

Summary for the Business Tendency Survey in June 2023

Business activity indicator

- the headline **all-sector business activity** indicator was **moderately positive**, at +12 percentage points (pp); this means the proportion of businesses that reported an increase was 12 pp higher than those that reported a decrease
 - the business activity indicator was strongly positive for the finance sector (+37 pp) and neutral for the non-finance sector (+1 pp)

Current indicators

- **one** of the **eight current indicators** was **extremely negative** (input costs), **one indicator** was **strongly negative** (profitability), while **one indicator** was **strongly positive** (product prices) and **one indicator** was **moderately positive** (business activity)
 - for the finance sector, there was one extremely negative indicator (input costs), and there were five positive indicators: two strongly positive and three moderately positive
 - for the non-finance sector, one of the eight current indicators was extremely negative (input costs), one was strongly negative, and one was moderately negative; in contrast, one indicator was strongly positive and the other four were neutral
- the **overall** picture was **essentially the same** as last quarter; the only notable change was a moderate decrease in the product prices indicator

Outlook for next quarter – the three months to September 2023

- the outlook for **future business activity** was **moderately positive** (+17 pp)
 - the indicator balance was strongly positive for finance (+33 pp) and neutral for non-finance (+9 pp)
- the overall **future employment** outlook was **moderately positive** (+21 pp)
 - the indicator was strongly positive for finance (+47 pp) and neutral for non-finance (+9 pp)
- the overall **future input costs** outlook was **extremely negative** (-80 pp)
 - the indicator had similarly balances for both finance (-78 pp) and non-finance (-81 pp)
- the overall **future product prices** outlook was **strongly positive** (+42 pp)
 - the indicator was strongly positive for finance (+26 pp) and extremely positive for non-finance (+50 pp)

2023 – Finance sector expectations

- the **employment expectations** indicator for 2023 was **extremely positive** (+59 pp)
 - the balance for this indicator was **essentially unchanged** from June 2022 (up 8 pp)
- the **profit expectations** indicator for 2023 was **strongly positive** (+40 pp); 61% of finance companies anticipated an increase in profits in 2023, compared to 21% that anticipated a decrease
 - the balance for this indicator was **moderately decreased** from June 2022 (down 10 pp)

Introduction

The Jersey Business Tendency Survey (BTS) aims to provide qualitative quarterly information about the Island's economy in a timely manner.

The survey provides a set of twelve qualitative indicators. There are:

- **eight current indicators:** these are measures of current performance relative to that of three months previously (rather than absolute measures of performance)
- **four future indicators:** these measures anticipate changes over the next three months

Detailed definitions of the indicators are provided in the [glossary](#).

For each indicator a net balance is calculated, defined as the difference between the proportion of businesses reporting an increase in a particular measure and the proportion reporting a decrease¹.

In response to the COVID-19 pandemic and associated economic consequences, additional questions were included in the survey from June 2020 to December 2022. The questions have now been removed from the survey in line with the Government of Jersey's de-escalation of COVID-19 measures. For previous reports which include specific COVID-19 questions please see www.gov.je/BTS.

In this round of the survey, in response to the economic situation and the cost of living, additional questions on future input costs and future product prices have been added.

¹ Note that figures in this report are rounded independently; therefore, an indicator's balance may differ by up to one percentage point from the difference between stated percentages.

Section 1: Current situation

Business activity

The headline indicator is business activity, which is a measure of the total amount of work undertaken by businesses operating in Jersey. The type of business activity will be specific to each sector of business; for example, turnover, number of products produced, or chargeable hours. Detailed definitions for this indicator and others can be found in the [glossary](#).

In June 2023, the all-sector business activity indicator was moderately positive, with a value of +12 percentage points (pp). An increase in business activity was reported by 30% of businesses, compared with 17% that reported a decline; the difference in the unrounded figures results in a net balance of +12 pp, which provides the value of the indicator. The remaining 53% of companies reported that business activity was unchanged; see [Figure 1.1](#).

Figure 1.1 – Business activity, June 2023

Compared with situation three months previously

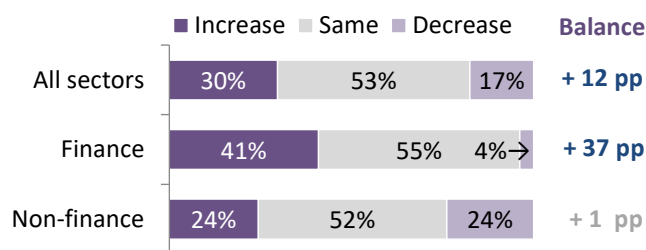
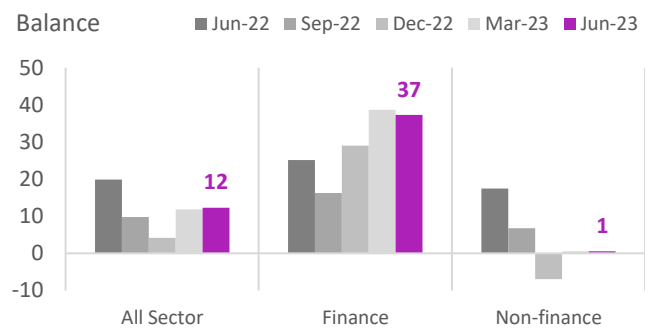


Figure 1.2 – Business activity

June 2022 – June 2023 (percentage points)



The overall business activity indicator was essentially unchanged from the previous quarter when the balance was also +12 pp; see [Figure 1.2](#).

The finance and non-finance sector indicators were also essentially unchanged from last quarter (down 2 pp and 0 pp respectively).

Within the non-finance sector, the business activity indicator was:

- strongly negative in hotels, restaurants and bars (-30 pp) and construction (-25 pp)
- moderately positive in wholesale and retail (+14 pp) and other non-finance (+11 pp)

Since March, there was a strong quarterly decrease in hotels, restaurants and bars (down 26 pp) and a moderate quarterly decrease in construction (down 19 pp). Other non-finance saw a moderately quarterly increase (up 12 pp). There was essentially no quarterly change for wholesale and retail (up 2 pp).

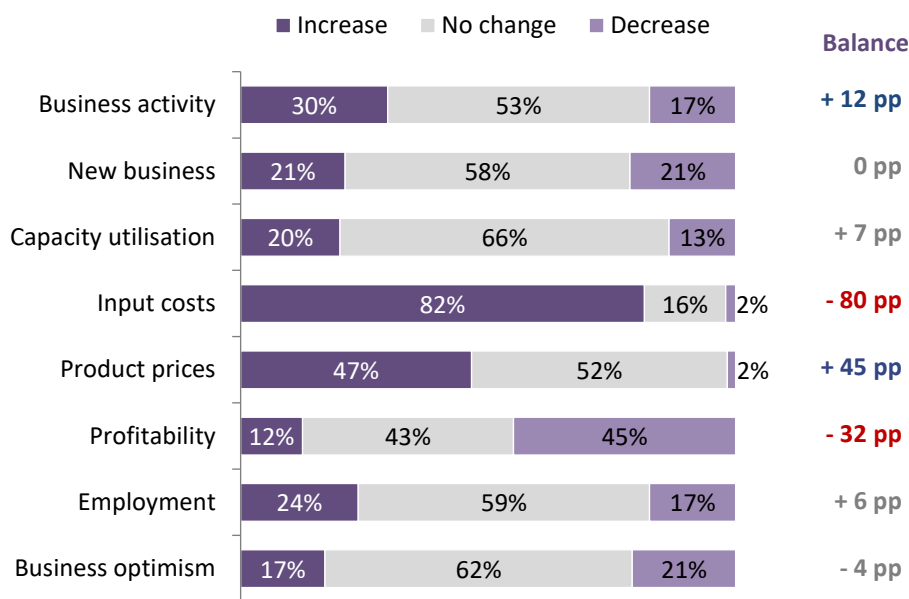
See the [appendix](#) for further sectoral breakdown.

Current indicators

In June 2023, one of the eight all-sector indicators relating to the current situation was extremely negative, one was strongly positive, one was strongly negative, one was moderately positive, and the other four were neutral; see [Figure 2.1](#). A positive net balance indicates that a greater proportion of companies reported increases than decreases, and conversely for a negative balance, while an indicator is reported on if it has a balance of at least ± 10 pp.

The input costs indicator had an extremely negative balance of -80 pp, and the profitability indicator had a strongly negative balance of -32 pp. The product prices indicator had a strongly positive balance of +45 pp. The business activity indicator was moderately positive (+12 pp). The other current indicators – capacity utilisation, employment, business optimism and new business – were neutral.

