



Northern Ireland Annual Food & Drink Dinner

Hosted by Grant Thornton

19th September 2013

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Nice meal but look at the price rises! (last 6 years)



+68%



+84%



+23%



+41%



+33%

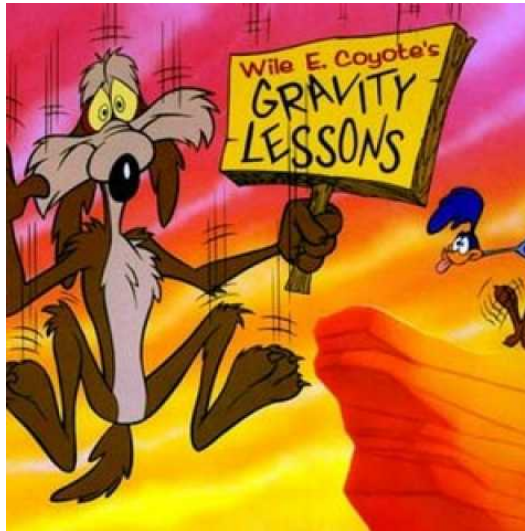


+42%

6 years since Northern Ireland's Wile E. Coyote moment



The 'NICE'
Decade



The 'RUDE'
Awakening

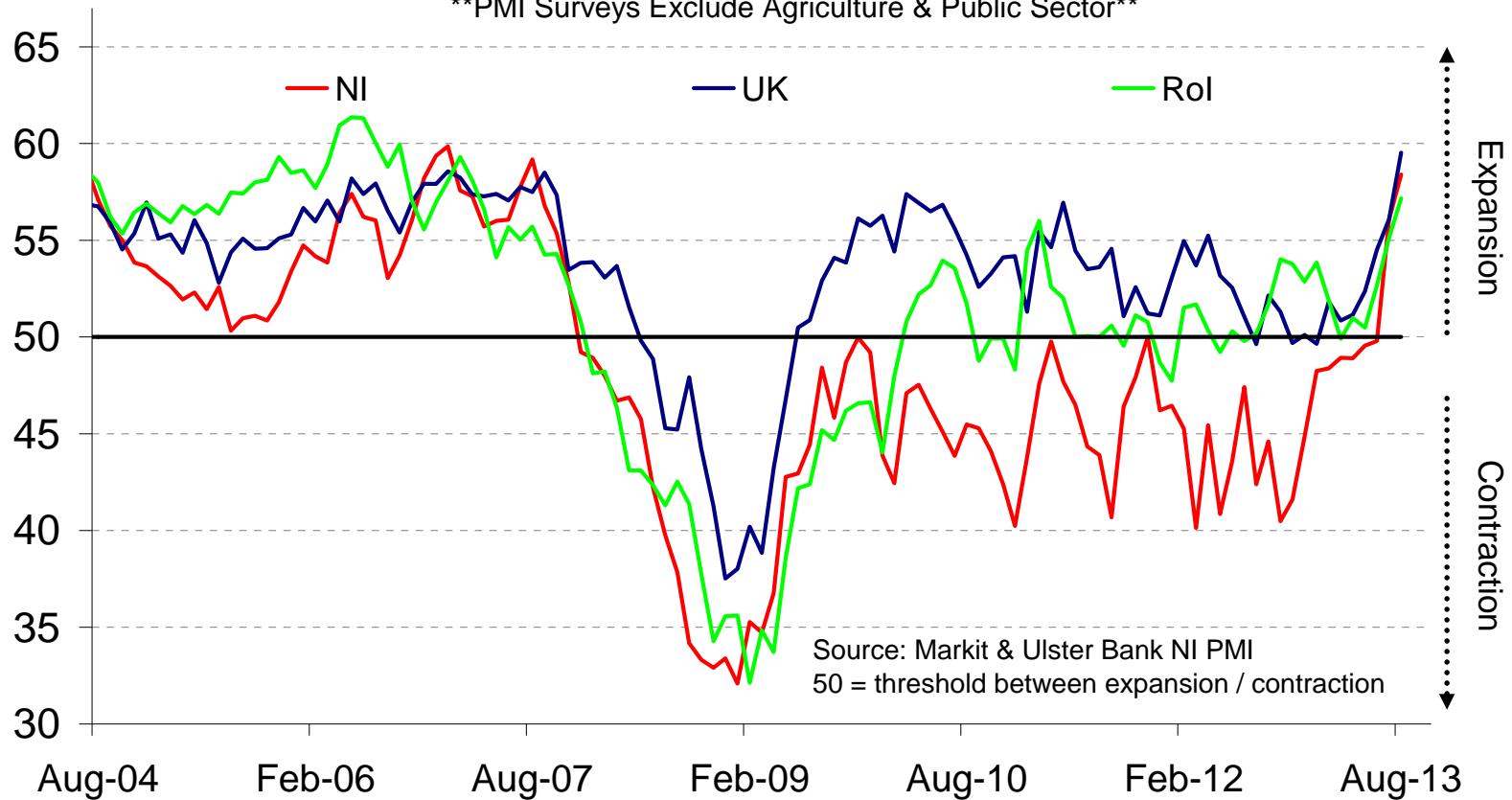


Have we hit
bottom yet?

