

Jersey Business Tendency Survey March 2012

Statistics Unit: www.gov.je/statistics

Summary

In March 2012:

- the **headline all-sector Business Activity Indicator was -25 percentage points (pp)**, implying that the proportion of businesses in Jersey reporting a decline in business activity compared with three months previously was 25 pp more than the proportion reporting an increase. Half of all businesses reported 'no change'.
- the all-sector Business Activity Indicator was at its most negative level since this survey was introduced in September 2009;
- over all sectors of the economy, all indicators were negative, although eight of the ten were at essentially the same level as in the previous quarter; Profitability, Input Costs and Business Optimism remained the most strongly negative;
- for the **Finance** sector:
 - seven of the ten indicators were at levels similar to those of the previous quarter;
 - the Business Activity indicator was negative for the first time and the Future Business Activity indicator was at its least positive level to date;
 - Profitability remained negative, having been positive in the first six months of 2011;
 - the Employment and Future Employment indicators were both negative;
 - Business Optimism saw considerable improvement, from having been strongly negative in the latter half of 2011 to become only marginally negative in the latest quarter;
- for the **non-finance** sectors, overall, all ten indicators were negative; Business Activity and New Business were at their most negative levels to date;
- seven of the ten indicators for **Construction** were improved (less negative) compared with the previous quarter;
- six of the ten indicators for **Wholesale & retail** declined in the latest quarter, with Business Optimism at its lowest level to date.

Introduction

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

It should be emphasised that the Business Activity Indicator, and the other "current" indicators, 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 performance. The two "future" indicators represent a qualitative expression of expected changes over the next three months.

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.

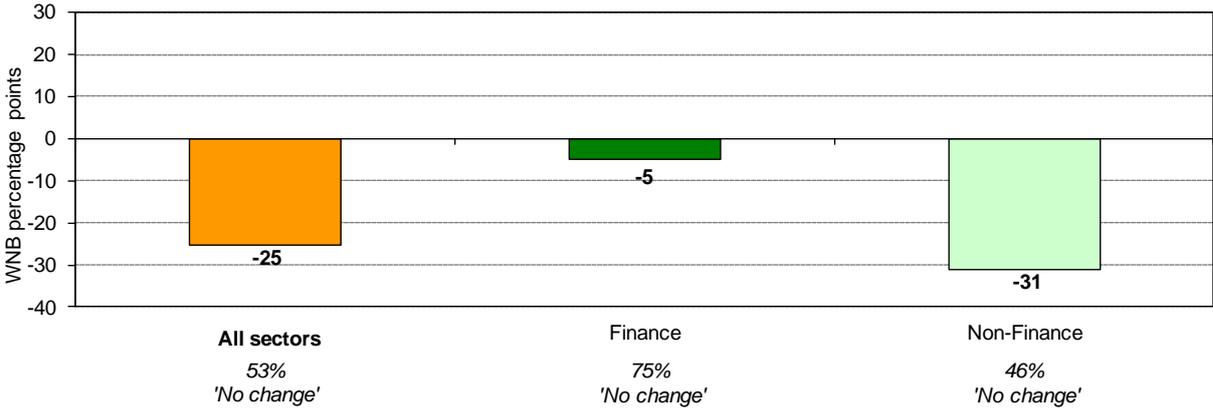
The resultant indicator is a weighted net balance (WNB) calculated as the difference between the proportion of businesses reporting that their current business activity is higher than it was three months earlier and the proportion reporting that their activity is lower¹.

The all-sector Business Activity Indicator in March 2012 was -25 percentage points (pp), implying that the proportion of businesses reporting a decline in business activity compared with three months previously was 25 pp more than the proportion reporting an increase. Around half (53%) of businesses reported no change in their business activity (see Figure 1).

The all-sector Business Activity Indicator in March 2012 was the most negative to date, and had declined by 12 pp compared with that recorded three months earlier, in December 2011.

Figure 1 – Business Activity Indicator (percentage points)²

Mar 2012 compared with the situation three months previously.



As Figure 1 shows, and as recorded in previous rounds of this survey, there was a notable difference between the Business Activity Indicator of the Finance sector and that of the other sectors of the Island’s economy:

- the Finance sector had a WNB of -5 pp in March 2012, with 10% of businesses reporting an increase in activity compared with three months earlier and 15% reporting a decrease;
- the non-finance sectors, overall, had a WNB of -31 pp, with 12% of businesses reporting an increase in activity and 43% reporting a decrease;
- three-quarters (75%) of businesses in the Finance sector and almost half (46%) of non-finance sector businesses reported ‘no change’ in their business activity over the last three months.

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.

In the latest two quarters, December 2011 and March 2012, the Business Activity Indicator for the Finance sector was firstly slightly positive and then slightly negative, and in both cases significantly below the positive levels recorded from the end of 2010 to mid-2011. The latest quarter saw the highest proportion of Finance firms reporting no change in business activity for eighteen months.

