

NORTH STAFFORDSHIRE CHAMBER OF COMMERCE & INDUSTRY

QUARTERLY ECONOMIC SURVEY

Quarter Ended September 2007

Introduction

This survey examines the economic climate in North Staffordshire and provides an insight into how local businesses are performing at home and abroad. As well as a summary of the key findings, we have also provided a guide to what the survey results might mean for you and your business. The survey is divided into 4 key sections:

- Marketplace – sales and capacity
- People – employment trends
- Financial Information – cashflow, investment and price indicators
- The Future – local views on business confidence

Background and methodology

The Chamber's membership was surveyed by postal questionnaire during the period 28 August to 17 September 2007. The questionnaire covered ten broad sections: activity levels; the workforce; cashflow; investment; business confidence; capacity; prices; costs, external factors and the Euro. Detailed below is an analysis of the target market surveyed.

Except where stated, all graphs have been compiled using percentage balances. These figures are determined by subtracting the percentage of companies reporting decreases in a factor from those reporting increases. The results have not been weighted and all other respondents reported no change to their businesses or expectations. All figures are rounded to the nearest whole number.

Speaking For Business – Influencing Government

For over 23 years, the Chamber's Quarterly Economic survey has provided a valuable snapshot of the North Staffordshire economy and we have used the results to lobby government and ministers on a wide range of issues. Each quarter, the results are combined with those of other chambers, regionally and nationally, to produce economic data which is highly respected by a wide range of organisations, including the Bank of England and the Treasury, our MPs, government departments and other agencies whose activities impact on the prosperity of North Staffordshire.

1 Market Place

The UK Market

For businesses involved in the UK market, excluding seasonal variations, over the past 3 months have your sales, orders, advanced bookings increased, remained constant or decreased?

Home Market Sales

	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+71%	-10%	-6%	-14%	-28%
Services	+32%	+82%	+48%	+17%	+53%

Home Market Orders

	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+71%	+10%	0%	0%	-19%
Services	+35%	+55%	+35%	+2%	+31%

The Export Market

For businesses involved in overseas markets, excluding seasonal variations, over the past 3 months have your sales, orders, custom, bookings increased, remained the same or decreased?

Export Sales

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	0%	+33%	+38%	+8%	+29%
Services	+34%	+100%	+33%	0%	0%

Export Orders

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	0%	+33%	+30%	+8%	-35%
Services	0%	+100%	+33%	0%	0%

Capacity utilisation

Percentage of Businesses Operating at Full Capacity

%	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	42	30	17	25	18
Services	41	45	40	32	42

2 People

Workforce trends

Over the past 3 months, has your workforce increased, remained the same or decreased?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+55%	+20%	+12%	-7%	-35%
Services	+27%	+35%	+25%	+5%	+25%

Over the next 3 months, do you expect your workforce to increase, remain the same or decrease?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+12%	+20%	0%	-23%	-9%
Services	+20%	+18%	+32%	+7%	+35%

Recruitment trends

Percentage of Businesses Attempting to Recruit Staff

%	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	71	60	50	53	27
Services	100	82	65	75	70

Percentage of Businesses Experiencing Recruitment Difficulties

%	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	20	16	100	100	100
Services	45	45	55	50	71

Percentage of Businesses Reporting Skills Shortages This Quarter

%	Skilled Manual/Technical	Professional Managerial	Clerical	Un/Semi-skilled	Graduates	Skilled Admin
Manufacturing	20	20	20	20	0	20
Services	16	34	0	0	16	34

Percentage Type Of Vacancy/Contract This Quarter

%	Part-Time	Full-Time	Temporary	Permanent
Manufacturing	0	50	0	50
Services	23	43	11	23

3 Financial Information

Investment

Over the past 3 months, what changes have you made to your investment plans?

Plant and Machinery

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+43%	+10%	+12%	+38%	+20%
Services	+8%	+50%	+25%	+13%	+5%

Training

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+43%	+10%	+32%	+24%	+20%
Services	+34%	+36%	+35%	+30%	+41%

Cashflow

Compared with 3 months ago, has the situation improved, remained the same, or worsened?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing					
Services					

Prices and price pressures

Over the next 3 months, do you expect the price of your goods/services to increase, remain the same or decrease?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+29%	+40%	+32%	+30%	+27%
Services	+9%	+64%	+20%	+58%	+44%

Is your business currently experiencing pressure to raise its prices from any of the following?

%	Pay Settlements	Raw Materials	Finance	Other Overheads
Manufacturing	10	70	0	20
Services	25	18	25	32

4 The Future

Business confidence

Do you believe that over the next 12 months turnover will improve, remain the same or worsen?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+55%	+30%	+44%	+14%	-10%
Services	+8%	+50%	+25%	+13%	+5%

Do you believe that over the next 12 months profitability will improve, remain the same or worsen?

% Balance	Sept 07	Jun 07	Mar 07	Dec 06	Sept 06
Manufacturing	+16%	+12%	+44%	+22%	-19%
Services	+34%	+36%	+35%	+30%	+41%

External factors

What factors concern you most in this quarter?

Concerns	Manufacturing %	Services %
Interest rates	22	33
Exchange rates	22	13
Business rates	0	0
Inflation	34	13
Competition	11	33
Corporate taxation	11	8
Industrial relations	0	0
Cash availability	0	0

Sample

Percentage of Respondents by Size and Sector

No of Employees	Manufacturing (%)	Service (%)	Manufacturing (%)	Service (%)
1-19	28	33	Mineral/ Chemical 0	Distribution/ Catering/Repair 0
20-199	56	28	Metal Goods/ Engineering 100	Transport/ Communication 0
200-499	0	9	Other Manufacturing 0	Financial/ Business Services 50
500+	16	0	Energy and Water Supply 0	Other 42
			Construction 0	Agriculture 0
			Don't Know 0	Don't Know 8

Contact Us

For more information about the Quarterly Economic Survey, please contact:

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