
Enterprise
Barometer
2026
Enterprise
NORTHERN IRELAND
e-ConX

Current Business Conditions

Business Growth over the Last Year

42% have been growing while **20%** have contracted/ are in difficulty

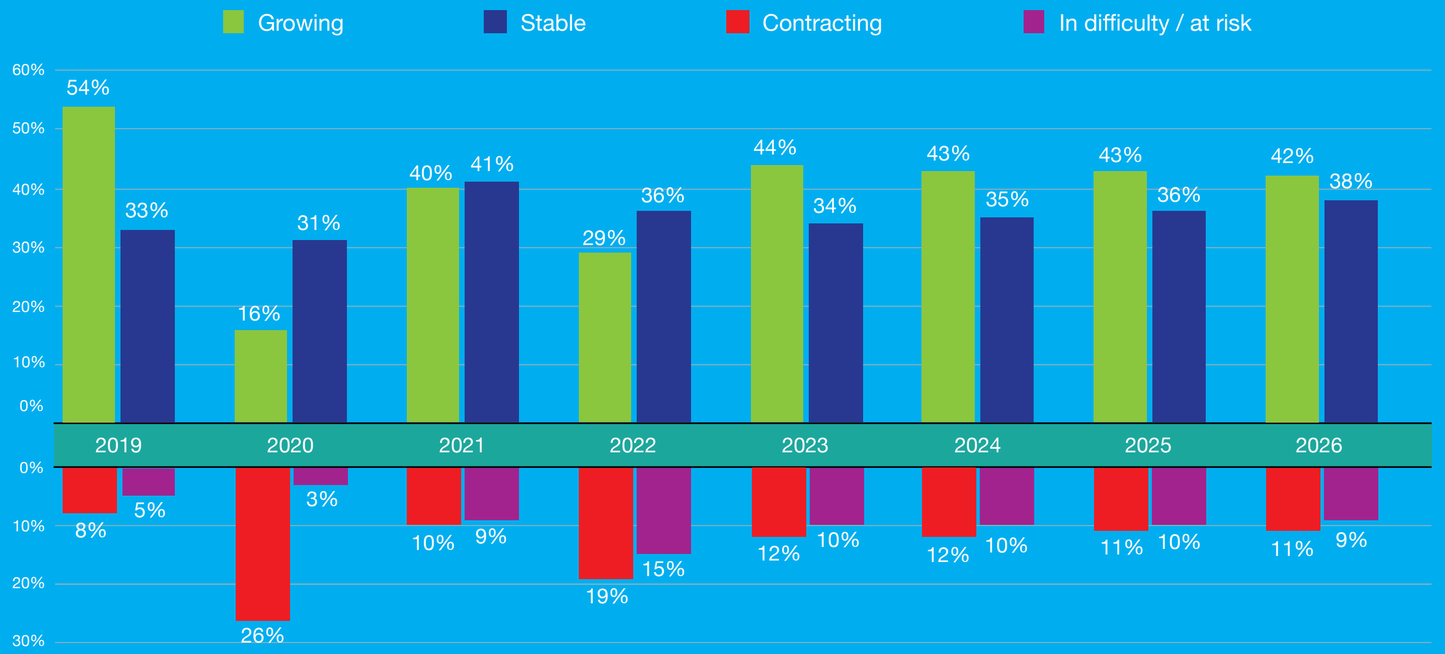
7% have been growing strongly (8% 2025)

Turnover & Profit

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

- **40%** (44% 2025) have seen turnover increase against **18%** decrease (18% 2025)
- **33%** (35% 2025) have seen profits increase against **26%** decrease (26% 2025)
- Among businesses with employees, **14%** increased headcount and **8%** reduced it
- Turnover growth continues to outpace profit growth, suggesting ongoing pressure on business margins

8 year business performance





1 in 5 (same as 2025) are contracting with **1 in 10** in difficulty/at risk of closure

Cost of Doing Business

Costs rose in at least one key cost centre for **97%** of businesses over the last twelve months.
The increases seem to be embedded rather than potentially decreasing.