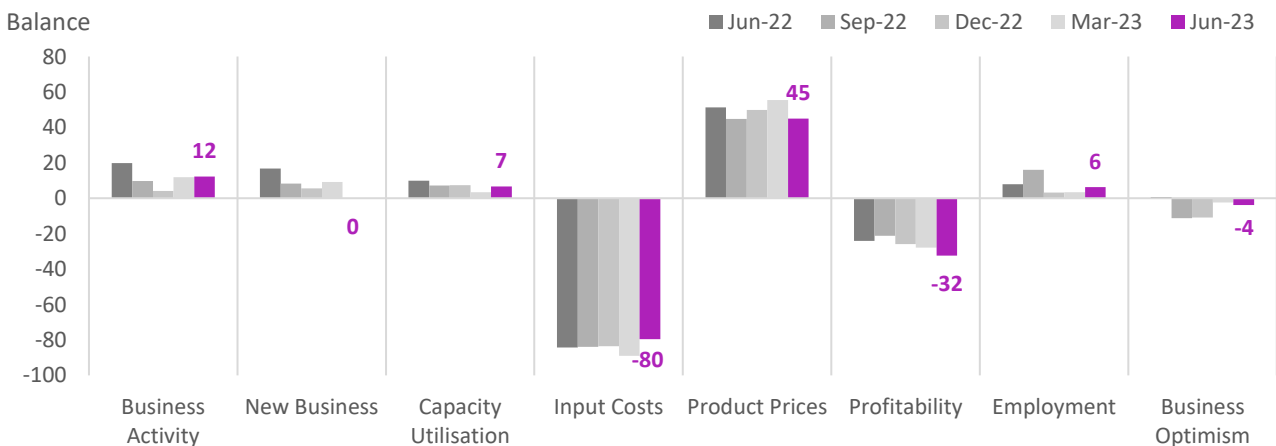
Figure 2.1 – All-sector indicators, comparing current situation (June 2023) to three months previously



The summary balance across all significant indicators² was 0, which is essentially the same as the previous quarter. The summary balance was higher than the previous three-year mean of -1.7.

Figure 2.2 – All-sector current indicators

June 2022 – June 2023



² This is the difference between the number of positive indicators (two) minus the number of negative indicators (two).

Figure 2.2 shows the eight current indicators for June 2023 against those of the previous four quarters. There was one notable quarterly change, a moderate decrease in product prices (down 11 pp).

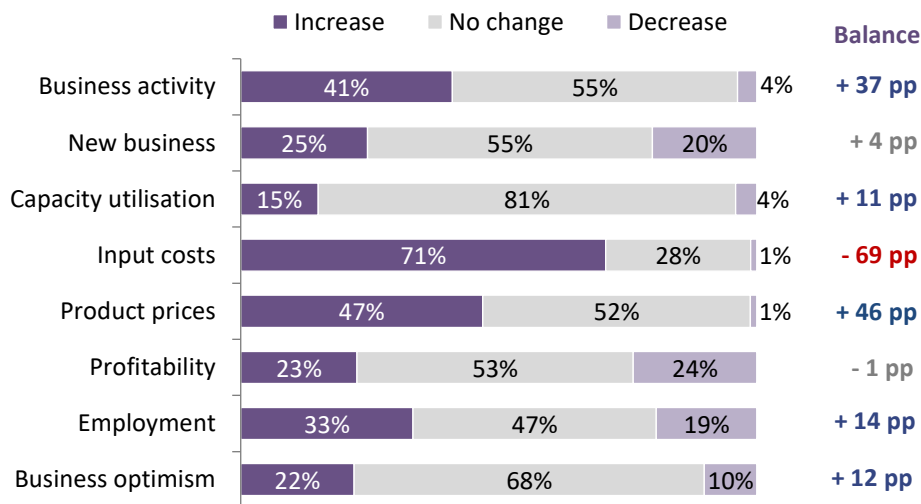
Compared to the balances a year before, one indicator changed notably, being a moderate decrease in the balance of the new business indicator (down 17 pp).

Three indicators were notably different to their previous three-year means; the input costs indicator was moderately below its three-year mean by 22 pp, whilst product prices and business activity were moderately above their previous three-year means by 19 pp and 14 pp respectively.

Finance sector

In June 2023 the finance sector had five positive indicators, one negative indicator and two neutral indicators; see Figure 3.1.

Figure 3.1 – Finance sector indicators, comparing current situation (June 2023) to three months previously



The summary balance across all significant indicators was +4, down from +6 for the previous quarter, but slightly higher than the previous three-year mean for the finance sector (+3.2).

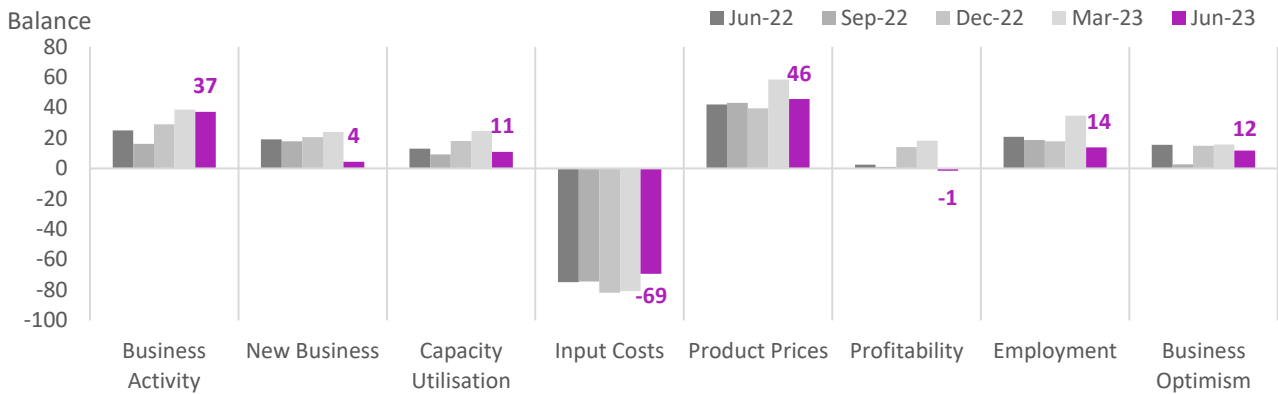
Figure 3.2 illustrates that there were six notable changes since the previous quarter, one moderate increase in the balance for input costs (up 12 pp) and five moderate decreases; these decreases were in employment, new business, profitability, capacity utilisation and product prices (down 21 pp, 20 pp, 19 pp, 14 pp and 12 pp respectively). The balances of the other two indicators were essentially unchanged from the previous quarter.

Compared to June 2022, there were two annual changes: new business decreased moderately by 15 pp and business activity increased moderately by 12 pp. The other six indicators were essentially unchanged on an annual basis.

In June 2023 two of the eight current indicators for finance were notably above their previous three-year mean; these indicators were product prices, which was strongly above its three-year mean by 27 pp and business activity, which was moderately above its three-year mean by 21 pp. Two indicators were below their three year averages; input costs, which was strongly below its previous three-year mean by 26 pp, and new business, which was moderately below its previous three-year mean by 10 pp. The other four current indicators were at a similar level to their previous three-year means.

Figure 3.2 – Finance sector current indicators

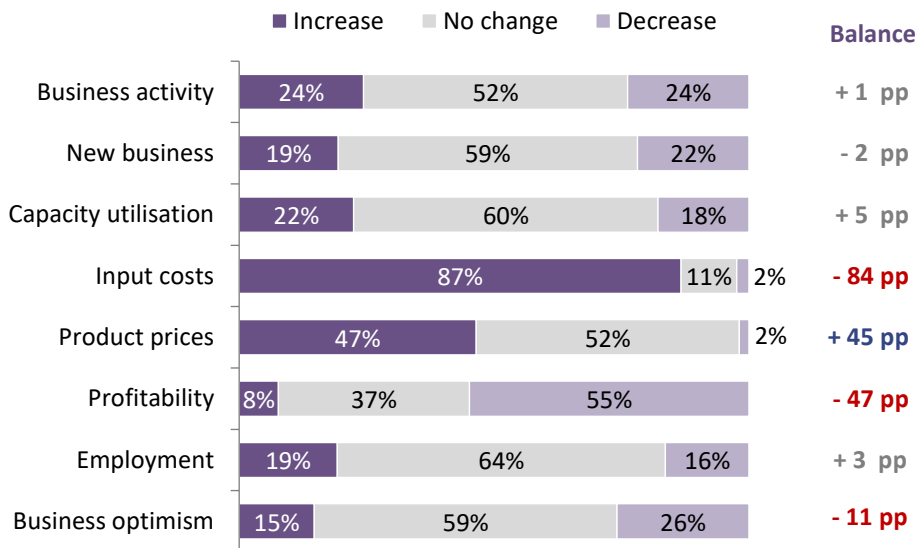
June 2022 – June 2023



Non-finance sector

For the non-finance sector in June 2023, three current indicators were negative, one current indicator was positive, and the other four current indicators were neutral; see [Figure 4.1](#).

Figure 4.1 – Non-finance sector indicators, comparing current situation (June 2023) to three months previously



The summary balance across all significant indicators was -2, slightly higher than the previous quarter (-3) and slightly above the three-year mean for the period up to March 2023 for the non-finance sector (-2.8).

The input costs indicator was extremely negative (-84 pp), profitability was strongly negative (-47 pp), and business optimism was moderately negative (-11 pp). In contrast the product prices indicator was strongly positive (+45 pp), and the remaining four current indicators were neutral.

