

Jersey Business Tendency Survey

December 2009

Statistics Unit: www.gov.je/statistics

Introduction

The Jersey Business Tendency Survey was launched in September 2009 to provide qualitative information about the Island's economy in a timely manner. The survey enables a set of ten indicators to be produced that can be used to monitor economic performance. The headline indicator is that of Business Activity.

The December 2009 round of the survey (which ran in the first two weeks of December) achieved a response rate of 75% and covered about half of total private sector employment.

It should be emphasised that the headline Business Activity Indicator, and the other "current" indicators in this report, represent a qualitative expression of the relative position of economic performance between the current point in time and that of three months previously rather than an absolute measure of economic performance. The two "future" indicators represent a qualitative expression of expected changes over the next three months.

Summary

- in December 2009 the headline all-sector Business Activity Indicator was **-15 percentage points (pp)**, implying that the proportion of businesses in Jersey reporting a decline in business activity compared with three months previously was 15 pp greater than the proportion reporting an increase. About half of businesses reported "no change";
- the all-sector Business Activity Indicator in December 2009 (-15 pp) was more negative than that for September 2009 (-11pp);
- the non-finance sectors had a significantly negative Business Activity Indicator in December 2009 of -21 pp, whilst that for the Finance sector was 0 pp;
- eight of the ten all-sector indicators declined between September and December 2009;
- the Finance sector was more positive for every indicator than the non-finance sectors;
- for the **Finance** sector, the indicators for new business, business optimism and future business activity were positive. The current and future employment indicators for the sector remained negative, though were significantly less negative than in September 2009. The profitability indicator remained strongly negative;
- the **non-finance** sectors showed a negative tendency for all ten indicators, with eight out of the ten being more negative in December 2009 than in September 2009.
- all ten indicators for the **Construction** and **Wholesale & retail sectors** were negative in December 2009, with profitability (for both sectors) and new business (for Construction) being the most strongly negative. Nine of the ten indicators for these sectors were more negative in December 2009 than in September 2009.

Section 1: Business Activity Indicator

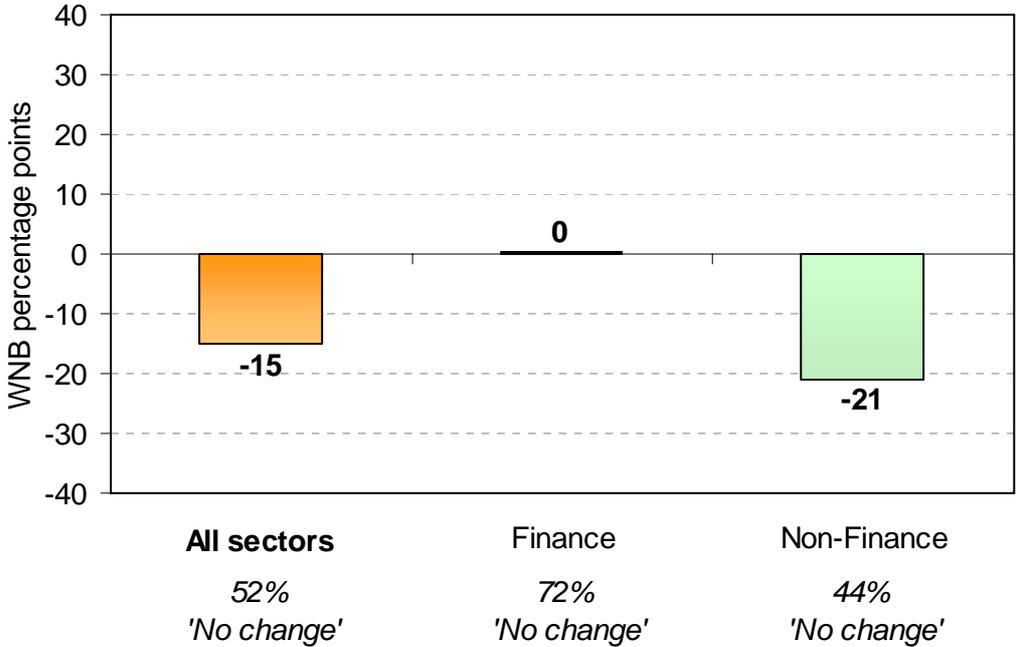
The **Business Activity Indicator** represents a measure of the total amount of work undertaken by businesses operating in Jersey. Such activity will have specific definitions relevant to each sector of business and may be considered as, for example, turnover, number of products produced, gross income or chargeable hours.

The resultant indicator is a weighted net balance (WNB) calculated as the difference in the proportion of businesses reporting that their current business activity is higher than it was three months earlier compared with the proportion of businesses reporting that their activity is lower¹.

The all-sector Business Activity Indicator in December 2009 was **-15 pp (percentage points)**, implying that the proportion of businesses reporting a decline in business activity compared with three months previously was 15 pp greater than the proportion reporting an increase. About a half (52%) of businesses reported no change to their business activity over the period (see Figure 1).

Figure 1 – Business Activity Indicator; percentage points².

Dec 2009 compared with the situation three months previously.



As Figure 1 shows, there was a notable difference in the Business Activity Indicator for Jersey’s Finance sector compared with the other sectors of the economy:

- the Finance sector overall had a WNB of 0 pp in December 2009, indicating that similar proportions of businesses reported an increase as reported a decrease in business activity compared with three months earlier (about 14% in each case). Almost three-quarters (72%) of businesses in the Finance sector reported no change in business activity;
- in contrast, the non-finance sectors had a strongly negative WNB of -21 pp, with 38% of businesses reporting a decrease and 17% reporting an increase in activity.

