

Enterprise Barometer 2025



Enterprise
NORTHERN IRELAND



e-ConX

Working with



British
Business
Bank

Current Business Conditions

Business Growth over the Last Year

43% have been growing while 21% have contracted/are in difficulty

8% have been growing strongly

1 in 5 (same as 2024) are contracting with 1 in 10 in difficulty/at risk of closure



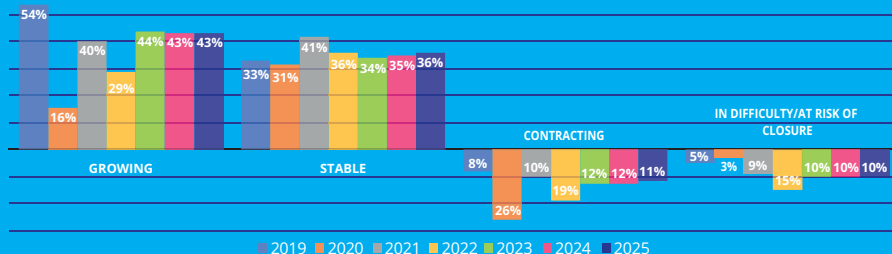
More than twice as many businesses are seeing turnover grow as contract – but profit growth is lagging behind:

- **44%** (44% 2024) have seen turnover increase against 18% decrease (18% 2024)
- **35%** (34% 2024) have seen profits increase against 26% decrease (28% 2024)



1 in 5 (same as 2024) are contracting with **1 in 10** in difficulty/at risk of closure

7 year business performance



Cost of Doing Business

Costs have increased in the last twelve months for almost **78%** of businesses, with many firms seeing double-digit increases

Cost Pressures



Utilities (**87%**), raw materials (**85%**) and insurance (**85%**) are the top rising costs



50% report **raw material costs** up by **more than 10%** — the steepest jump of any category



70% **Compliance costs are rising** for 7 in 10 firms, showing the growing regulatory burden

1 in 3 businesses state their cashflow position is weak/critical



Wage Inflation



Wages continue to climb

- **72%** have seen wage costs increase
- One-third seeing increases **over 10%**
- **10%** have seen wage costs increase by over 30%



- Borrowing and financing costs have risen for over half (**57%**), compounding financial pressures
- Property costs are up for **61%** of firms

"In general, the cost of everything has increased — utilities are nearly three times what they were, shipping is more expensive, and even basic services now come with higher fees."

"Regulation, compliance and new liabilities are hitting us harder than the direct costs — it feels like every part of running a business has become more expensive and more complicated."

Current Business Finance Conditions



Reasons for New Finance

- **53%** working capital
- **52%** capital investment
- **40%** investment in research/ scaling/product & process improvement (27% 2024)
- **4%** decarbonisation/net zero transition



Cashflow

- **12%** (10% 2024) report strong cashflow
- **56%** (55% 2024) report stable cashflow
- **26%** (29% 2024) report weak cashflow
- **6%** (6% 2024) report their cashflow position is critical

Weak critical cashflow largely driven by weaker demand (52%) and higher costs (52%)

Cashflow pressures also stem from startup strain and tightening access to finance

Seeking New Finance

- **41%** (45% 2024) likely to require additional finance in the next year
- **49%** looking for up to £10k, **27%** £10k-£50k and **24%** over £50k
- **46%** seeking grant support and **43%** a business loan
- **11%** seeking equity/external investment (14% 2024)

Accessing Additional Finance - Barriers

34% have experienced barriers accessing finance in the last 12 months

Top 5 Barriers:

- High cost of borrowing
- Banks unwilling to lend
- Strict eligibility & credit criteria
- Complex and time-consuming application processes
- Lack of suitable funding options

- **54%** (61% 2024) are confident they can access additional finance, if needed
- **37%** are not very confident and 9% are not confident at all
- Those requiring larger amounts are more confident (65% over £50k, 56% £10k to £50k) compared to those requiring smaller amounts under £10k (48% vs. 53% 2024)
- The youngest (under 2 years) and oldest (over 10 years) businesses were least likely to be confident in securing finance

