

## **Key findings in the Q4 2018 Quarterly Economic Survey:**

### **Manufacturing sector:**

- The balance of firms reporting increased domestic sales fell three points to +21, while those reporting improved domestic orders also fell from +20 to +16
- The balance of firms reporting improved export sales rose by a point from +19 to +20, while the balance of those reporting improved export orders rose from +14 to +18
- The balance of firms expecting to raise prices in the next three months stands at +43, up from +38 in Q3
- The percentage of firms citing the cost of raw materials as the source of cost pressures stayed at the same level as last quarter at 81%, the highest since Q2 2011
- The percentage of firms attempting to recruit remain unchanged at 67%. Of those, 81% reported recruitment difficulties – the joint highest on record
- The balance of firms increasing investment in plant/machinery rose slightly in the quarter from +15 to +18, and investment in training from +17 and +19
- The balance of firms confident that turnover and profitability to increase in the next 12 months fell, from +44 to +41 for turnover and +29 to +27 for profitability

### **Services sector:**

- The balance of firms reporting increased domestic sales fell from +22 to +18, the lowest since Q4 2016. Those reporting improved domestic orders fell from +17 to +14, the joint lowest in two years.
- The balance of firms reporting improved export sales remain unchanged from the previous quarter at +14, while those reporting improved export orders fell from +12 to +9
- The balance of firms expecting to increase prices in the next three months stands at +33, up from +27 in Q3
- The percentage of firms looking to recruit rose to 50%. Of those, 70% had recruitment difficulties, down slightly from the record high of 72% in the previous quarter
- Cashflow remains a concern, with a balance of just +6 reporting improved cashflow. This falls to just +2 among B2C firms
- The balance of firms looking to increase investment rose slightly from +7 to +10 in plant and machinery, and from +14 to +15 in training
- The balance of firms confident that turnover and profitability will improve over the next year fell slightly, from +38 to +37 for turnover and +29 to +27 in profitability