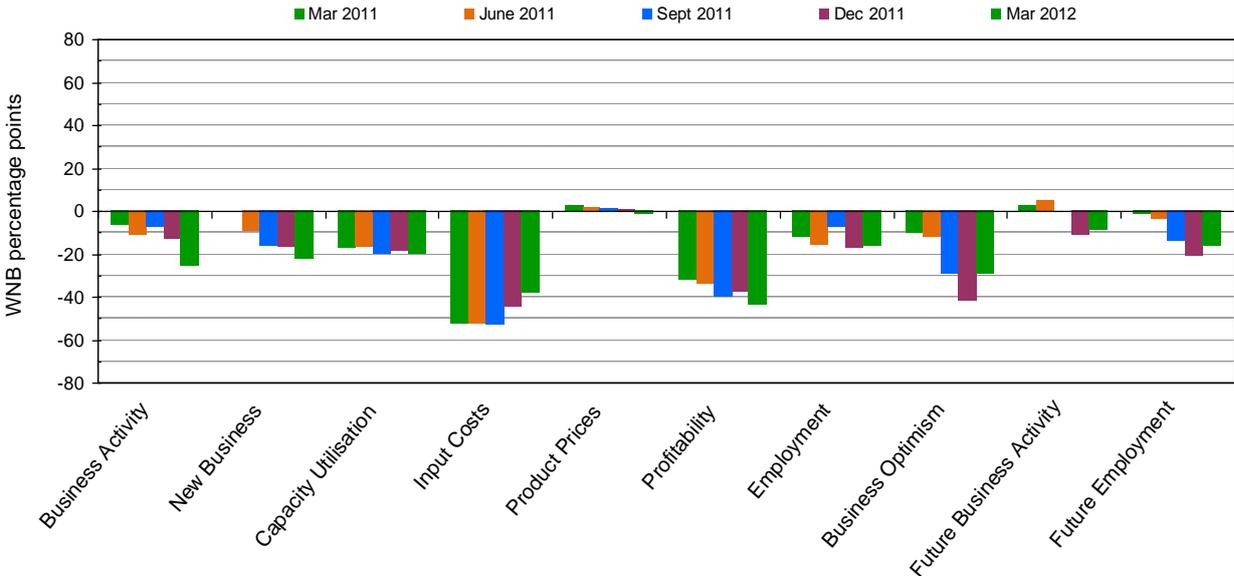
The Business Activity Indicator for the non-finance sectors remained strongly negative, and in the latest quarter recorded its most negative WNB since this survey was introduced.

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 four previous rounds of the survey. Results for all indicators are shown in Appendices 1 and 2.

Figure 2 – Ten all-sector WNB indicators³
March, June, Sept and Dec 2011 and March 2012.



Evaluated over all sectors of the economy, all ten indicators were negative in March 2012 (one indicator, Product Prices, was marginally negative). The indicators for Profitability, Business Optimism and Input Costs were the most strongly negative.

Eight of the ten indicators remained at essentially the same level as in the previous quarter (changing by less than 10 pp). The greatest changes were for Business Optimism (improving by 13 pp, but remaining strongly negative) and Business Activity (declining by 12 pp).

In the latest quarter, the Business Activity and New Business indicators were at their most negative levels seen in the two and a half year period that this survey has run.

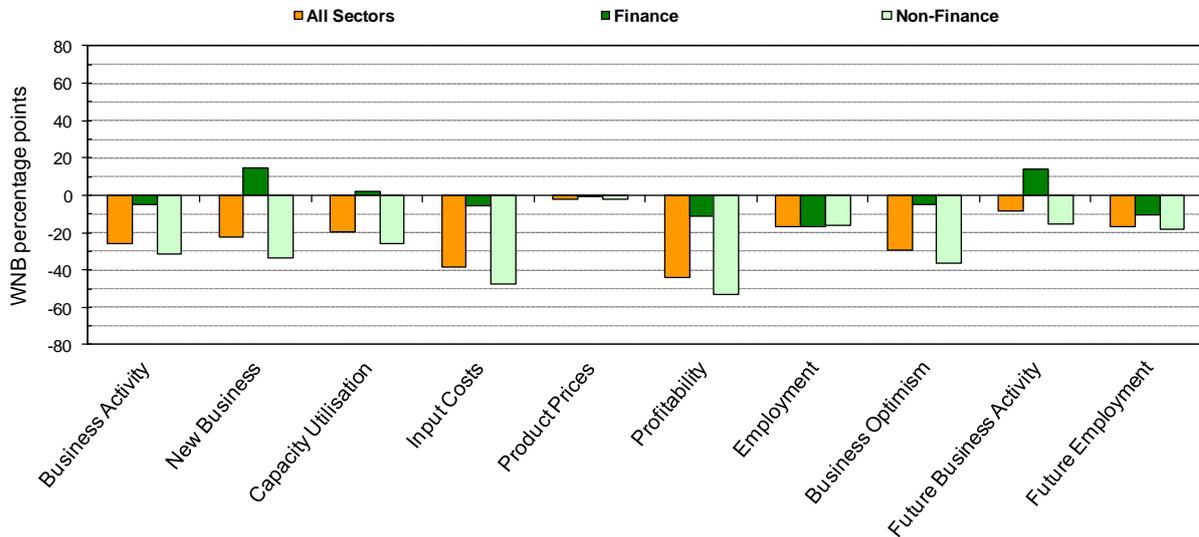
Around half (52%) of businesses reported a decrease in Profitability in the latest quarter.

