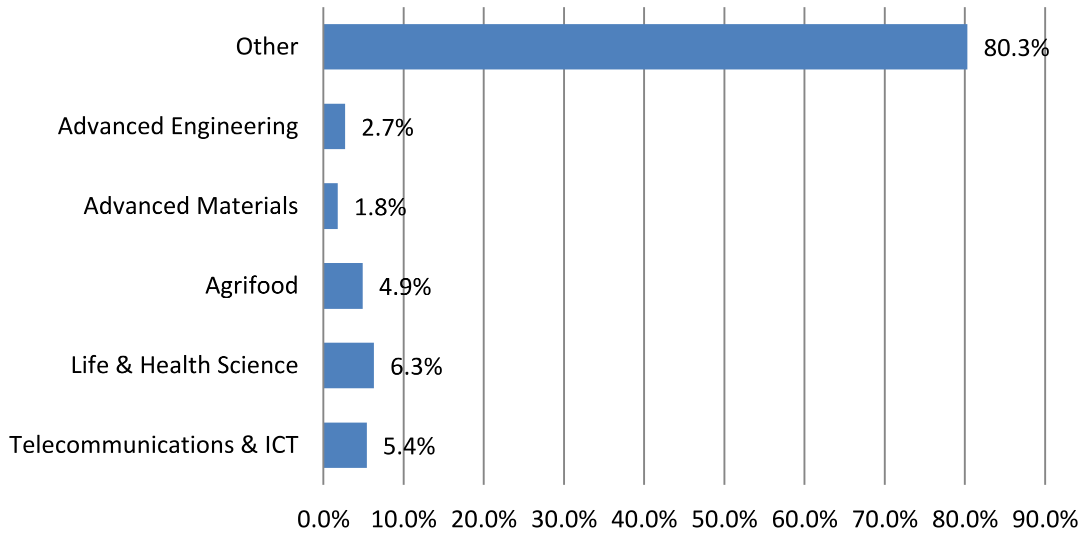


5 Is your business in one of the Economic Strategy Sectors?

Businesses were asked if the operated within one of the five sectors identified in the Northern Ireland Economic Strategy as sectors that have *'the greatest potential for growth'* and are areas the region is seeking to further exploit: Telecommunications & ICT; Life & Health Sciences; Agrifood; Advanced Materials; and Advanced Engineering.

As Figure 4 outlines, the majority of respondents considered themselves to operate in other sectors. Those falling into the 'other' category came from a wide variety of sectors, including construction; retail; finance; tourism; arts; social enterprise; and transport.

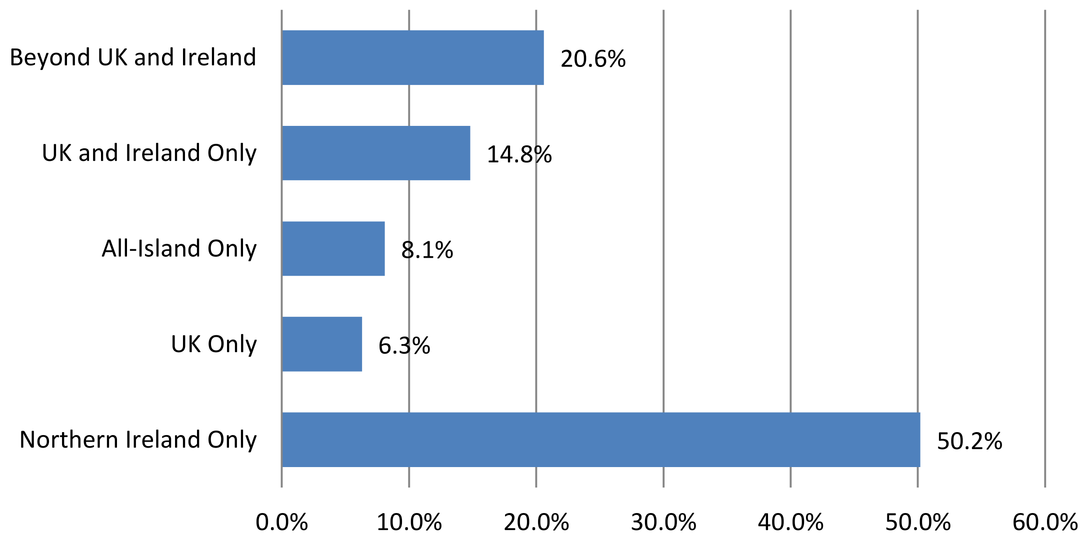
Figure 4: Is your business in one of the Economic Strategy Sectors (223 respondents)?



6 Do you have an international presence or NI presence only?

As Figure 5 shows 50.2% respondents had a Northern Ireland presence only. This means that, when combined, 49.8% of respondents had some sort of presence outside of Northern Ireland. A total of 20.6% of respondents had a presence beyond the UK and the Republic of Ireland.

