Q4'25

ISME Q4 TRENDS REPORT 2025

Contents

Introduction: Q4’2025 Trends Report

This survey was published in the third week of December 2025 with 125 SME respondents and covers the fourth quarter of 2025. Of those surveyed the employee breakdown is as follows:

- 1-10 39%
- 11-20 22%
- 21-30 18%
- 31-50 9%
- 100+ 4%
- Other 7%

Geographically, the breakdown is as follows:

- Dublin 26%
- Leinster (Except Dublin) 22%
- Munster 24%
- Connaught 12%
- Ulster 2%
- Multiple sites 10%
- Other 4%

The Sectorial breakdown:

- Manufacturing 18%
- Services 9%
- IT/Online Services 4%
- Wholesale 8%
- Retail 14%
- Construction 6%
- Transport & Logistics 6%
- Hospitality 14%
- Food & Drink Production 2%
- Health Sector 3%
- Agriculture 1%
- Other (Please specify) 16%

Overall Confidence Indicators:

The Q4'25 Business Trends Quarterly survey showed 4 out of 14 confidence indicators yielding declining results.

KEY INDICATORS OVERALL	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q2'25	Q3'25	Q4'25
Business Confidence	-14%	-13%	4%	-30%	-52%	-35%	-39%	-25%	-37%	-28%	-28%
Business Expectations	-18%	-9%	2%	-22%	-19%	-22%	-29%	-17%	-31%	-23%	-38%
Business Environment	31%	48%	38%	10%	-8%	-10%	0%	9%	9%	8%	-2%
Profitability Expectations	25%	28%	28%	22%	11%	21%	17%	19%	21%	17%	19%
Current Employment	19%	14%	25%	14%	1%	1%	-1%	3%	4%	-1%	-15%
Future Employment	26%	11%	31%	14%	-3%	-10%	-8%	2%	-1%	-6%	-4%
Current Sales	23%	17%	15%	9%	-4%	1%	-2%	-3%	5%	-6%	3%
Sales Expectations	2%	2%	21%	9%	-7%	-18%	-6%	-2%	8%	-1%	5%
Current Investment	33%	26%	34%	23%	19%	26%	22%	29%	18%	18%	22%
Future Investment	18%	24%	34%	2%	15%	14%	10%	15%	21%	17%	18%
Current Exports	-4%	9%	15%	4%	11%	12%	4%	6%	-9%	-9%	0%
Export Expectations	42%	27%	39%	12%	22%	18%	29%	27%	18%	18%	31%
Economic Uncertainty	36%	42%	40%	45%	60%	39%	45%	40%	59%	50%	50%
Brexit	16%	16%	12%	8%	11%	10%	8%	5%	5%	10%	6%

BREXIT uncertainty decreased to 6%. Business Confidence remained steady at -28%. This comes with the Economic Uncertainty indicator also levelling off at 50%.

Business Expectations decreased this quarter, falling from -23% to -38%. The Business Environment also decreased from 8% to -2%, while Profitability Expectations increased from 17% to 19%.

The Current Employment confidence indicator decreased by 14%, while Future Employment increased slightly, rising from -6% to -4%.

Current Sales increased by 9%. Sales Expectations also increased from -1% to 5%.

Current Investment rose from 18% to 22% this quarter, while Future Investment also increased by 1%.

Current Exports and Export Expectations rose by 9% and 13%, respectively.

Economic uncertainty concerns remain high but levelled off this quarter at 50%. Brexit concerns fell slightly from 10% to 6%.

Q4’25 Manufacturing:

Our Q4’25 results for the manufacturing sector show a mixed response for many confidence indicators in the manufacturing sector. In this quarter, there were 10 decreasing confidence indicators.

KEY INDICATORS MANUFACTURING	Q1’23	Q2’23	Q3’23	Q4’23	Q1’24	Q2’24	Q3'24	Q4'24	Q2'25	Q3'25	Q4'25
Business Confidence	-40%	0%	12%	-57%	-50%	-10%	-17%	-10%	5%	8%	-14%
Business Expectations	-40%	-15%	29%	-43%	-13%	-7%	-22%	3%	-14%	-4%	-9%
Business Environment	40%	46%	53%	-29%	0%	31%	35%	37%	36%	25%	32%
Profitability Expectations	13%	25%	31%	0%	21%	27%	19%	21%	29%	24%	19%
Current Employment	27%	23%	18%	-29%	6%	-4%	13%	25%	18%	-4%	-9%
Future Employment	13%	0%	59%	-29%	-6%	0%	17%	29%	14%	17%	0%
Current Sales	13%	0%	0%	-33%	7%	0%	0%	11%	19%	-29%	-9%
Sales Expectations	-13%	8%	31%	-50%	13%	-23%	29%	7%	38%	19%	-5%
Current Investment	27%	46%	38%	-33%	0%	38%	29%	64%	14%	24%	14%
Future Investment	40%	23%	44%	-33%	13%	27%	24%	4%	33%	29%	18%
Current Exports	-20%	0%	0%	25%	33%	13%	-6%	10%	-6%	-46%	-7%
Export Expectations	40%	29%	25%	0%	8%	19%	47%	20%	22%	0%	27%
Economic Uncertainty	36%	42%	46%	20%	50%	30%	42%	32%	67%	55%	50%
Brexit	29%	17%	15%	0%	21%	17%	16%	0%	5%	15%	0%

Business Confidence dropped from 8% to -14%, while Business Expectations also decreased to -9%.

Profitability Expectations decreased by another 5%.

Future Employment in manufacturing fell significantly from 17% to 0%.

Current Sales increased from -29% to -9%, while Sales Expectations for the future also decreased from 19% to -5%.

Current Investment decreased from 24% to 14%.

Current Exports increased from -46% to -7%. Future Exports increased from 0% to 27%.

Current Employment decreased from -4% to -9%.

Q4’25 Retail:

The Retail sector for Q4’25 showed Business Confidence further increasing this quarter, rising to -67%.

KEY INDICATORS RETAIL	Q1’23	Q2’23	Q3’23	Q4’23	Q1’24	Q2’24	Q3’24	Q4'24	Q2'25	Q3'25	Q4'25
Business Confidence	-20%	-33%	100%	-80%	-75%	-41%	-59%	-41%	-56%	-72%	-67%
Business Expectations	-80%	-17%	0%	-60%	-13%	-30%	-56%	-41%	-44%	-56%	-89%
Business Environment	40%	0%	100%	-40%	-13%	-26%	-19%	6%	0%	-12%	-67%
Profitability Expectations	25%	0%	0%	20%	0%	23%	7%	7%	20%	4%	6%
Current Employment	0%	-50%	100%	0%	13%	-19%	-16%	-18%	-12%	-12%	-28%
Future Employment	0%	33%	100%	-40%	-25%	-15%	-25%	-18%	-6%	-28%	-33%
Current Sales	-50%	-20%	100%	-40%	-13%	-19%	-25%	19%	-13%	0%	-18%
Sales Expectations	-25%	0%	100%	0%	-25%	-19%	-43%	-25%	-27%	-61%	-29%
Current Investment	25%	-20%	0%	0%	38%	12%	-11%	13%	-7%	4%	0%
Future Investment	0%	40%	0%	-20%	50%	-8%	-7%	13%	13%	0%	-6%
Current Exports	-	-	-	33%	0%	17%	0%	67%	-33%	25%	0%
Export Expectations	-	-	-	33%	0%	13%	0%	100%	0%	38%	17%
Economic Uncertainty	50%	40%	0%	100%	75%	52%	33%	36%	77%	65%	44%
Brexit	0%	20%	0%	60%	13%	20%	17%	7%	15%	15%	6%

Business Expectations decreased though, going from -56% to -89%.