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

Section 3 - Finance and non-finance sectors

In March 2012, the Finance sector had a more positive (or less negative) WNB than the non-finance sectors for eight of the ten indicators (see Figure 3).

Figure 3 – WNB indicators: Finance and non-finance
 March 2012 compared with the situation three months previously.



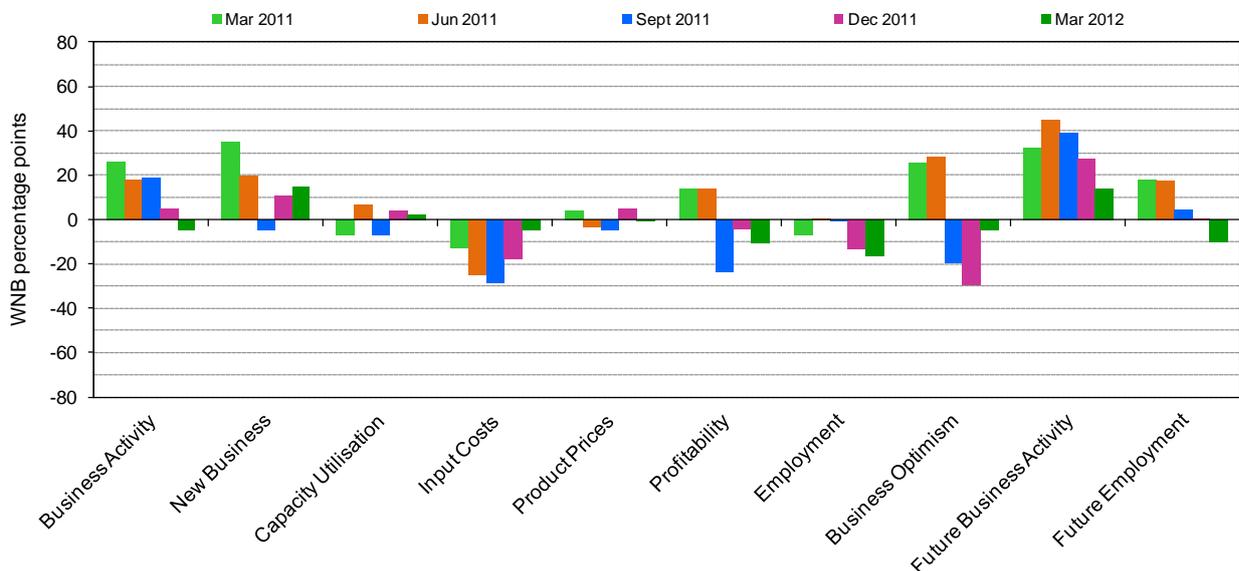
The Finance sector was considerably more positive (or less negative) than the non-finance sectors (by more than 20 pp) for seven of the indicators, the greatest differences being for New Business, Input Costs and Profitability.

The Product Prices, Employment and Future Employment indicators were at similar levels for the Finance and non-finance sectors.

Section 4: Finance sector

Figure 4 compares all ten indicators for the Finance sector in March 2012 with those measured in the previous four quarters.

Figure 4 – Finance sector WNB indicators
 March, June, September and December 2011 and March 2012.



In March 2012, seven of the ten indicators for the Finance sector were at levels similar to those recorded in December 2011, differing by 10 pp or less.

However, the Business Activity Indicator was negative for the first time and at its lowest level recorded in the two and half years that the BTS has run. The Future Business Activity Indicator recorded its least positive WNB to date. Both of these activity indicators have seen an ongoing decline during the past twelve months.

The Employment indicator had been neutral in mid-2011 since when it has declined to become negative during the last six months. The Future Employment indicator had been positive in the first six months of 2011 but has since declined and became negative in the latest quarter.

