

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 provides a set of ten 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)
- **two future indicators:** these measure anticipated change 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 decrease. 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.

The survey is run quarterly and most comparisons are made with the previous four rounds of the survey. However, the survey did not take place in June 2016 or September 2016; therefore, comparisons with previous years are made without reference to this period.

Recent response rates for the hotels, restaurants and bars sector (i.e. hospitality) are now judged to be sufficient to include explicitly in the report. Business Tendency Survey reports for the last few years did not separate out this sector, which was included in the "other non-finance" sector. The [appendix](#) of this report contains data tables for the hotels, restaurants and bars sector and the other non-finance sector both excluding and including hotels, restaurants and bars.

Context: COVID-19

This round of the Business Tendency Survey was conducted over the whole month of March 2020, during which a number of developments relating to the COVID-19 pandemic manifested. Comparing returns made earlier and later in the month, there were large differences in some indicators – this is detailed in the [annex](#) at the end of the report. The response rate was also lower than in previous rounds of the survey, in part because fewer reminders were sent out due to the lockdown imposed in the Island at the end of the month.

Summary for the Business Tendency Survey in March 2020

Business activity indicator

- the headline **all-sector business activity** indicator was **negative**, at -11 percentage points (pp); this means the proportion of businesses reporting an increase was 11 pp lower than those reporting a decrease
 - the business activity indicator was positive for the finance sector (+17 pp) and negative for the non-finance sector (-24 pp)
 - the all-sector business activity indicator decreased significantly over the three months to March (down 17 pp); the indicator decreased by 24 pp for non-finance, and was unchanged for finance

Current indicators

- **six** of the **eight current indicators** were **significantly negative** and **one** was **significantly positive**
 - for the finance sector, there were three negative indicators, two positive indicators, and three indicators within 10 pp of zero
 - for the non-finance sector, six of the eight current indicators were negative, one was positive, and one within 10 pp of zero
- the **overall** picture was **more negative** than last quarter; five current indicators decreased significantly and one (input costs) improved significantly
 - both the finance and non-finance sectors were more negative than last quarter in five current indicators, and more positive in one indicator (input costs), and two indicators changed by less than 10 pp

Next quarter – the three months to June 2020

The results presented below (and throughout this report) for the two future indicators are as reported by respondents to this survey in March 2020. Please see the [annex](#) for perspectives pre- and post- the World Health Organisation (WHO) declaring a global pandemic on 11 March 2020.

- the outlook for **future business activity** was **negative** (-23 pp) overall, and the indicator was also negative for both the finance and non-finance sectors (-21 pp and -23 pp respectively)
 - the overall future business activity indicator was significantly lower than 3 months ago, down 39 pp, and was the lowest value recorded for this indicator
- the **future employment** outlook was **neutral** (+2 pp) overall, with finance positive (+16 pp) and non-finance slightly negative (-5 pp)
 - the future employment indicator was unchanged from last quarter overall and for the finance sector, and was essentially unchanged for the non-finance sector (down -1 pp)

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 March 2020, the all-sector business activity indicator was negative, with a value of -11 percentage points (pp). An increase in business activity was reported by 18% of businesses, compared with 29% that reported a decline; the difference in the unrounded figures results in a net balance of -11 pp, which provides the value of the indicator. Half (53%) of companies reported that business activity was unchanged; see [Figure 1.1](#).

Figure 1.1 – Business activity, March 2020

Compared with situation three months previously

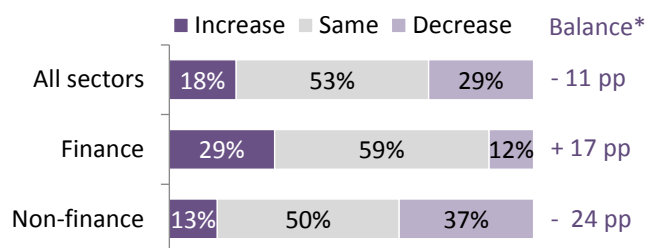
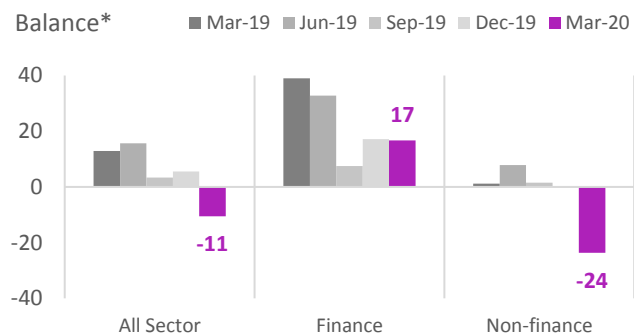


Figure 1.2 – Business activity, time series

March 2019 – March 2020 (percentage points)



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. The net balance and individual percentages are rounded independently, and therefore the percentages may not sum to the balance.