¹ Such an indicator, derived from relative business activity, is fundamentally similar to the Chartered Institute of Purchasing and Supply (CIPS) Services Business Activity Index which is widely used in the UK: the UK Services PMI (Purchasing Managers Index), produced for CIPS by Markit Economics, 2009.

² Throughout this report, bar charts are plotted using unrounded WNBs; numbers on charts and in the tables of the Appendix are shown rounded to the nearest integer.

The all-sector Business Activity Indicator for December 2009 (-15 pp) was more negative than that measured by the September 2009 round of the survey (-11pp).

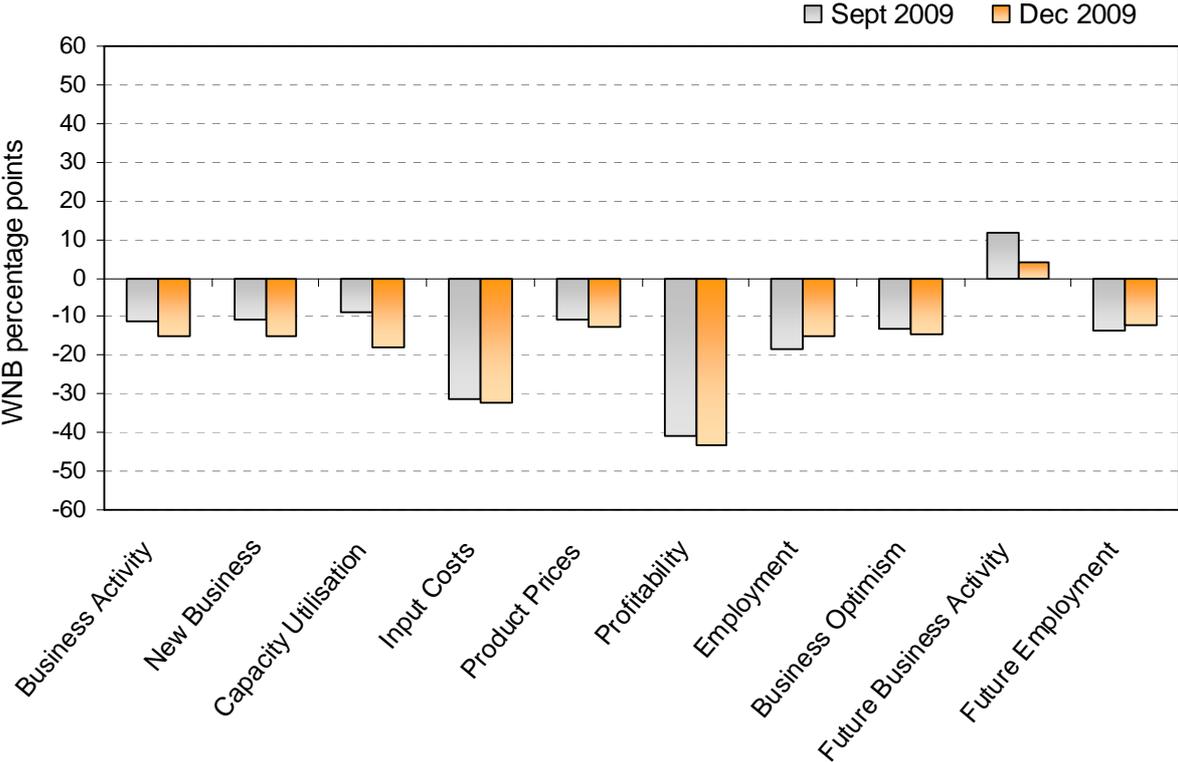
The Business Activity Indicators for both the Finance and non-finance sectors were both lower in December 2009 than in September 2009. The Business Activity Indicator for the Finance sector declined only marginally, from +1 pp in September to 0 pp in December. However, a greater decline was seen for the non-finance sectors, with a decrease of 5 pp for an already negative WNB, from -16 pp in September to -21 pp in December.

It should be re-iterated that the Business Activity Indicator expresses a relative measure of economic performance between the current point in time and that of three months previously, rather than an absolute measure of economic performance.

Section 2: All Indicators

Figure 2 presents the ten all-sector WNB indicators derived from the responses to each question of the survey; the measures of each indicator are shown for the latest and previous rounds of the survey. Detailed results for all indicators are shown in Appendix 1.

Figure 2 – Ten all-sector WNB indicators
Sept 2009 and Dec 2009.



Eight of the ten all-sector WNB indicators declined between September and December 2009³.