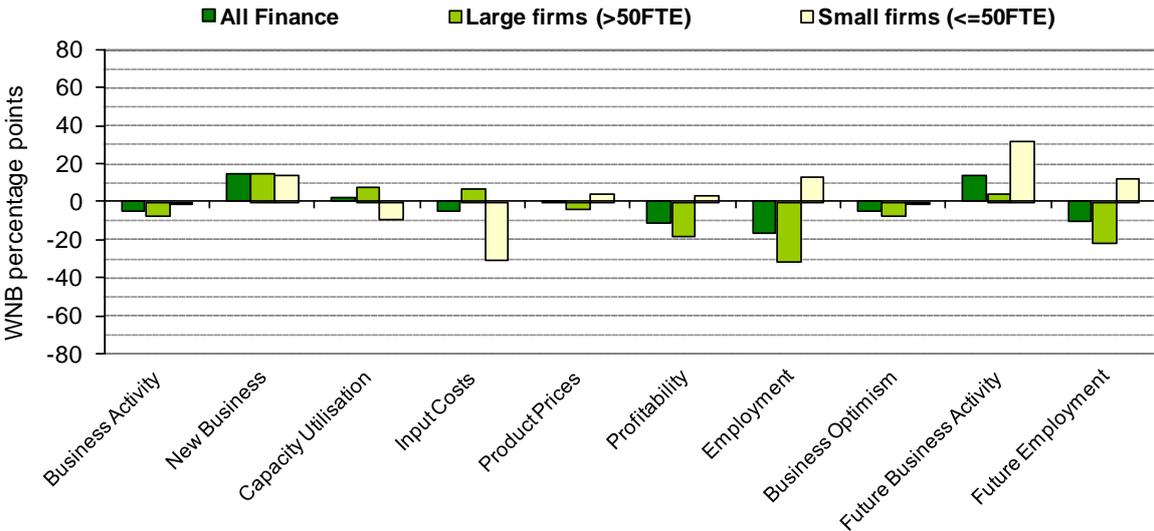
The behaviour of these employment indicators was reflected in the latest manpower figures for Jersey (published for December 2011⁴) which showed that there had been an increase in employment in the Finance sector in the first six months of 2011 but a decrease in the latter half of the year.

The Profitability indicator had been notably positive in the first half of 2011, before recording a significantly negative balance in September 2011; the latest two quarters have recorded less negative balances.

Business Optimism had been strongly negative in the last half of 2011; the latest quarter showed a significant improvement, to become only marginally negative at -5 pp.

In March 2011, smaller Finance firms (with 50 or fewer full-time equivalent employees, FTEs) were significantly more positive, or less negative, than their larger counterparts for Profitability, Employment, Future Business Activity and Future Employment (see Figure 5 and Appendix 1).

Figure 5 – Finance sector WNB indicators for large and small companies
March 2012 compared with the situation three months previously.



Larger Finance firms were more positive than smaller ones for Capacity Utilisation and Input Costs.

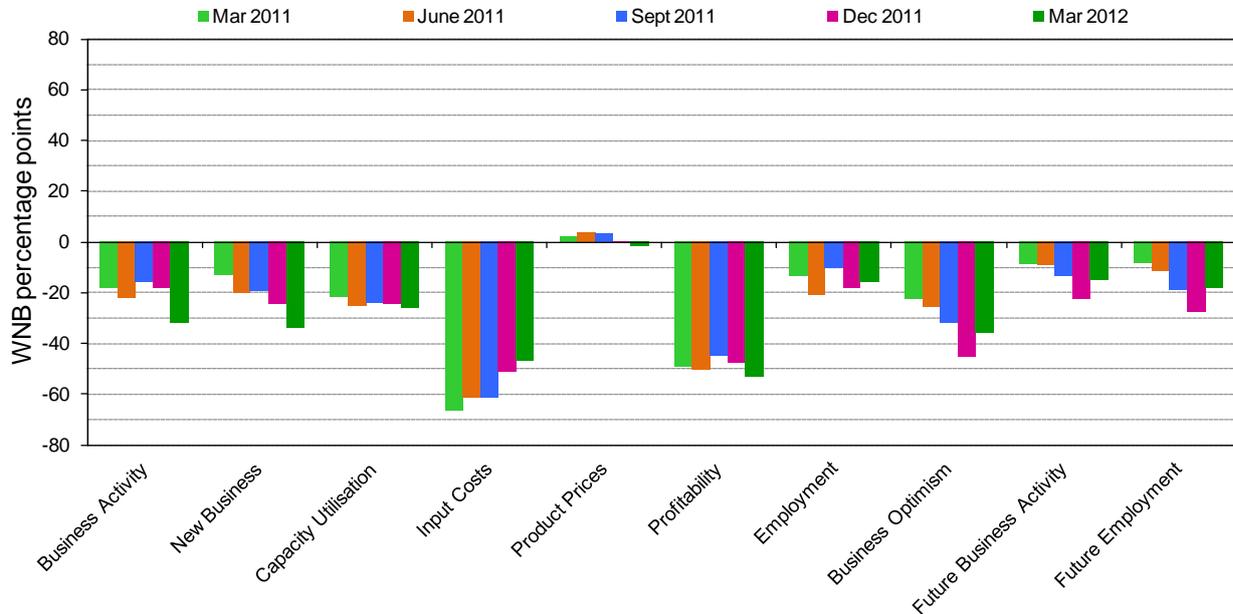
⁴ Jersey Labour Market at December 2011; States of Jersey Statistics Unit, March 2012.