Cost Pressures



Transport **(92%)**, utilities **(90%)**, raw materials, stock **(85%)** and bought-in services, including software, subscriptions and licences **(83%)** are the top rising costs



48% of businesses have experienced **utility cost** increases of more than **10%**



53% report raw material and stock cost increases exceeding **10%**

Wage Inflation



Wages continue to climb

- **70%** have seen wage costs increase
- **Around a third (31%)** have seen increases above **10%**
- **7%** have seen wage costs increase by over **30%**





- Property costs are up **56%** for businesses who operate from a premises
- Borrowing and financing costs have risen for **54%** of businesses

"Additional accounting costs have been incurred because HMRC has gone to making tax digital"

"Postage costs — since Brexit deliveries from GB have increased considerably in price"

"Cost of living meaning I need to take more money out of the business to survive"

Current Business Finance Conditions



Reasons for New Finance

40% of respondents expect to seek finance over the next 12 months

Of the businesses that expect to seek finance in the next twelve months:

- **53%** growth or scaling
- **45%** capital investment — equipment, premises, software
- **26%** working capital and day-to-day costs
- **8%** to refinance or manage existing debt

Cashflow

- **12%** (12% 2025) report strong cashflow
- **58%** (56% 2025) report stable cashflow
- **26%** (26% 2025) report weak cashflow
- **5%** (6% 2025) report their cashflow position is critical
- Increased operating costs **(57%)** and weak sales **(43%)** are the leading causes of weak or critical cashflow





Accessing Additional Finance - Barriers

28% experienced barriers accessing finance in the last 12 months, or were put off applying

Top 5 Barriers:

- High borrowing costs and interest rates
- Lack of suitable funding options
- Banks or lenders unwilling to lend
- Barriers associated with being a sole trader, start-up or small business
- Complex application processes and strict eligibility requirements

Late Payments

- Slow customer payments are a contributing factor for **25%** of businesses reporting weak or critical cashflow
- **65%** of businesses that invoice on terms say late payment is a problem — **46%** call it minor, **18%** significant and **1%** a serious threat to the business

"As pressures increase it is harder to get additional borrowing"

"The principal barrier is the lack of accessible funding to bridge the 'valley of death' between product development and commercialisation"

People & Skills

Top 5 Skills Development Gaps

1. Marketing & Communications, including digital and social media **(45%)**
2. Sales, Business Development & Exporting **(32%)**
3. Managing Finances & Accessing Funding **(24%)**
4. Understanding & Using AI and New Technology **(20%)**
5. Developing New Products/Services **(17%)**

Access to Skills

- **68%** of businesses that are recruiting are finding it difficult or very difficult to find the right skills for their business
- **35%** are not confident they know where or how to access the right skills support for their business



Vacancies & Labour Market

- **14%** of businesses that have vacancies report persistent or hard-to-fill positions
- Among businesses reporting these hard-to-fill vacancies:
  - **71%** say they are putting the business under operational strain
  - **67%** say they are limiting growth
  - **52%** say they are reducing productivity and efficiency
  - **50%** report negative effects on customer service or delivery

Apprentices and Graduates

- **42%** of businesses would consider taking on an apprentice
- **43%** would consider taking on a graduate
- Main reasons businesses would not take on an apprentice:
  - Not suitable to business type **(49%)**
  - Scale of business **(37%)**
  - Lack of capacity to manage process **(22%)**
  - Financial constraints **(17%)**
- Main reasons businesses would not take on a graduate:
  - Scale of business **(52%)**
  - Lack of capacity to manage process **(30%)**
  - Financial constraints **(27%)**
  - Negative prior experience **(7%)**