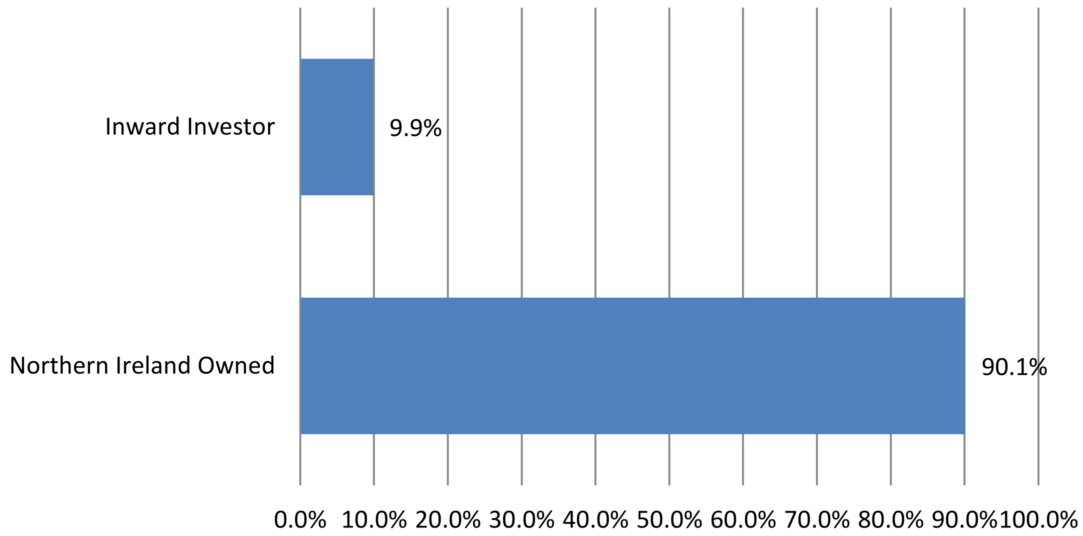
Figure 5 Do you have an international presence or NI presence only (223 respondents)?



7 Is your business NI owned or an inward investor?

The vast majority (90.1%) of respondents to the survey represented Northern Ireland companies, with only 9.9% of respondents being inward investors. Inward investors came from a variety of regions, including: GB, RoI, US, Australia, Denmark, France, Switzerland, and the Middle East.

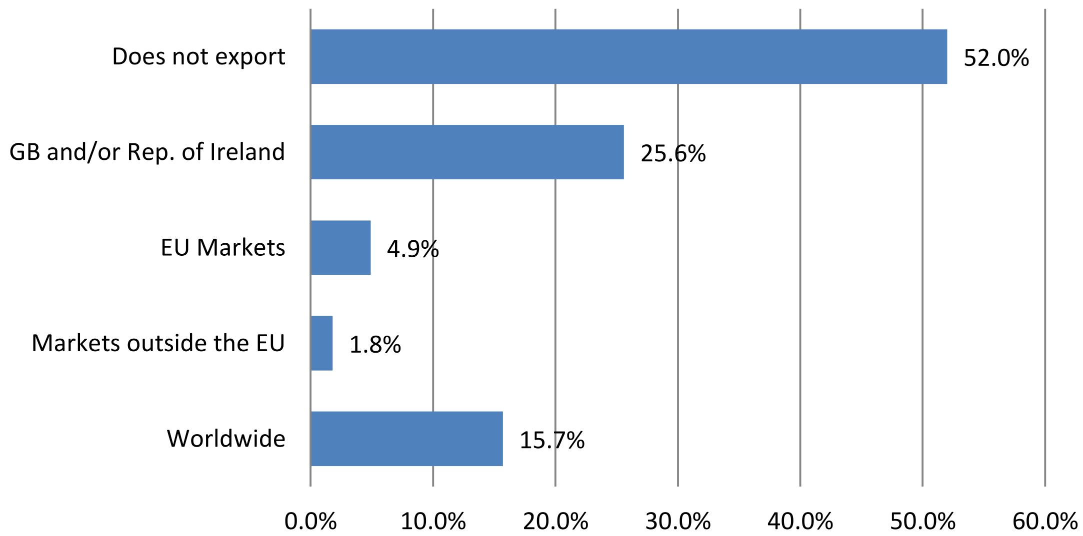
Figure 6: Is your business NI owned or an inward investor (223 respondents)?



8 To which areas outside NI does your business currently export?

Just over half (52%) of survey respondents stated that they did not export. This means that 48% of respondents were exporting businesses. A total 25.6% of respondents exported to GB and/or the RoI, 15.7% exported worldwide, while 4.9% exported to EU markets.

