



The Belfast Business Survey Results

Publication date – November 2023



Belfast
City Council

in partnership with



BELFAST
CHAMBER

OVERVIEW

The Belfast Business Survey is a six-monthly business sentiment survey carried out by Belfast City Council in partnership with Belfast Chamber. The survey methodology includes a mixture of online and telephone responses. These results represent our Autumn survey, carried out during October and the first week of November 2023. The last survey was undertaken in Spring 2023.

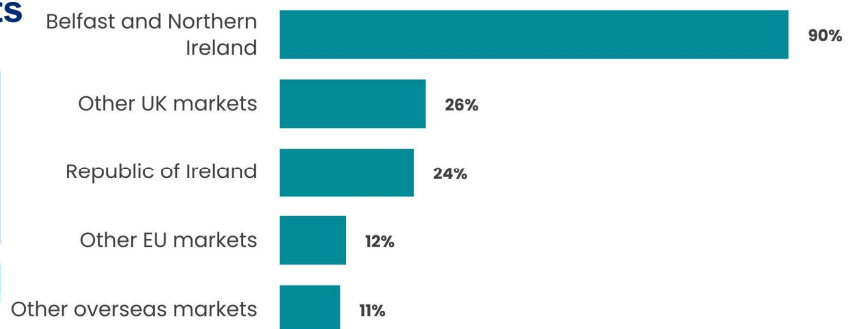
There were 421 respondents broadly representing the profile of businesses in the city. Some of the question wording and questions have changed in this iteration of the survey to shorten the overall length to encourage more businesses to complete the survey. We have also considered relevant questions from similar recent business surveys to help our analysis.

WHO WE SPOKE TO



We spoke to a total of **421** businesses

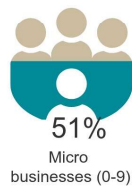
Trading markets



Base: 421

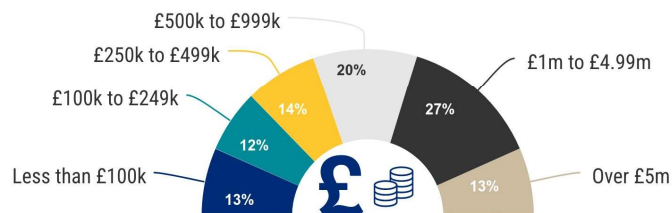
● Oct/Nov 2023

Payroll size



Base: 412

Estimated annual turnover



Base: 349

BUSINESS SECTORS

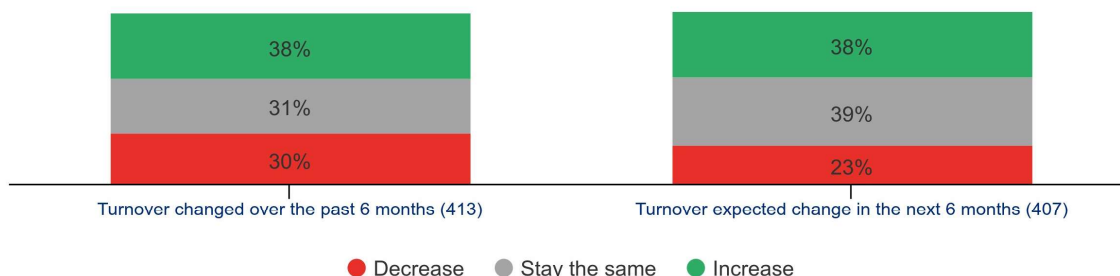
Professional, scientific and technical	19%
Arts, entertainment, recreation and other services	11%
Accommodation and food service	10%
Information and communication	9%
Construction	9%
Health	8%
Business administrative and support service	7%
Production	6%
Property	6%
Transport & storage (inc. postal)	5%
Finance and insurance	4%
Education	2%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1%



