



For immediate release



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## **Almost two out of three manufacturers to experience an increase in turnover this year**

### **Over one third have increased employee numbers in 2015**

#### **AIB and Ibec launch national manufacturing survey findings**

Manufacturing businesses in Ireland are enjoying a renewed period of growth on the back of increased consumer demand in both Irish and overseas markets, according to a survey of over 270 manufacturers, conducted by Ipsos MRBI on behalf of AIB and Ibec. The research shows that some 62% of manufacturers are experiencing an increase in revenues this year and 27% expect it to remain the same. According to Ibec, manufacturing output accounts for 24% of Ireland's total economic output and made up the lion's share of Ireland's €92.62bn in exports during 2014.

An optimistic mood was clear among respondents with almost half (47%) expecting the outlook for their own business to improve within the next year. Encouragingly, 33% have already increased their workforce this year and almost half (46%) employ 50 staff or more. As the industry employs almost 160,000 staff, it is an important component of the national and local economy, given that 77% are located outside Dublin and 60%, of the companies surveyed, are Irish owned.

The manufacturing industry is heavily export led, with 71% of those surveyed exporting, viewing increased output as their top opportunity (54%). However, 48% see exchange rate volatility as a significant external challenge along with decreased consumer demand (52%). Maintaining profitability and margins was highlighted by 68% as a major internal challenge for many manufacturers. Increased overheads and energy costs were identified as issues confronting businesses.

AIB Sector Specialist, Alan Makim, said: "The contribution of the manufacturing sector to the Irish economy cannot be understated and has fuelled Ireland's strong export led recovery in recent years. The manufacturing industry remains a key sector for AIB with new lending to manufacturing companies up 24% for the first nine months of 2015. Demand for plant and equipment finance is strong as business activity levels increase and companies begin to replace older assets."

Director of Ibec Networks, Aviné McNally, said: "Overall, the survey is positive and shows that the sector is optimistic. Manufacturing is the heartbeat of the economy - not only does the sector contribute in terms of direct employment and expenditures in the economy – but also by creating regional and secondary employment, stimulating innovation and research and is also a driver of technological advances and management capability.

"There are however, a number of challenges that the sector faces, particularly in relation to cost competitiveness, national infrastructure and access to skilled labour. We must focus on addressing these challenges, so we do not lose the opportunities and the gains."

**-ENDS-**

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**Note to editors:**

The research covers a broad sub-sector of manufacturing businesses including, engineering, pharmaceutical, food, drink, electronics, medical devices, printing and packaging industries.