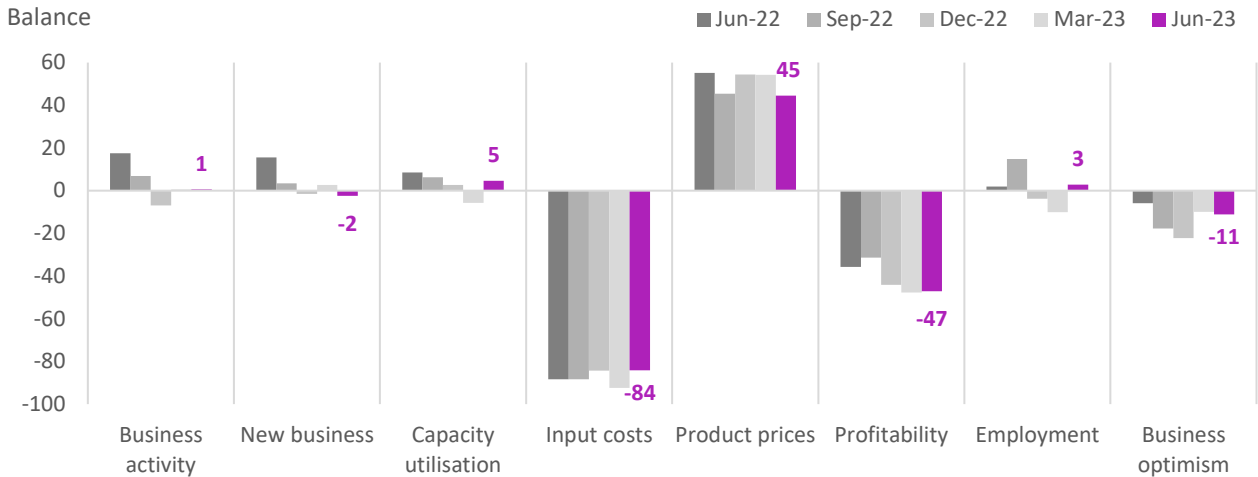
All of the non-finance sub-sectors (hotels, restaurants and bars, construction, wholesale and retail, and other non-finance) were extremely negative in one indicator: input costs. The product prices indicator was extremely positive in one of the sub-sectors, wholesale and retail (+52 pp), whilst being strongly positive in the other three. The profitability indicator was extremely negative in most non-finance sub-sectors, with the exception being other non-finance where it was strongly negative.

For the non-finance sector overall, there were two quarterly changes, which were moderate increases in employment and capacity utilisation (up 13 pp and 11 pp respectively). The other six indicators were

essentially unchanged on a quarterly basis; see [Figure 4.2](#). See the [appendix](#) for detailed breakdowns by size and sector.

Figure 4.2 – Non-finance sector current indicators

June 2022 – June 2023



Compared to a year ago, there were moderate decreases in four indicators for the non-finance sector. These annual decreases were in new business (down 18 pp), business activity (down 16 pp), profitability (down 11 pp), and product prices (down 10 pp). The other four indicators were essentially unchanged on an annual basis. Four indicators were above their previous three-year means: product prices (16 pp above), capacity utilisation (14 pp above), employment (11 pp above), and business activity (10 pp above). One indicator was below its previous three-year mean, that being the input costs indicator which was moderately below its previous three-year mean by 20 pp. The balances of the other three indicators were similar to their three-year means.

Hotels, restaurants, and bars saw strong quarterly decreases in two of the eight current indicators: business optimism (down 37 pp) and business activity (down 26 pp). Profitability, new business, and product prices decreased moderately on a quarterly basis (down 21 pp, 12 pp and 11 pp respectively). Capacity utilisation had a moderate increase compared to March 2023 (up 15 pp). The remaining two indicators were essentially unchanged. Compared to a year ago, six indicators were more negative. The balance for business activity saw an extreme annual decrease (down 58 pp), whilst new business, business optimism, and profitability strongly decreased compared to June 2022 (down 49 pp, 45 pp, and 42 pp respectively). There were moderate decreases in the capacity utilisation and employment indicators (down 23 pp and 16 pp respectively). The other two indicators were essentially unchanged on an annual basis. In June 2023, three indicators were below their previous three-year means; input costs was strongly below (down 34 pp), and profitability and business optimism were moderately below (down 19 pp and 15 pp respectively). In contrast, product prices was strongly above its three-year mean (by 30 pp), and employment and capacity utilisation were moderately above, by 21 pp and 17 pp respectively.

The construction sector had seven quarterly changes, one strong decrease (new business), three moderate decreases (business activity, business optimism and profitability), and three moderate increases (product prices, employment and capacity utilisation). Compared to one year ago, the new business indicator has seen an extreme decrease (down 52 pp), business activity and profitability have seen strong decreases (down 44 pp and 32 pp respectively) and business optimism, product prices, and employment have seen moderate decreases (down 21 pp, 17 pp and 13 pp respectively). The input costs indicator was the only indicator to have a moderate annual increase (by 10 pp). Six indicators were moderately below their previous three-year means: new business, business activity, business optimism, input costs, profitability, and employment. The other two current indicators, product prices and capacity utilisation, were moderately above their previous three-year means.

The wholesale and retail sector indicators showed one strongly positive quarterly increase (in business optimism, by 40 pp) and two moderate quarterly increases (in input costs, up 23 pp, and employment, up 20 pp). Product prices saw a strong quarterly decrease (by 25 pp) and new business decreased moderately from March 2023 (down 18 pp). There was also a strong annual decrease in the product prices indicator (down 25 pp), and moderate annual decreases in business activity and new business (down 19 pp and 11 pp respectively). In contrast there were two annual increases, both moderate, in the employment and input costs indicators (up 15 pp and 14 pp respectively). In June 2023, four indicators were moderately above their previous three-year means (business activity, capacity utilisation, business optimism, and employment) and two indicators were moderately below their previous three-year average (profitability and input costs). The other two indicators were essentially at the same level as their previous three-year average.

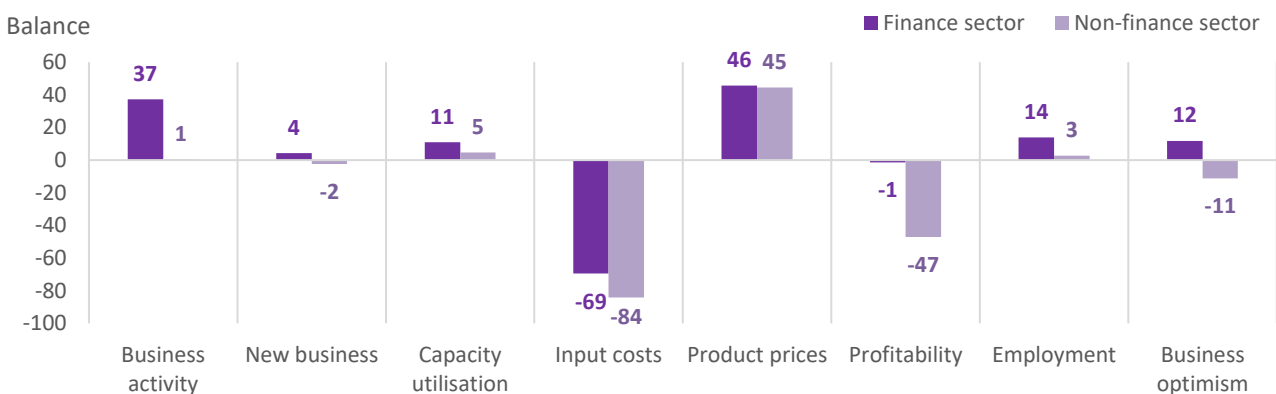
For the other non-finance sector there were three moderate quarterly increases in business activity, new business, and capacity utilisation (up 12 pp, 11 pp, and 11 pp respectively). There was essentially no change on an annual basis in any of the current indicators. However, six indicators were moderately above their three-year averages (business activity, product prices, new business, capacity utilisation, employment, and business optimism). In contrast, input costs was the only indicator below its three-year mean; it was moderately below by 24 pp.

Comparison of finance and non-finance sectors

The finance sector was significantly more positive than the non-finance sector in five of the eight current indicators, and the sectors were essentially at the same level for the other three indicators. This gave a net balance of +5 indicators where the finance sector was more positive; see [Figure 5.1](#). This is marginally lower than the previous three-year mean balance of +5.3. In June 2023, two current finance sector indicators (profitability and business activity) were strongly above the balance for the non-finance sector (by at least 25 pp) and three were moderately above (business optimism, input costs, and employment).

Figure 5.1 – Finance and non-finance sector indicators (net balances, percentage points)

June 2023



Section 2: Future indicators

Future business activity

The outlook for all-sector future business activity over the next three months (to September 2023) was moderately positive (+17 pp). Increases in business activity were expected by around a third (32%) of businesses, compared to 15% that expected decreases, while just over half (53%) expected no change; see [Figure 6.1](#).

Figure 6.1 – Future business activity

Expectations for next three months (June 2023)

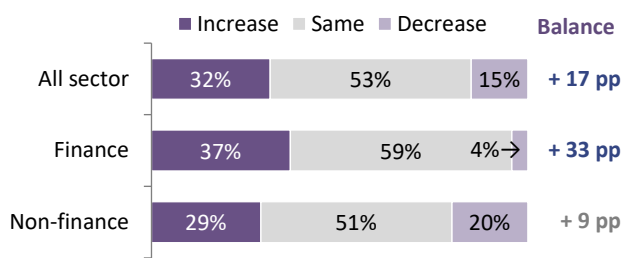
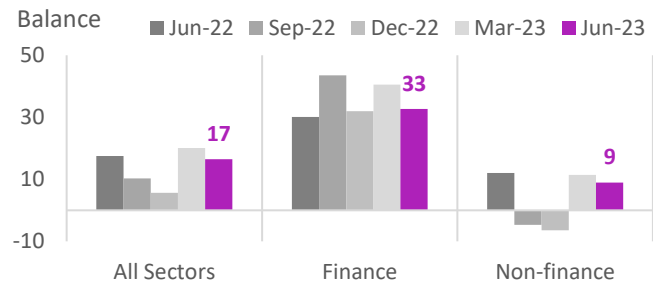


Figure 6.2 – Future business activity

June 2022 – June 2023 (percentage points)



The future business activity indicator was strongly positive for the finance sector (+33 pp) and neutral for the non-finance sector (+9 pp). In the finance sector, 37% of business expected an increase compared to 29% of businesses in the non-finance sector. Only 4% of businesses in the finance sector expected a decrease compared to 20% of non-finance businesses.