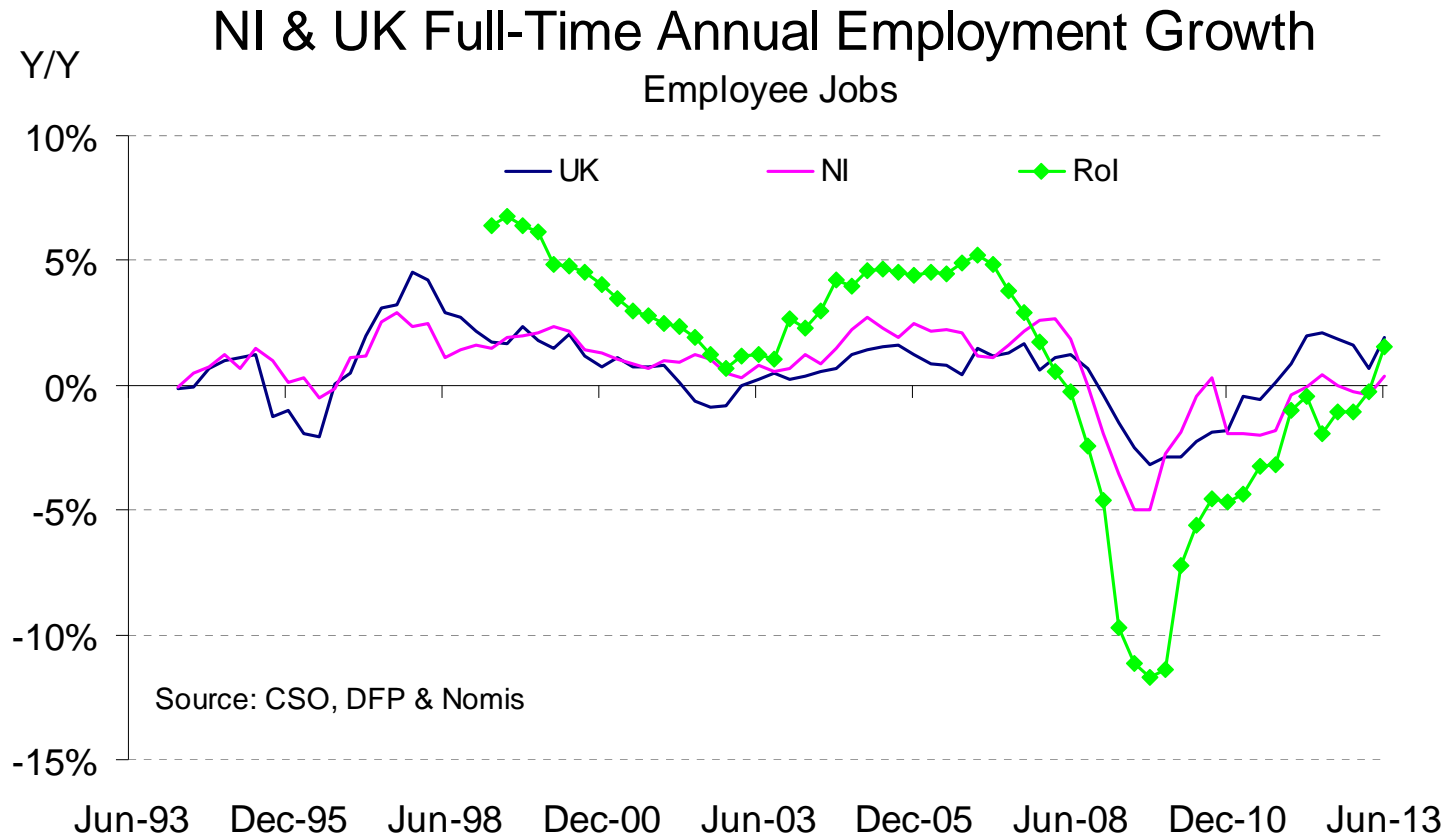
NI recovery underway in terms of output...