The business activity indicator was positive for the finance sector (+17 pp) and negative for the non-finance sector (-24 pp). The overall business activity indicator was significantly lower than in the previous quarter, down 17 pp. The indicator decreased by 24 pp for the non-finance sector, and it was unchanged for the finance sector; see [Figure 1.2](#).

Within the non-finance sector, the business activity indicator for March 2020 was strongly negative for hotels, restaurants and bars (-42 pp) and wholesale and retail (-29 pp), and negative for other non-finance (-17 pp) and construction (-13 pp). See the [appendix](#) for further sectoral breakdown.

The all sector business activity indicator was positive from June 2014 until December 2019, making March 2020 the first time this indicator has not been positive for six years. The current balance is the lowest recorded since March 2013, when it was -23 pp. The current balance of -11 pp is 25 pp below the three-year average of +14 pp.

The balance of the indicator for non-finance is also at its lowest level since March 2013, and is 33 pp below its three-year average of +9 pp. In comparison, the finance sector indicator is unchanged from December 2019, when it was also +17 pp, although it remains 10 pp below its three-year average of +27 pp.

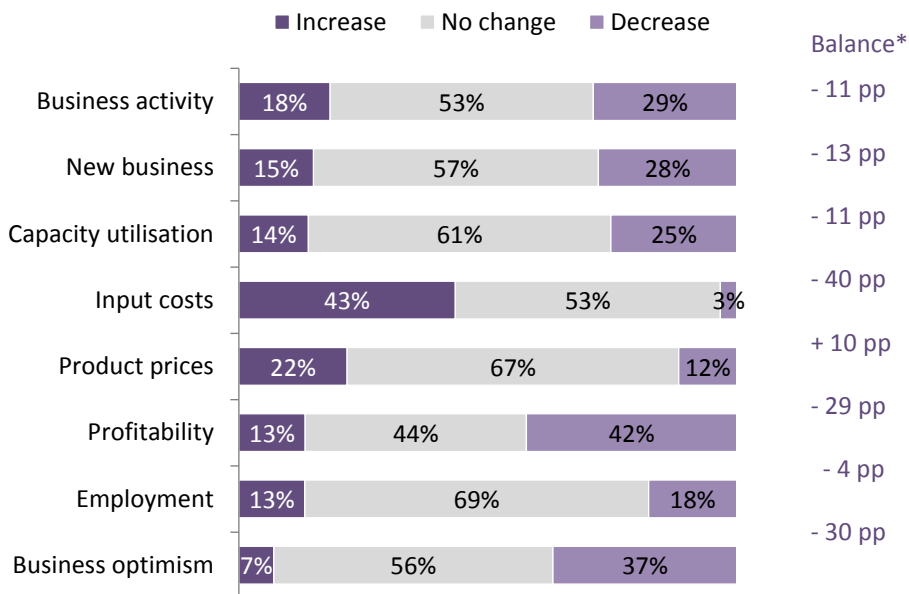
Current indicators

In March 2020, six out of the eight all-sector indicators relating to the current situation were significantly negative, and one was significantly positive; see [Figure 2.1](#). A positive balance indicates that a greater proportion of companies reported increases than decreases, and similarly for a negative balance, while an indicator is significant if it has a balance of at least ± 10 pp. For all of the eight current indicators, the most common response was 'no change'.

The most negative indicator was the input costs indicator¹, with a balance of -40 pp. For this indicator, a negative balance indicates that more businesses have seen input costs increase than decrease.

The business optimism and profitability indicators were also strongly negative (-30 pp and -29 pp respectively). The other significantly negative indicators were new business (-13 pp), and business activity and capacity utilisation (both -11 pp).

Figure 2.1 – All-sector indicators, comparing current situation (March 2020) to three months previously



