



Directors 'no confidence' in Government

by **Conor Keane**
Business Editor

THE majority of directors of companies believe the Government is not doing enough to resolve the economic crisis and half of company bosses don't even think the Government understands the problem.

Research conducted for the Institute of Directors in Ireland (IoD) by Behaviour & Attitudes found that over half (54%) of directors surveyed believe the Government does not have sufficient understanding of the current economic situation to resolve it and seven in 10 (70%) claim that not enough is happening to resolve the crisis quickly enough.

And while three in five

directors (60%) are convinced the Government does not have the ability to lead Ireland out of the current crisis, not even half of them (45%) are of the opinion a change of government would restore business confidence.

IoD members (67%) believe the Government shoulders greater responsibility for the crisis than the banks at 60%. A quarter, 26%, foist blame on the regulators and just 16% consider property developers responsible for the current economic woes.

Reviewing the results by company type, 95% of directors in professional practice firms attribute responsibility to the banks and 55% to Government. PLCs hold

the Government (66%) and banks (68%) equally responsible.

Paradoxically, 57% of directors are pessimistic about the broader business climate for 2010 yet 75% are optimistic about the prospects for their own company.

The current level of optimism has more than doubled compared to similar research conducted in 2008. Two in five (41%) directors are now optimistic about the broader business climate, compared to less than one in five (18%) in 2008.

The freeing up of credit is identified as the most important item to restore business confidence — almost all directors cited freeing up credit to business (96%), stability in financial markets

(95%) and maintaining low interest rates (93%).

Some 77% said reducing government spending, while over half (57%) cited the transfer of loans to NAMA, as necessary to restore business confidence.

IoD chief executive, Maura Quinn, said: "What these results show is that directors in Ireland do not have confidence in the political leadership of this country... less than half are of the view that a change of government would make any difference to restoring business confidence.

However, she said business is improving "with challenges shifting from the survival mode of the past".