Private Sector Business Activity - PMIs

PMI Surveys Exclude Agriculture & Public Sector



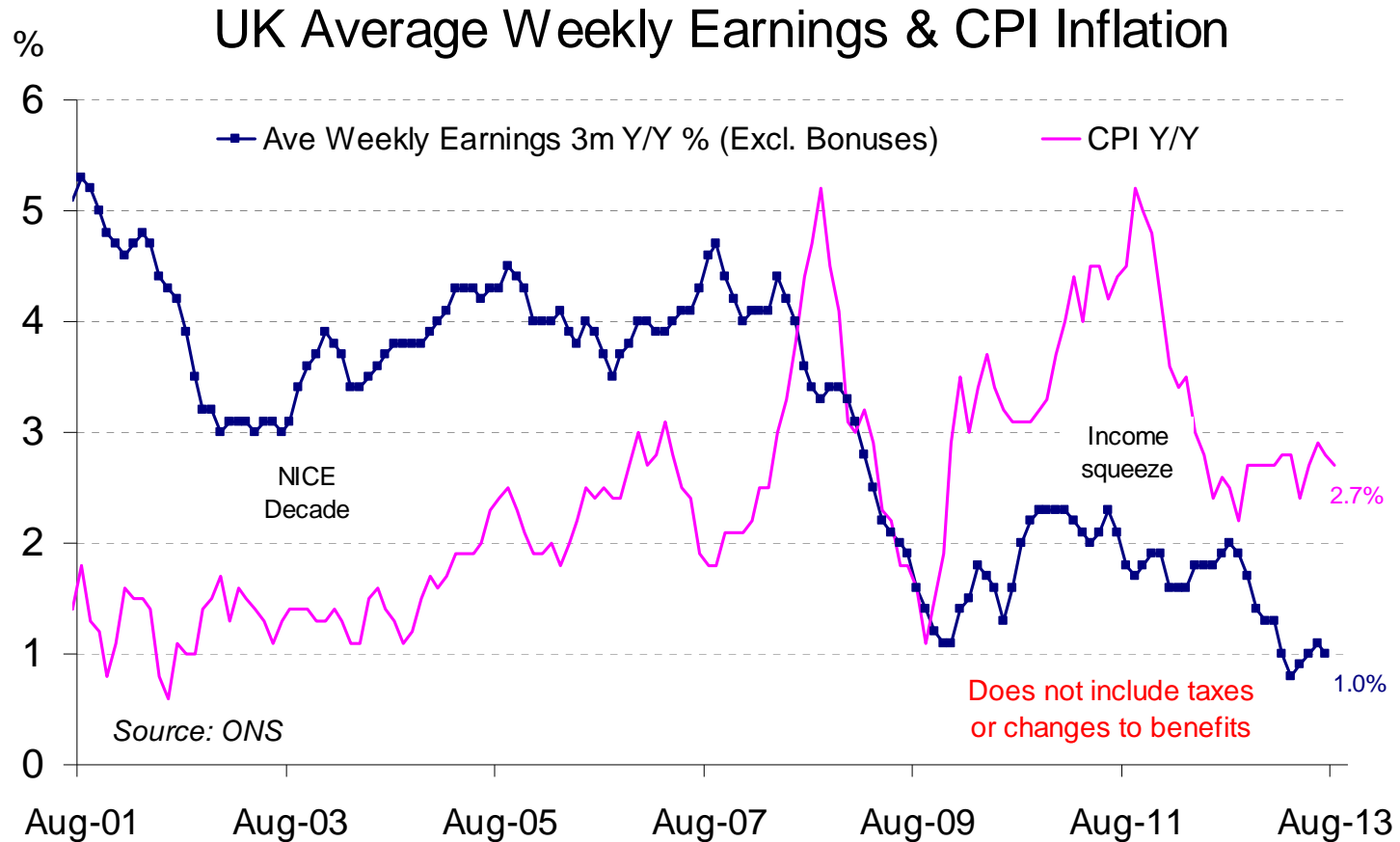
...and in terms of employment







No sign of a meaningful recovery with household incomes



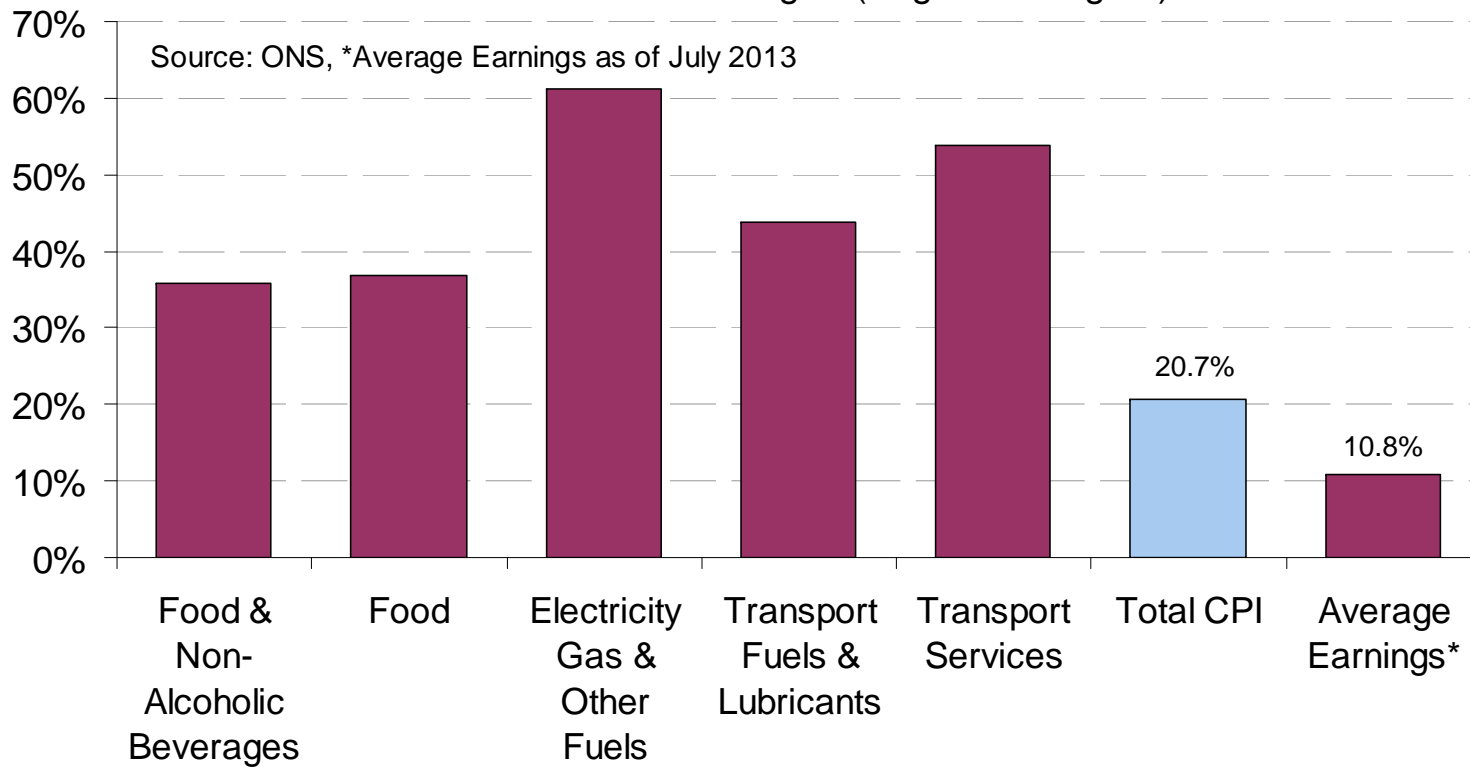
Consumers experiencing a 'spreadsheet recovery'



Computer says Yes. But consumer says No!