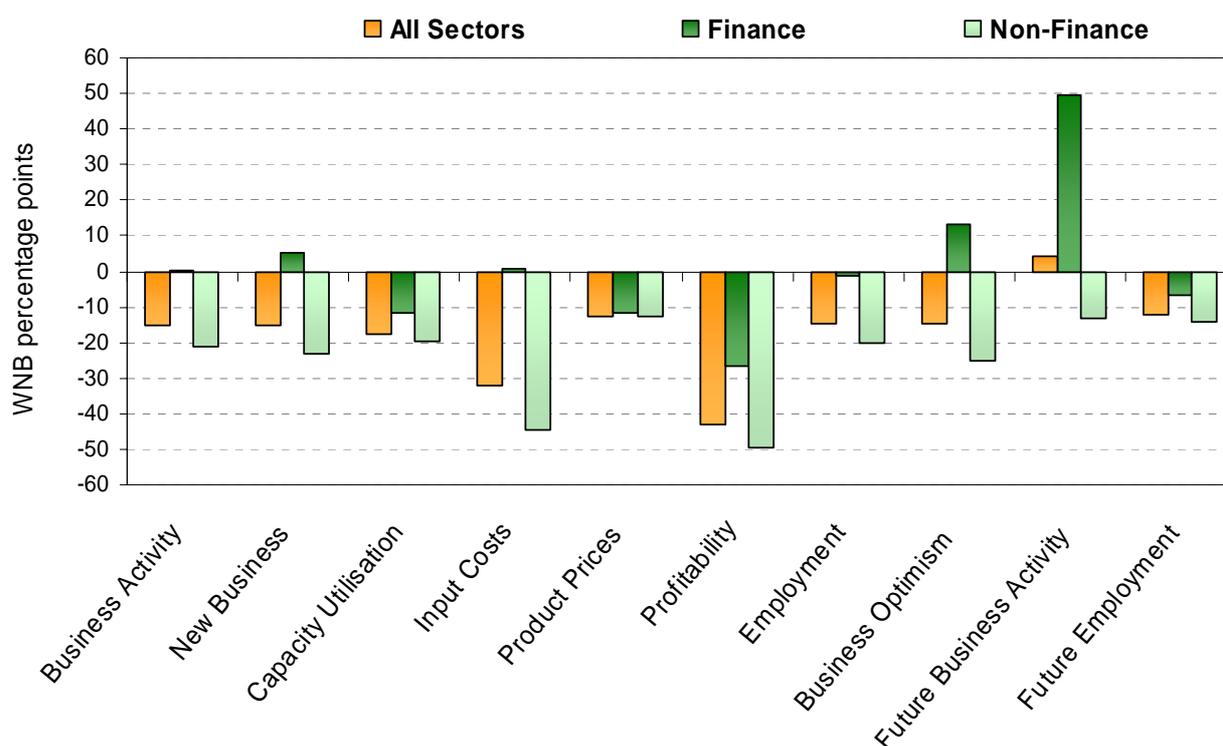
Only the current and future employment indicators saw marginal improvements, though both remained significantly negative.

³ The input costs indicator has been constructed such that a negative net balance implies more businesses have seen input costs increase than decrease.

Section 3: Finance and non-finance sectors

The Finance sector, overall, had a more positive tendency for each of the ten indicators than the non-finance sectors (see Figure 3), with each indicator for the Finance being either positive or less negative than that for the non-finance sectors. Every indicator for the non-finance sectors had a negative tendency in December 2009.

Figure 3 – WNB indicators: Finance and non-finance
Dec 2009 compared with the situation three months previously.



In December 2009, the Finance sector had positive WNBs for new business; business optimism (sector generally), future business activity and input costs (marginally). The future business activity indicator of the Finance sector was particularly strongly positive at +50pp. In contrast, each of these indicators was negative for the non-finance sectors, with WNBs of between -13 and -25 pp.

The indicators for both current and future employment were negative for both the Finance and non-finance sectors, with those for non-finance being the more strongly negative. The employment indicators in the non-finance sector did suggest a slight improvement over the next three months, from a current WNB of -20 to -14 pp, though the outlook still remains negative, whilst those for Finance decline from -1 to -7 pp.

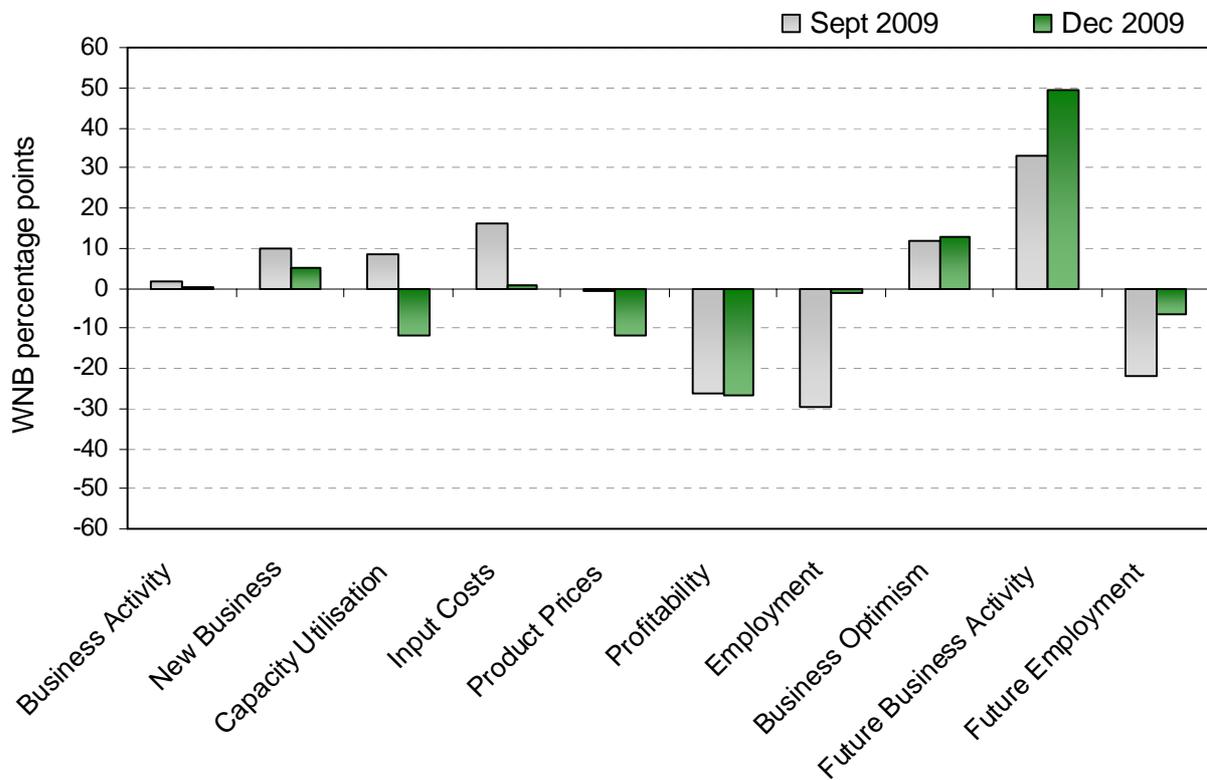
The indicators for profitability were even more strongly negative than those for employment, with WNBs of -27 and -49 pp for the Finance and non-finance sectors, respectively.