Profitability Expectations increased slightly to 6%. Current Sales decreased from 0% to -18%.

Current Investment showed a decrease of 4% from Q3’25. Future Investment decreased by 6%.

Business Environment decreased to -67%, falling by 55% from last quarter.

Current Employment decreased to -28% this quarter. The expectation for Future Employment also decreased from -28% to -33%. Sales Expectations increased from -61% to -29%.

Q4'25 Services:

The Services sector for Q4'25 showed 9 of the 14 confidence indicators decreasing from the previous quarter.

KEY INDICATORS SERVICES	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q2'25	Q3'25	Q4'25
Business Confidence	21%	13%	25%	20%	-52%	-35%	-25%	25%	-27%	-5%	-36%
Business Expectations	5%	0%	0%	30%	0%	-26%	20%	25%	-36%	23%	-55%
Business Environment	42%	50%	50%	20%	-10%	-19%	25%	0%	-9%	18%	-18%
Profitability Expectations	31%	25%	25%	43%	17%	21%	25%	33%	35%	22%	25%
Current Employment	16%	13%	50%	20%	0%	13%	0%	-9%	11%	14%	-30%
Future Employment	42%	0%	25%	20%	10%	-3%	15%	0%	0%	14%	-20%
Current Sales	19%	38%	38%	0%	0%	4%	29%	-11%	12%	6%	-22%
Sales Expectations	19%	25%	63%	38%	11%	-25%	47%	0%	59%	33%	-22%
Current Investment	31%	38%	38%	38%	0%	36%	47%	33%	24%	28%	0%
Future Investment	0%	25%	50%	38%	11%	29%	41%	22%	18%	22%	11%
Current Exports	0%	50%	0%	0%	-25%	0%	50%	-33%	0%	-17%	0%
Export Expectations	33%	25%	25%	33%	50%	0%	0%	0%	29%	0%	67%
Economic Uncertainty	46%	43%	14%	43%	61%	50%	33%	38%	54%	59%	63%
Brexit	8%	0%	0%	0%	6%	0%	0%	0%	0%	24%	0%

Business Confidence fell from -5% to -36%.

Business Environment decreased from 18% to -18% while Profitability Expectations rose from 22% to 25%.

Current Employment decreased from 14% to -30% while Future Employment also decreased from 14% to -20% this quarter.

Current Sales decreased from 6% to -22%. Sales Expectations showed a significant decrease, falling from 33% to -22%.

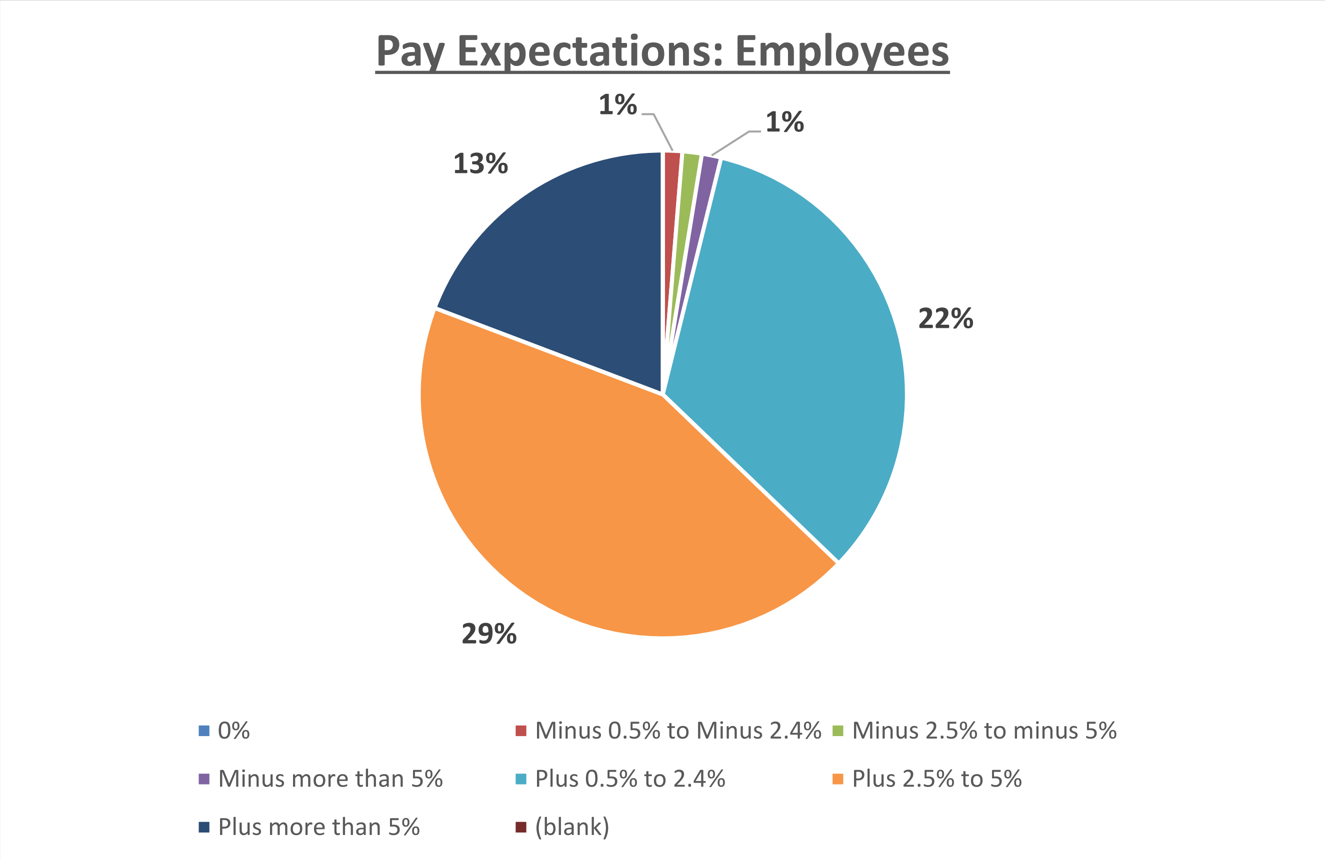
Current Investment decreased by 28%. Future Investment also decreased from 22% to 11%.

Current Exports increased this quarter from -17% to 0%, while Export Expectations also increased by 67%.