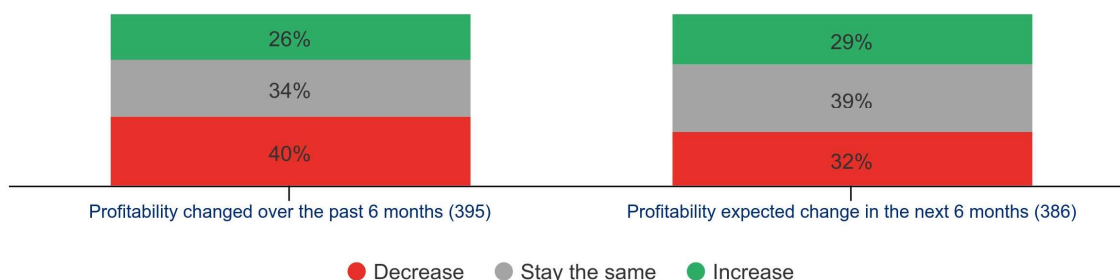
Base: 415

BUSINESS PERFORMANCE

Sales change in the past six months, and expected change in the next six months



Profitability change in the past six months, and expected change in the next six months



Turnover Sentiment: Businesses were asked about the level of sales turnover and profitability for the last six months and the next six months. 38% of Belfast businesses said that turnover increased over the past 6 months, and the same amount also expect turnover to increase in the next six months.

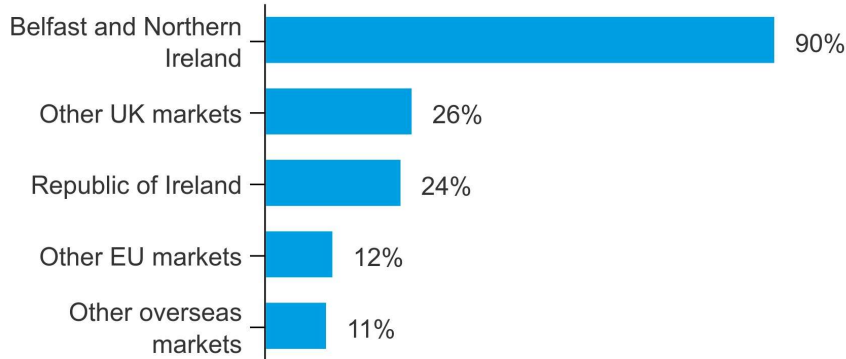
Compared to similar questions in our last survey in Spring 2023, at that stage of those who traded in Belfast, NI and UK, 40% said that turnover had increased in the previous period. 43% had expected turnover to increase.

Profitability Sentiment: Views around profitability are at lower levels than sales, with 26% seeing their profitability increase over the last 6 months, and 29% expecting their profitability to increase in the next 6 months. Comparing with the Spring, of the respondents who traded in Belfast, NI and the UK 22% said profitability had increased in the previous six months. 32% expected profitability to increase.

In the most recent NI Chamber Q3 business survey published in October sentiment for the trading environment was still positive, with 77% saying they were still performing well or reasonably well. In the NI Enterprise Barometer 2023 (November) 52% of Belfast businesses saw growth prospects over the next 12 months.

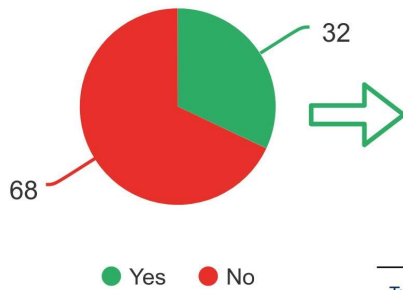
TRADING PATTERNS

Trading Markets (421)



We asked questions about the market's businesses trade in and their export performance over the past six months. 90% of respondents traded locally in Belfast and NI, with around a quarter saying they traded in other UK markets and the Republic. Businesses can trade in multiple markets.