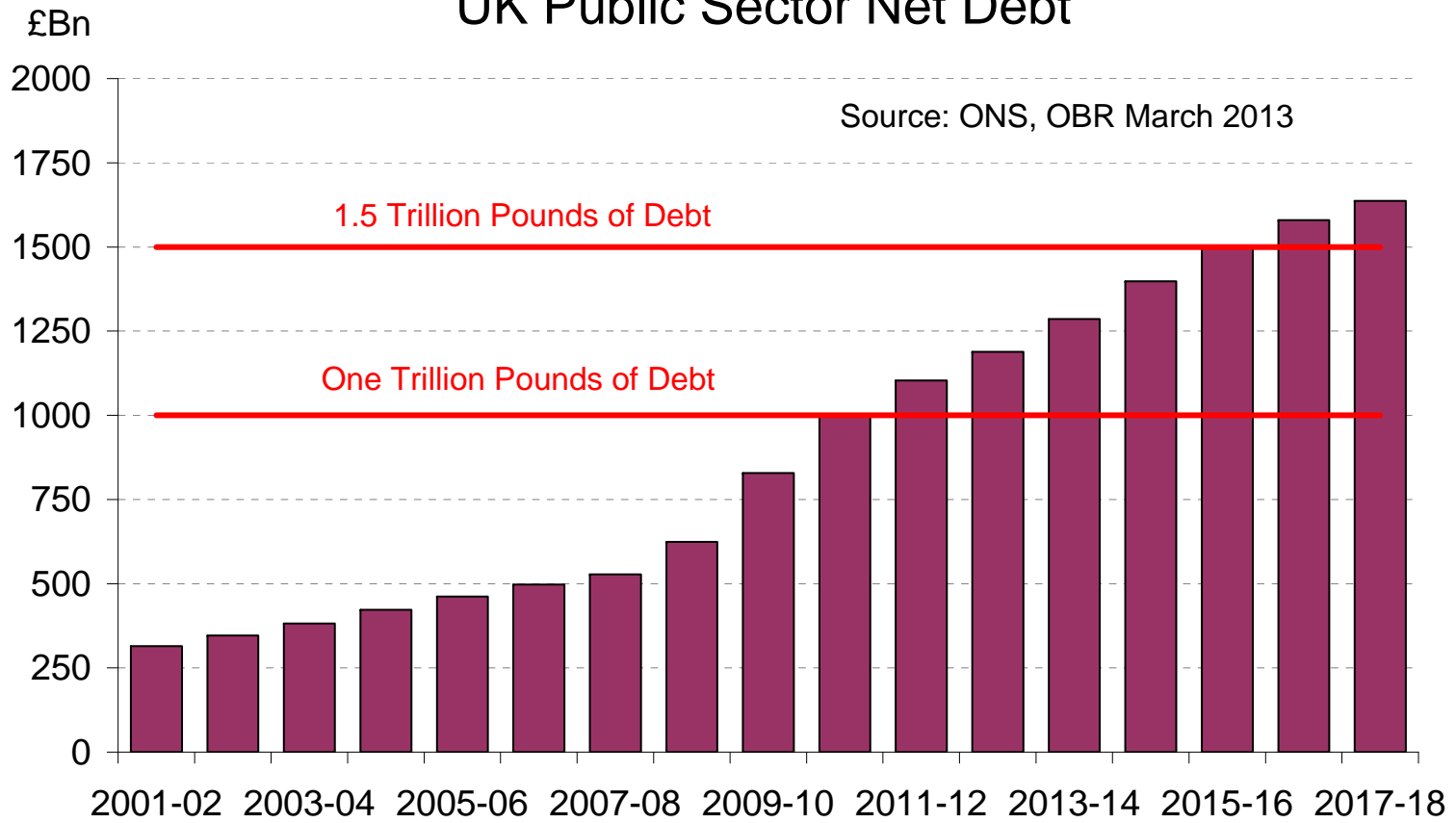
Headline inflation understates the true picture

Cumulative % Change in UK Consumer Prices since 'Credit Crunch' began (Aug 07 to Aug 13)