Q4'25 Pay Expectations: Employees

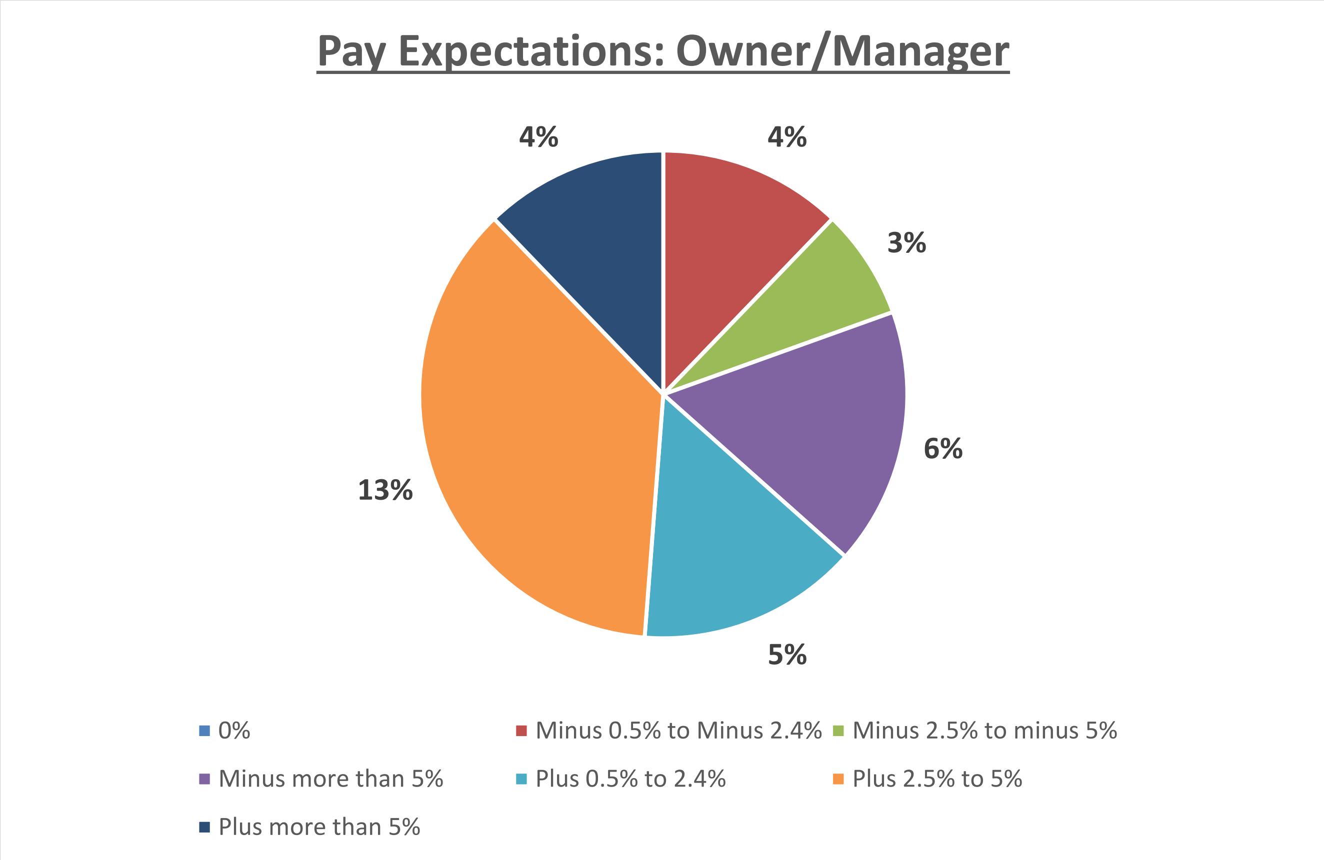
The range of pay expectations in the SME sector is very diverse. Our latest research shows that:

- 0% of SMEs will not be able to increase pay this year for their employees.
- 22% will increase employees pay by 0.5% to 2.4%.
- 29% will increase pay by 2.5%-5%.
- 3% of employers will decrease employees pay.



Q4’25 Pay Expectations: Owner Manager

When we asked business owners about their own pay for this year, we found the following:



- 0% said they would not increase their earnings from the business.
- 4% stated they intend to increase their wages by plus 5%.
- 13% will increase their pay between 2.5%-5%.
- 5% will increase their pay between 0.5%-2.4%.
- 13% stated they were reducing their wages.