Section 5 - Non-finance sectors

Figure 6 compares all ten indicators for the non-finance sectors with the previous four rounds of the survey. All ten indicators were negative in March 2012.

Figure 6 – Non-finance sectors WNB indicators

March, June, September and December 2011 and March 2012.



In March 2012, each of the ten indicators for the non-finance sector was at a similar level to that recorded in the previous quarter.

The greatest improvements on the previous quarter were for the Business Optimism and Future Employment indicators, each increasing by 10 pp but remaining significantly negative.

The greatest decline was for Business Activity, which decreased by a further 13 pp and recorded its most negative level to date. The New Business indicator also recorded its most negative WNB to date.

In contrast, the balance for Input Costs has seen ongoing marginal improvement over the last twelve months, though remaining strongly negative throughout.

As in the previous quarter, smaller non-finance firms (50 or fewer FTEs) were more strongly negative than the larger firms for Profitability but were slightly less negative for Business Activity, New Business and Future Business Activity (see Appendix 1).

Construction

The Construction sector accounts for about 10% of Jersey's total workforce⁵ and for about 7% of total economic activity as measured by Gross Value Added, GVA⁶.

As Figure 7 shows, the Construction sector was negative for all ten indicators in March 2012, with Profitability being the most strongly negative.

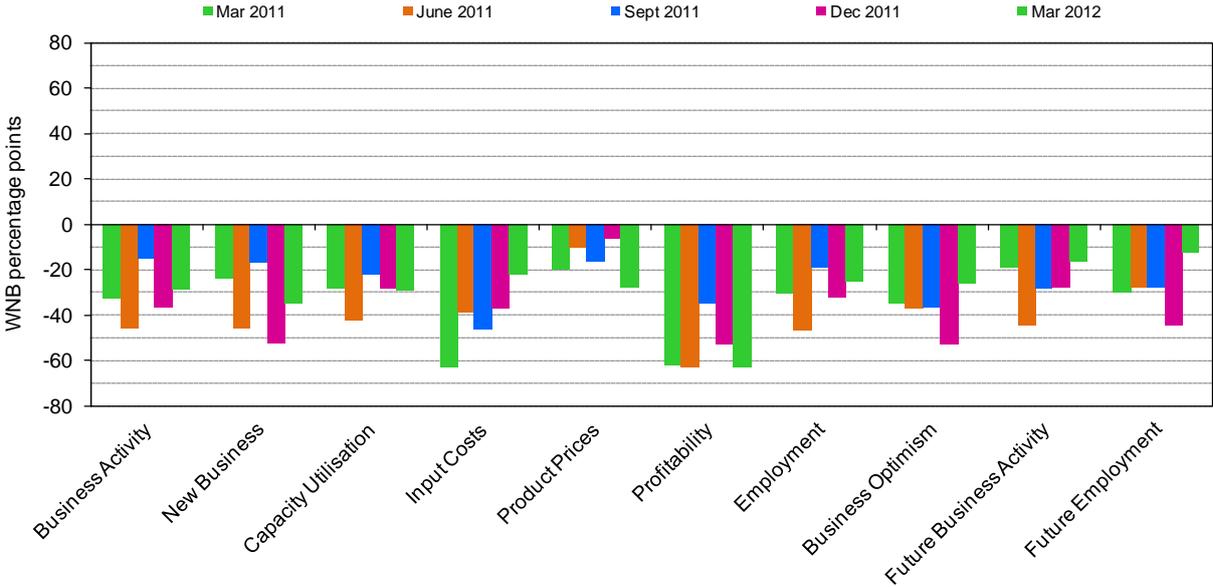
⁵ Jersey Labour Market at June 2011, States of Jersey Statistics Unit October 2011.

⁶ Jersey Gross Value Added (GVA) and Gross National Income (GNI) 2010, Statistics Unit, September 2011.

In March 2011, seven of the ten indicators for the sector were less negative than in the previous quarter. In particular, the Business Optimism, Future Business Activity and Future Employment indicators were at their least negative levels for more than a year, whilst the Input Cost indicator was at its least negative since the survey began in September 2009.

The indicator for Profitability was particularly negative (-64 pp), with almost two-thirds of companies reporting lower profitability compared with the previous quarter and a third reporting no change.