The input costs indicator for Finance had a WNB of +1 pp indicating that overall input costs (supplies and materials bought as well as employment costs) have decreased marginally over the last three months, suggesting a positive occurrence (see footnote 3). In contrast, non-finance has a WNB for this indicator of -45 pp indicating that such businesses, overall, have experienced increases in their input costs.

Section 4: Finance sector

Figure 4 compares all ten indicators for the Finance sector as measured by the September and December 2009 rounds of the Business Tendency Survey.

Figure 4 – Finance sector WNB indicators
Sept 2009 and Dec 2009.



As Figure 4 shows, the Business Activity Indicator for Finance has declined marginally, from +1 pp in September to 0 pp in December 2009.

The future business activity indicator measured in December 2009, at +50 pp, suggests a significant improvement for businesses in the Finance sector over the next three months. However, an insight into the short-term challenges faced by such businesses, and of the potential reliability of this indicator, may be gauged by comparing the future business activity indicator for September 2009 with the current business activity indicator measured in December 2009: the strong positive future outlook expressed in September (+33 pp) did not generally transpire into actual activity as reflected by the current indicator for December (0 pp).

The business optimism indicator, which refers to the sector as a whole, was at a similar positive level in December 2009 as in September 2009, at +13 and +12 pp respectively.

The current and future employment indicators for Finance remained negative in December 2009, though both were significantly less negative than in September 2009. The current employment indicator for December 2009 was -1 pp which represents an increase of +29 pp on the figure recorded in September 2009. Whether or not the improvement in the current indicator was due to reductions in staff levels occurring over the last three months of 2009 will be addressed by the December 2009 round of the Jersey Manpower Survey.

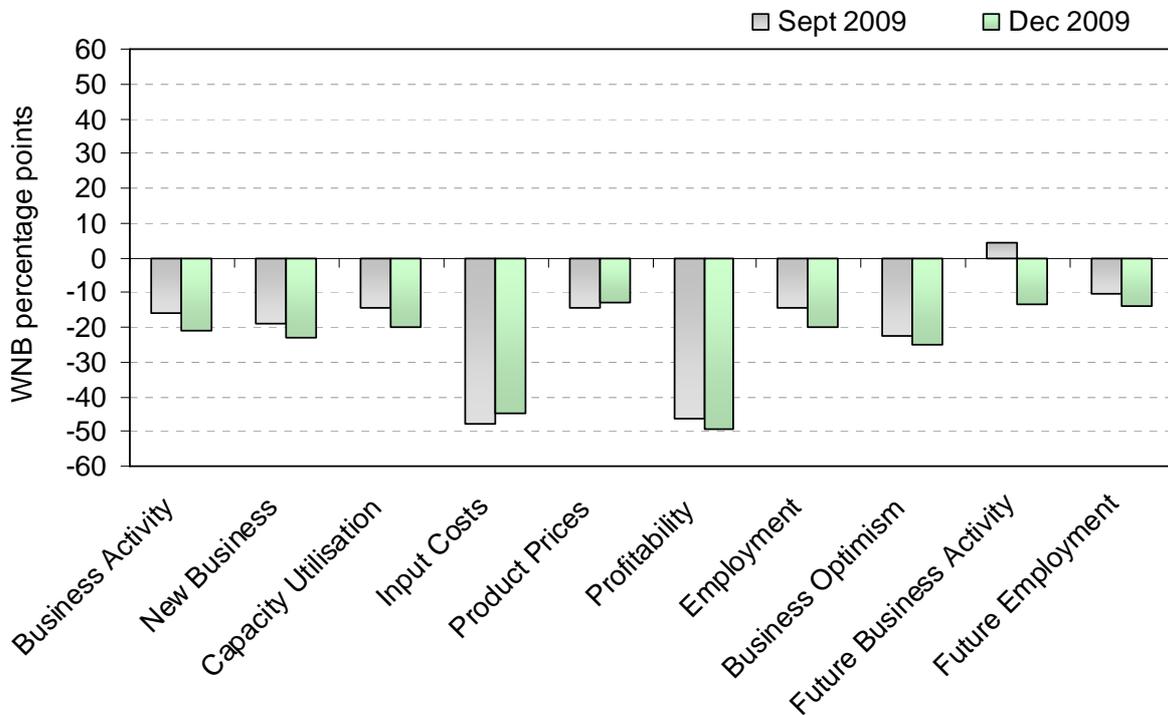
The Finance profitability indicator remained strongly negative in December 2009 with a WNB of -27 pp and was at a similar significantly negative level to that of September 2009, -26 pp.

Section 5: Non-finance sectors

Figure 5 compares all ten indicators for the non-finance sectors as measured by the September and December 2009 rounds of the Business Tendency Survey.

Figure 5 – Non-finance sector WNB indicators

Sept 2009 and Dec 2009.



As discussed in Section 3, the non-finance sectors showed a negative tendency for all ten indicators in December 2009.

Furthermore, eight out of the ten indicators were more negative in December 2009 than in September 2009.

The future business activity indicator for such businesses changed sign between September and December 2009, from a positive WNB of +4 pp in September to a negative WNB of -13 pp in December. This suggests that non-finance companies, overall, have changed their perspective during the last three months of 2009, from being marginally positive to being significantly negative.