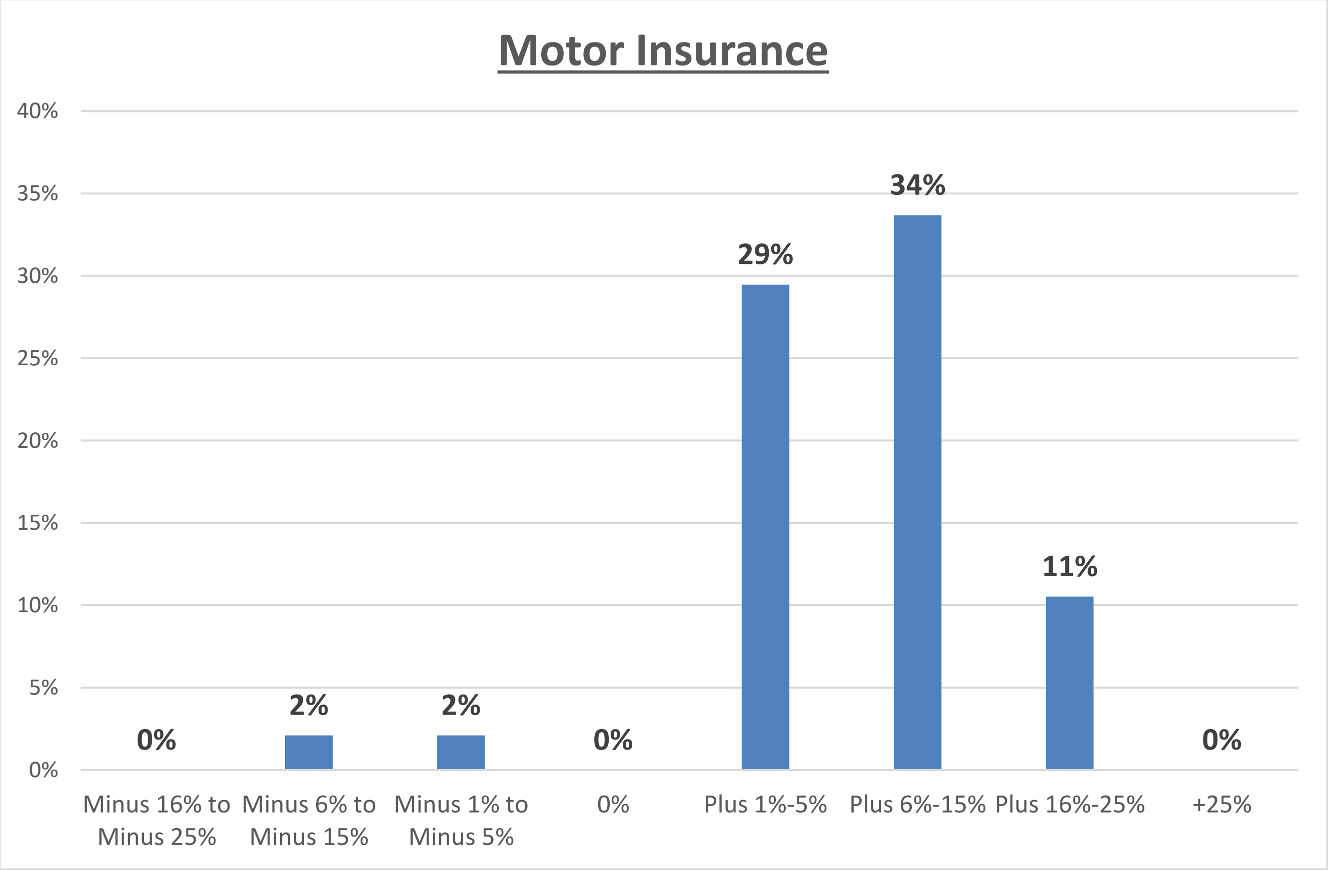
Insurance Costs: Introduction

While we see continued decreases in the CSO CPI figures for personal motor insurance costs, our data shows us that businesses are still facing significant increases. The CSO does not survey commercial insurances costs in its Services Producer Price Index. In view of the very high costs of insurance in some business sectors, this omission needs to be reconsidered.

Our latest data shows us that:
25% of SMEs consider Insurance one of their immediate biggest concerns.

Motor Insurance:

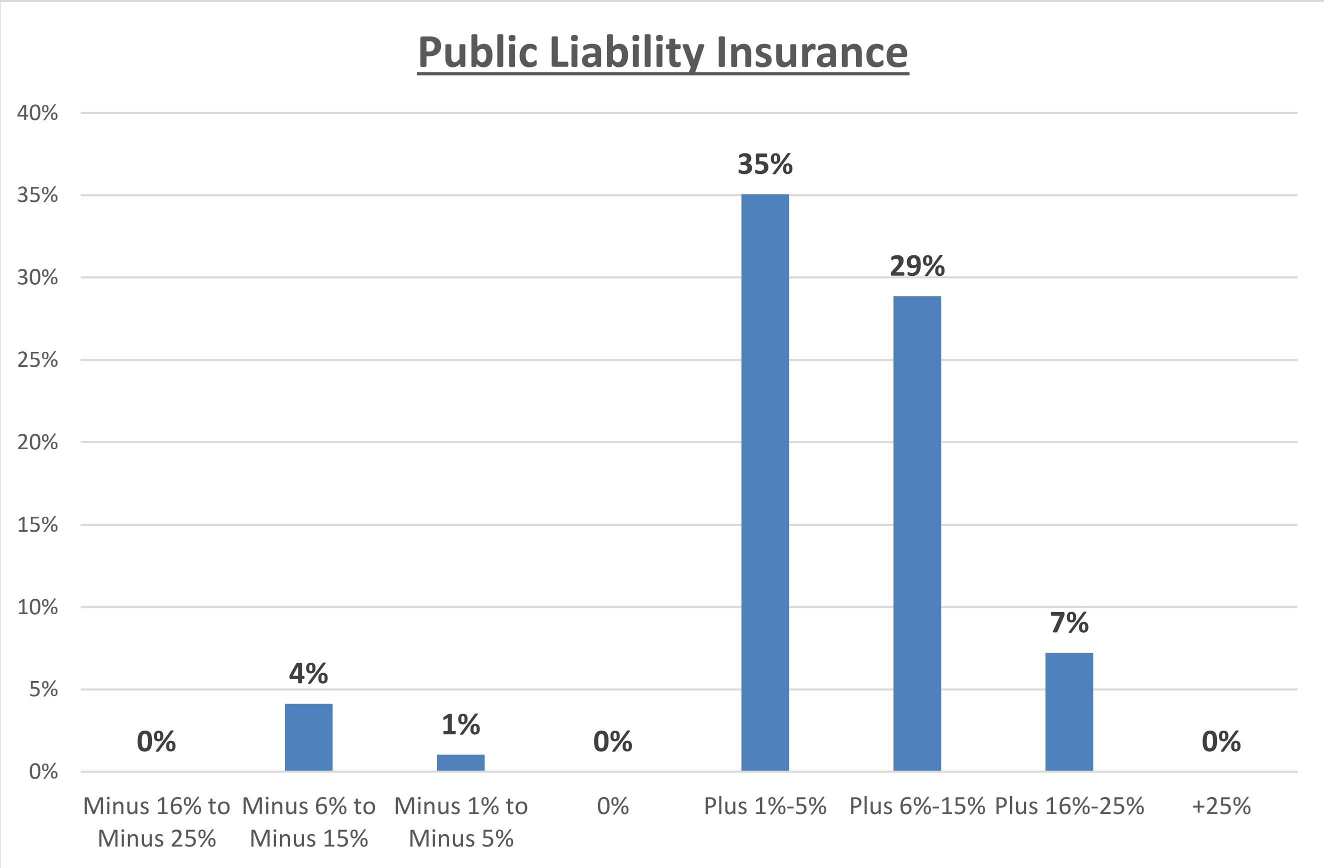
74% of respondents stated their Motor Insurance premiums increased on renewal.



- 0% of respondents noted an increase of +25%.
- 11% experienced increases of plus 16%-25%.
- 34% of respondents' premiums increased between plus 6% to 15%.
- 29% of those who responded recorded increases of plus 1%-5%.
- 0% reported no increase to premiums.
- While 4% reported a decrease.

Public Liability Insurance:

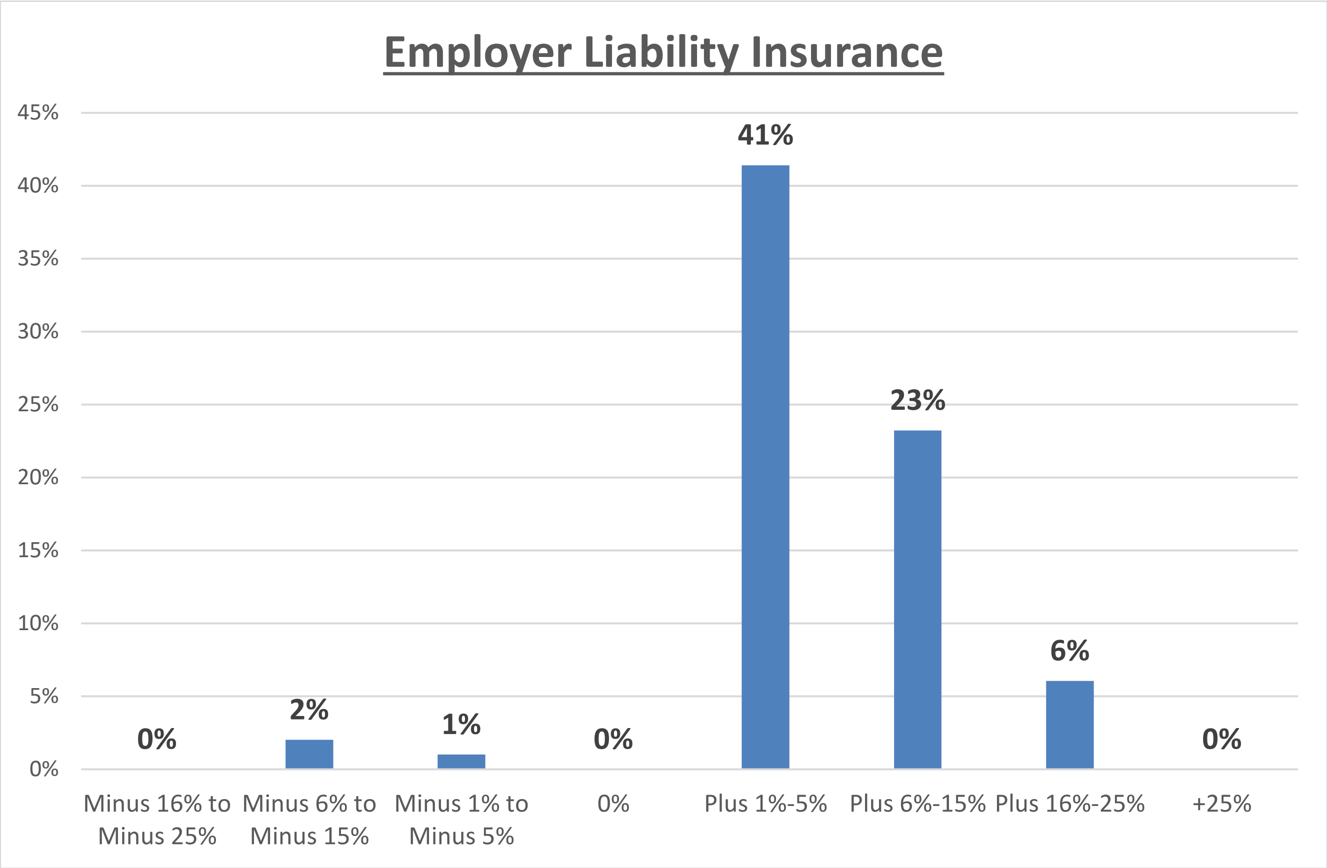
71% of respondents stated their Public Liability Insurance premiums increased on renewal.



- 35% reported increases of between 1% and 5%.
- 29% stated increases of plus 6%-15%.
- 7% reported increases of plus 16%-25%.
- 0% reported increases of +25%
- 0% reported no change.
- While 5% reported a decrease.

Employer Liability Insurance:

70% stated their Employer Liability insurance premiums increased on renewal.



- 41% reported increases of between 1% and 5%.
- 23% stated increases of plus 6%-15%.
- 6% reported increases of plus 16%-25%.
- 0% reported increases of +25%
- 0% reported no change.
- While 3% reported a decrease.

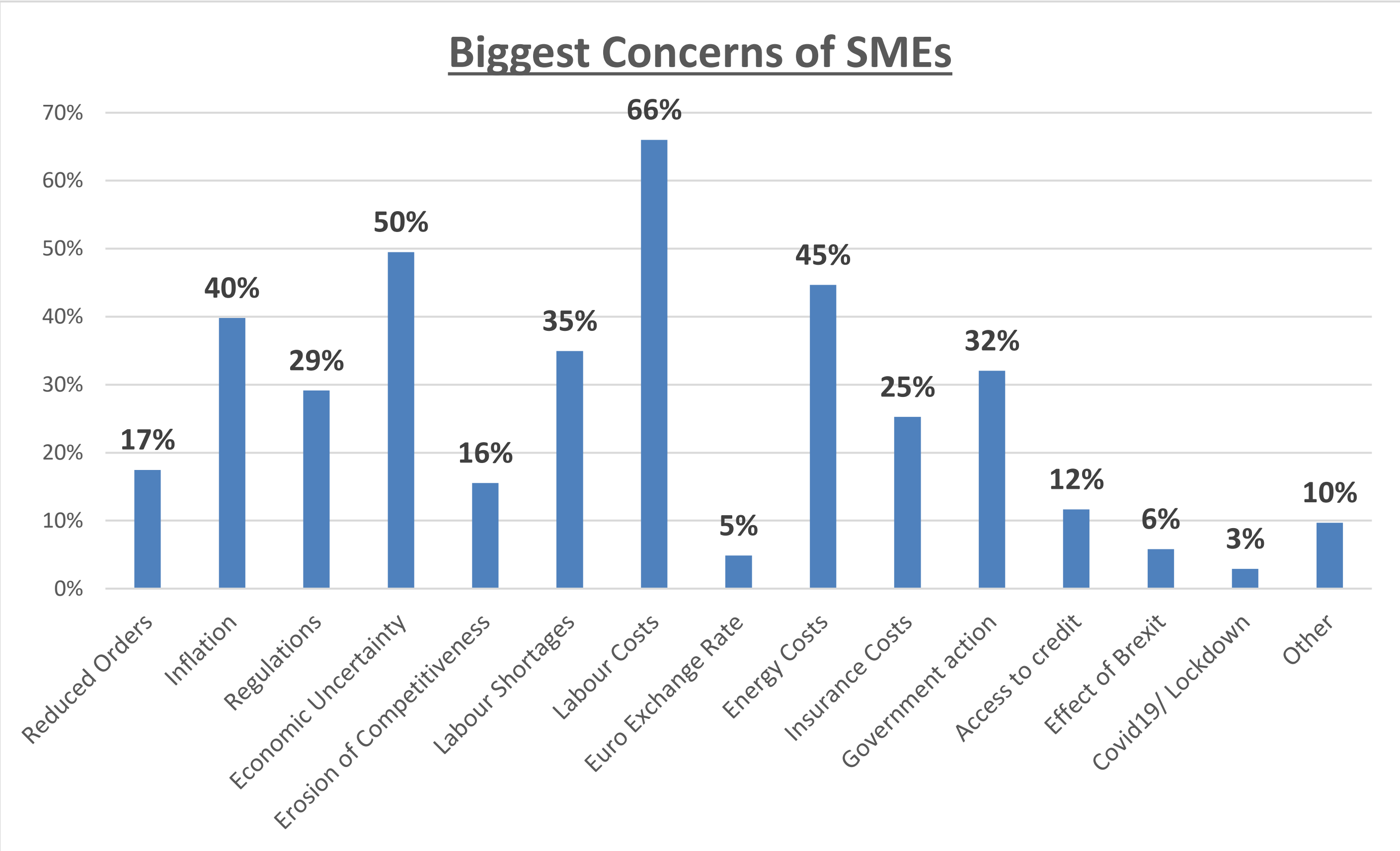
Insurance Summary:

On the issue of insurance ISME has made several submissions to various government ministers and departments outlining the practical steps need to reduce the high costs of motor insurance. If these steps were taken on board, SMEs and the general public would see significant decreases in their premiums.
The cost of insurance is an issue which ISME will continue to lobby on throughout 2026.