Within the non-finance sub-sectors, the future business activity indicator was:

- moderately negative for construction (-18 pp)
- neutral for hotels, restaurants and bars (+3 pp)
- neutral for wholesale and retail (+6 pp)
- and moderately positive for other non-finance (+20 pp).

The overall future business activity indicator was essentially unchanged since the previous quarter; see [Figure 6.2](#). The balance in June 2023 was also essentially unchanged on an annual basis.

The future business activity indicator for the finance sector was essentially unchanged from last quarter, on an annual basis, and from its three-year average.

The non-finance sector balance in the latest quarter was also essentially unchanged from its balance last quarter in March 2023, twelve months ago in June 2022, and its three-year mean.

Within the non-finance sector, the indicator for construction decreased moderately from its value last quarter, down 21 pp, and saw an extreme decrease from its value 12 months ago, down 51 pp. It was strongly below its three-year mean by 26 pp.

The wholesale and retail sector balance in the latest quarter was essentially unchanged from its balance last quarter in March 2023, twelve months ago in June 2022, and its three-year mean.

Hotels, restaurants and bars moderately decreased from its March 2023 value (down 20 pp) and its balance from June 2022 (down 18 pp). However, it was moderately above its previous three-year mean (15 pp above).

Other non-finance was at essentially the same level as its balance last quarter, was moderately above its balance last year (above by 14 pp) and its previous three-year mean (above by 16 pp). See the [appendix](#) for a sectoral breakdown.

Future employment

The outlook for all-sector future employment over the next three months (to September 2023) was moderately positive (+21 pp). An increase in employment was expected by around a third (32%) of businesses, compared to 11% that expected a decrease, while 57% expected no change; see [Figure 7.1](#). The finance sector was strongly positive (+47 pp), with over half (56%) of businesses expecting an increase in employment, and 8% expecting a decrease. The non-finance sector was neutral (+9 pp): 21% of businesses expected to increase employment, compared with 12% that expected employment to decrease, while two-thirds (66%) expected employment to stay the same.

Figure 7.1 – Future employment

Expectations for next three months (June 2023)

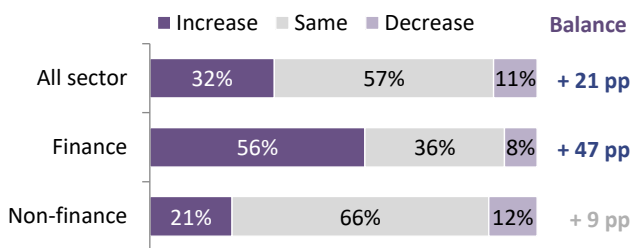
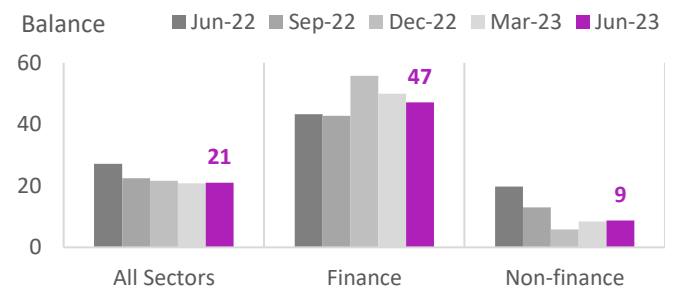


Figure 7.2 – Future employment

June 2022 – June 2023 (percentage points)



The overall indicator for the all-sector future employment indicator was at essentially the same level as in March 2023; see [Figure 7.2](#).

On an annual basis, the finance was essentially unchanged (up 4 pp) and there was a moderate annual decrease for the non-finance sector (down by 11 pp). This contributed to the overall balance being essentially unchanged on an annual basis.

In the current quarter the future employment indicator was moderately above its previous three-year mean for the finance sector (above by 14 pp) and essentially at the same level for the non-finance sector (0 pp difference). This resulted in the all-sector balance being essentially the same as its previous three-year mean (above by 5 pp).

Within the non-finance sector, the future employment indicator was strongly negative for construction (-31 pp), moderately positive for other non-finance (+24 pp), and neutral for wholesale and retail (+7 pp) and hotels, restaurants and bars (+1 pp).

See the [appendix](#) for a detailed breakdown by size and sector.

Future input costs and product prices

In this round of the survey, new questions were asked to businesses on their future expectations for input costs and product prices over the next three months.

The all-sector future input costs indicator had an extremely negative balance of -80 pp, with 81% of businesses expecting input costs to increase over the next three months and 1% expecting input costs to decrease. The remaining 18% expected input costs to remain the same, see [Figure 8.1](#).

The finance and non-finance sectors were similarly negative in their outlook. For the finance sector, the overall balance was -78 pp, with 78% of businesses expecting input costs to increase and 0% expecting input costs to decrease. The non-finance sector had a balance of -81 pp, with 82% expecting an increase and 1% expecting costs to decrease. Within the non-finance sector, the hotels, restaurants and bars sector was notable as all companies in this sector expected costs to increase and none expected input costs to remain the same or decrease, resulting in a completely negative balance of -100 pp.

The all-sector future product prices indicator was strongly positive (+42 pp), with 44% of businesses expecting product prices to increase in the next three months compared to 1% that expected prices to decrease. The remaining 55% expected no change in input product prices, see [Figure 8.2](#).

In the finance sector, 26% of businesses expected product prices to increase whilst no companies (0%) expected prices to decrease, resulting in a strongly positive balance of +26 pp. The balance for the non-finance sector was extremely positive (+50 pp), with 52% of companies expecting prices to increase and 2% expecting prices to decrease. Just under half (46%) expected future product prices to remain the same.

Figure 8.1 – Future input costs

Expectations for next three months (June 2023)

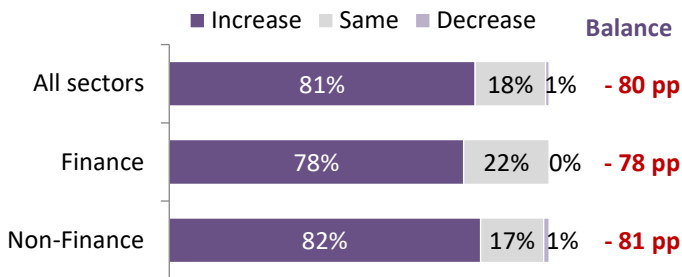
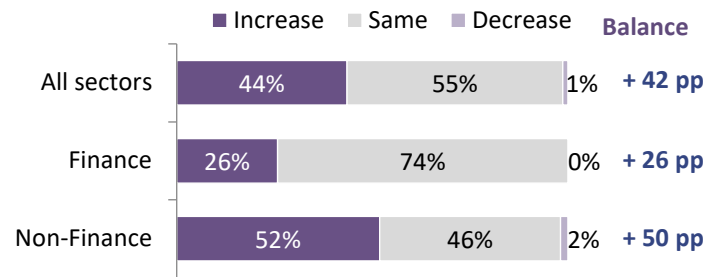


Figure 8.2 – Future product prices

Expectations for next three months (June 2023)



Annex – Finance sector

Future expectations

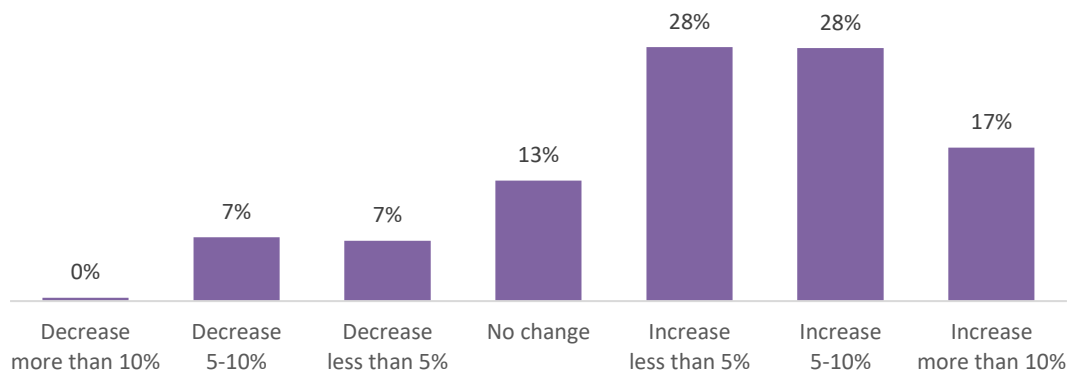
Additional questions were asked of the finance sector to gauge their expectations for future employment, profits and business development³.

Employment expectations

Businesses were asked to quantify their expected changes in employment from June 2023 to December 2023.

The longer-term employment expectations indicator was extremely positive (+59 pp), with close to three-quarters (73%) of finance companies expecting employment to be higher in 6 months' time, compared to 14% that expected a decrease; see [Figure A1.1](#).

