

NORTH STAFFORDSHIRE CHAMBER OF COMMERCE & INDUSTRY

QUARTERLY ECONOMIC SURVEY

Quarter Ended March 2008

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 25 February to 19 March 2008. 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

	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+38	+40	+71%	-10%	-6%
Services	+11	+12	+32%	+82%	+48%

Home Market Orders

	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+25	+17	+71%	+10%	0%
Services	0	+6	+35%	+55%	+35%

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	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+16	+62	0%	+33%	+38%
Services	+40	0	+34%	+100%	+33%

Export Orders

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+1	+62	0%	+33%	+30%
Services	+40	0	0%	+100%	+33%

Capacity utilisation

Percentage of Businesses Operating at Full Capacity

%	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	68	33	42	30	17
Services	34	44	41	45	40

2 People

Workforce trends

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

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+1	+36	+55%	+20%	+12%
Services	+15	0	+27%	+35%	+25%

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

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+13	+8	+12%	+20%	0%
Services	+38	+16	+20%	+18%	+32%

Recruitment trends

Percentage of Businesses Attempting to Recruit Staff

%	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	63	63	71	60	50
Services	53	100	100	82	65

Percentage of Businesses Experiencing Recruitment Difficulties

%	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	37	37	20	16	100
Services	47	70	45	45	55

Percentage of Businesses Reporting Skills Shortages This Quarter

%	Skilled Manual/Technical	Professional Managerial	Clerical	Un/Semi-skilled	Graduates	Skilled Admin
Manufacturing	42	44	0	0	14	0
Services	25	25	33	9	8	0

Percentage Type Of Vacancy/Contract This Quarter

%	Part-Time	Full-Time	Temporary	Permanent
Manufacturing	0	100	30	70
Services	80	20	0	100

3 Financial Information

Investment

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

Plant and Machinery

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+13	+20	+43%	+10%	+12%
Services	+12	+17	+8%	+50%	+25%

Training

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+43	+40	+43%	+10%	+32%
Services	+24	+22	+34%	+36%	+35%

Cashflow

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

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	0	+20	+15%	+20%	+6%
Services	+15	+6	+8%	+17%	+5%

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	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+12	+54	+29%	+40%	+32%
Services	+48	+33	+9%	+64%	+20%

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

%	Pay Settlements	Raw Materials	Finance	Other Overheads
Manufacturing	18	55	9	18
Services	25	16	16	43

4 The Future

Business confidence

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

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+25	+20	+55%	+30%	+44%
Services	+43	+55	+8%	+50%	+25%

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

% Balance	Mar 08	Dec 07	Sept 07	Jun 07	Mar 07
Manufacturing	+37	+10	+16%	+12%	+44%
Services	+50	+55	+34%	+36%	+35%

External factors

What factors concern you most in this quarter?

Concerns	Manufacturing %	Services %
Interest rates	16	14
Exchange rates	16	35
Business rates	11	19
Inflation	30	26
Competition	16	3
Corporate taxation	11	3
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	50	57	Mineral/ Chemical 0	Distribution/ Catering/Repair 11
20-199	38	36	Metal Goods/ Engineering 12	Transport/ Communication 14
200-499	0	7	Other Manufacturing 88	Financial/ Business Services 36
500+	12	0	Energy and Water Supply 0	Other 0
			Construction 0	Agriculture 0
			Don't Know 0	Don't Know 39

Contact Us

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

Jane Cook, Policy Manager
 North Staffordshire Chamber of Commerce & Industry
 Commerce House,
 Festival Park,
 Stoke on Trent,
 Staffordshire ST1 5BE
 Tel: 01782-202222
E-mail: jane.cook@nsccl.co.uk
www.nsccl.co.uk