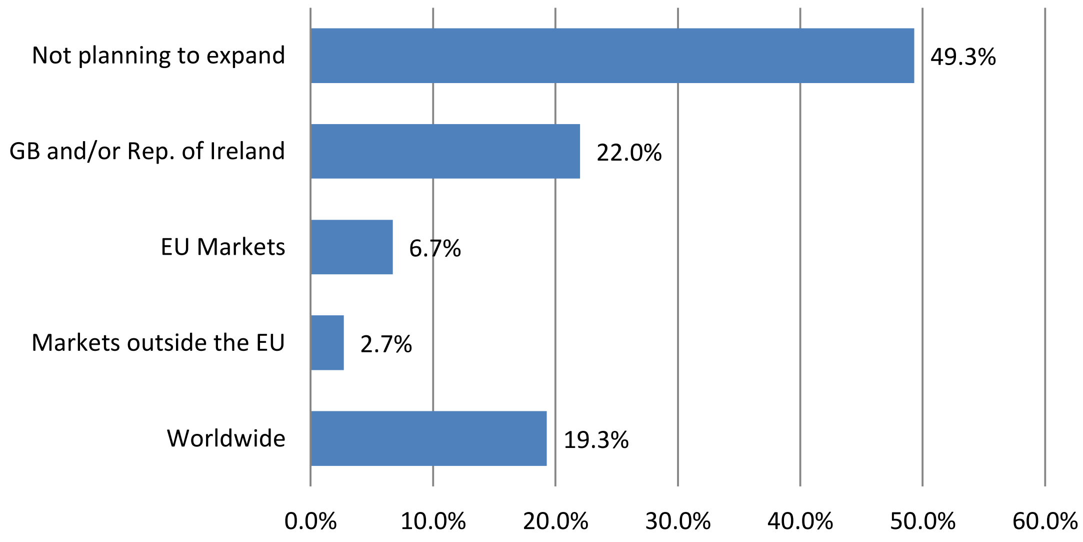
Figure 7: To which areas outside NI does your business currently export (223 respondents)?



9 Does your business wish to expand its export base in the future?

Just under half of respondents, 49.3%, stated that they did not wish to expand their export base in the future. By contrast 50.7% stated that they wished to expand their export base – 22% of respondents would like to expand their export base in GB and/or the RoI, 19.3% would like to expand their export base worldwide, and 6.7% would like to expand their export base in the EU.

Figure 8: Does your business wish to expand its export base in the future (223 respondents)?



10 How would improvement in each of the following factors impact on your business growth?

Business were asked to rate a range of factors, on a four point scale from high impact to now impact, according to how they believed each impacted their business growth. The results are displayed in Figure 9 and in table format in Annex 1. It should be noted that at total 190 respondents addressed this question, although the number responding to each specific variable ranged from 175 to 190.

The following areas were identified as having a high impact by more than 40% of respondents:

- Government Financial Support – 51%;
- Access to markets – 49%;
- Access to finance – 45%;
- Energy costs – 45%;
- Government Practical Support – 44%;
- Skills and Education – 44%;
- Regional Political Climate – 43%;

- Labour cost – 41%; and
- Business regulation – 40%.

Figure 10 ranks the factors according to the proportion of respondents that indicated they were of a high impact on their business growths.

Figure 9: How would improvement in each of the following factors impact on your business growth (190 respondents)?