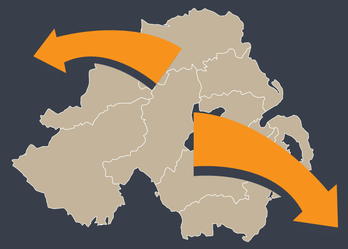
Business Performance & Planning for the Year Ahead

Growth Prospects Remain Positive but with Caution

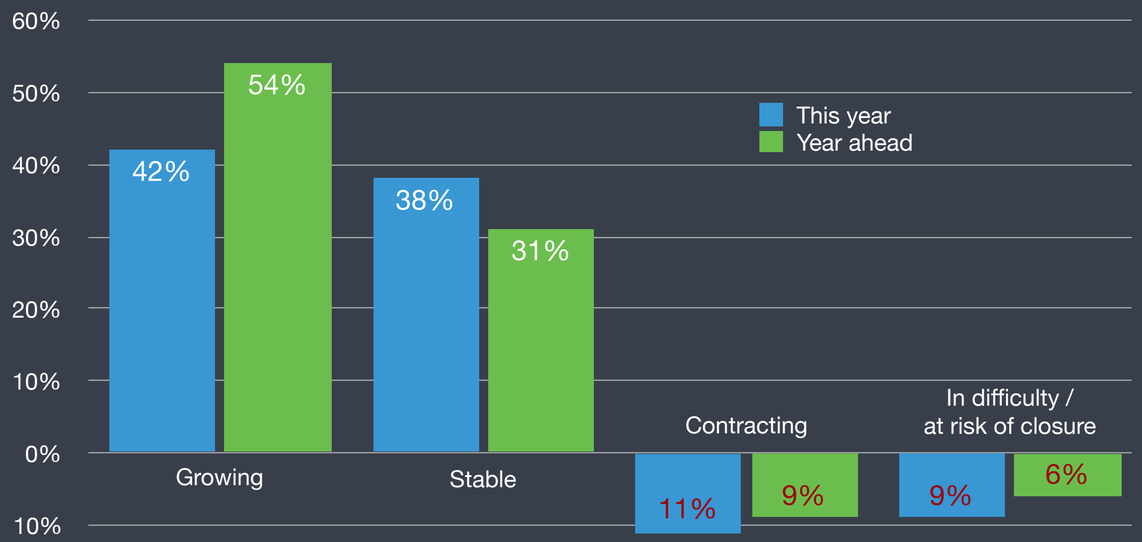
- **54%** of businesses expect to grow over the next 12 month (56% 2025)
- **15%** anticipate contraction, trading difficulties or potential closure (14% 2025)
- Businesses remain more optimistic about their prospects for the year ahead than their current performance, with **54%** expecting growth compared with **42%** currently growing

Business Expansion Outside NI

- **63%** plan to make sales outside NI in the next 12 months. **57%** of businesses currently sell outside NI



Growth Performance this Year Compared to Growth Prospects Next Year



Concerns for the Year Ahead:

- **81%** General cost of doing business
- **84%** Increased energy costs
- **81%** Having to increase prices
- **73%** Making sales
- **61%** Keeping up with AI and new technology
- **63%** are concerned about cyber security and privacy

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

Barriers:

- **21%** say their business structure limits its ability to scale
- **20%** cite weak demand or economic uncertainty
- **16%** cannot access affordable or skilled staff

Choice:

- **55%** want to maintain a good work-life balance
- **30%** are happy with their current size and workload
- **23%** are financially stable and prefer to keep it that way