A recovery in the public finances a long way off

UK Public Sector Net Debt



Don't expect a recovery in the High Street

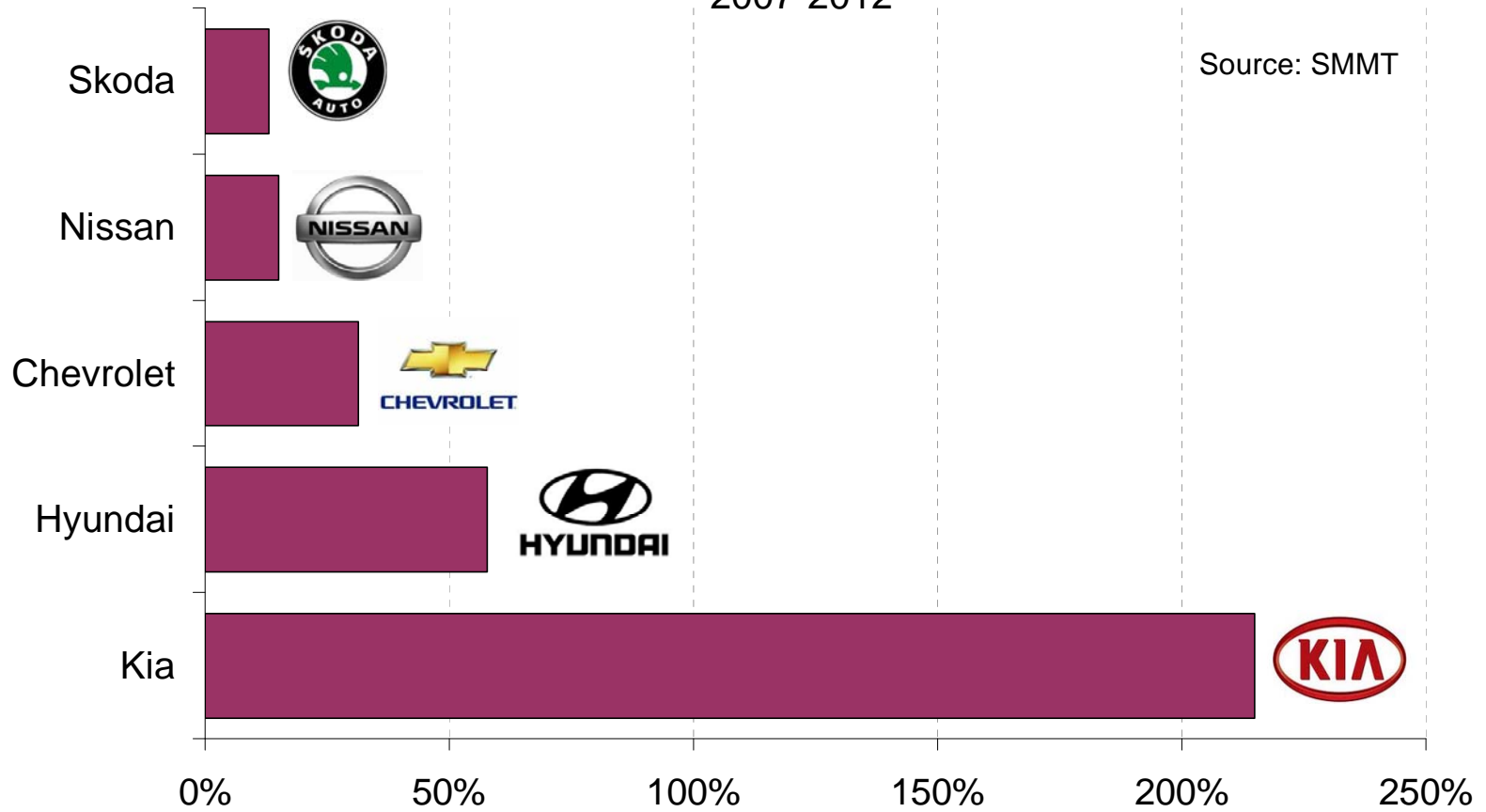


Consumer behaviours are changing. The 'Kia effect'

Growth in NI New Car Registrations by Manufacturer

2007-2012

Source: SMMT



Brands gaining NI market share 2007-2012

Cool?

Seriously Cool?

Sub-Zero?



Mercedes-Benz



Brands experiencing falling NI market share 2007-2012

Uncool?

Seriously Uncool?



mazda



VAUXHALL



HONDA



RENAULT



PEUGEOT



TOYOTA



**MITSUBISHI
MOTORS**





Ben Bernanke (US Fed)



Mark Carney (BoE)



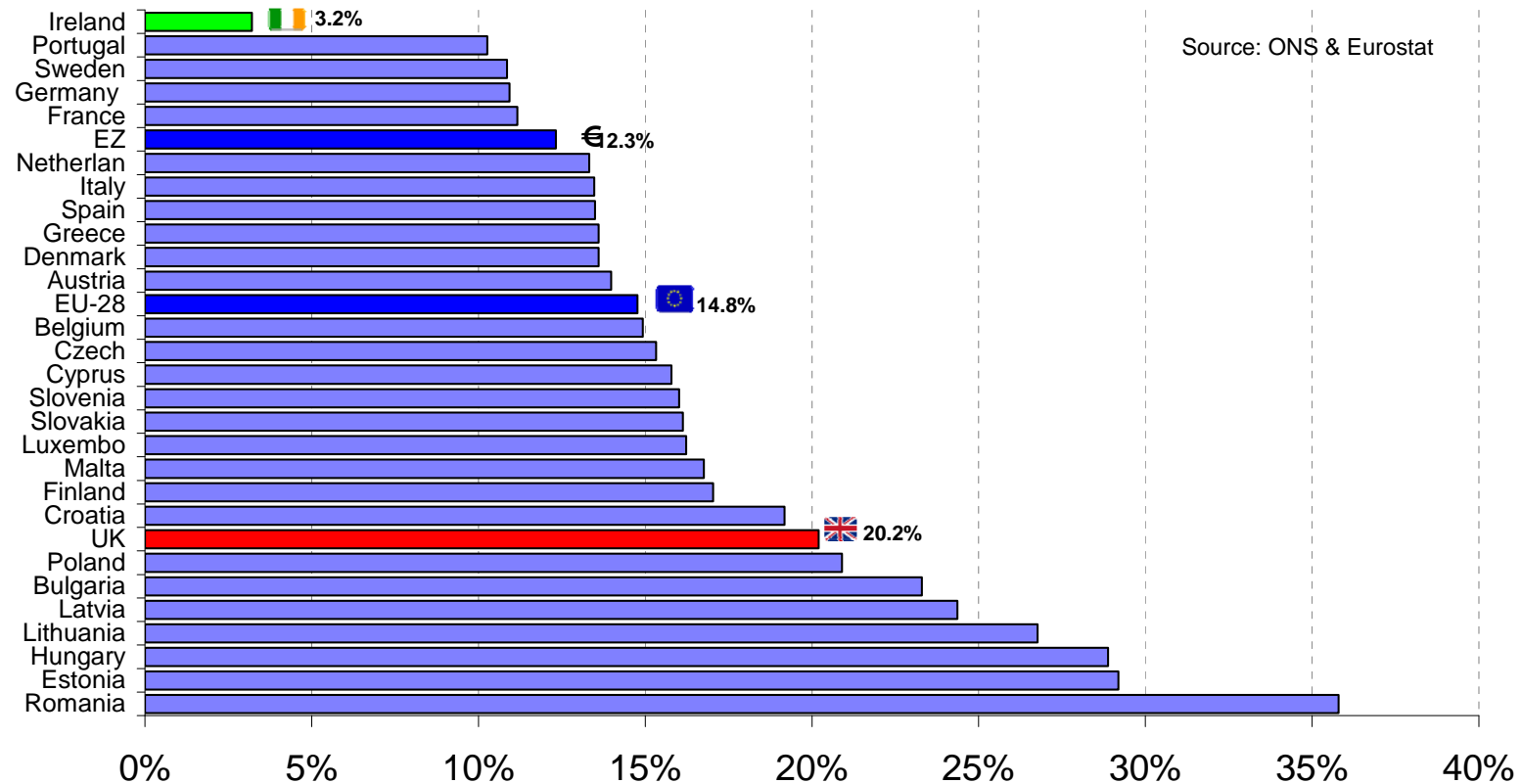
Mario Draghi (ECB)