The only two indicators for the non-finance sectors which showed a slight improvement from September to December 2009 were input costs and product prices. However, both these indicators still retained a negative tendency in December 2009.

Section 6: Construction and Wholesale & retail sectors

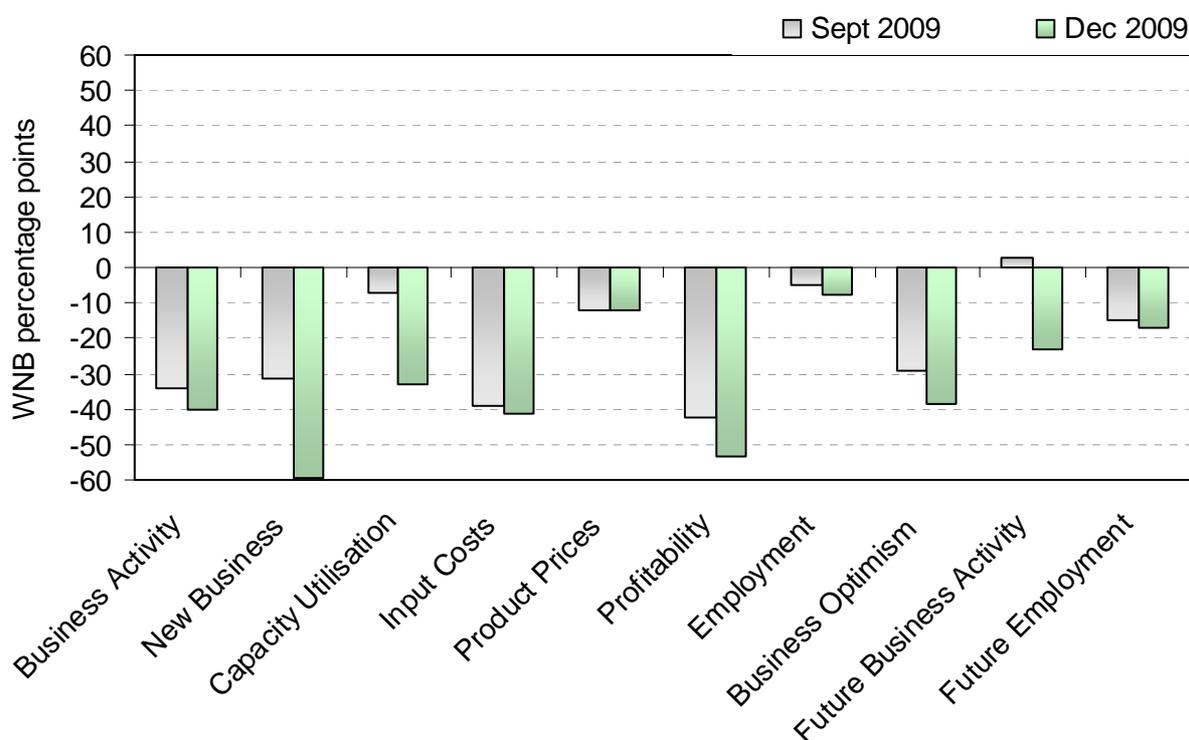
These two sectors, together, account for about a quarter of Jersey's total workforce⁴ and for more than 10% of total economic activity as measured by Gross Value Added, GVA⁵. The detailed set of WNB indicators for the Construction and for Wholesale & retail sectors are shown in Appendix 1.

Construction

As Figure 6 shows, in December 2009 all ten indicators for the Construction sector had negative tendency.

Figure 6 – Construction sector WNB indicators

Sept 2009 and Dec 2009.



The particularly large negative WNB for new business (-59 pp) was the result of two-thirds (66%) of businesses in the sector reporting less new business in December 2009 compared with only 7% reporting more new business. Similarly, the large negative WNB for profitability (-53 pp) was the result of almost three-fifths (58%) of businesses reporting lower profitability compared with only 5% reporting higher profitability.

Nine out of the ten indicators (to nearest integer) were more negative in December 2009 than in September 2009, with new business, capacity utilisation and future business activity seeing the greatest declines. The future business activity indicator changed sign, from a marginally positive WNB of +3 pp in September to a strongly negative WNB of -23 pp in December 2009.

The product prices indicator was the only indicator which did not decrease further between September and December 2009, remaining stable at -12 pp.

⁴ Jersey Labour Market at June 2009, States of Jersey Statistics Unit October 2009.