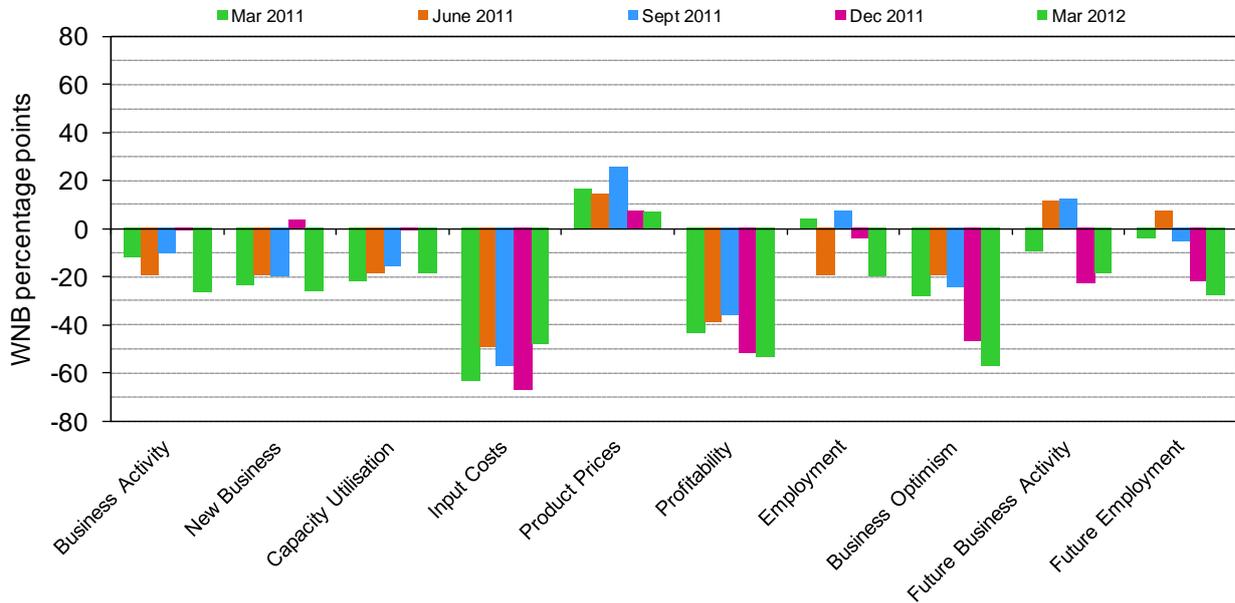
Figure 7 – Construction sector WNB indicators
 March, June, September and December 2011 and March 2012.



Wholesale & retail

The Wholesale & retail sector accounts for a sixth (16%) of Jersey’s total workforce⁴ and for about 7% of total economic activity as measured by GVA⁵. Nine of the ten indicators for the sector were negative in March 2012 (see Figure 8).

Figure 8 – Wholesale & retail sector WNB indicators
 March, June, September and December 2011 and March 2012.



In the previous quarter, December 2011, three of the indicators (Business Activity, New Business and Capacity Utilisation) had been essentially neutral and at their most positive (or least negative) levels for two years. In the latest quarter, however, each of these indicators has declined considerably, by at least 20 pp, to significantly negative levels.

Input Costs, Profitability and Business Optimism remain the most strongly negative indicators for the sector. Business Optimism has seen an ongoing decline over the last twelve months and in the latest quarter recorded its most negative level to date.

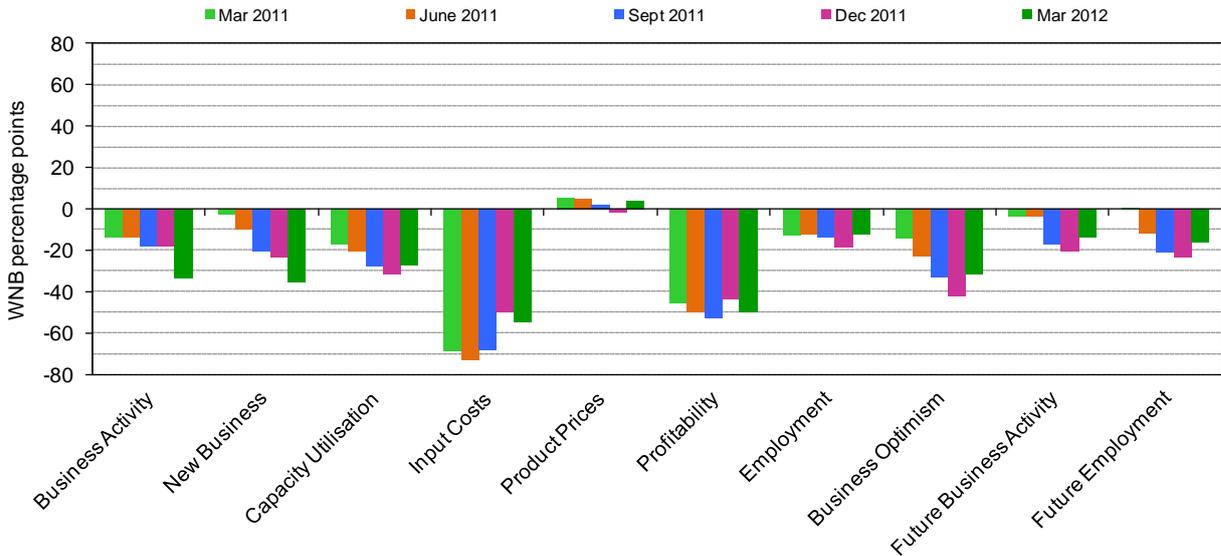
Future Employment recorded a significantly negative WNB for the second consecutive quarter.