Business Support

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

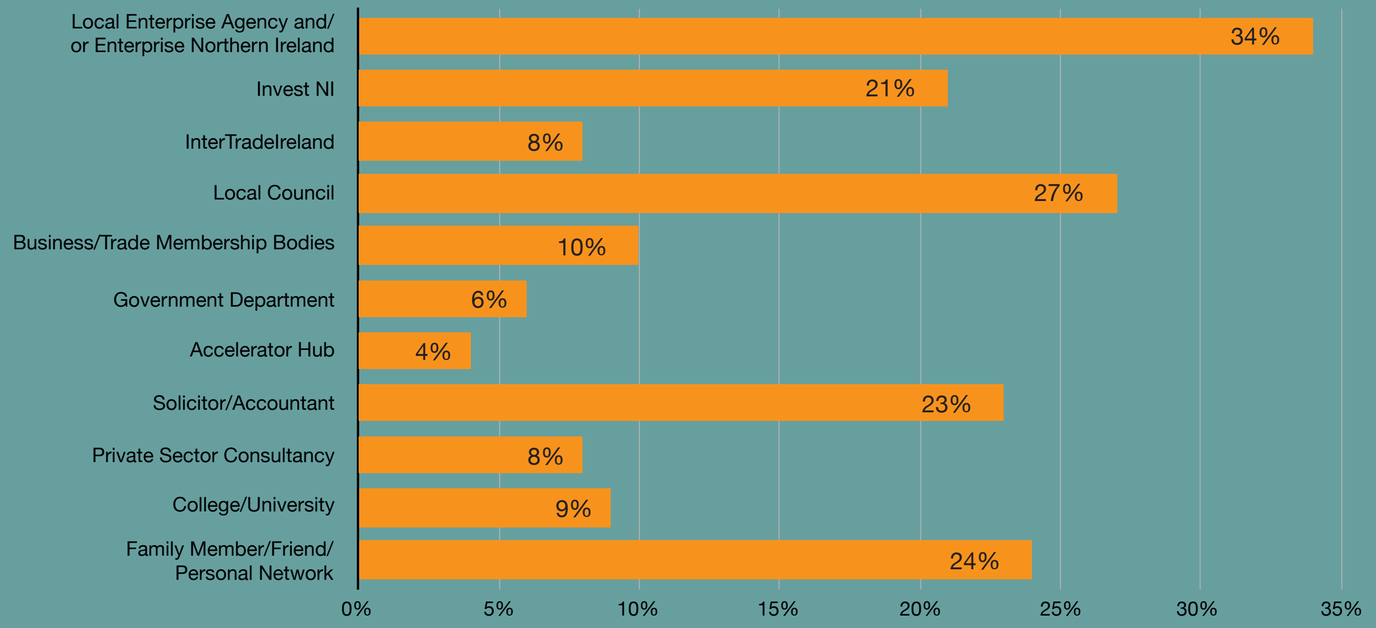
Support That Works Best for Entrepreneurs

- **60%** – Face-to-face mentoring or coaching – businesses still prefer in-person support
- **39%** – Networking and collaboration with other businesses – community connections matter
- **32%** – Easy access to relevant resources and support opportunities – demand for digital access to the wider support ecosystem
- **29%** – **Effective AI guidance and signposting – businesses recognising the existential need to embrace AI**

Entrepreneurs Indicated Their Top Three Priorities for Support They Need Right Now:

1. Marketing, Sales & Business Development
2. **Understanding & Embedding AI and New Technology**
3. Managing Finances & Accessing Funding

Where Support Was Sought Over the Last 12 Months



Overview and Business Background

The largest annual survey of Northern Ireland enterprises

737 responses

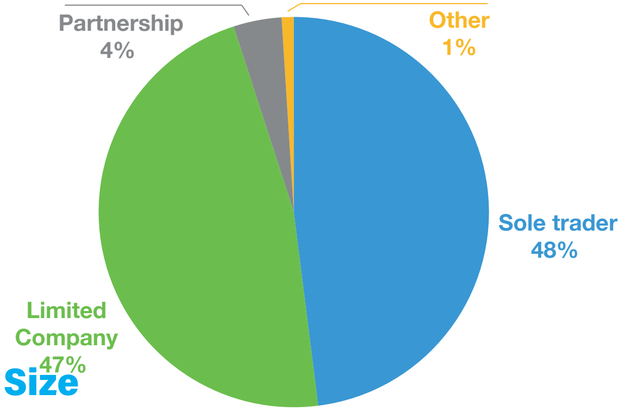
Representing all geographies and sectors covering largely micro, small and self-employed businesses – a significant representation from early-stage businesses