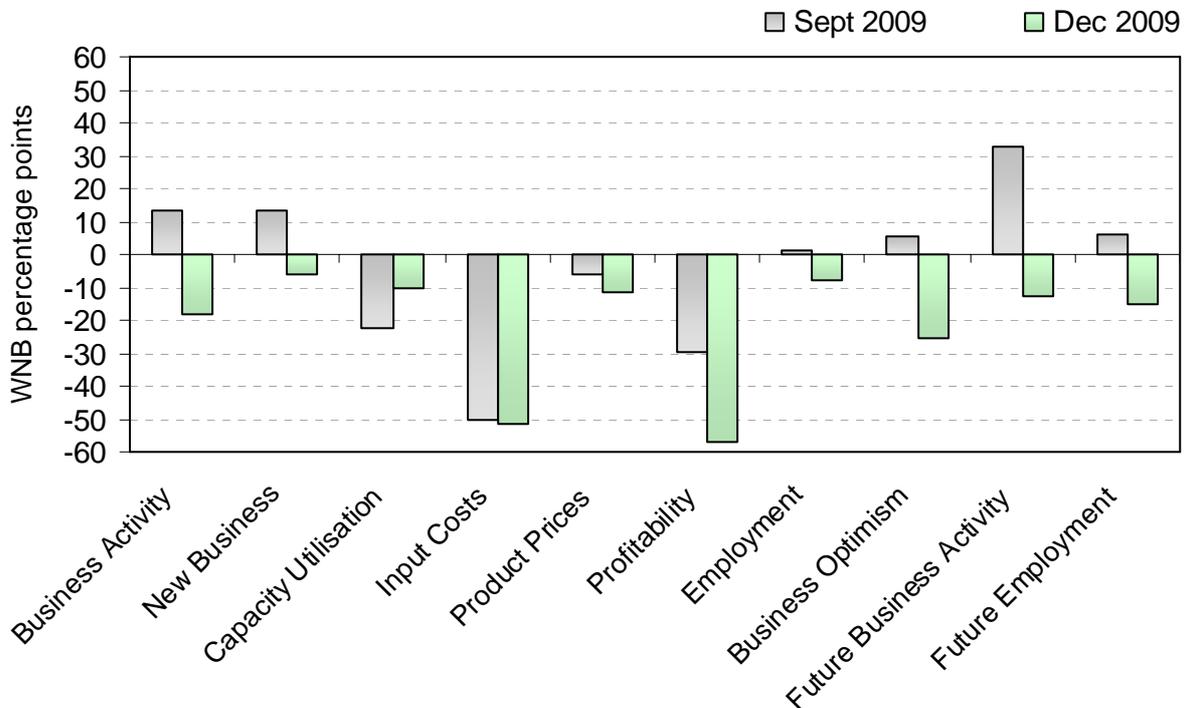
⁵ Jersey Gross Value Added (GVA) and Gross National Income (GNI), Statistics Unit, September 2009.

Wholesale & retail

All ten indicators for the Wholesale & retail sector had negative tendency in December 2009 (see Figure 7).

Figure 7 – Wholesale & retail sector WNB indicators

Sept 2009 and Dec 2009.



The particularly large negative WNB for profitability (-57 pp) was the result of almost two-thirds (63%) of businesses in the sector reporting less new business in December 2009 compared with only 6% reporting more new business. Similarly, the large negative for input costs (-52 pp) was the result of more than half (53%) of businesses reporting higher input costs compared with only 1% reporting lower costs.

Since September 2009 nine out of the ten indicators for the Wholesale & retail sector have become more negative. Furthermore, six indicators changed sign, from having a positive WNB in September to a negative WNB in December: business activity, new business; employment; business optimism; future business activity; and future employment.

Capacity utilisation (current business activity of organisation relative to normal capacity) was the only indicator to have received a marginally less negative WNB compared with September 2009, suggestive of the impact of the Christmas period on this sector.

Notes

The Business Tendency Survey samples private sector businesses in Jersey. The survey asks the Chief Executive or Managing Director of sampled businesses for their opinions on the **current situation of their business compared to three months previously** and also for their **expectations for the next three months**. A copy of the questionnaire is included in Appendix 2.

Each indicator derived from the survey responses is calculated as a net balance, that is the difference between the percentage of respondents answering *higher* or *increase* compared with the percentage answering *lower* or *decrease*. Responses are weighted according to the sampling probability and size of workforce of each business. Hence, each indicator constitutes a **weighted net balance (WNB)**.

1. **Net Balance:**

Net balances are used to summarise respondents' answers to the multiple-choice questions of the Business Tendency Survey. The net balance is obtained by taking the difference between the weighted percentages of respondents giving positive (such as "*increase*" or "*higher*") and negative responses (such as "*decrease*" or "*lower*"). The net balance is given as a difference measured in percentage points (pp). The statistical uncertainty on each net balance (expressed as a 95% confidence interval) depends on the effective (weighted) numbers of respondents to each question and ranges from ± 2 to ± 3 pp.

2. **Seasonal effects:**

Businesses are asked to exclude any normal seasonal fluctuations from their responses.

3. **Stratified sample:**

To design a representative sample of Jersey's businesses, a random sampling approach was invoked, stratified by business size (employment on a full-time equivalent, FTE, basis) and type of activity (SIC sector). Size-dependent sampling probabilities were applied, businesses with more than 50 FTE employees having a sampling probability of 1. The sample will be reviewed twice yearly to incorporate new or expanding businesses, in order that the sample remains representative of Jersey's economy.

4. **Response:**

Over 450 firms were sent a survey questionnaire for this survey; some 340 completed questionnaires were returned, representing an overall response rate of 75%. This represents coverage of Jersey's economy, in terms of employment, of 49%.

5. **Timing:**

For future rounds of this survey, the questionnaire will be sent to sampled firms in the last month of each quarter (March, June, September and December).

6. **Weighting:**

The response data collected were analysed by calculating a weighted net balance. Each reporting business was assigned two weights: a sampling probability weight and a size weight (FTE workforce). The sampling weight adjusts for the different likelihoods of different sized businesses being included in the sample, an effect of the sampling methodology used. The size weight ensures that companies contribute to each indicator in proportion to the size of their workforce.