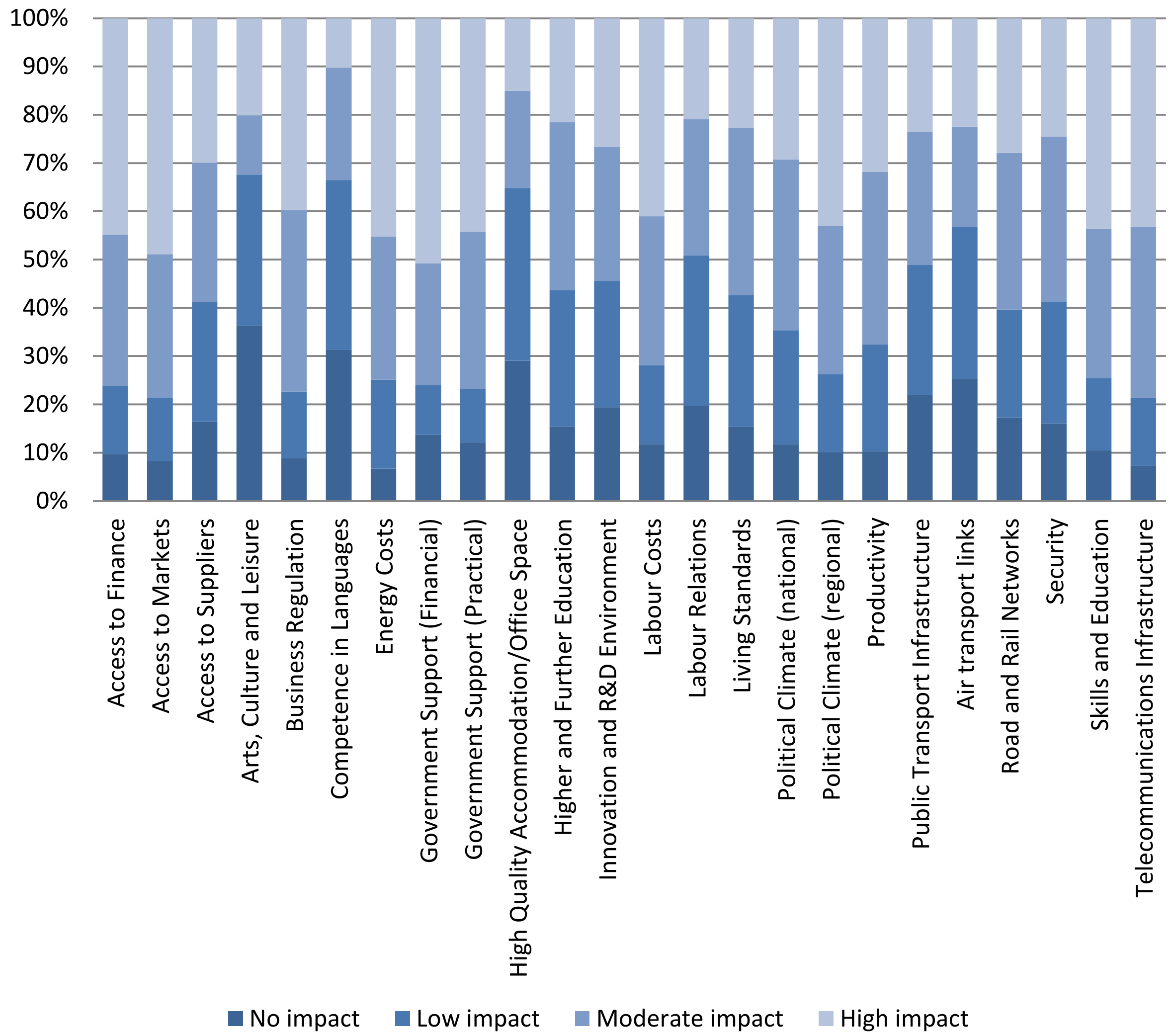
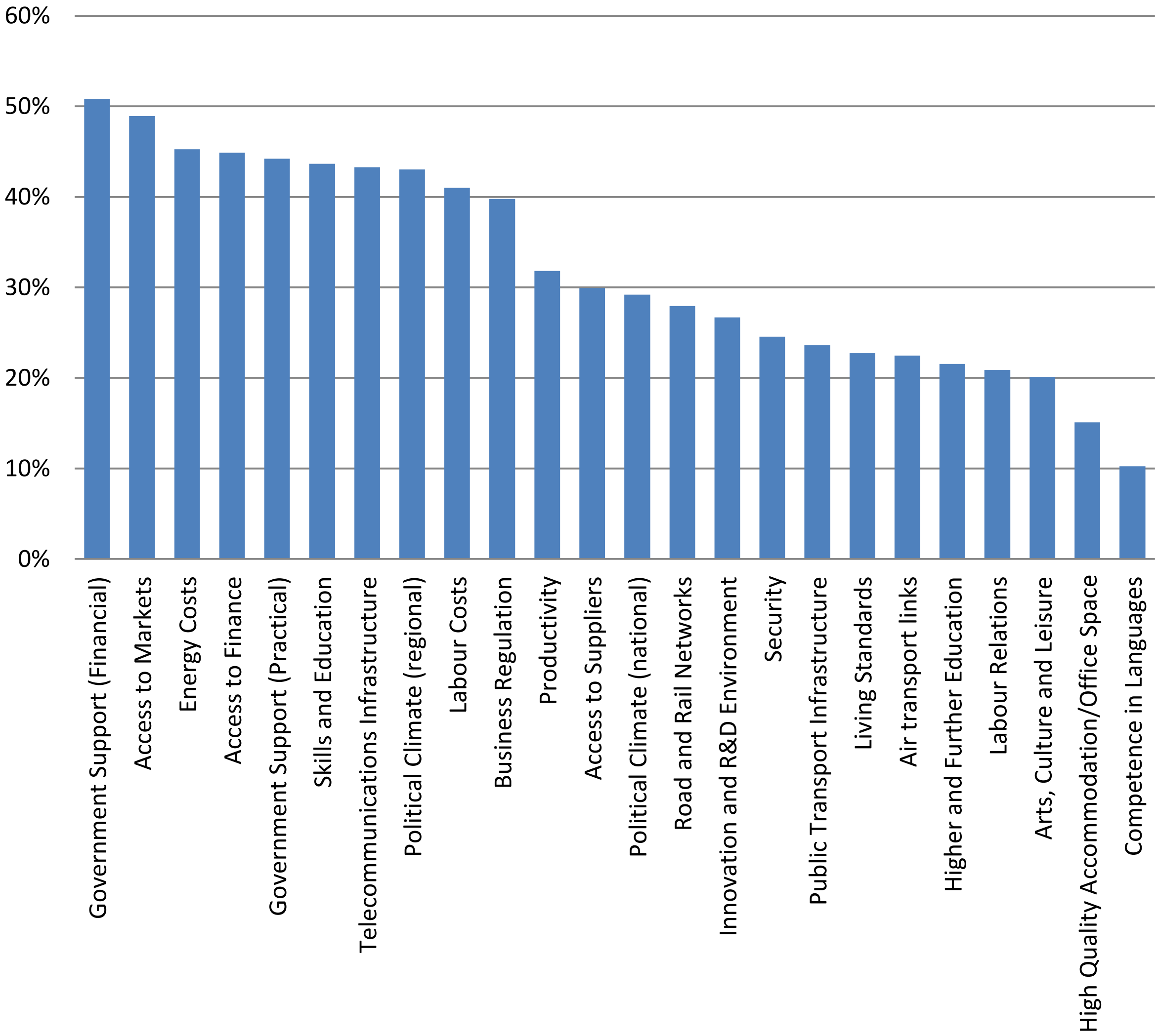


