chamber
north staffordshire

NORTH STAFFORDSHIRE CHAMBER OF COMMERCE & INDUSTRY

QUARTERLY ECONOMIC SURVEY

Quarter Ended June 2009

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 to 17 June 2009. 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

This Quarter, there has been a further decline in manufacturing activity with lower levels of sales and orders in domestic and export markets. Workforce levels and investment plans have been scaled back even further. With only marginal improvements in cashflow and business confidence, trading conditions are, and will remain, extremely difficult. There is more optimism in the service sector, however, where the rate of decline has slowed and business confidence has improved.

The Chamber movement continues to lobby Government on several critical issues: that the banks are lending to businesses; that trade credit and export credit insurance is available to firms; that firms are not forced to pay up-front for energy supply, and that there is a moratorium on the introduction of any further regulation and red tape during the economic crisis.

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-52	-53	-38	-33	-15
Services	-5	-36	-15	-16	+18

Home Market Orders

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-58	-53	-36	-40	0
Services	-29	-34	-35	-22	-8

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	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-18	-39	-24	-6	0
Services	+14	-20	-16	+20	0

Export Orders

% Balance	June 09	March 09	Dec 08	Sep 08	*Jun 08*
Manufacturing	-32	-33	-30	-9	-16
Services	-8	-15	-24	+15	+44

Capacity utilisation

Percentage of Businesses Operating at Full Capacity

%	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	18	8	32	21	34
Services	20	25	24	35	32

2 People

Workforce trends

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-33	-26	-5	+4	-5
Services	-6	-14	-5	+3	0

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-19	-11	-14	0	+10
Services	0	-14	-19	+4	+8

Recruitment trends

Percentage of Businesses Attempting to Recruit Staff

%	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	26	22	32	25	62
Services	33	28	28	54	50

Percentage of Businesses Experiencing Recruitment Difficulties

%	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	74	78	68	31	48
Services	67	72	72	44	47

Percentage of Businesses Reporting Skills Shortages This Quarter

%	Skilled Manual/Technical	Professional Managerial	Clerical	Un/Semi-skilled	Graduates	Skilled Admin
Manufacturing	41	35	6	12	0	6
Services	26	60	0	7	0	7

Percentage Type Of Vacancy/Contract This Quarter

%	Part-Time	Full-Time	%	Temporary	Permanent
Manufacturing	8	92		31	69
Services	24	76		15	85

3 Financial Information

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

Plant and Machinery

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-31	-19	-18	-14	+5
Services	-10	-28	-10	-4	+11

Training

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-5	-2	-6	0	-9
Services	+62	+4	+4	0	-11

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-37	-40	-30	-39	-10
Services	+25	-21	-11	-13	+2

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	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	0	+19	+21	+55	+52
Services	+13	0	+15	+32	+35

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

%	Pay Settlements	Raw Materials	Finance	Other Overheads
Manufacturing	9	57	2	32
Services	14	26	14	46

4 The Future

Business confidence

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-10	-28	-33	-28	+9
Services	+25	-59	-24	6	+18

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

% Balance	June 09	March 09	Dec 08	Sep 08	Jun 08
Manufacturing	-29	-33	-33	-42	-9
Services	+13	-26	-25	-6	+5

External factors

What factors concern you most in this quarter?

Concerns	Manufacturing %	Services %
Interest rates	14	10
Exchange rates	22	12
Business rates	22	16
Inflation	6	16
Competition	22	25
Corporate taxation	10	19
Industrial relations	2	0
Cash availability	2	2

Sample

Percentage of Respondents by Size and Sector

No of Employees	Manufacturing (%)	Service (%)
1-19	9	11
20-199	12	61
200-499	11	28
500+	68	0

Manufacturing (%)	Service (%)
Mineral/ Chemical 12	Distribution/ Catering/Repair 5
Metal Goods/ Engineering 21	Transport/ Communication 10
Other Manufacturing 39	Financial/ Business Services 20
Energy and Water Supply 0	Other 65
Construction 26	Agriculture 0
Don't Know 2	Don't Know 0

Contact Us

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