Statistics Unit
13th January 2010

December 2009 WNB indicators: all sectors, Finance, non-finance, Construction and Wholesale & retail; percentage points.

| Indicator | ALL SECTORS | | FINANCE | | NON-FINANCE | | CONSTRUCTION | | WHOLESALE & RETAIL | |
|--------------------------|-------------|------------|----------|------------|-------------|------------|--------------|------------|--------------------|------------|
| | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* |
| Business Activity | -15 | 52 | 0 | 72 | -21 | 44 | -40 | 52 | -18 | 29 |
| New Business | -15 | 48 | 5 | 59 | -23 | 44 | -59 | 27 | -6 | 54 |
| Capacity Utilisation | -18 | 58 | -12 | 75 | -20 | 52 | -33 | 44 | -11 | 63 |
| Input costs | -32 | 61 | 1 | 96 | -45 | 48 | -41 | 48 | -52 | 46 |
| Product prices | -13 | 76 | -12 | 83 | -13 | 74 | -12 | 74 | -12 | 77 |
| Profitability | -43 | 37 | -27 | 43 | -49 | 34 | -53 | 38 | -57 | 30 |
| Employment | -15 | 63 | -1 | 52 | -20 | 67 | -8 | 74 | -8 | 86 |
| Business optimism | -15 | 54 | 13 | 68 | -25 | 49 | -38 | 49 | -25 | 51 |
| Future business activity | 4 | 40 | 50 | 32 | -13 | 43 | -23 | 33 | -13 | 38 |
| Future employment | -12 | 70 | -7 | 70 | -14 | 70 | -17 | 59 | -15 | 80 |

December 2009 WNB indicators: Finance & non-finance by size of business **: percentage points.

| Indicator | Large: FINANCE | | Small: FINANCE | | Large: NON-FINANCE | | Small: NON-FINANCE | |
|--------------------------|----------------|------------|----------------|------------|--------------------|------------|--------------------|------------|
| | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* |
| Business Activity | 4 | 73 | -15 | 69 | 2 | 47 | -31 | 43 |
| New Business | 6 | 55 | 2 | 75 | 11 | 54 | -39 | 40 |
| Capacity Utilisation | -12 | 73 | -12 | 81 | -10 | 60 | -24 | 48 |
| Input costs | 2 | 96 | -5 | 95 | -19 | 64 | -56 | 41 |
| Product prices | -14 | 79 | -2 | 95 | -18 | 62 | -11 | 79 |
| Profitability | -23 | 45 | -41 | 38 | -33 | 41 | -56 | 32 |
| Employment | -8 | 50 | 24 | 59 | -37 | 53 | -13 | 73 |
| Business optimism | 16 | 69 | 1 | 63 | -9 | 67 | -32 | 41 |
| Future business activity | 59 | 28 | 17 | 46 | -3 | 48 | -18 | 41 |
| Future employment | -10 | 66 | 4 | 82 | -26 | 64 | -9 | 73 |

* Weighted percentage of respondents who replied "same".

** Large firms are defined as having more than 50 FTEs; small firms defined as having 50 or fewer FTEs.

September 2009 WNB indicators: all sectors, Finance, non-finance, Construction and Wholesale & retail; percentage points.

| Indicator | ALL SECTORS | | FINANCE | | NON-FINANCE | | CONSTRUCTION | | WHOLESALE & RETAIL | |
|--------------------------|-------------|------------|----------|------------|-------------|------------|--------------|------------|--------------------|------------|
| | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* |
| Business Activity | -11 | 41 | 1 | 43 | -16 | 41 | -34 | 37 | 13 | 36 |
| New Business | -11 | 44 | 10 | 50 | -19 | 41 | -31 | 34 | 13 | 34 |
| Capacity Utilisation | -9 | 53 | 8 | 54 | -15 | 53 | -7 | 50 | -22 | 61 |
| Input costs | -31 | 50 | 16 | 69 | -48 | 43 | -39 | 38 | -50 | 49 |
| Product prices | -11 | 62 | -1 | 75 | -15 | 58 | -12 | 59 | -6 | 64 |
| Profitability | -41 | 30 | -26 | 28 | -46 | 31 | -42 | 25 | -30 | 26 |
| Employment | -18 | 56 | -30 | 42 | -14 | 60 | -5 | 73 | 1 | 47 |
| Business optimism | -13 | 52 | 12 | 72 | -22 | 45 | -29 | 26 | 5 | 48 |
| Future business activity | 12 | 53 | 33 | 55 | 4 | 52 | 3 | 55 | 33 | 43 |
| Future employment | -14 | 60 | -22 | 53 | -11 | 63 | -15 | 60 | 6 | 54 |

September 2009 WNB indicators: Finance & non-finance by size of business **: percentage points.

| Indicator | Large: FINANCE | | Small: FINANCE | | Large: NON-FINANCE | | Small: NON-FINANCE | |
|--------------------------|----------------|------------|----------------|------------|--------------------|------------|--------------------|------------|
| | WNB | No change* | WNB | No change* | WNB | No change* | WNB | No change* |
| Business Activity | -5 | 44 | 21 | 39 | 7 | 39 | -26 | 42 |
| New Business | 10 | 49 | 11 | 54 | 0 | 32 | -29 | 46 |
| Capacity Utilisation | 4 | 56 | 21 | 47 | -8 | 55 | -18 | 52 |
| Input costs | 23 | 63 | -6 | 91 | -37 | 57 | -53 | 36 |
| Product prices | 1 | 71 | -7 | 86 | -27 | 45 | -9 | 64 |
| Profitability | -34 | 23 | -3 | 46 | -43 | 30 | -48 | 32 |
| Employment | -46 | 35 | 22 | 63 | -11 | 34 | -16 | 72 |
| Business optimism | 7 | 76 | 27 | 60 | -7 | 53 | -30 | 42 |
| Future business activity | 34 | 52 | 28 | 66 | 13 | 51 | 0 | 53 |
| Future employment | -32 | 43 | 9 | 82 | -8 | 47 | -12 | 70 |

* Weighted percentage of respondents who replied "same".

** Large firms are defined as having more than 50 FTEs; small firms defined as having 50 or fewer FTEs.

BEFORE COMPLETING THE SURVEY PLEASE READ THE GUIDANCE NOTES OVERLEAF

Company Name:

Contact Details:

If the contact details have changed please update details: Name:..... Tel number:.....**Current situation**

Please **compare the current trading situation** for your organisation to **three months ago**; **EXCLUDING NORMAL SEASONAL FLUCTUATIONS** e.g. *current trading situation is higher than three months ago excluding seasonal fluctuations.*

Note: If it is not practical to compare the current trading situation for your organisation with that of three months ago then please compare it with that of one year ago and make a note of this in the exceptional circumstances below.