Figure 10: How would improvement in each of the following factors impact on your business growth – Proportion indicating high impact



11 How do you view the quality of current provision in Northern Ireland?

Businesses were also asked to rate their perception of the provision of the same factors on a four point scale from excellent to poor. This is outlined in Figure 11, while Figure 12 ranks each factor according to the proportion of respondents who indicated that provision was poor in that area. A total of 165 individual respondents addressed this question, although the numbers rating specific factors ranged from 153 to 162. The results are outlined in Figure 11, while Figure 12 ranks each factor according to the proportion of respondents who indicated that provision was poor in that area. Factors identified as poor by more than 40% of respondents included (full results for this question are available in Annex 2):

- Regional Political Climate – 54%;
- Energy costs – 53%;
- Government financial support – 43%;

- Government practical support – 43%; and
- Road and rail networks – 40%.

Figure 11: How do you view the quality of current provision in Northern Ireland (165 respondents)?

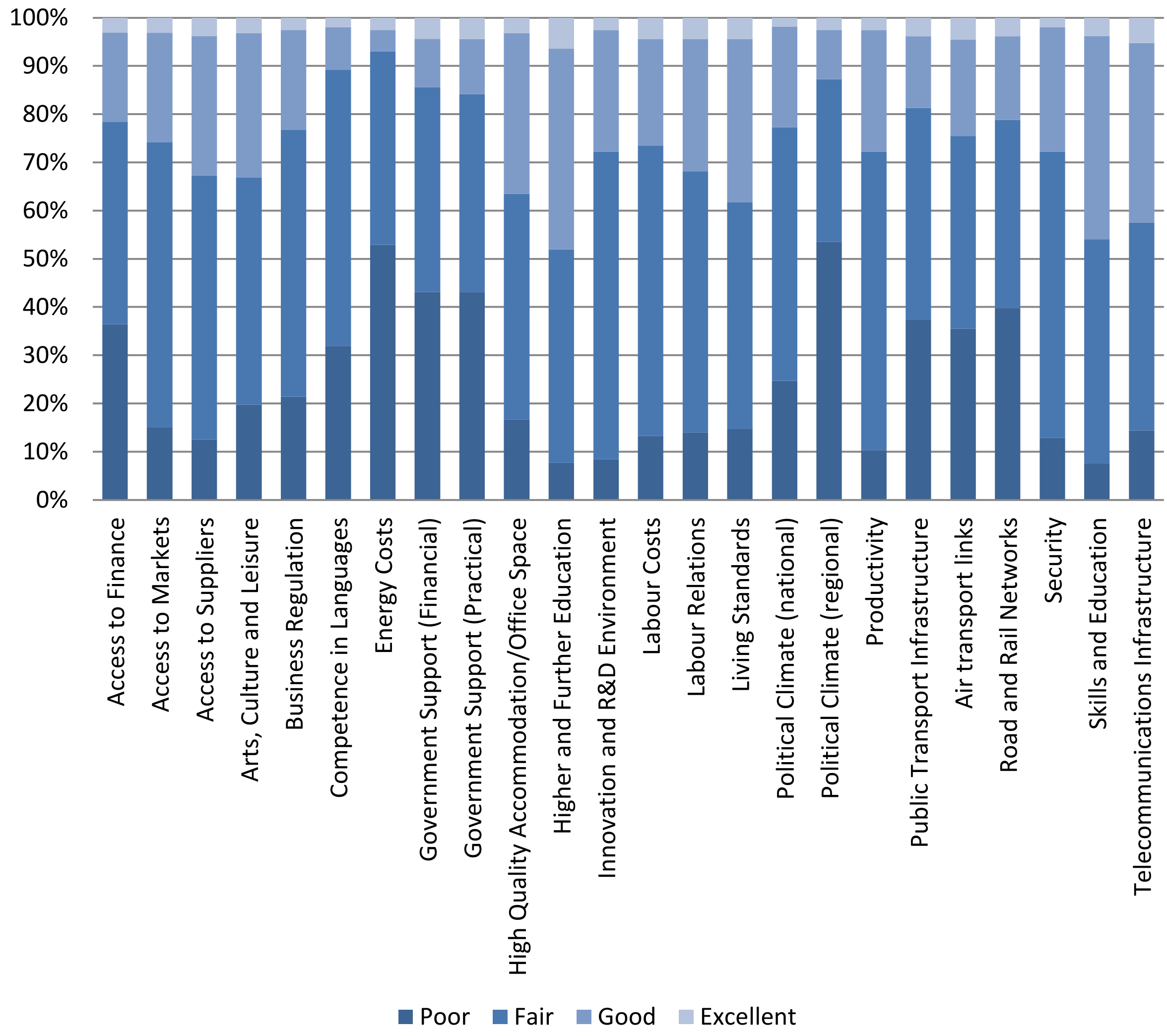
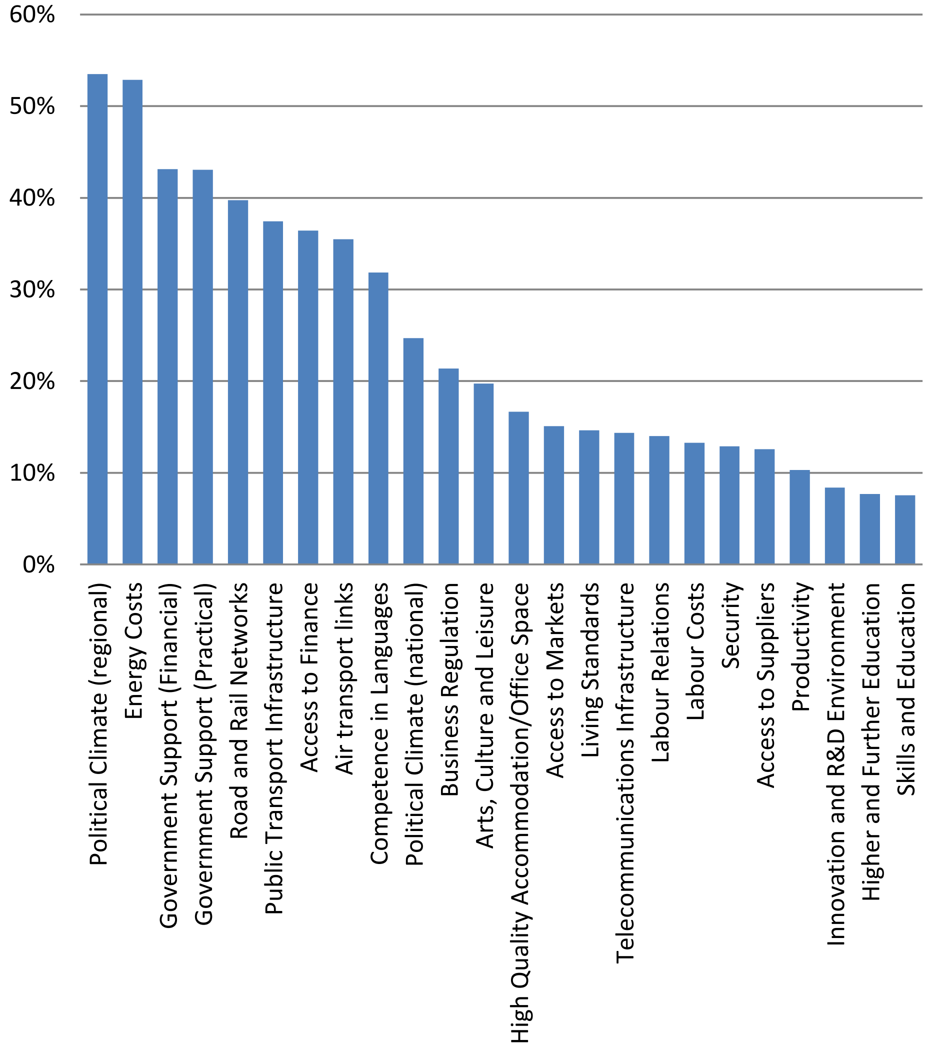


Figure 12: How do you view the quality of current provision in Northern Ireland? – Proportion indicating poor provision



12 Factors identified as having a high impact *and* poor provision

The proportion of respondents who identified each factor as both high impact and having poor provision is outlined in Figures 13 and Table 1. The five factors that the highest proportion of respondents identified as both high impact and poorly provided for were:

- Political Climate Regional – 28.2%;
- Energy Costs – 27.4%;
- Government Financial Support – 26.9%
- Access to Finance – 23.6%; and
- Government Practical Support – 21.5%.