Haruhiko Kuroda (BoJ)

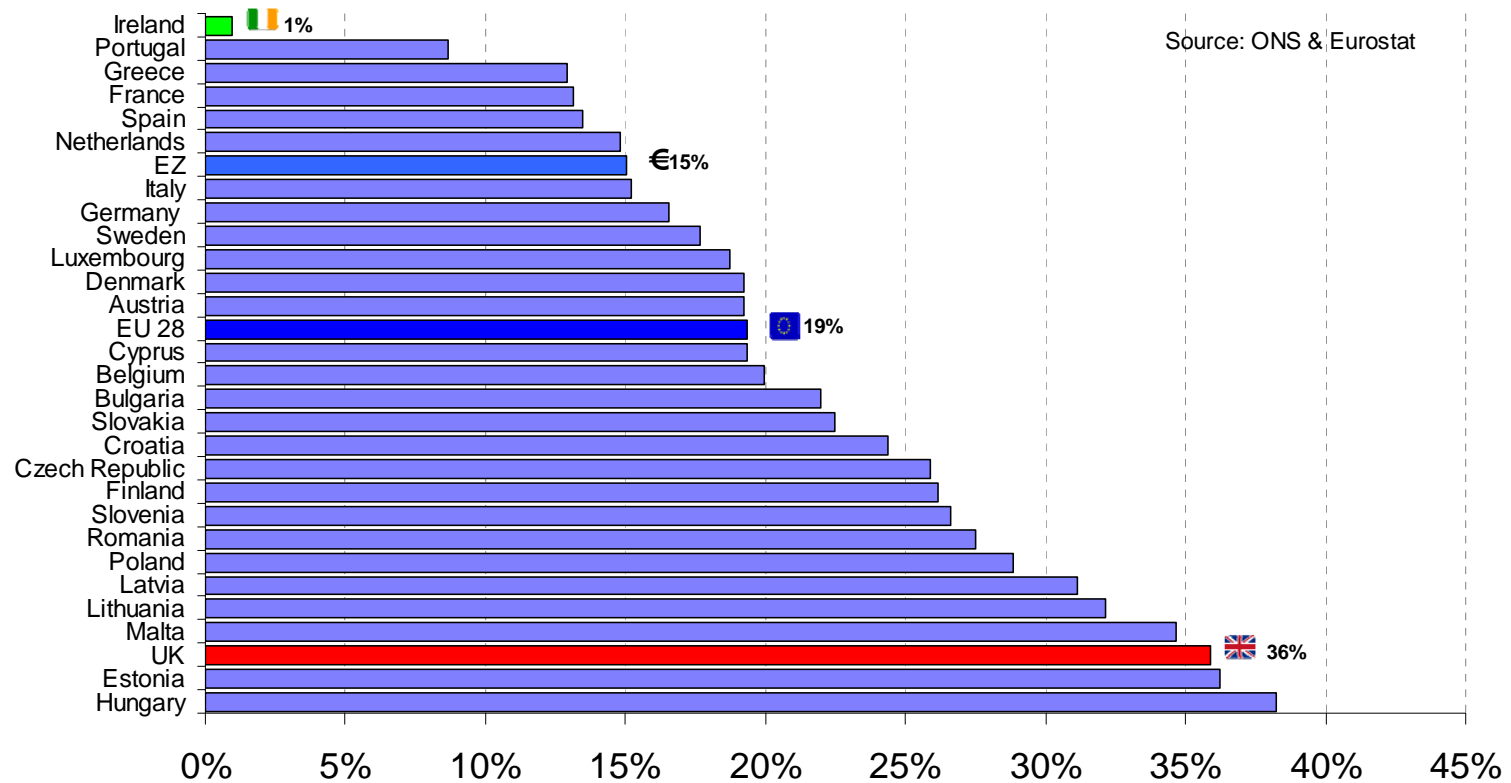
Ireland has been the poster child of low inflation since the credit crunch began

EU-28 Cumulative % Rise in Consumer Prices (HICP) August 2007 to August 2013



Austerity is easier to take when the price of food & drink isn't going through the roof