A longitudinal survey now spanning

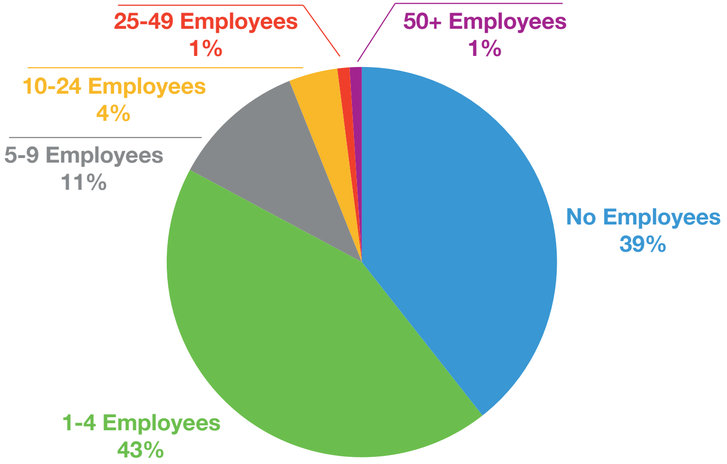
over 8 years

Turnover	%
Pre-revenue/set-up	7%
Less than £90,000	55%
£90,000 – £200'000	14%
£200,000 – £500'000	10%
£500,000 – £1m	6%
£1m – £2m	3%
£2m – £5m	1%
£5m or more	3%

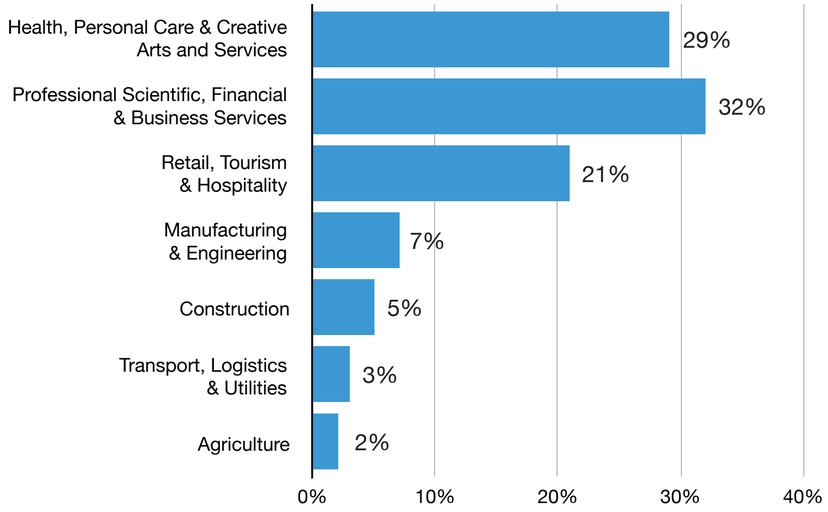
Structure



Size



Sector Response



Some background to the businesses

- **47%** are women-led
- **2%** ethnic minority ownership
- **55%** family owned and run
- **22%** new business, under 2 years
- **42%** VAT registered
- **69%** of owners are 45 or over, and 11% are 65 or over
- **11%** young business owner < 35

Productivity & AI Adoption

Actions Taken Over the Last 12 Months to Enhance Productivity

Started using AI tools in business operations	50%
Adopted new software or digital processes	38%
Improved or streamlined how we work	35%
Invested in new equipment or technology	32%
Trained staff or developed skills	28%
Automated manual or repetitive tasks	21%
Outsourced tasks to free up time	16%
Changed how we win or serve customers	12%
None of the above	15%

