

For Immediate Release

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Government's honeymoon is over as South East businesses criticise performance on banking and public sector.

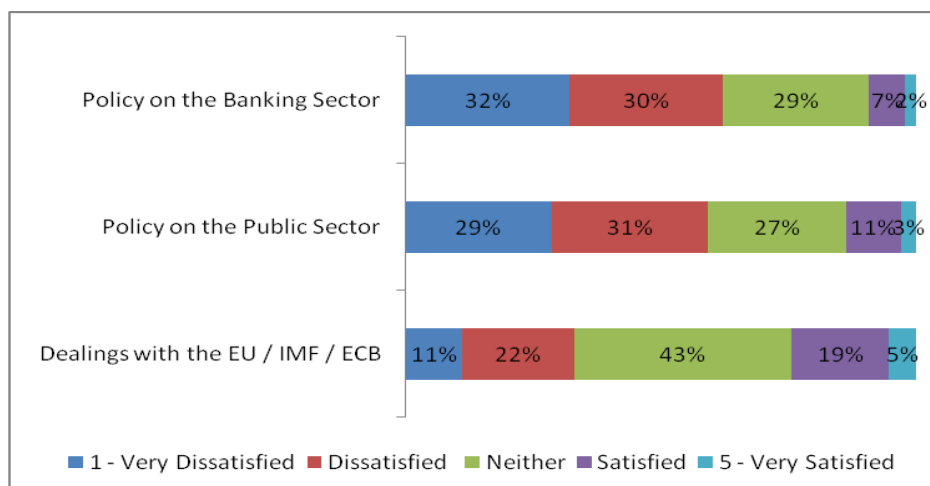
South East Business Confidence Study – May 2011

Though the new government has only been in power for a very short time businesses in the South East are already critical of its performance on banking, the public sector and its dealings with the EU / ECB / IMF according to the findings of the latest South East Business Confidence Study. There has been little change in sentiment about trading conditions with more businesses recording a fall in customer activity than an increase in the past six months. Half the businesses surveyed reported a fall in sales during 2010. This is the seventh in a series of twice-yearly surveys conducted in the South-East of Ireland by Kilkenny-based market research firm, Market Dynamics. A total of 352 businesses in the region participated.

On the plus side, the proportion of business people who are positive about the future has increased considerably since the last survey 6 months ago. A total of 43% expect an increase in sales this year but this won't be reflected in additional jobs with more businesses expecting a workforce reduction this year than expect an increase though the net fall will not be much.

Commenting on the results, John Gilsean, Managing Director of Market Dynamics, stated: *“the latest survey paints a fairly gloomy picture even by recent standards. Customer activity, whether through sales, orders or enquiries has fallen overall in the past six months. Businesses in the manufacturing and business services sectors are expecting sales increases this year but in other sectors the picture is broadly negative. However, the natural optimism of business owners is undiminished. There is a feeling that if they have survived this long they will continue to do so despite the perception that the new government is not performing well.”*

How satisfied are you to date with the Government's performance on the following issues?



Source: Market Dynamics, May 2011

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- **Carlow** businesses are quite negative about sales this year and more expect a fall than a rise. However, they also have the most positive outlook on jobs this year with a quarter expecting a rise in employee numbers.
- **Kilkenny** businesses were the most apprehensive about the forthcoming budget in the last survey and it seems that their fears were justified. Just under half (47%) expect sales to fall again this year and just a third are more positive about their businesses than they were 6 months ago.
- **South Tipperary** businesses had a dreadful 2010 with 63% experiencing a fall in sales. The same proportion expect a further fall this year as expect a rise. Nearly a third expect employee numbers to fall again this year.
- **Waterford** businesses are the most positive about 2011 with nearly half (47%) expecting sales to be up. This won't translate into additional jobs, however, as 29% expect workforce cuts this year.
- **Wexford** businesses once again track the regional average quite closely being quite positive about sales in 2011. A similar proportion expect a workforce increase as expect a fall so there should be no major change overall this year.

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Note to Editor

More detailed findings and further county by county analysis is available please contact Fiona Macrae (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 or Fiona Macrae on 056 775 8888/086 171 3959 or email fiona@marketdynamics.ie.