

Today sees the release of April data from the Ulster Bank Northern Ireland PMI®. The latest report – produced for Ulster Bank by Markit – suggested a modest deterioration in business conditions at companies in Northern Ireland as output and new orders declined following growth in March. That said, firms continued to increase their staffing levels during the month. On the price front, the rate of cost inflation remained modest and output prices continued to fall.

Commenting on the latest survey findings, Richard Ramsey, Chief Economist Northern Ireland, Ulster Bank, said:

“According to the Ulster Bank PMI survey, Northern Ireland’s private sector reported the fourth monthly decline in activity in five months in April. The latest decline, although modest, confirms that Northern Ireland’s private sector recovery has effectively stalled since November last year. Furthermore, Northern Ireland’s modest decline in private sector activity compares with positive growth in all of the other UK regions.

“Meanwhile, the forward-looking new orders index also dipped below the 50 threshold that denotes expansion in April. This suggests that a meaningful pick-up in demand is not yet on the horizon, with all sectors bar manufacturing reporting a decline in levels of new orders. Survey respondents cited uncertainty in the local economy as a factor that is delaying the approval of projects. New export business also declined at an accelerating rate in April. Northern Ireland firms last reported an expansion in their export order books in October last year. The strength of sterling vis-à-vis the euro is cited as a factor that is hampering export performance.

“Despite this uncertainty and lack of demand, local firms saw their staffing levels rise in April at the fastest rate in seven months. Employment growth was reported across all

sectors with the exception of construction. The latter's headcount remained broadly flat in April.

"Whilst Northern Ireland's headline performance, in terms of output and orders, is disappointing, it conceals vastly differing performances at a sector level. The fall in business activity was due to steep declines in construction and retail, which more than offset the respectable rates of growth within manufacturing and services. Last month, local retailers reported their sharpest decline in retail sales since May 2012. Meanwhile the construction sector posted its largest fall in business activity in two years.

"Despite further signs of a global manufacturing slowdown in April, the local manufacturing sector was the top performer last month. Whilst global manufacturing output growth slipped to a 21-month low in April, Northern Ireland's manufacturing firms saw output growth rebound to a 6-month high, after a recent soft patch. New orders also accelerated significantly in April to a 6-month high. This would appear to be driven by demand in the GB market, given that Northern Ireland's export orders, which are predominantly manufacturing, continue to fall.

"Putting the manufacturing sector's growth rates into perspective, it is noted that new orders and employment increased at rates that exceeded the long-term average preceding the downturn. Looking forward however, whilst the sterling / euro exchange rate has eased recently, it will continue to act as a major headwind for our exporters and cross-border retailers. Furthermore, the economy eagerly awaits further detail on the new UK Government's fiscal plans and economic policies. This will affect all sectors of the economy both public and private."

You can download the PMI report, audio clips and the slidepack [here](#).

Share this:

- [Twitter](#)
- [Facebook](#)
- [LinkedIn](#)
- [Email](#)