AI Adoption	%
It's well embedded across the business	9%
We use it in some parts of the business	43%
We're exploring or trialing it	15%
We're aware of it but haven't started	21%
Not aware of how it could help us/haven't considered it	13%

51% use AI somewhere in the business but only **9%** claim they've embedded it

What AI Has Done for Those Using it:

- **76%** saved time on admin or repetitive tasks
- **40%** improved quality or consistency
- **24%** helped win or serve customers
- **22%** reduced costs
- **15%** helped them compete with larger businesses
- **15%** report no real impact yet

Half of businesses took up AI this year — the single most common productivity action, and more than any traditional route

The barrier is knowledge, not cost. Not knowing where to start **(37%)** and lacking skills or confidence in the team **(19%)** together describe a capability gap. Cost comes last

The confidence has not kept pace with the take-up

- **61%** are concerned about keeping up with AI and new technology, and **20%** are very concerned
- **20%** name understanding and using AI as one of their top three development needs

The 6 Things to Address:

It's critically important that the Government and the enterprise support ecosystem delivers modernised and fit-for-the-future enterprise support. Failure to do so will limit economic development and damage local communities.

1. **Turn growth ambition into progress.** With 54% of businesses expecting to grow in the year ahead, the ambition is there but more than half of those we can assess have taken at most one concrete step towards it. Government and the enterprise support ecosystem should focus on helping them act on that ambition.
2. **Tackle the costs holding businesses back.** Energy costs feature among the top priorities for 50% of businesses, while 35% call for business rates reform. Government must address these persistent pressures through practical energy-efficiency support and a rates system that supports investment. Otherwise, rising overheads will continue to absorb the gains businesses make through greater productivity.
3. **Make finance accessible before the application stage.** Almost a third of businesses wanting finance never applied because they expected refusal, while 37% of those blocked identified barriers associated with being a sole trader or small business. Funders should review eligibility rules, explain requirements clearly and offer early guidance or pre-qualification checks, giving viable businesses the confidence to apply.
4. **Make apprenticeships work for small employers.** The findings suggest 68% of businesses are open to apprenticeships or face barriers that support could address. Government, training providers and enterprise organisations should develop routes suited to small teams, with simpler administration, flexible training and practical help with supervision. Additional funding must be matched by arrangements businesses can realistically manage.
5. **Put customers and sales at the centre of support.** Marketing, and communications are priorities for 45% of businesses, followed by sales and business development at 32%. Support should help businesses identify customers, sharpen their offer and turn marketing activity into sales. This is particularly pressing for younger businesses, which need practical expertise to build sustainable revenue, though all businesses need to be supported to adapt to new routes to market and changing consumer buying behaviour.
6. **Combine digital access with trusted human guidance.** Among AI non-adopters, 37% do not know where to begin; 34% of businesses seeking no support were unaware of what was available. A clear, connected gateway must combine accessible digital resources with proactive signposting and face-to-face mentoring. Businesses need help navigating support as well as adopting technology.

Commentary

Now in its eighth year, the 2026 NI Enterprise Barometer provides a detailed insight into the pressures, ambitions and support needs of Northern Ireland's smallest businesses, including those outside the VAT system.

This year's findings show businesses adapting and investing in improvement but struggling to translate that effort into growth. Despite 83% making productivity changes, just 42% are growing and one in five remains in contraction or difficulty. **Businesses are working harder to stand still.**

Rising costs remain embedded, with transport, utilities and materials placing sustained pressure on margins. Energy is felt most sharply of all: 84% are concerned about it and 36% very concerned. Profits are falling more widely than turnover, while access to finance continues to constrain progress. Among businesses that needed finance, 42% met difficulties when they applied and almost a third more never applied at all, expecting to be refused, with eligibility requirements creating particular difficulties for sole traders and small businesses. Late payment compounds the pressure: 65% of businesses invoicing on terms report a problem and one in five describe it as significant or a serious threat.