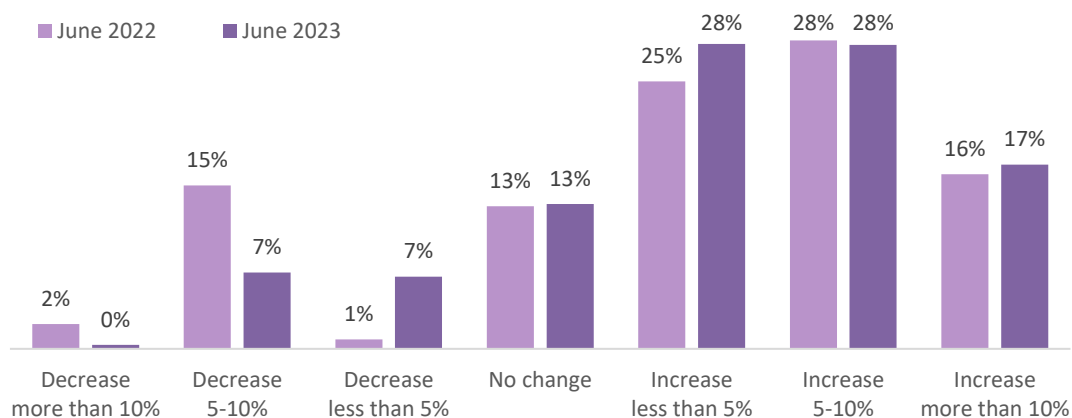
Figure A1.1 – Longer-term employment expectations (June 2023 to December 2023)



Of businesses that expected an increase, increases of less than 5% and increases of 5% to 10% were the most commonly selected options, with both options being selected by 28% of businesses. In addition, 17% of businesses expected an increase of more than 10%. 14% of business expected a decrease in employment to December 2023 and the remaining 13% expected no change in employment.

Compared to expectations made a year ago in June 2022 (for December 2022), the balance of this indicator did not see a notable change (up 8 pp). Slightly more companies predicted increases in employment, and slightly fewer predicted decreases; see [Figure A1.2](#). The balance in June 2023 was strongly above (25 pp above) its previous three-year mean of +34 pp.

Figure A1.2 – Longer-term employment expectations for 2023 (expressed in June 2023), compared with expectations for 2022 (expressed in June 2022)



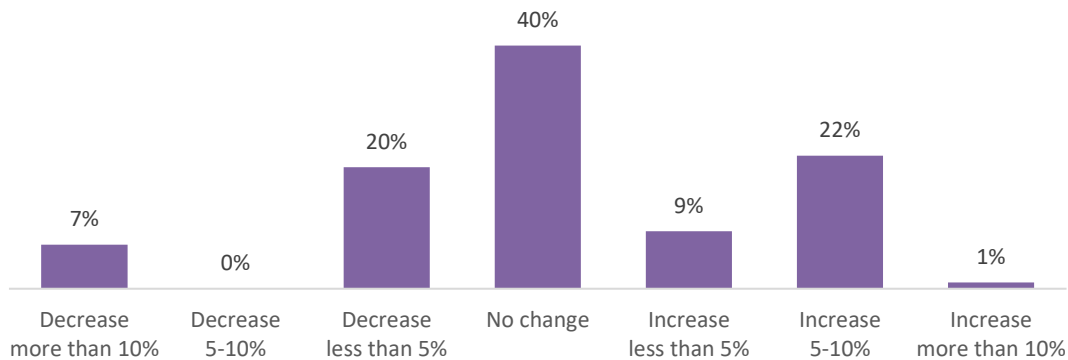
³ In publications prior to June 2019, the finance annex was weighted by company size only. The annex is now weighted by company size and sampling probability, as in the rest of the report.

Profit expectations

Companies were asked their expected level of profits for the following three months, between June 2023 and September 2023. The outlook for profits in the short term was neutral (+5 pp): 32% of finance businesses expected increases, 27% of businesses expected decreases, and 40% expected no change in profits in the short term; see [Figure A1.3](#).

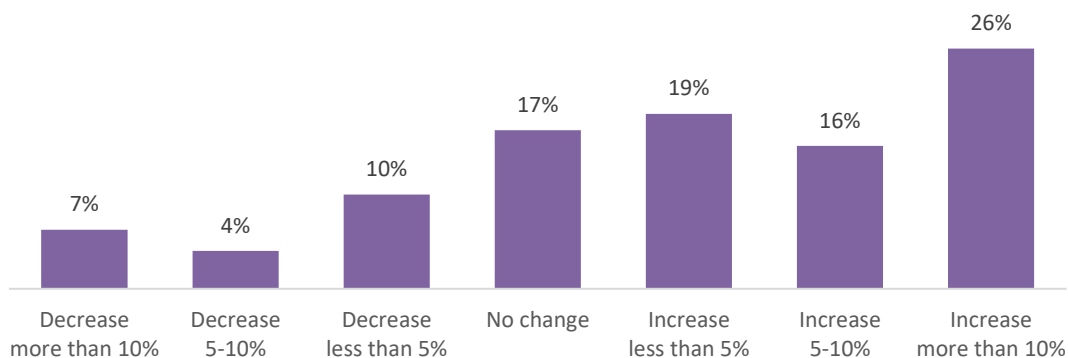
The neutral balance in June 2023 represents a strong annual decrease (down 33 pp) and it was also strongly below the balance in December 2022 (down 37 pp) and the three-year mean for this indicator (25 pp below).

Figure A1.3 – Short-term profit expectations (June 2023 to September 2023)



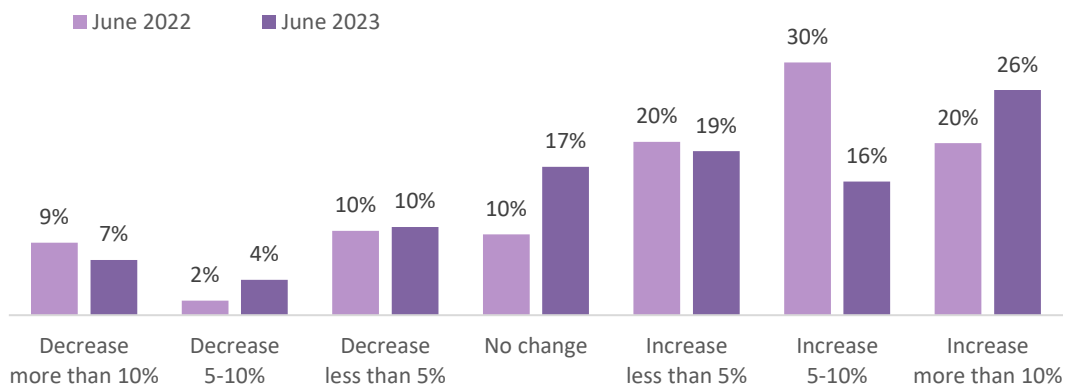
Businesses were also asked to compare their profits for financial year 2022 with their expected profits for financial year 2023. The balance for the longer-term profits for this year was strongly positive (+40 pp), and 35 pp above the short-term profit expectations indicator. Close to two-thirds (61%) of finance businesses expected that profits in 2023 would be higher than in 2022, compared to 21% that expected decreases; see [Figure A1.4](#). Increases of more than 10% were the most commonly selected option (selected by 26% of businesses) followed by increases of less than 5%, no change, and increases of 5% to 10% (selected by 19%, 17%, and 16% of businesses respectively).

Figure A1.4 – Longer-term profit expectations (for 2023, compared with 2022)



The current balance of this indicator was essentially at the same level as its previous three-year mean (2 pp above) but was moderately lower than twelve months ago (down by 10 pp); see [Figure A1.5](#).

Figure A1.5 – Longer-term profit expectations for 2023 (expressed in June 2023), compared with expectations for 2022 (expressed in June 2022)



In June 2023, 21% of businesses predicted a decrease in profits, which is essentially unchanged on an annual basis (20% in June 2022). Additionally, the proportion of finance businesses that expected no change in profits remained essentially unchanged from 10% in June 2022 to 17% in June 2023. 61% of businesses predicted an increase in profits in June 2023, which was also essentially unchanged from the 70% in June 2022. However, there was a moderate decrease of 14 pp in businesses that expected profits to increase by 5 to 10%.

Geographical regions

Respondents were asked to identify which geographical region had the greatest potential for developing key business referrers in 2023 and which had the greatest potential for decline.

Developing regions

The UK continued to be the most commonly cited region with the highest potential for developing business, with the proportion of companies citing the UK remaining essentially the same as in June 2022 (40% in June 2023 and 39% in June 2022); see [Figure A1.7](#). Most other regions were selected by 3% to 24% of businesses, apart from Eastern Europe which was selected by 0% of businesses; see [Figure A1.6](#).