(See guidance notes)Please tick one option only when answering the following questions regarding your organisation:1. **Level of business activity / output:** Gross income, chargeable hours worked or turnover. **(see note 1)**

1 Higher 2 Same 3 Lower 4 N/A

2. **Incoming new business / new orders:** New business 'won' or placed with your organisation. **(see note 2)**

1 Higher 2 Same 3 Lower 4 N/A

3. **Level of capacity utilisation:** Current business activity relative to '**normal capacity**' (e.g. 'above capacity' means busier and longer hours worked than normal). **(see note 3)**

1 Above capacity 2 Normal capacity 3 Below capacity 4 N/A

4. **Average costs that you pay for inputs:** Prices paid for supplies, purchases, wages and salaries etc. **(see note 4)**

1 Higher 2 Same 3 Lower 4 N/A

5. **Average prices that you charge for your products:** Prices charged per item or unit of time on average. **(see note 5)**

1 Higher 2 Same 3 Lower 4 N/A

6. **Profitability:** Total profits earned on all activities of your organisation. **(see note 6)**

1 Higher 2 Same 3 Lower 4 N/A

7. **Employment:** Number of employees employed. **(see note 7)**

1 Higher 2 Same 3 Lower 4 N/A

8. **Business optimism:** Optimism about the overall business situation in your sector generally. **(see note 8)**

1 Increase 2 Same 3 Decrease 4 N/A

Future expectations

Please **compare your expectations** for your organisation over **the next three months** to the current situation; **EXCLUDING NORMAL SEASONAL FLUCTUATIONS** e.g. *the business activity next quarter will be higher than the current quarter, excluding seasonal fluctuations.*

9. **Level of business activity / output:** Gross income, chargeable hours worked or turnover. **(see note 1)**

1 Increase 2 No change 3 Decrease 4 N/A

10. **Employment:** Number of employees employed. **(see note 7)**

1 Increase 2 No change 3 Decrease 4 N/A

Exceptional circumstances

Please list any recent exceptional circumstances such as business re-structuring, mergers or changes in accounting practices and what impact these circumstances have had on the answers provided.

.....
Would you like to receive a copy of the **quarterly report** via email? Yes / No

Would you like to receive the **next quarterly Business Tendency Survey** via email? Yes / No

Please provide a contact email address:.....

GUIDELINES ON COMPLETING THE SURVEY

The survey is to be completed by the Chief Executive or Managing Director and all answers should refer to the local Jersey-based unit of your organisation, not the performance of the international operations of your organisation outside the Island. The basis for answers should be consistent from one survey quarter to the next.

GUIDANCE NOTES ON THE SURVEY

Please try to **exclude normal seasonal variations** from your responses. For example, activity in hotels is typically higher in the summer than in spring, so do not tick 'higher' *unless* business activity is higher than three months ago *excluding* normal seasonal variations.

If it is not practical to compare the *current* trading situation for your organisation with that of three months ago (e.g. where there may be strong seasonal activities such as in Agriculture or Hospitality) then please compare the current trading situation with that of one year ago. Also use the same annual comparison for the future expectations of your organisation.

1. **Level of business activity / output:** This is the total amount of work undertaken by your organisation. Business activity can be thought of as gross income, chargeable hours worked, turnover or the number of products produced. The measure of business activity used depends on the nature of your organisation. For example, a legal firm may use the number of chargeable hours worked. A bank may decide to use values of fees, commission and premium income.
2. **Incoming new business / new orders:** This is the amount of new business placed with your organisation. This may include any new clients, new orders or contracts from existing clients or any new contracts.
3. **Level of capacity utilisation:** This is your current business activity relative to 'normal capacity'. Please tick 'above capacity' if your current business activity is above its normal capacity (e.g. because your organisation is busier than normal or staff are working longer hours than normal). Please tick 'below capacity' if your current business activity is below its normal capacity (e.g. because your organisation is quieter than normal and staff are working shorter hours than normal).
4. **Average cost of inputs:** This is the average cost for all inputs used by your organisation. Inputs include supplies obtained, stocks/materials bought in and costs of employees, including wages, salaries and pension costs paid by your organisation. Please try to give a weighted average of costs. For example, if employment costs are the largest share, give them the largest weighting (i.e. importance) when answering the question.
5. **Average prices that you charge for your products:** This is the price charged per item or per unit of time on average. For example, a legal firm will know how much they charge an hour. However, if your organisation offers various services/products then please try to give a weighted average. For example, if one service accounts for most of your sales and its prices have increased then give it the largest weighting (i.e. importance) when answering the question by indicating that prices have risen on average.
6. **Profitability:** This is the total profits earned on all activities of your organisation. If your organisation does not calculate profits over the most recent three months, please try to estimate how your profitability has changed, taking into account changes in turnover, changes in input costs and changes in mark-ups/spreads over input costs.
7. **Employment:** This is the number of employees employed on average. Please count two part-time employees as equivalent to one full-time employee. For example, if two part-time employees resigned and one full-time employee was taken on, please count this as no net change and tick 'same'. Ignore seasonal or temporary hirings.
8. **Business optimism:** This refers to your confidence or optimism about the overall business situation in your sector generally. Unlike the previous questions, it is *not* about what is actually happening to *your organisation* at present, but asks about your opinions for your *sector generally*.

The information contained in each survey will be treated with the strictest confidence and will only be used to produce aggregate measures

Thank you for your time