Other non-finance sectors

The remaining non-finance sectors (excluding Construction and Wholesale & retail) together account for two-fifths (40%) of the Island’s workforce⁴ and for about a fifth (21%) of total economic activity as measured by GVA⁵.

Nine of the ten indicators recorded a negative WNB in March 2012 (see Figure 9); Input Costs and Profitability were the most strongly negative.

Figure 9 – Other Non-finance sector WNB indicators
March, June, September and December 2011 and March 2012



Nine of the ten indicators saw small changes (of 10 pp or less) compared with the previous quarter.

In the latest quarter, Business Activity and New Business recorded their most negative balances to date.

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**.

The March 2012 round of the survey ran in the first three weeks of March. A copy of the questionnaire is included in Appendix 3.

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 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 490 firms were sent a survey questionnaire for this survey; some 380 completed questionnaires were returned, constituting an overall response rate of 77%. The respondents accounted for more than two-fifths (43%) of total private sector employment.

5. **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.

March 2012 WNB indicators: all sectors, Finance, non-finance, Construction and Wholesale & retail; percentage points.

Indicator	ALL SECTORS		FINANCE		NON-FINANCE		CONSTRUCTION		WHOLESALE & RETAIL		OTHER NON-FINANCE	
	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*
Business Activity	-25	53	-5	75	-31	46	-29	40	-27	30	-34	53
New Business	-22	48	15	58	-33	45	-35	42	-26	35	-34	49
Capacity Utilisation	-19	61	2	80	-26	56	-29	56	-19	49	-27	58
Input costs	-38	48	-5	72	-47	41	-22	54	-48	49	-55	35
Product prices	-1	70	0	80	-2	68	-27	63	7	64	3	70
Profitability	-43	39	-11	60	-53	32	-63	34	-54	24	-50	34
Employment	-16	68	-16	59	-16	71	-25	53	-20	72	-12	76
Business optimism	-29	56	-5	73	-36	51	-26	64	-57	37	-31	51
Future business activity	-9	61	14	71	-15	57	-16	57	-18	63	-13	56
Future employment	-16	67	-10	66	-18	67	-13	69	-28	64	-16	67

March 2012 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	-7	73	0	78	-44	38	-28	48
New Business	15	56	14	60	-50	32	-29	48
Capacity Utilisation	8	77	-9	85	-14	52	-28	57
Input costs	7	74	-30	69	-43	49	-48	39
Product prices	-3	75	5	90	2	73	-2	66
Profitability	-18	56	3	67	-41	39	-56	31
Employment	-32	54	13	70	-20	64	-15	72
Business optimism	-7	80	0	60	-36	52	-36	50
Future business activity	5	77	32	59	-25	58	-13	58
Future employment	-22	62	12	74	-25	58	-16	68

* 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.

All Sectors

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	-11	-15	-15	-4	-6	-9	-6	-11	-7	-13	-25
New Business	-11	-15	-13	-9	-3	-3	0	-9	-16	-17	-22
Capacity Utilisation	-9	-18	-21	-10	-11	-12	-17	-17	-20	-18	-19
Input costs	-31	-32	-36	-44	-42	-39	-52	-52	-53	-44	-38
Product prices	-11	-13	-6	0	-1	-6	2	2	1	1	-1
Profitability	-41	-43	-41	-39	-32	-37	-32	-34	-40	-38	-43
Employment	-18	-15	-15	-14	-12	-17	-12	-16	-8	-17	-16
Business optimism	-13	-15	-15	-11	-11	-23	-10	-11	-29	-42	-29
Future business activity	12	4	8	5	6	-12	2	5	0	-11	-9
Future employment	-14	-12	-8	2	-2	-7	-1	-4	-13	-21	-16

Finance

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	1	0	14	18	13	30	26	18	18	5	-5
New Business	10	5	25	15	12	36	35	19	-5	11	15
Capacity Utilisation	8	-12	-5	-1	-4	-6	-7	6	-7	3	2
Input costs	-16	1	-13	-19	-14	-7	-13	-25	-29	-18	-5
Product prices	-1	-12	-15	2	6	-7	4	-3	-5	5	0
Profitability	-26	-27	-21	-15	-11	-12	14	14	-24	-4	-11
Employment	-30	-1	-19	-17	-9	-16	-7	0	-1	-14	-16
Business optimism	12	13	20	17	4	11	25	28	-20	-29	-5
Future business activity	33	50	29	30	35	24	32	45	39	27	14
Future employment	-22	-7	-1	5	7	0	18	17	4	0	-10