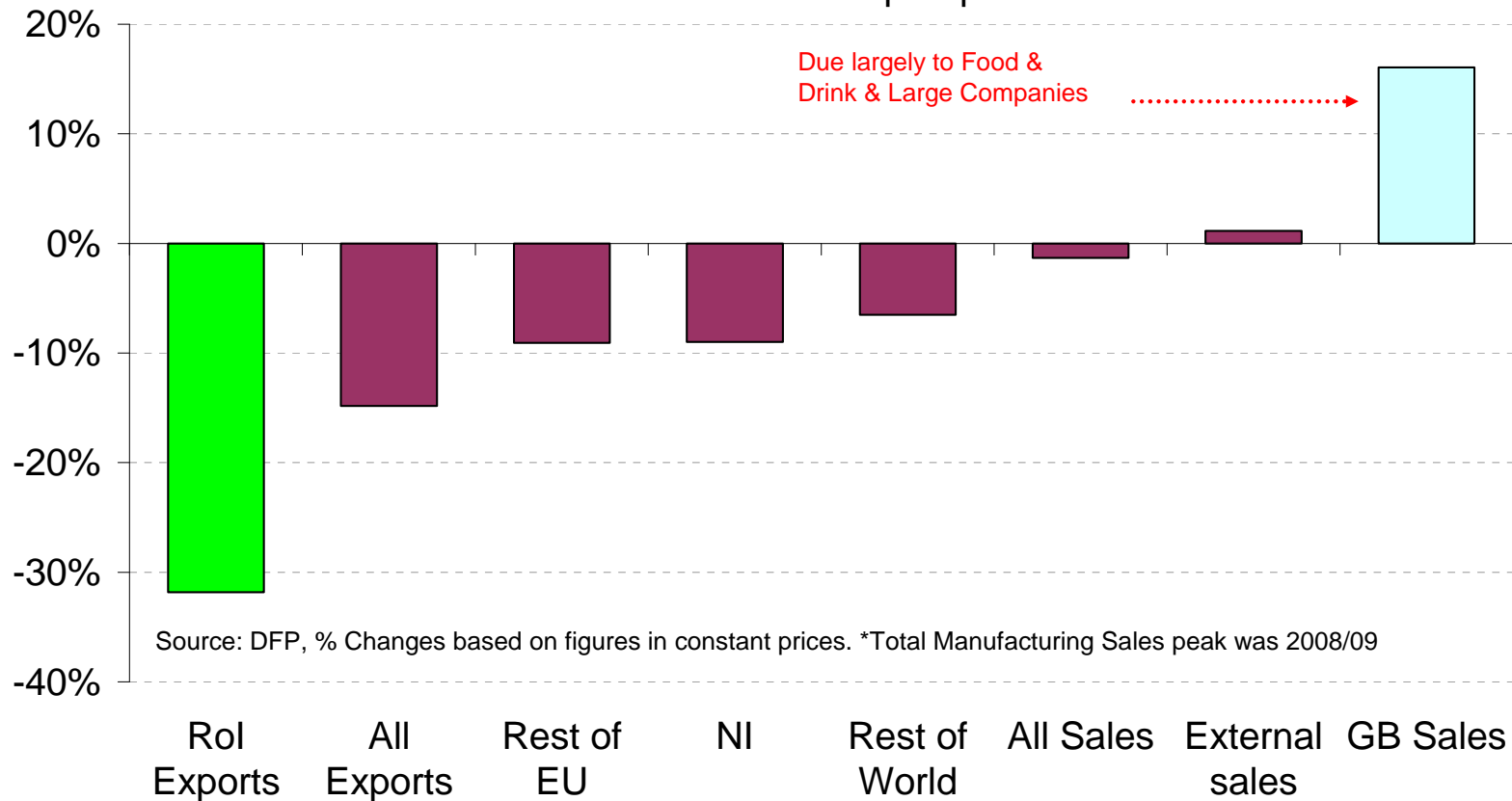
EU-28 Cumulative % Rise in Food & Drink Prices August 2007 to August 2013 (HICP)



'Currency Wars' partly explains NI's sales & export performance...