People & Skills

Vacancies & Labour Market



- **1 in 5** (18%) have persistent/hard to fill vacancies
- **27%** of those employing people have persistent/hard to fill vacancies
- **Two-thirds of businesses** say it is putting the business under operational strain (68%) and limiting growth (67%)
- **43%** say it is negatively affecting productivity and efficiency

Access to Skills

- **54%** of businesses are finding it difficult to find the right skills for their business
- **44%** of businesses would consider taking on an apprentice
- Main reasons why businesses are unable to take on an apprentice include the criteria - business suitability (**48%**) and scale of business (**32%**)
- **18%** would not take on an apprenticeship due to lack of capacity and **14%** due to financial constraints

"It takes too much time and cost to recruit and train an apprentice, and they can leave at any stage - it's too high-risk for a small employer."

"I simply don't have the time or manpower to train anyone new – I need people who can hit the ground running."

Top 5 Skills Development Gaps

1. Marketing & Communications (**47%**)
2. Sales, Exporting & Business Development (**31%**)
3. **Embracing new technologies (26%)**
4. **Understanding & Embracing Artificial Intelligence (AI) (24%)**
5. Market/Customer Research (**24%**)



Skills Development

- **Around 1 in 4 businesses need skills development support for Artificial Intelligence (24%) and understanding and embracing new technologies (26%) – which is signalling a significant shift towards the need for digital capability building**
- Sustainability and supply-chain skills remain niche – only 9% focus skills development on green practices and 5% on supply-chain understanding
- 1 in 10 feel no skills development is needed

Accessing Support for Skills

42%

do not know where or how to access the right skills support for their business



Business Performance & Planning for the Year Ahead



Concerns for the Year Ahead:

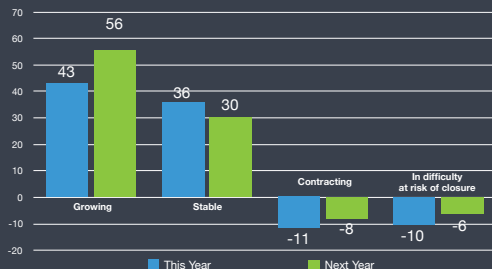
- **83%** General cost of doing business
- **80%** Increased cost of goods and services
- **74%** Having to increase prices
- **73%** Increased energy costs
- **67%** Making sales
- **65%** Cyber security and privacy

Business Expansion Outside NI

- **48%** plan to make sales outside NI in the next 12 months



Growth Performance this Year Compared to Growth Prospects Next Year



Growth Prospects Remain Positive but with Caution

- **56%** of businesses expect to grow in the next year (61% 2024)
- **14%** expect trading conditions to be difficult (12% 2024)
- Businesses are **more optimistic** about growth in the coming year (56%) than last year (43%)



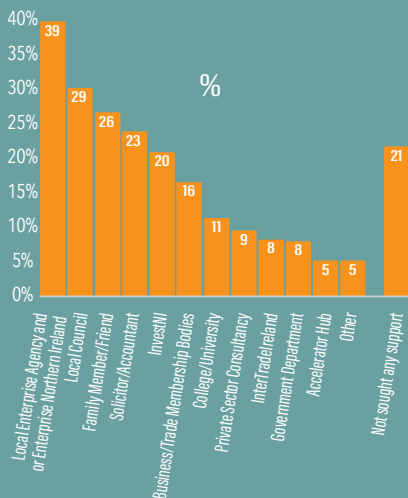
Businesses who Aren't Planning for Growth in the Year Ahead Cite:

- **Lifestyle and satisfaction factors dominate**, with 30% happy with their current size and workload and 15% prioritising work-life balance
- **Around one in ten** say external and economic constraints including weak demand, economic uncertainty, or high costs make growth unviable
- A smaller proportion cite **structural and resource barriers** such as constrained capacity, staffing challenges, or business models restrict ability to scale

Business Support

NI businesses want practical, personalised support that's easy to access and directly relevant to their needs.