Businesses who export outside of Northern Ireland



Sales and profitability change in the past six months in export markets

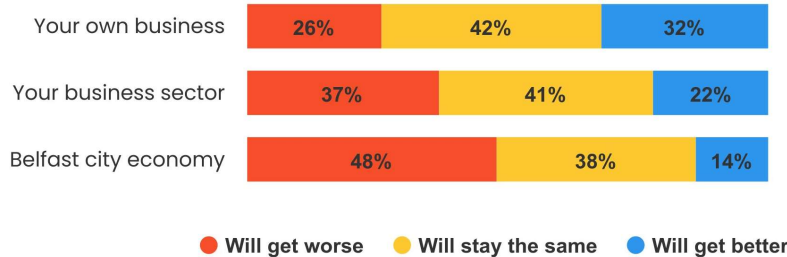


32% of businesses operating in Belfast export outside of NI. When asked about their turnover and profitability performance in the past six months in export markets, respondents saw this at higher levels than levels seen more generally for businesses (turnover 44% cf. 38%, and profitability 33% cf. 26%).

Looking at results from the NI Enterprise Barometer, 45% of respondents planned to expand into the Republic and 39% into GB during the year ahead.

ECONOMIC PROSPECTS

Optimism about economic prospects for the coming 6 months

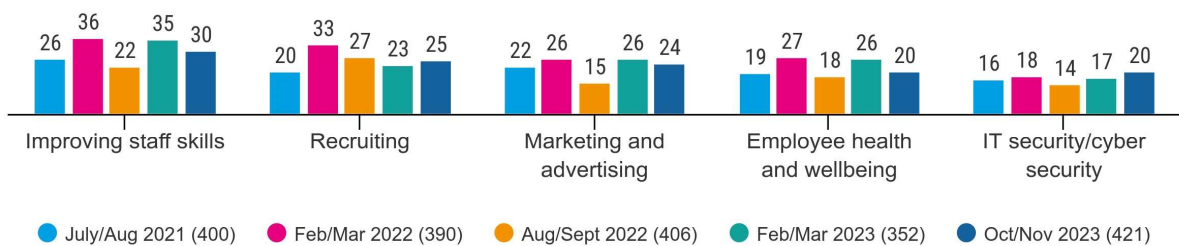


Base: 396 / 399 / 364

Businesses were asked about prospects for their own business, their business sector, and Belfast City economy - results for own business and business sector are in line with results seen in the Spring wave, but more optimistic than results seen a year ago. 32% think the prospects for their own business will get better over the next six months, with 26% seeing it getting worse. A slight decline was seen in optimism for the Belfast City economy this wave (14% cf. 19%).

SUPPORT NEEDS

Business advice or support needs (top 5 responses)

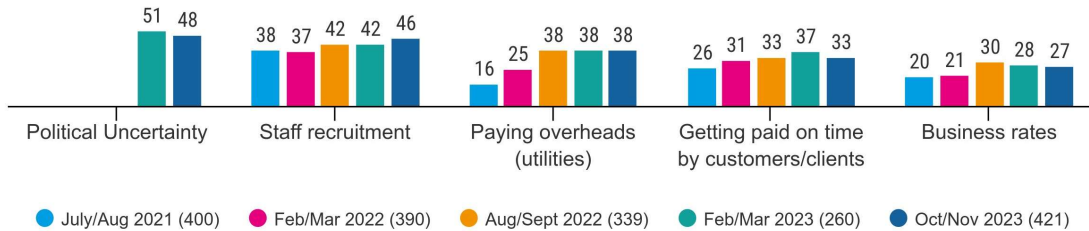


Improving staff skills remains the area selected most where Belfast businesses would like support with three of the top 4 most selected responses related to staff (improving staff skills (30%), recruiting (25%) and employee health and wellbeing (24%)), with marketing and advertising selected amongst a quarter of businesses (25%). A support need around IT/Cybersecurity has also shown an upward trend.

The NI Business Barometer from November 2023 found that the main business support needs among Belfast respondents was around digital marketing and social media as well as finance. In the NI Chamber Q3 Survey 7 out of 10 members were trying to recruit in Q3, with recruitment difficulties still a key concern.