Figure A1.6 – Geographical regions with the greatest potential for developing key business for 2023 (expressed in June 2023)

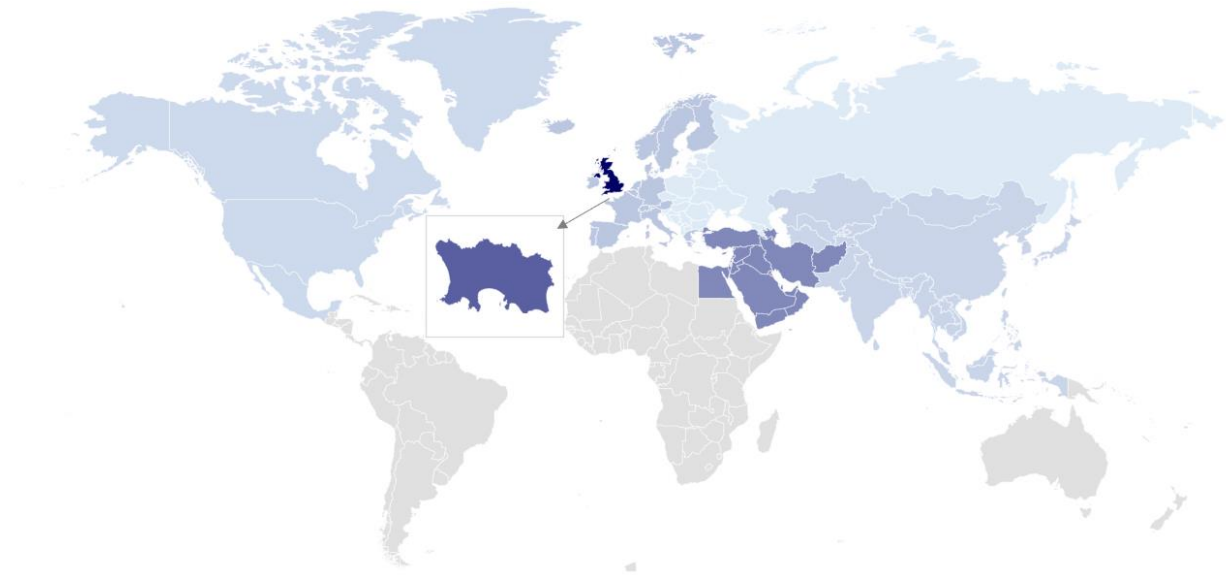
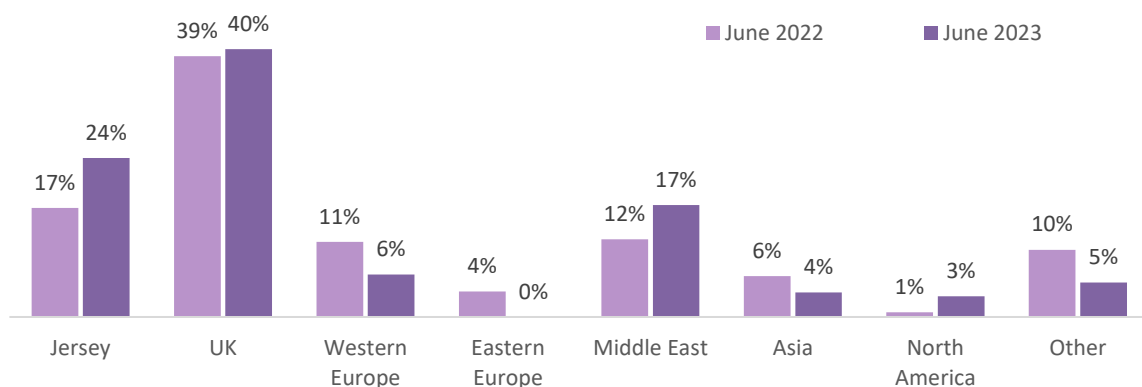


Figure A1.7 – Geographical regions with the greatest potential for developing key business for 2023 (expressed in June 2023), compared with expectations for 2022 (expressed in June 2022)



Declining regions

Eastern Europe was most commonly cited as having the greatest potential for decline in 2023, cited by over a third (37%) of companies, followed by the UK (26%) and Jersey (15%); see [Figure A1.8](#). On an annual basis, the notable changes were the decrease in companies citing Eastern Europe as having the greatest potential for decline (decreasing from 56% to 37%) and the increase in companies citing the UK as having the greatest potential for decline (increasing from 10% to 26%); see [Figure A1.9](#).

Figure A1.8 – Geographical regions with the greatest potential for decline of key business for 2023 (expressed in June 2023)

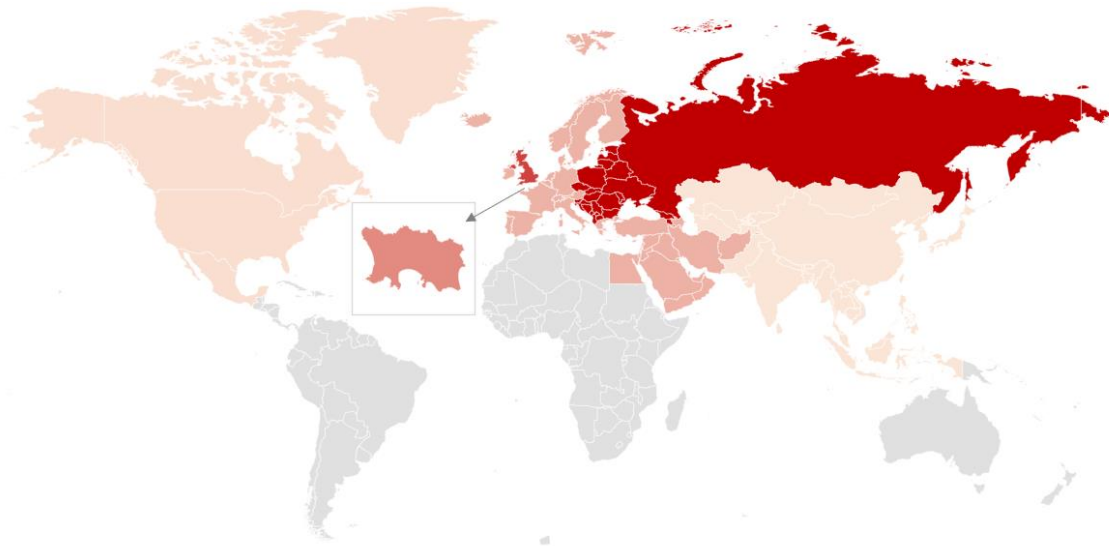
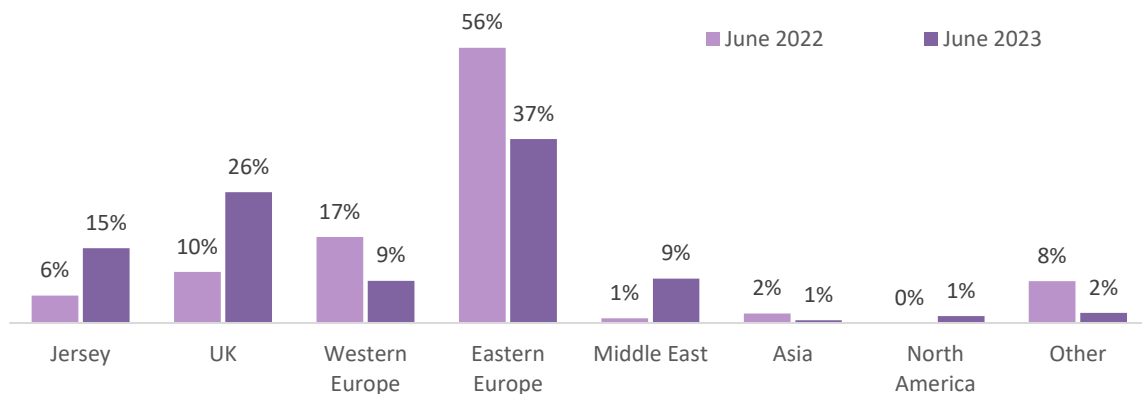


Figure A1.9 – Geographical regions with the greatest potential for decline of key business for 2023 (expressed in June 2023), compared with expectations for 2022 (expressed in June 2022)

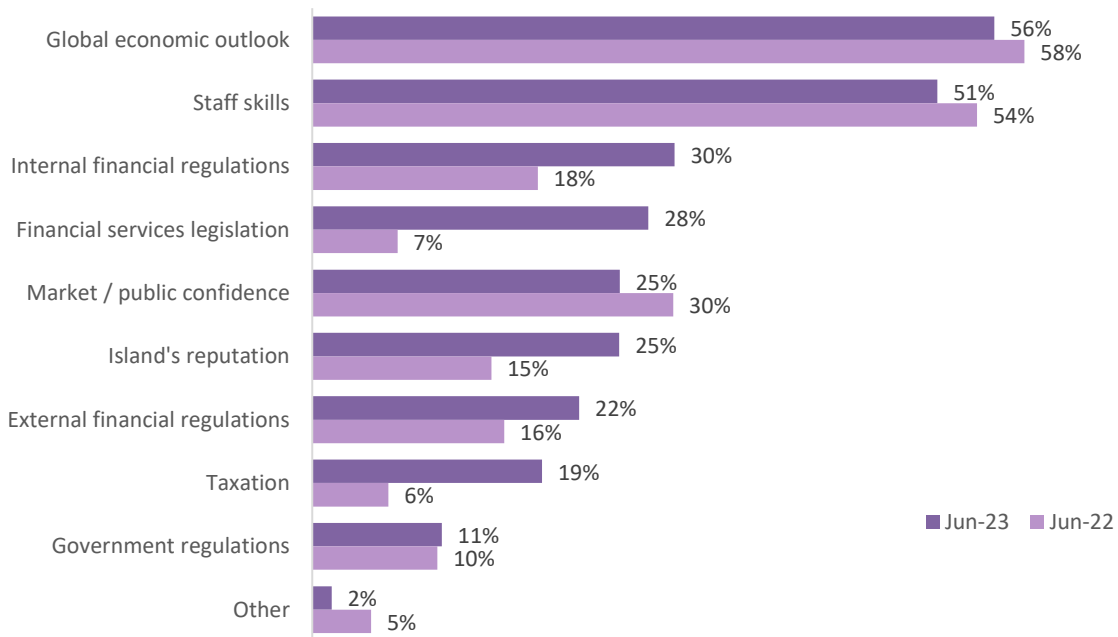


Key issues

Respondents were asked to identify the three key issues for Jersey's business environment for the next six months (to December 2023). Due to the COVID-19 pandemic and associated changes to the economic environment, four additional options were added to this question in June 2020 and two of which have continued in the survey for June 2023: the global economic outlook and market / public confidence.