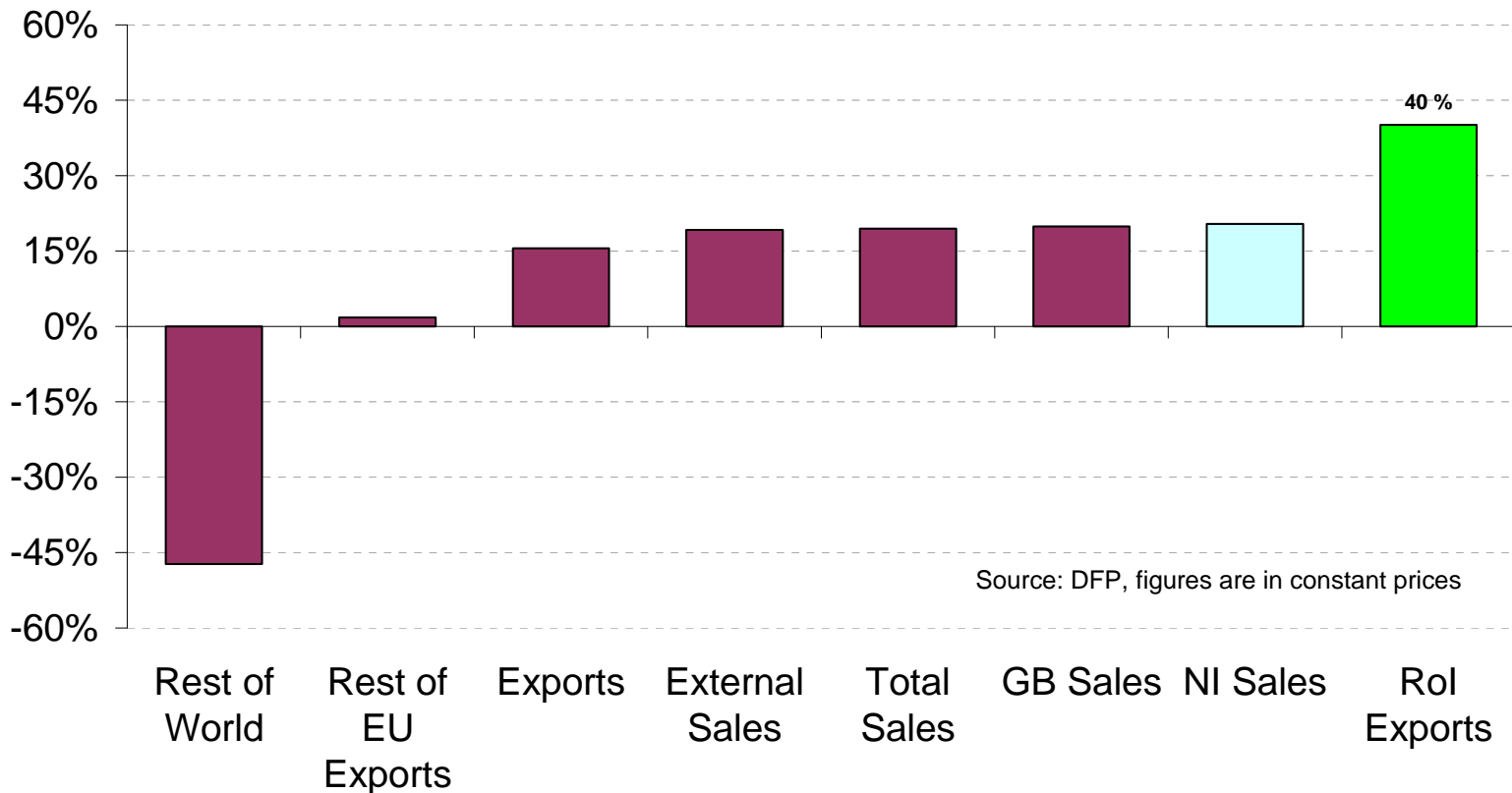
NI Sales & Exports 2011/12

relative to 2007/08 export peak*



Overall exports to the RoI down 30% but FDT up 40%!

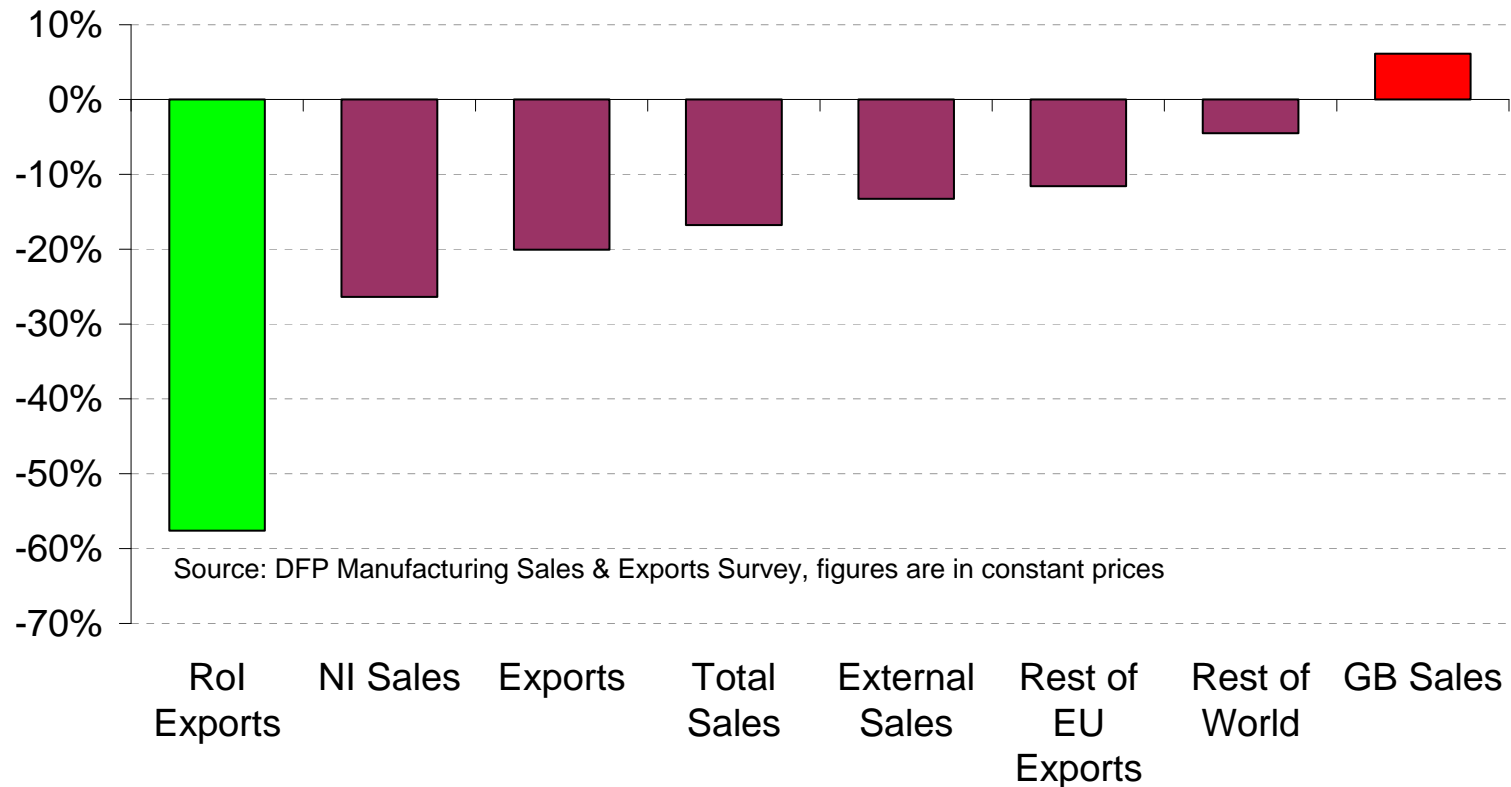
NI Food, Drink & Tobacco Sales & Exports 2011/12
relative to 2007/08 peak



Source: DFP, figures are in constant prices

Outside of Food & Drink, NI faces a lack of demand, particularly in the RoI

NI Manufacturing **(Non-FDT)** Sales & Exports
2011/12 relative to 2007/08 peak



Economic Growth will be an uphill challenge...



...but outlook agricultural outlook somewhat brighter



CAP Reform



Strong Demand

Eurozone Crisis



Inflation & Interest Rates



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