BUSINESS CHALLENGES

Business challenges (top 5 responses)

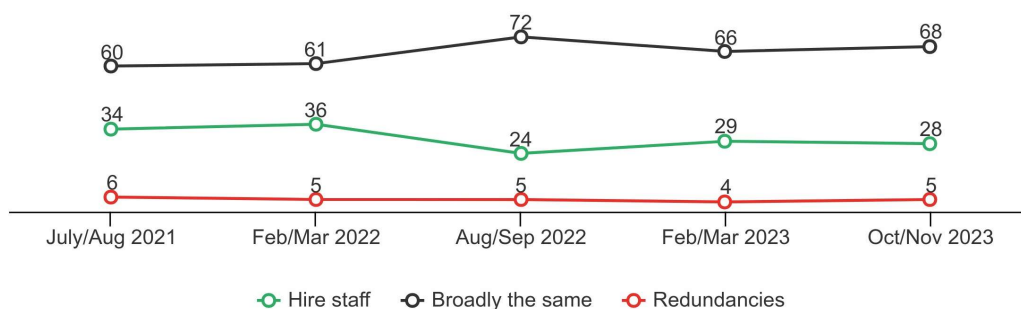


Businesses were asked to choose their top 5 challenges to their business – challenges remain largely unchanged in this wave, with political uncertainty, staff recruitment, and paying overheads remaining the top 3 concerns. Over the longer term, both staff recruitment and paying overheads have trended up. Getting paid on time was the fourth highest response at 33% with business rates coming next at 27%. Covering wages has increased to 20% as a concern this wave compared to around 15% in previous waves.

Considering responses from the NI Chamber Q3 survey, the main areas of concern to respondents to that survey focused on two key issues 1) Lack of an NI Executive and 2) Inflation.

STAFFING AND SKILLS

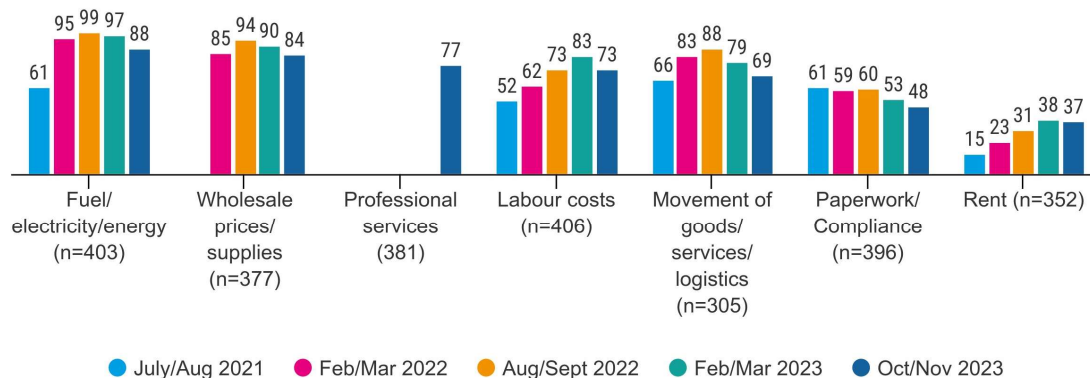
Changes in staffing levels in the next 6 months (401)



Respondents were asked about anticipated staffing levels for the next six months. No change seen in expected staffing levels this wave, 68% of businesses are expecting their staffing levels to remain broadly the same, with 5% expecting redundancies. Compared to our Spring 2023 survey 66% expected staffing levels to remain the same then, with only 4% expected redundancies.

COSTS AND DEBTS

Increase in business costs over the last 6 months compared to previous waves



Businesses were asked about input costs over the past six months, any change to debt levels and about the impact of rising interest rates.