Growth ambitions remain - but ambition is not the constraint. Of the businesses expecting to grow that we can assess, more than half have taken at most one concrete step towards it. AI adoption is now widespread, with half of businesses using it somewhere in the business, yet only 9% have it well embedded. Uncertainty about where to begin outweighs cost as a barrier to adoption. Skills shortages, cashflow pressures and differing needs across business sizes and stages underline why a uniform approach to support will fall short.

Businesses are clear about what they need: practical help with marketing and sales; accessible finance; stronger skills and apprenticeship pathways for small businesses; and guidance to make digital and AI adoption deliver results. They want trusted face-to-face mentoring alongside convenient digital support and clear access to supports across the ecosystem. Building on the local reach of Enterprise Northern Ireland and Local Enterprise Agencies, support must modernise around these needs - helping ambition and effort translate into sustainable growth.

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e-ConX

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- Connect with business advisors and request introductions
- Discover exclusive offers and workspace options

Connecting you with Northern Ireland's business support ecosystem

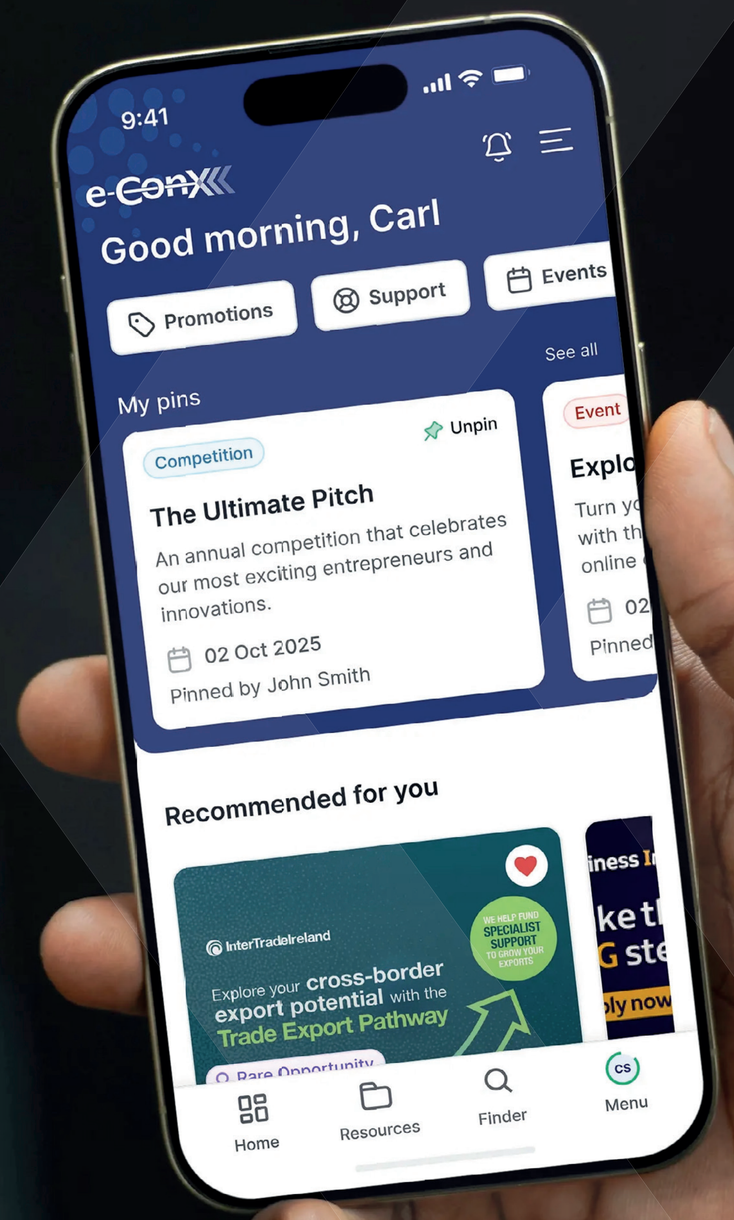
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