- Face-to-face mentoring leads remains important (**57%**) – businesses still prefer in person support
- Community connections matter (**37%**) – networking and collaboration are key supports
- **Smarter digital support needed (36%)** – demand for accessible, practical digital resources



Support that Works Best for Entrepreneurs

- **57%** Face to face mentoring
- **37%** Networking & collaboration with other businesses
- **36% Access to digital resources and support opportunities**
- **32%** Specific subject masterclasses
- **22% Tailored digital notifications of resources/opportunities specific to your business**
- **18%** Business information websites

Entrepreneurs Indicated the Number One Area of Support they need Right Now:

- **Sales/Business Development/ Exporting**
- how to grow & access new markets (20%)
- **Digital marketing & social media trends**
- how to maximise exposure & usage (19%)
- **Financing**
- how to manage and where and how to access funding (16%)
- **New innovative technologies incl. AI**
- understanding and using (11%)
- **People**
- hiring/managing and developing your team (8%)

Overview and Business Background

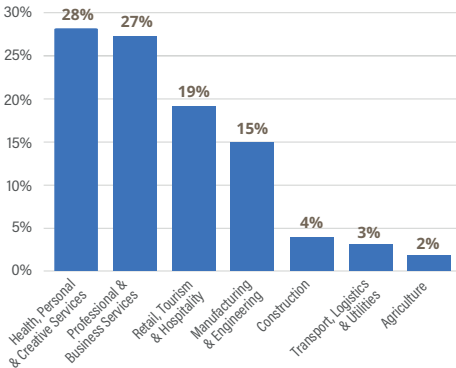
The largest annual survey of Northern Ireland enterprises

859
responses

Representing all geographies and sectors covering largely micro, small and self-employed businesses – a significant representation from early-stage businesses

A longitudinal survey now spanning over 7 years

Sector Response

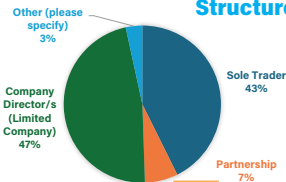


Turnover	%
Pre-revenue/set-up	10%
Less than £90,000	48%
£90,000 - £200,000	14%
£200,000 - £500,000	9%
£500,000 - £1m	8%
£1m - £2m	4%
£2m - £5m	4%
More than £5m	3%

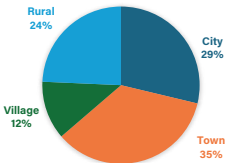
Some background to the businesses

- **68%** Businesses with female owners
- **39%** Female only ownership
- **32%** Male only ownership
- **5%** Ethnic minority ownership
- **10%** Young business owner < 35 years
- **52%** Family owned and run
- **24%** New business < 2 years
- **47%** VAT Registered

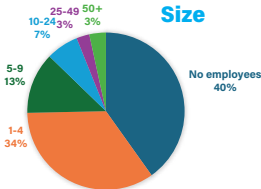
Structure



Location



Size



Commentary

Now in its seventh year, the 2025 NI Enterprise Barometer provides the clearest and most comprehensive insight yet into the pressures, opportunities and perspectives of Northern Ireland's medium, small and micro businesses.

While this year's findings show signs of steady sales performance for many businesses and a broadly more positive outlook than in 2024, they also expose deep-seated pressures that point to a far more fragile operating environment. With uncertainty emerging on multiple fronts, it is evident that **the pause button on progress has been pressed by many local enterprises.**

Rising costs remain the dominant threat. Energy, insurance, materials and wage bills continue to climb, and despite easing headline inflation, underlying cost pressures are now firmly embedded. These challenges are affected directly by restricted access to finance, with around a third of firms facing tighter lending conditions, slow bank decisions and high interest rates - especially acute for small and micro-businesses.

Growth ambitions remain with more businesses wanting to grow over the next 12 months, but they are increasingly constrained by limited capacity, skills gaps in sales, marketing, digital and AI, hard-to-fill vacancies, and ongoing trade frictions linked to the UK's EU exit. Together, these factors depict a system under sustained pressure, where cost burdens and operational constraints are affecting confidence and stalling progress.