Figure 11: Proportion of respondents identifying factors as having a high impact *and* poor provision

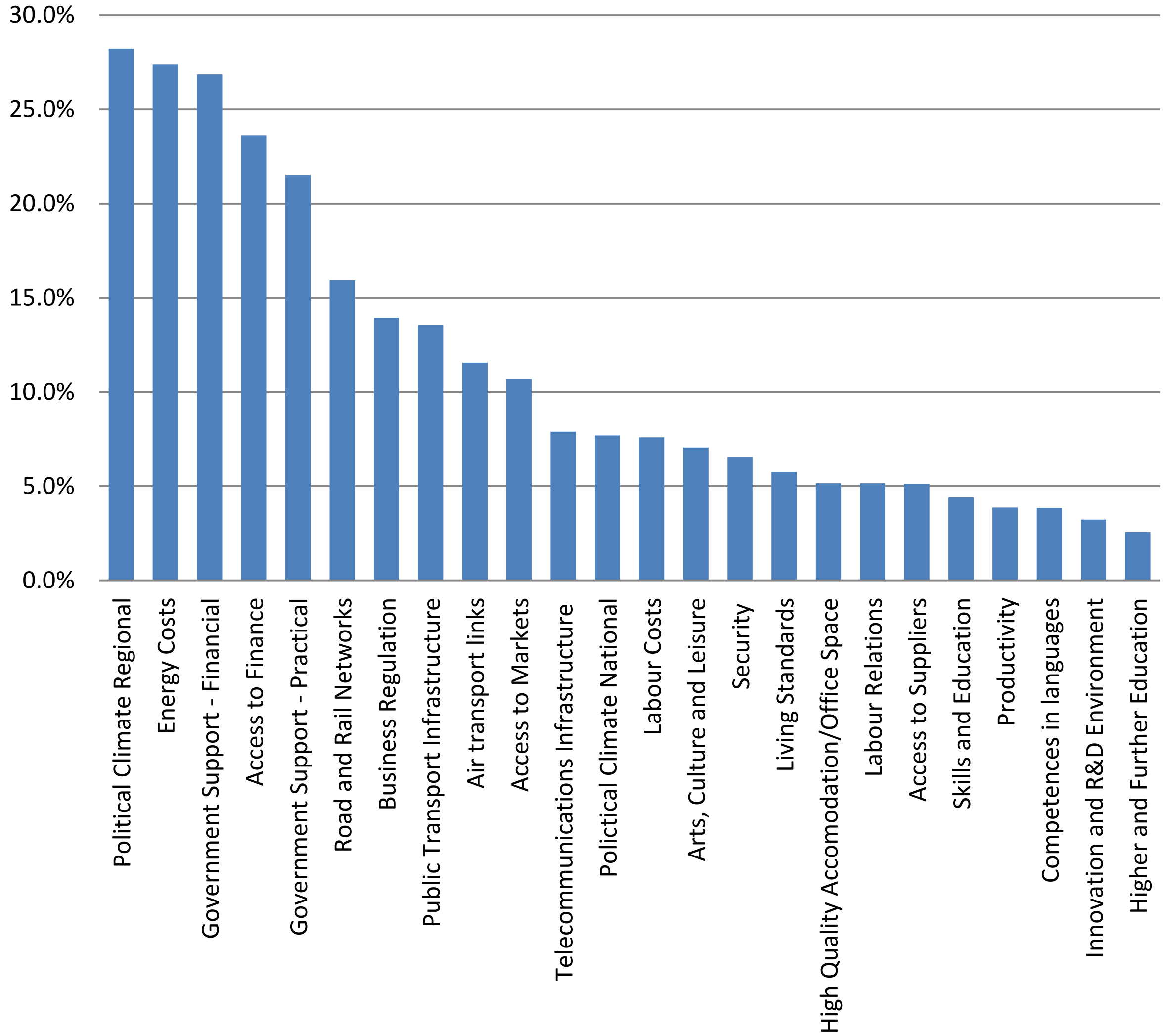


Table 1: Proportion of respondents identifying factors as having a high impact *and* poor provision