Biggest concern of SMEs:

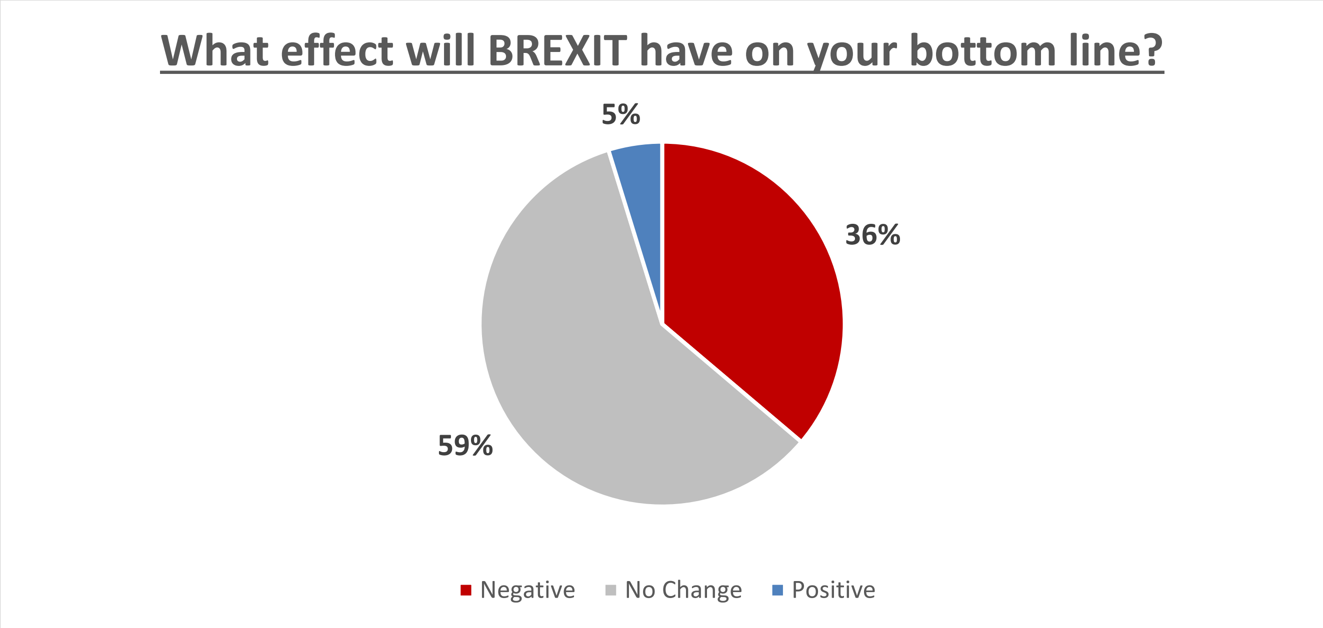
The top five concerns for SMEs in this quarter are:

- Energy Costs at 45%.
- Labour Costs at 66%.
- Labour Shortages at 35%.
- Economic Uncertainty at 50%.
- Inflation at 40%

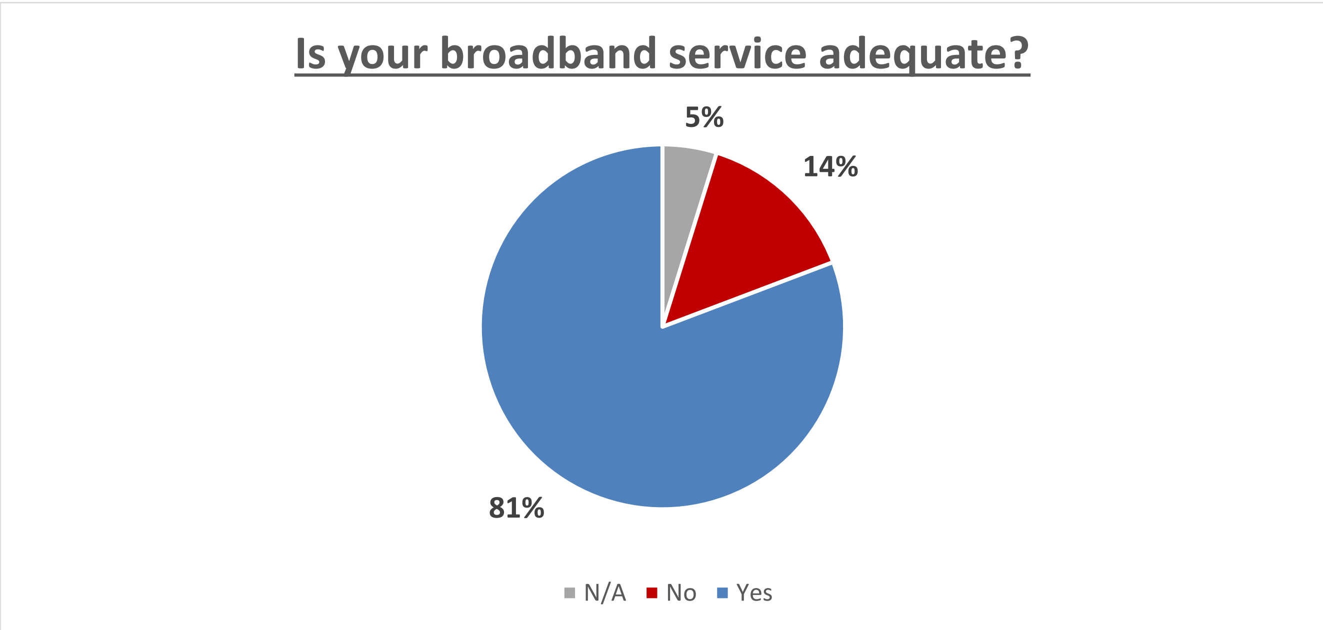


BREXIT:

Brexit has become a slightly more significant concern this quarter, with 36% of respondents stating that it has had a negative impact on their bottom line. 5% of respondents said Brexit is having a positive impact on their business, while 59% responded with no change.