The most commonly cited issue was the same as in December 2022; the global economic outlook was selected by 56% of businesses. This was followed by staff skills (51%) and internal financial regulations (30%); see [Figure A1.10](#).

Figure A1.10 – Key issues for Jersey’s business environment for the next six months to December 2023 (expressed in June 2023), compared with key issues to December 2022 (expressed in June 2022)



The changes in the categories means we cannot compare this question with previous rounds of the survey prior to June 2020 on a consistent basis. Compared to last year, the largest change was the increase in those citing financial services legislation as a key issue (up from 7% to 28%). Taxation also had a moderate increase (up from 6% to 19%) as well as internal financial regulations (up from 18% to 30%) and the island’s reputation (up from 15% to 25%).

To give an indication of what was commonly cited when the new options were not available, in December 2019 the four most commonly cited issues were external financial regulation (56%), staff skills (53%), internal financial regulation (39%), and the Island’s reputation (35%). These issues are also the most commonly cited when looking at the previous three-year period (June 2020 to December 2022), with means of 16%, 44%, 20%, and 18% respectively.

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 with three months previously, and for their expectations for the next three months.

Each indicator derived from the survey responses is calculated as a weighted net balance, see below.

The survey is run in the last month of each quarter. In June and December, additional questions are asked of the finance sector to gauge their expectations for future employment, profits and business development.

- 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. For overall indicators covering the whole of the private sector, the 95% confidence interval ranges from ± 5 to ± 15 pp depending upon responses to the specific indicator. The net balance and individual percentages are rounded independently, and therefore the percentages may not sum to the balance.
- 2. Seasonal effects:** Businesses are asked to exclude normal seasonal fluctuations from their responses. When it is not practical to compare the current trading situation with that of three months ago, businesses are asked to compare with one year ago.
- 3. Stratified sample:** To design a representative sample of Jersey's businesses, a random sampling approach was used, stratified by business size (employment on a full-time equivalent [FTE] basis) and type of activity ([UK SIC 2007 sector](#)). Size-dependent sampling probabilities were applied, and businesses with more than 50 FTE employees were given a sampling probability of one. The sample is reviewed twice yearly to incorporate new businesses and changes in staffing, in order that the sample remains representative of Jersey's economy.
- 4. Response:** Around 540 firms were sent a survey questionnaire for this survey; around 280 completed questionnaires were returned, constituting an overall response rate of 53%. The respondents accounted for 33% of total private sector employment in the Island.
- 5. Weighting:** The response data collected are weighted before they are analysed. 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. In publications prior to June 2019, the finance annex was weighted by company size only. The annex is now weighted by company size and sampling probability, as in the rest of the report.
- 6. Descriptors:** To aid in interpreting the result, balances and changes of specific magnitudes are described using the terminology set out below.
 - Positive/negative: ± 10 pp or more
 - Extremely positive/negative: ± 50 pp or more
 - Strongly positive/negative: $\pm 25-49$ pp
 - Moderately positive/negative: $\pm 10-24$ pp
 - Neutral / essentially unchanged: $\pm 0-9$ pp

Statistics Jersey welcomes suggestions on how we can improve our surveys and reports to ensure we meet the needs of our users. If you have any feedback relating to this report, please email statistics@gov.je.

Statistics Jersey

19 July 2023

Glossary

- 1. Level of business activity / output:** This is the total amount of work undertaken by an 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 an 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 an 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 the current business activity relative to 'normal capacity'. 'Above capacity' indicates that a business is above its normal capacity, for example because an organisation is busier than normal or staff are working longer hours than normal. Similarly, 'below capacity' indicates the current business activity is below its normal capacity, for example because an 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 an organisation. Inputs include supplies obtained, stocks/materials bought in and costs of employees, including wages, salaries and pension costs paid by an organisation. We ask businesses to try to give a weighted average of costs. For example, if employment costs are the largest share, they should be given the largest weighting (i.e. importance) when answering the question.
- 5. Average prices charged for 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 an organisation offers various services/products, we ask them to try to give a weighted average. For example, if one service accounts for most sales and its prices have increased, then it should be given the largest weighting (i.e. importance) when answering the question, indicating that prices have risen on average.
- 6. Profitability:** This is the total profits earned on all activities of an organisation. If an organisation does not calculate profits over the most recent three months, we ask them to try to estimate how their 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. Two part-time employees are equivalent to one full-time employee. For example, if two part-time employees resigned and one full-time employee was taken on, we ask organisations to count this as no net change (so employment was the 'same'). We ask organisations to ignore seasonal or temporary hirings.
- 8. Business optimism:** This refers to confidence or optimism about the overall business situation in an organisations' industry generally. Unlike the previous questions, it is not about what is actually happening to an organisation at present, but asks about their opinions for their sector generally.

Appendix

June 2023 – Net balances of indicators (percentage points) and percentage of responders reporting ‘no change’

All sectors; finance; non-finance; construction; hotels, restaurants, and bars; wholesale and retail; and other non-finance

Indicator	All sectors		Finance		Non-finance		Construction		Hotels, restaurants, and bars		Wholesale and retail		Other non-finance	
	Net balance	No change	Net balance	No change	Net balance	No change	Net balance	No change	Net balance	No change	Net balance	No change	Net balance	No change
Business Activity	12	53	37	55	1	52	-25	60	-30	25	14	54	11	56
New Business	0	58	4	55	-2	59	-27	50	-16	37	2	70	7	63
Capacity Utilisation	7	66	11	81	5	60	6	56	-20	53	6	45	10	69
Input costs	-80	16	-69	28	-84	11	-83	12	-98	2	-75	6	-85	15
Product prices	45	52	46	52	45	52	48	47	58	42	52	35	37	62
Profitability	-32	43	-1	53	-47	37	-58	35	-77	17	-52	24	-34	49
Employment	6	59	14	47	3	64	-17	61	-5	66	10	78	8	60
Business optimism	-4	62	12	68	-11	59	-18	56	-48	28	-2	58	-2	70
Future business activity	17	53	33	59	9	51	-18	48	3	33	6	52	20	56
Future employment	21	57	47	36	9	66	-31	62	1	87	7	70	24	60

June 2023 – Net balances of indicators (percentage points) and percentage of respondents reporting ‘no change’

All sectors, finance, and non-finance sectors by size of business*

Indicator	All sectors				Finance				Non-finance			
	Large		Small		Large		Small		Large		Small	
	Net balance	No change*	Net balance	No change*	Net balance	No change*	Net balance	No change*	Net balance	No change*	Net balance	No change*
Business Activity	25	51	0	54	42	51	21	70	9	52	-4	51
New Business	1	60	-1	55	1	57	16	49	1	63	-4	56
Capacity Utilisation	12	65	1	68	11	81	11	79	13	49	0	66
Input costs	-75	22	-84	11	-68	29	-74	26	-81	15	-86	8
Product prices	53	43	37	60	50	47	32	68	56	40	38	58
Profitability	-25	41	-40	44	6	47	-25	75	-55	36	-43	38
Employment	11	56	2	62	10	43	26	62	12	69	-3	62
Business optimism	8	61	-16	63	16	62	-1	88	1	61	-18	59
Future business activity	25	53	8	54	37	59	19	59	14	48	6	53
Future employment	32	45	11	68	54	28	23	62	9	61	8	70

* Large companies are defined as having more than 50 FTEs and small companies are defined as having 50 or fewer FTEs.

Indicators – net balances (percentage points)

All sectors

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	11	13	16	3	6	-11	-62	-8	-15	-21	20	9	3	8	20	10	4	12	12
New Business	3	8	3	3	9	-13	-58	-14	-13	-8	18	7	9	7	17	8	6	9	0
Capacity Utilisation	7	1	3	3	1	-11	-40	-12	-17	-13	2	12	9	5	10	7	7	3	7
Input costs	-44	-48	-42	-50	-52	-40	-9	-24	-19	-37	-57	-65	-70	-74	-84	-84	-84	-89	-80
Product prices	14	27	21	16	15	10	-3	-3	-5	9	20	22	26	45	51	45	50	56	45
Profitability	-14	-11	-5	-19	-14	-29	-70	-33	-33	-38	-11	-13	-25	-25	-24	-21	-26	-28	-32
Employment	4	10	4	4	-2	-4	-34	-15	-2	1	4	8	2	0	8	16	3	3	6
Business optimism	1	1	-4	-5	4	-30	-51	-23	-9	3	16	12	-3	-4	1	-11	-11	-2	-4
Future business activity	11	25	13	-2	16	-23	-14	-4	-2	20	29	10	10	25	18	10	6	20	17
Future employment	3	7	3	12	2	2	-7	-3	7	23	31*		20	25	27	22	22	21	21