Non-Finance

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	-16	-21	-26	-12	-12	-24	-18	-22	-16	-18	-31
New Business	-19	-23	-27	-19	-9	-18	-13	-20	-19	-24	-33
Capacity Utilisation	-15	-20	-27	-14	-14	-14	-21	-25	-24	-25	-26
Input costs	-48	-45	-43	-54	-52	-51	-66	-61	-61	-51	-47
Product prices	-15	-13	-3	0	-3	-6	2	4	3	-1	-2
Profitability	-46	-49	-48	-48	-39	-46	-49	-50	-45	-47	-53
Employment	-14	-20	-13	-13	-12	-17	-13	-21	-10	-18	-16
Business optimism	-22	-25	-26	-21	-16	-35	-22	-25	-32	-46	-36
Future business activity	4	-13	1	-5	-5	-26	-9	-9	-13	-22	-15
Future employment	-11	-14	-10	0	-6	-10	-8	-11	-19	-28	-18

Construction

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	-34	-40	-15	4	-6	-30	-33	-45	-15	-37	-29
New Business	-31	-59	-31	-1	-2	-25	-24	-46	-17	-52	-35
Capacity Utilisation	-7	-33	-14	9	-12	-27	-28	-42	-22	-28	-29
Input costs	-39	-41	-34	-64	-64	-43	-63	-39	-46	-37	-22
Product prices	-12	-12	-12	-15	-2	-12	-20	-10	-16	-6	-27
Profitability	-42	-53	-39	-42	-37	-55	-62	-63	-35	-53	-63
Employment	-5	-8	1	0	1	-31	-30	-47	-19	-32	-25
Business optimism	-29	-38	-22	-8	-10	-45	-35	-37	-36	-53	-26
Future business activity	3	-23	1	5	-7	-35	-19	-45	-28	-28	-16
Future employment	-15	-17	-1	-3	-7	-28	-30	-27	-28	-45	-13

Wholesale & retail

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	13	-18	-36	-8	-9	-11	-12	-19	-10	-1	-27
New Business	13	-6	-47	-22	-25	-3	-24	-19	-19	3	-26
Capacity Utilisation	-22	-11	-44	-35	-28	-15	-22	-19	-16	-1	-19
Input costs	-50	-52	-48	-46	-45	-45	-63	-49	-57	-67	-48
Product prices	-6	-12	6	16	3	1	17	14	25	7	7
Profitability	-30	-57	-52	-42	-27	-18	-43	-39	-36	-52	-54
Employment	1	-8	-9	-12	-22	-3	4	-19	7	-4	-20
Business optimism	5	-25	-47	-21	-11	-27	-28	-19	-24	-47	-57
Future business activity	33	-13	-3	1	9	-19	-9	11	13	-23	-18
Future employment	6	-15	-7	-1	10	-9	-4	7	-5	-22	-28

Other non-finance

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Business Activity	-16	-14	-26	-18	-16	-27	-13	-14	-18	-18	-34
New Business	-25	-15	-20	-23	-7	-21	-3	-10	-20	-24	-34
Capacity Utilisation	-12	-18	-26	-15	-9	-9	-17	-20	-28	-32	-27
Input costs	-52	-43	-44	-53	-49	-55	-69	-73	-68	-50	-55
Product prices	-21	-14	-2	-1	-6	-6	5	5	1	-2	3
Profitability	-52	-45	-49	-51	-44	-53	-45	-50	-53	-44	-50
Employment	-22	-29	-19	-17	-15	-17	-13	-13	-13	-18	-12
Business optimism	-32	-19	-22	-25	-20	-35	-14	-23	-33	-42	-31
Future business activity	-8	-9	2	-11	-9	-26	-3	-3	-17	-20	-13
Future employment	-17	-13	-13	2	-11	-5	0	-11	-21	-24	-16

BEFORE COMPLETING THE SURVEY PLEASE READ THE ATTACHED GUIDANCE NOTES

Company Name:

Contact Details:

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.

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 (the same or lower) than three months ago when seasonal fluctuations are excluded.*

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)**

Higher Same Lower N/A

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

Higher Same Lower 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)**

Above capacity Normal capacity Below capacity N/A

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

Higher Same Lower N/A

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

Higher Same Lower N/A

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

Higher Same Lower N/A

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

Higher Same Lower N/A

8. **Business optimism:** Optimism about the overall business situation in your sector, Wholesale and retail trades. **(see note 8)**

Increase Same Decrease 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 next quarter will be higher (the same or lower) 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.

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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 questionnaire** via email? Yes / No

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.

GUIDELINES ON COMPLETING 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 or 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*.