Broadband Services:

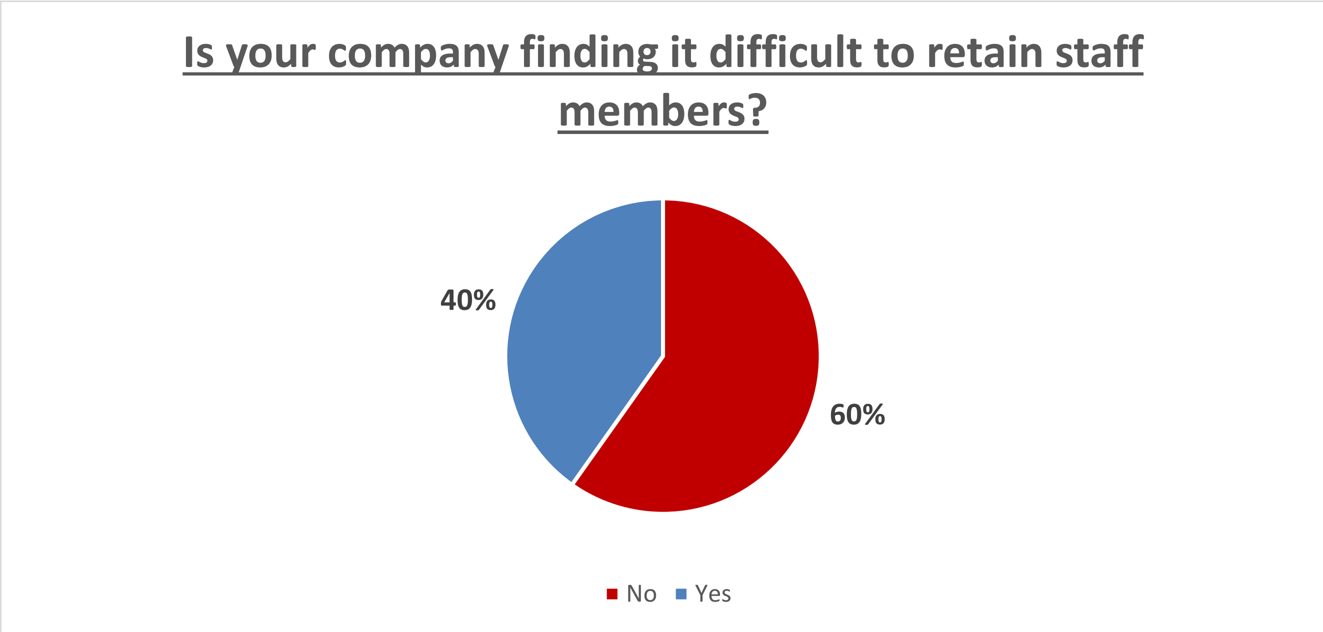


Access to proper and adequate broadband services is a key issue for many SMEs particularly those in rural Ireland. Inadequate or poor broadband service has a negative impact on business productivity.

Our latest information shows that 14% of businesses are impacted by inadequate broadband.

Retaining and Recruiting staff:

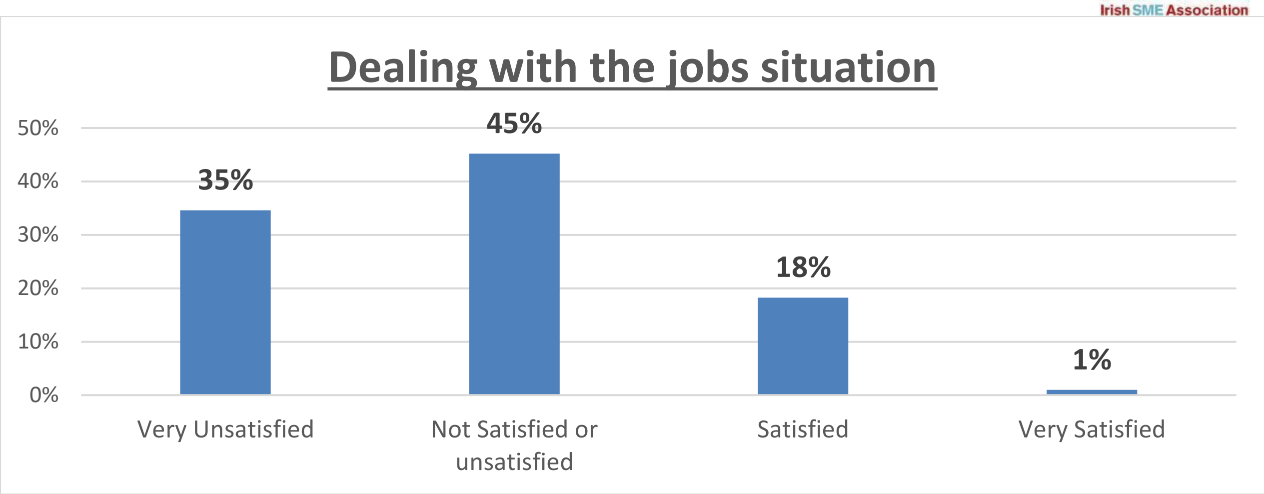
When asked 'Is your company finding it difficult to retain staff members?', approximately 40% of our members were experiencing difficulty.



Government Performance:

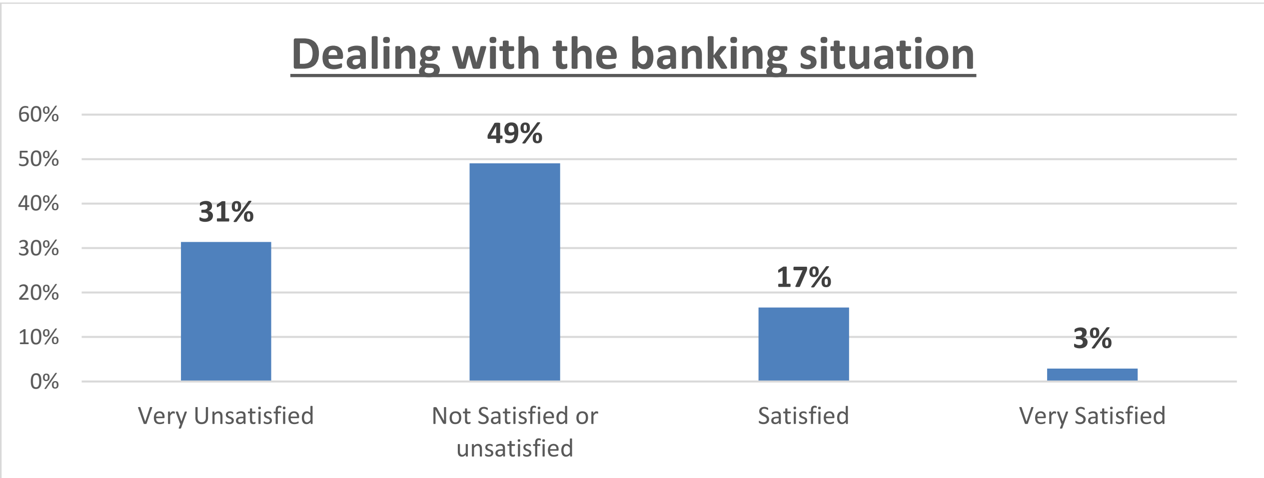
Dealing with the job situation

- Very Satisfied: 1%
- Satisfied: 18%
- Not Satisfied or dissatisfied: 45%
- Very Dissatisfied: 35%