* revised

Finance

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	28	39	33	7	17	17	-21	-1	17	-12	43	13	19	24	25	16	29	39	37
New Business	20	28	1	7	29	11	-36	-12	10	14	40	18	34	18	19	18	21	24	4
Capacity Utilisation	21	13	7	7	8	5	13	6	11	15	22	18	14	16	13	9	18	25	11
Input costs	-22	-21	-19	-43	-43	-32	-6	-5	4	-27	-33	-37	-46	-57	-75	-75	-82	-81	-69
Product prices	7	24	3	2	7	-5	1	-13	-11	9	7	9	13	30	42	43	40	58	46
Profitability	7	16	11	-12	2	-19	-36	-21	-11	-5	32	16	10	2	3	1	14	18	-1
Employment	11	35	20	4	18	1	-7	-1	15	19	18	22	27	18	21	19	18	35	14
Business optimism	17	15	1	-9	9	-27	-35	-24	17	24	38	36	26	2	16	3	15	16	12
Future business activity	34	39	28	14	38	-21	-32	13	34	19	38	29	39	36	30	44	32	41	33
Future employment	12	17	18	41	16	16	8	13	31	34	49		49	25	43	43	56	50	47

Non-finance

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	4	1	8	2	0	-24	-80	-11	-28	-25	11	7	-3	2	17	7	-7	1	1
New Business	-5	-1	4	1	-2	-24	-68	-15	-22	-18	9	2	1	2	16	3	-1	3	-2
Capacity Utilisation	1	-4	1	1	-2	-19	-64	-20	-27	-25	-6	9	8	1	9	6	3	-6	5
Input costs	-53	-60	-51	-53	-57	-44	-10	-32	-29	-42	-66	-76	-79	-82	-88	-88	-84	-92	-84
Product prices	17	28	29	22	19	17	-6	1	-2	9	25	28	30	51	55	45	54	54	45
Profitability	-23	-23	-13	-22	-22	-34	-85	-38	-42	-51	-28	-25	-37	-36	-36	-31	-44	-48	-47
Employment	2	-2	-3	3	-12	-7	-46	-20	-8	-7	-2	2	-7	-9	2	15	-4	-10	3
Business optimism	-6	-6	-6	-3	1	-31	-58	-23	-20	-6	7	2	-13	-6	-6	-18	-22	-10	-11
Future business activity	1	19	6	-9	5	-23	-6	-11	-16	20	25	2	0	20	12	-5	-6	11	9
Future employment	-1	3	-4	-2	-6	-5	-13	-10	-3	18	20*	12*	10	25	20	13	6	8	9

* revised

Construction

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Mar	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	3	-8	-10	3	-8	-13	-92	-3	-24	-18	19	-9	-4	25	19	9	4	-6	-25
New Business	-10	-6	19	9	-7	-13	-82	-11	-21	-17	7	-10	3	27	25	-1	8	0	-27
Capacity Utilisation	-7	21	7	3	4	-7	-83	-22	-25	-15	13	-3	9	20	15	19	15	-5	6
Input costs	-44	-54	-77	-69	-56	-52	3	-39	-44	-60	-73	-75	-84	-93	-93	-92	-90	-85	-83
Product prices	12	3	38	25	14	15	-10	12	0	22	31	43	41	33	65	51	39	27	48
Profitability	-17	-25	-25	-37	-27	-33	-92	-40	-52	-57	-25	-40	-62	-39	-26	-17	-33	-44	-58
Employment	6	-2	-10	8	-5	4	-47	-16	-1	2	-6	-22	14	12	-4	13	5	-32	-17
Business optimism	5	-11	9	34	13	-2	-74	-14	-9	15	23	5	20	10	3	10	-4	1	-18
Future business activity	8	-1	-1	12	6	5	-34	1	-7	3	33	1	-2	36	33	21	4	3	-18
Future employment	9	-2	3	16	9	13	-21	13	4	19	30	0	26	33	25	27	16	-3	-31

Hotels, restaurants, and bars

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Mar	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	-16	-27	-23	-4	-7	-42	-100	-44	-98	-72	-15	40	-14	11	28	19	-23	-4	-30
New Business	-27	-20	-27	-10	-18	-45	-100	-50	-84	-51	-7	30	-22	16	33	4	-19	-4	-16
Capacity Utilisation	-25	-24	-28	-5	-12	-44	-87	-65	-80	-78	-40	14	-20	-29	3	7	-30	-35	-20
Input costs	-70	-83	-75	-68	-72	-47	20	-38	-13	-20	-84	-92	-88	-83	-100	-95	-89	-93	-98
Product prices	23	58	38	35	47	8	-36	-22	-36	-16	57	49	33	55	53	64	68	69	58
Profitability	-46	-39	-15	-31	-39	-62	-100	-85	-94	-83	-63	-29	-48	-11	-35	-31	-62	-56	-77
Employment	-15	-19	-12	-13	-14	-25	-85	-44	-43	-45	-27	-4	-33	-21	11	12	-17	-12	-5
Business optimism	-35	-8	-12	-16	-10	-78	-89	-80	-94	-16	-18	13	-27	-9	-3	-30	-39	-11	-48
Future business activity	-37	25	5	-41	-5	-49	-62	-71	-79	44	23	-22	-4	25	21	-8	-37	23	3
Future employment	-26	22	-15	-36	-10	-35	-42	-63	-38	37	7	-9*	-2	34	9	-12	-19	39	1

* revised

Wholesale and retail

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	2	14	16	9	-3	-29	-79	21	-8	-23	17	-3	-13	16	33	-4	-3	12	14
New Business	-9	7	3	3	-1	-29	-62	14	28	-6	18	-9	-13	-4	13	1	3	20	2
Capacity Utilisation	3	-15	10	26	0	-24	-68	-19	-5	-23	1	-8	0	-8	14	5	13	6	6
Input costs	-66	-65	-51	-23	-68	-48	-10	-20	-35	-45	-62	-79	-80	-85	-89	-87	-89	-98	-75
Product prices	27	22	29	8	29	22	3	3	6	20	24	20	54	71	77	80	76	77	52
Profitability	-36	-13	-23	-12	-31	-48	-76	0	-10	-37	-17	-16	-14	-58	-49	-40	-61	-59	-52
Employment	1	-1	-7	5	5	-4	-41	-14	11	16	4	29	-18	1	-5	15	-9	-10	10
Business optimism	-27	-15	-16	6	-5	-21	-45	3	-2	21	16	4	-33	-12	-10	-46	-40	-42	-2
Future business activity	5	25	6	6	-1	-21	16	-6	19	39	29	19	16	13	3	-27	-6	-1	6
Future employment	-7	-3	3	14	-2	-2	-11	-9	1	18	11	33*	21	15	10	10	12	-6	7

* revised

Other non-finance – private sector excluding finance and legal activities, construction and quarrying, hotels restaurants and bars, and wholesale and retail

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	13	8	19	0	5	-17	-49	-14	-19	-17	12	6	4	-12	3	7	-7	-1	11
New Business	7	4	10	2	4	-17	-48	-14	-24	-12	10	4	10	-8	7	6	-2	-4	7
Capacity Utilisation	12	0	5	-8	-2	-11	-22	-6	-25	-18	-7	19	17	3	5	2	3	-1	10
Input costs	-45	-52	-37	-57	-48	-40	-15	-31	-26	-40	-62	-71	-74	-76	-82	-85	-77	-93	-85
Product prices	13	28	24	23	7	20	0	5	2	7	16	20	17	49	39	22	41	46	37
Profitability	-12	-21	-3	-19	-11	-18	-62	-37	-39	-45	-25	-23	-32	-33	-32	-33	-31	-39	-34
Employment	6	4	4	8	-20	-5	-23	-17	-9	-8	2	-1	-5	-16	6	16	-1	0	8
Business optimism	9	1	-3	-13	5	-25	-43	-17	-11	-19	5	-3	-15	-9	-8	-9	-14	5	-2
Future business activity	10	20	9	-10	10	-20	-10	3	-18	14	22	2	-3	17	6	-2	1	18	20
Future employment	7	2	-6	0	-9	1	1	-2	2	12	22*	12*	2	25	26	19	6	9	24

* revised

For comparability with past reports, the previously used definition of “other non-finance” is included below.

Other non-finance and hotels, restaurants and bars – private sector excluding finance and legal activities, construction and quarrying, and wholesale and retail

Indicator	2018	2019				2020				2021				2022				2023	
	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
Business Activity	5	-1	9	-1	2	-24	-78	-21	-36	-28	8	14	1	-8	9	10	-12	-2	2
New Business	-2	-2	1	-1	-1	-25	-67	-23	-37	-20	7	9	3	-5	14	5	-6	-4	2
Capacity Utilisation	2	-6	-3	-7	-4	-23	-59	-20	-35	-29	-13	18	9	-2	4	3	-6	-11	4
Input costs	-52	-60	-46	-60	-54	-43	-13	-33	-23	-36	-66	-76	-77	-77	-86	-88	-81	-93	-87
Product prices	16	36	27	27	17	17	-7	-1	-6	3	23	27	21	50	43	34	49	53	41
Profitability	-21	-26	-6	-22	-18	-29	-86	-48	-51	-53	-32	-25	-35	-29	-33	-32	-40	-44	-43
Employment	1	-2	0	2	-19	-10	-47	-23	-16	-15	-3	-2	-11	-17	7	15	-4	-4	5
Business optimism	-3	-1	-5	-14	1	-40	-58	-32	-28	-19	1	1	-17	-9	-7	-15	-21	0	-12
Future business activity	-2	22	8	-19	6	-29	-6	-15	-30	19	22	-3	-3	18	9	-4	-10	19	16
Future employment	-2	6	-8	-10	-9	-9	-12	-16	-6	17	18*	7*	1	26	22	10	-1	18	19

* revised

Past reports are available online at www.gov.je/BTS Data tables for the above and earlier years are available online at opendata.gov.je/dataset/business-tendency-survey