Businesses are clear about what they need: lower costs and reduced red tape; easier, informed and more flexible finance; ease of access to digital resources, connections, tailored support and relevant mentoring; stronger skills and apprenticeship pathways that work for small businesses; help adopting digital and AI technologies; and coordinated action to address high energy costs, limited premises/property solutions and continuing trade barriers.

Maureen O'Reilly
Economist

Michael McQuillan
Enterprise Northern Ireland

Snapshot of Other Viewpoints

Productivity

Businesses are largely positive about their productivity



- **48%** rate it as very good/excellent
- **37%** rate it as good
- **15%** rate it as just satisfactory/poor

Businesses rate themselves **strongest** on:

- Quality of what the businesses products/services (**78% very good/excellent**)
- Staff skills (**69%**)

Businesses rate themselves **weakest** on:

- **Technology adoption** (30% just satisfactory/poor)
- **Operating efficiency** (27% just satisfactory/poor)
- Physical space located in (25% just satisfactory/poor)

EU Exit and International Trade

- **37% say that UK EU Exit has negatively impacted on their business**
- **25% say that the Windsor Framework has negatively impacted on their business**
- **17% say that US tariff announcements have negatively impacted on their business**
- **Businesses report higher costs, increased paperwork, and supply difficulties when trading with Great Britain or international markets, with many saying these challenges have worsened since Brexit**

"Tourism's new ETA fee is a huge issue — visitors to the island are starting to avoid Northern Ireland."

"Brexit is a DISASTER – unbelievable paperwork and codes just to bring any goods in from GB."

"A vast amount of companies no longer deliver to Northern Ireland or charge inflated delivery prices, making it impossible to compete on a level playing field."



12% of businesses say their WiFi connection is poor.

Ambition under strain - In their opinion...

"Banks are slow to lend, unwilling to take risks, and the amount of paperwork just to get a meeting is unbelievable."

"I keep getting turned down for finance even though the business is growing — cashflow is so tight I often go without wages just to keep things going."

Top 5 Initiatives

Top 5 Initiatives or Services that the NI Executive and the Enterprise Support Ecosystem should introduce to Better Assist Businesses are Summarised as:

1. Cut the cost burden on businesses by reducing rates, VAT and other overheads, while stripping back unnecessary red tape that makes trading, hiring and compliance more difficult

2. Make funding genuinely accessible through simpler grant and loan processes. Provide grant support that doesn't require upfront spend, especially for start-ups, micro businesses and non-Invest NI clients

3. Create a single, accessible Business Hybrid Support Hub that replaces the current fragmented system and signposts businesses to tailored, ongoing mentoring and skills development, including 1-to-1 support in finance, marketing, digital skills and AI, alongside clear guidance, grants and market access support

4. Strengthen workforce and apprenticeship support, with more funded apprenticeships, improved training pathways, and practical help to recruit and develop staff across all sectors – eliminating the barriers for small and micro business participation in apprenticeships

5. Improve the overall business environment by addressing barriers such as high energy costs, lack of affordable premises, planning delays and complexities

In their opinion...

"If the Executive wants to make a real difference, it should introduce a single, accessible Business Support Hub – one place for grants, mentoring, market access and clear guidance, instead of the current fragmented system."

"Short, practical training and proper one-to-one mentoring – we need real advice on finance, marketing, digital and AI that fits around running a business."

"The message is simple: cut business rates and taxes, strip back red tape, and make grants and loans easier to access – too much money is lost in bureaucracy before it ever reaches small firms."



The Right Support at the Right Time

For entrepreneurs and local businesses...

- Tailored and personalised recommendations – supports, opportunities, events
- 24/7 access to resources, tools, tutorials, guides
- Awareness, readiness support and access to funding options
- Access to workspace and workplace solutions

Strengthening and connecting the entire enterprise support ecosystem

The independent source of continuous accurate insights that drive and shape better decisions, and outcomes.



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