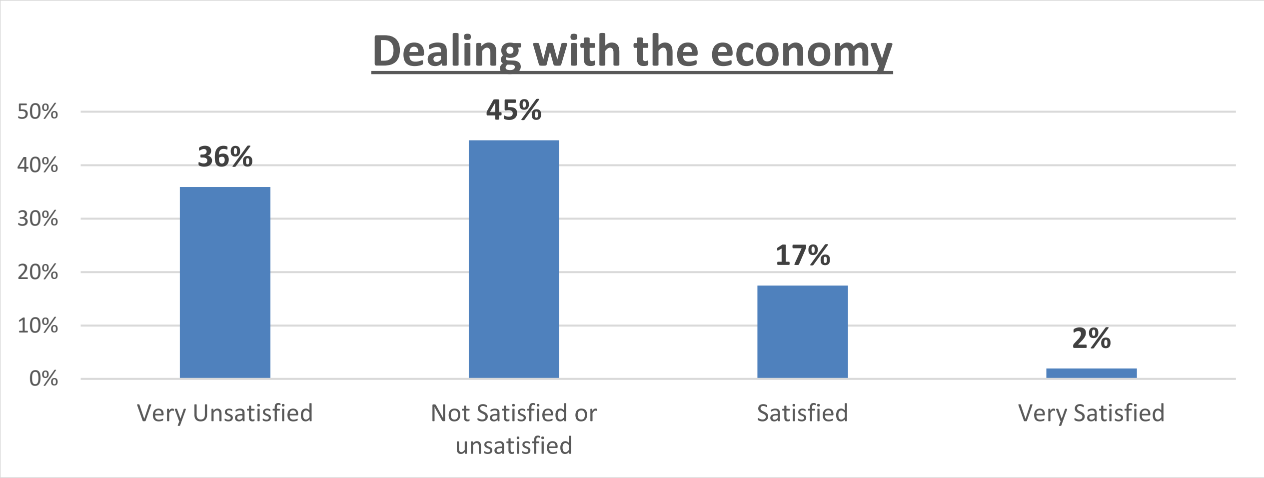
Dealing with the banking situation

- Very Satisfied: 3%
- Satisfied: 17%
- Not Satisfied or dissatisfied: 49%
- Very Dissatisfied: 31%



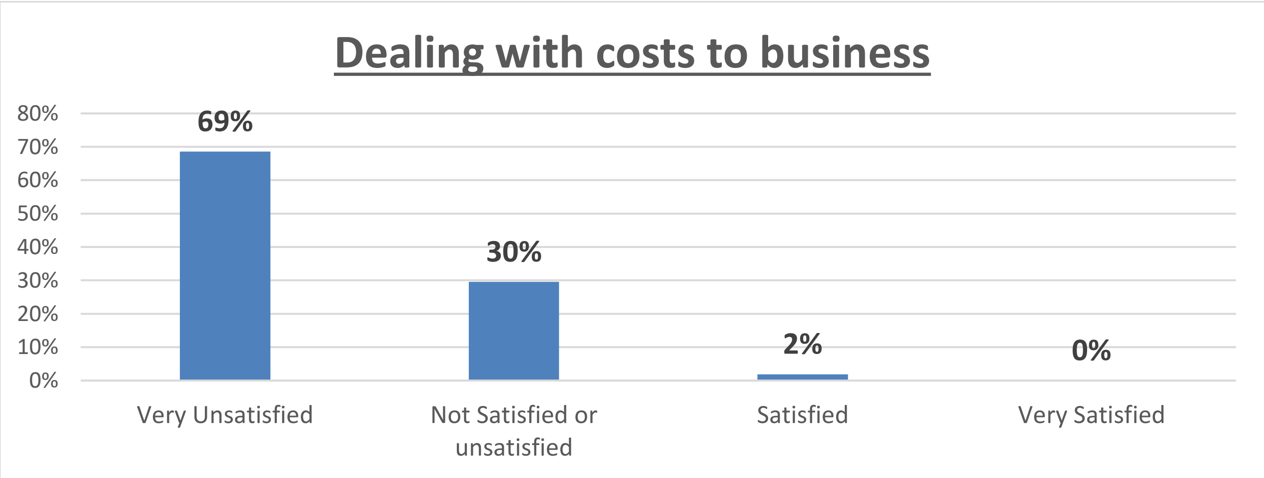
Dealing with the economy

- Very Satisfied: 2%
- Satisfied: 17%
- Not Satisfied or dissatisfied: 45%
- Very Dissatisfied: 36%



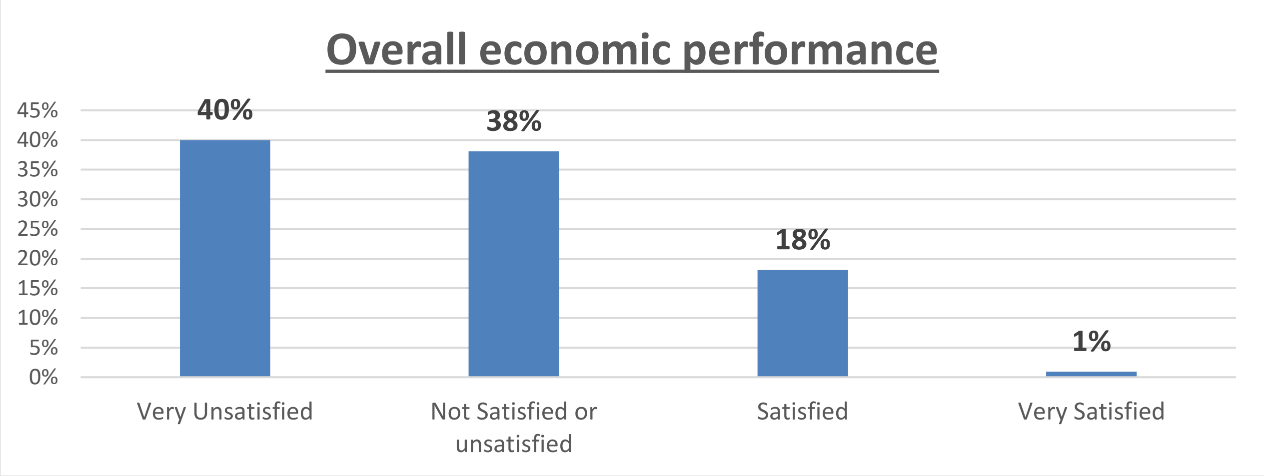
Dealing with costs to business

- Very Satisfied: 0%
- Satisfied: 2%
- Not Satisfied or dissatisfied: 30%
- Very Dissatisfied: 69%



Overall economic performance

- Very Satisfied: 1%
- Satisfied: 18%
- Not Satisfied or dissatisfied: 38%
- Very Dissatisfied: 40%



For further information, please contact:
T: 01 6622755
E: marketing@isme.ie

Methodology:

This survey was published in the first week of December 2025, covering the fourth quarter of 2025. There were 125 SME owner manager respondents. The results presented in this report are calculated as the aggregate response to a survey question, i.e., the sum of all positive and negative responses. For example, a survey question may ask: "Have you increased or reduced investment in your company in the last 12 months?". The breakdown of responses is as follows: 51% "Increased", 39% "Remain Same" and 13% "Decreased". The aggregate response to this question is calculated as the sum of the positive and negative sentiment expressed in the question: 51% - 13% = 38%. The neutral response, "Remain Same" is not considered.