Factor	Proportion
Political Climate Regional	28.2%
Energy Costs	27.4%
Government Support - Financial	26.9%
Access to Finance	23.6%
Government Support - Practical	21.5%
Road and Rail Networks	15.9%
Business Regulation	13.9%
Public Transport Infrastructure	13.5%
Air transport links	11.5%
Access to Markets	10.7%
Telecommunications Infrastructure	7.9%
Political Climate National	7.7%
Labour Costs	7.6%
Arts, Culture and Leisure	7.1%
Security	6.5%
Living Standards	5.8%
High Quality Accommodation/Office Space	5.2%
Labour Relations	5.2%
Access to Suppliers	5.1%
Skills and Education	4.4%
Productivity	3.9%
Competences in languages	3.8%
Innovation and R&D Environment	3.2%
Higher and Further Education	2.6%

Annex 1: How would improvement in each of the following factors impact on your business growth?

	High impact		Moderate impact		Low impact		No impact		Response Count
	Number	%	Number	%	Number	%	Number	%	
Access to Finance	83	45%	58	31%	26	14%	18	10%	185
Access to Markets	89	49%	54	30%	24	13%	15	8%	182
Access to Suppliers	53	30%	51	29%	44	25%	29	16%	177
Arts, Culture and Leisure	36	20%	22	12%	56	31%	65	36%	179
Business Regulation	72	40%	68	38%	25	14%	16	9%	181
Competence in Languages	18	10%	41	23%	62	35%	55	31%	176
Energy Costs	81	45%	53	30%	33	18%	12	7%	179
Government Support (Financial)	93	51%	46	25%	19	10%	25	14%	183
Government Support (Practical)	80	44%	59	33%	20	11%	22	12%	181
High Quality Accommodation/Office Space	27	15%	36	20%	64	36%	52	29%	179
Higher and Further Education	39	22%	63	35%	51	28%	28	15%	181
Innovation and R&D Environment	48	27%	50	28%	47	26%	35	19%	180
Labour Costs	73	41%	55	31%	29	16%	21	12%	178
Labour Relations	37	21%	50	28%	55	31%	35	20%	177
Living Standards	40	23%	61	35%	48	27%	27	15%	176
Political Climate (national)	52	29%	63	35%	42	24%	21	12%	178
Political Climate (regional)	77	43%	55	31%	29	16%	18	10%	179
Productivity	56	32%	63	36%	39	22%	18	10%	176
Public Transport Infrastructure	42	24%	49	28%	48	27%	39	22%	178
Air transport links	40	22%	37	21%	56	31%	45	25%	178
Road and Rail Networks	50	28%	58	32%	40	22%	31	17%	179
Security	43	25%	60	34%	44	25%	28	16%	175
Skills and Education	79	44%	56	31%	27	15%	19	10%	181
Telecommunications Infrastructure	77	43%	63	35%	25	14%	13	7%	178

Annex 2: How do you view the quality of current provision in Northern Ireland?

	Excellent		Good		Fair		Poor		Response Count
	Number	%	Number	%	Number	%	Number	%	
Access to Finance	5	3%	30	19%	68	42%	59	36%	162
Access to Markets	5	3%	36	23%	94	59%	24	15%	159
Access to Suppliers	6	4%	46	29%	87	55%	20	13%	159
Arts, Culture and Leisure	5	3%	47	30%	74	47%	31	20%	157
Business Regulation	4	3%	33	21%	88	55%	34	21%	159
Competence in Languages	3	2%	14	9%	90	57%	50	32%	157
Energy Costs	4	3%	7	4%	63	40%	83	53%	157
Government Support (Financial)	7	4%	16	10%	68	43%	69	43%	160
Government Support (Practical)	7	4%	18	11%	65	41%	68	43%	158
High Quality Accommodation/Office Space	5	3%	52	33%	73	47%	26	17%	156
Higher and Further Education	10	6%	65	42%	69	44%	12	8%	156
Innovation and R&D Environment	4	3%	39	25%	99	64%	13	8%	155
Labour Costs	7	4%	35	22%	95	60%	21	13%	158
Labour Relations	7	4%	43	27%	85	54%	22	14%	157
Living Standards	7	4%	53	34%	74	47%	23	15%	157
Political Climate (national)	3	2%	33	21%	83	53%	39	25%	158
Political Climate (regional)	4	3%	16	10%	53	34%	84	54%	157
Productivity	4	3%	39	25%	96	62%	16	10%	155
Public Transport Infrastructure	6	4%	23	15%	68	44%	58	37%	155
Air transport links	7	5%	31	20%	62	40%	55	35%	155
Road and Rail Networks	6	4%	27	17%	61	39%	62	40%	156
Security	3	2%	40	26%	92	59%	20	13%	155
Skills and Education	6	4%	67	42%	74	47%	12	8%	159
Telecommunications Infrastructure	8	5%	57	37%	66	43%	22	14%	153
answered question									165
skipped question									58