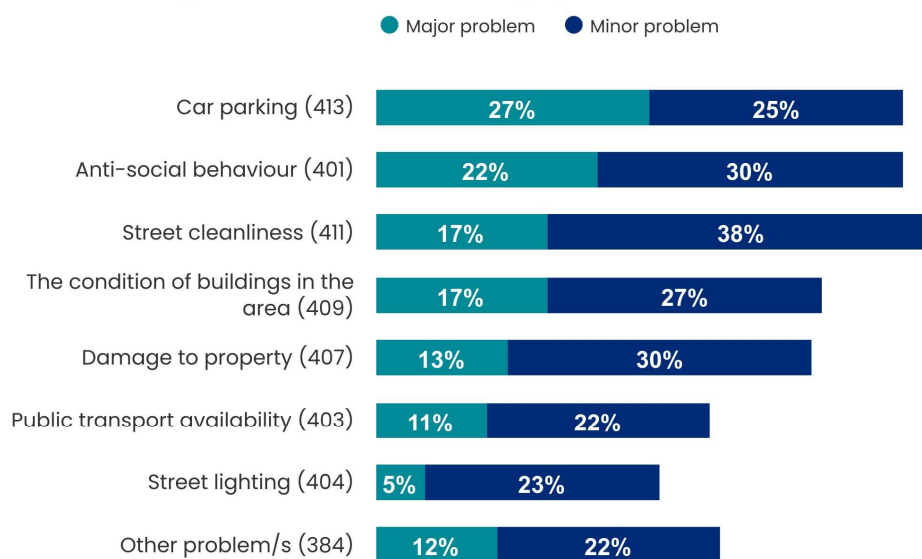
Fuel/electricity/energy remains the top answer when businesses were asked what business costs have increased over the last 6 months, with wholesale prices/supplies and professional services the next most common increases. There has been decreases in the number of businesses experiencing these increases this wave, however. Responses on wholesale prices and movement of goods are trending down, with rent and labour costs trending up over survey waves.

Levels of business debt have remained steady, with two thirds of businesses selecting this response. The rising interest rate environment has had an impact (significant or limited) on 38% of Belfast businesses, positively, 42% have not seen an impact on their ability to raise finance or had to delay investment decisions.

The NI Chamber Q3 survey found that Interest rates are a concern to just over 2 in 5 members, with labour costs the biggest price pressure. That survey also reported that the pace of energy cost inflation has continued to slow. 79% of Respondents to NI Enterprise Barometer 2023 said they plan to increase prices over the next 12 months.

NEIGHBOURHOOD ISSUES

Neighbourhood issues coming up where the business is based

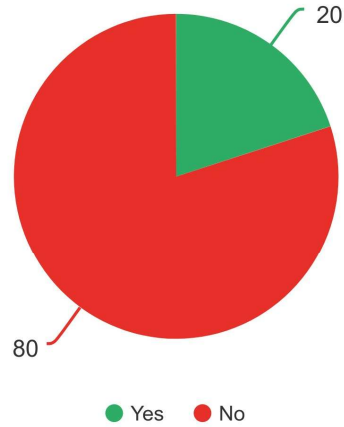


Businesses were asked to choose from several issues that might impact their area - Street cleanliness (55%), car parking (52%) and anti-social behaviour (51%) were the three biggest neighbourhood issues selected for Belfast businesses.

Looking at responses to the same question over the past three survey waves, these are consistently the main issues there are changes over time. For example, street cleanliness was 62% in Sept 2022 and 60% in Spring 2023. Car parking went from 48% in Autumn 2022 to 57% in Spring 2023. Anti-Social behavior was a major and minor problem for 56% of respondents in Autumn 2022 and 59% in Spring 2023.

TOPICAL QUESTION

In the past six months have you introduced more automation into your business using AI tools such as Chat GPT? (421)



A topical question for this wave was added on the use and impact of AI - a fifth of businesses have introduced more automation using AI tools in the past 6 months, with those businesses expecting AI technology to increase efficiency, support innovation and enhance the customer experience.

Understanding & Embracing Artificial Intelligence was among the top 5 skills development gaps identified in the NI Enterprise Barometer 2023 report.

Contact us

For further details on this report or to find out more about how Belfast City Council and Belfast Chamber support businesses in the city please get in touch.



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Thanks for your help.

We would like to thank all the businesses that contributed to this research and to organisations that assisted in promoting the questionnaire. We look forward to your continued participation in future surveys.

This Report and its findings are based on surveys carried out by MEL research on behalf of Belfast City Council during October and November 2023. The views represent the opinions of respondents and not Belfast City Council or its partners. Belfast City Council is not responsible for the accuracy of information or statistics attributed to external organisations or information sources.



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