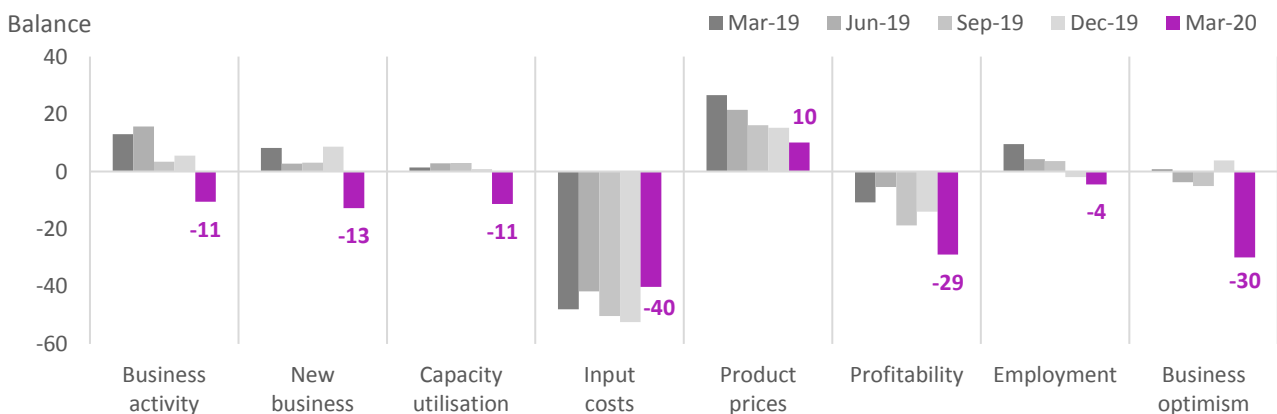
* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

The only significantly positive indicator was product prices, at +10 pp. Over a fifth (22%) of companies reported an increase in product prices (charged to customers), compared to over two-fifths (43%) that reported higher input costs incurred by the businesses.

The balance of significantly positive indicators with significantly negative indicators (-5) is lower than the three-year mean for the period up to December 2019 (1.7). This is the lowest balance of significant indicators recorded since June 2013.

Figure 2.2 – All-sector current indicators, time series

March 2019 – March 2020



¹ Input costs relate to the prices paid for supplies, purchases, wages and salaries etc.. See the [glossary](#) for more detail.

[Figure 2.2](#) shows the eight current indicators for March 2020 against those of the previous four quarters.

Since the previous quarter, five current indicators decreased significantly, and one (input costs) improved significantly. The largest change was seen in the business optimism indicator, which decreased by 34 pp from slightly positive (+4 pp) to strongly negative (-30 pp). Significant decreases were also observed in the indicators for new business (down 22 pp), business activity (down 17 pp), profitability (down 15 pp) and capacity utilisation (down 12 pp). Input costs was the only indicator to improve on December 2019, up 12 pp.

The 34 pp quarterly decrease in the business optimism indicator is the largest recorded change in any current indicator; the previous record was a 21 pp increase in the business activity indicator in March 2015.

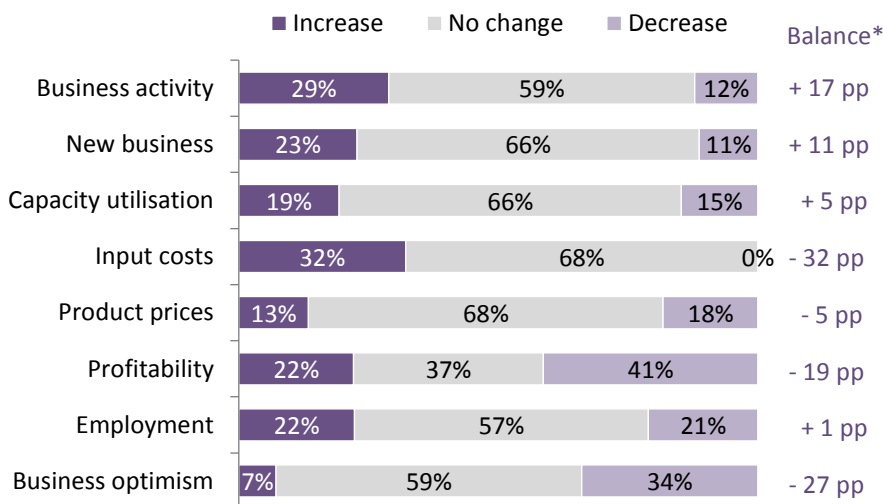
Seven of the eight current indicators are significantly below their three-year averages, and four of them by at least 20 pp. The only exception was the input costs indicator, which was 9 pp above its three-year mean.

The input costs indicator continued to be the most negative of the indicators, despite having increased significantly since the previous quarter. This indicator has remained around or below -40 pp since December 2016, indicating that input costs have risen for a large proportion of businesses in each round of the survey. See [Figure 2.2](#) for a time series of recent values and the [appendix](#) for previous years.

Finance sector

In March 2020 the finance industry had three negative current indicators, two positive indicators, and three indicators within 10 pp of zero; see [Figure 3.1](#). An indicator is described as positive or negative if it has a balance of at least ± 10 pp.

Figure 3.1 – Finance sector indicators, comparing current situation (March 2020) to three months previously



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

The two positive indicators were business activity (+17 pp) and new business (+11 pp).

Input costs was the most negative indicator (-32 pp), followed by business optimism (-27 pp) and profitability (-19 pp). Other indicators were within ten percentage points of zero.

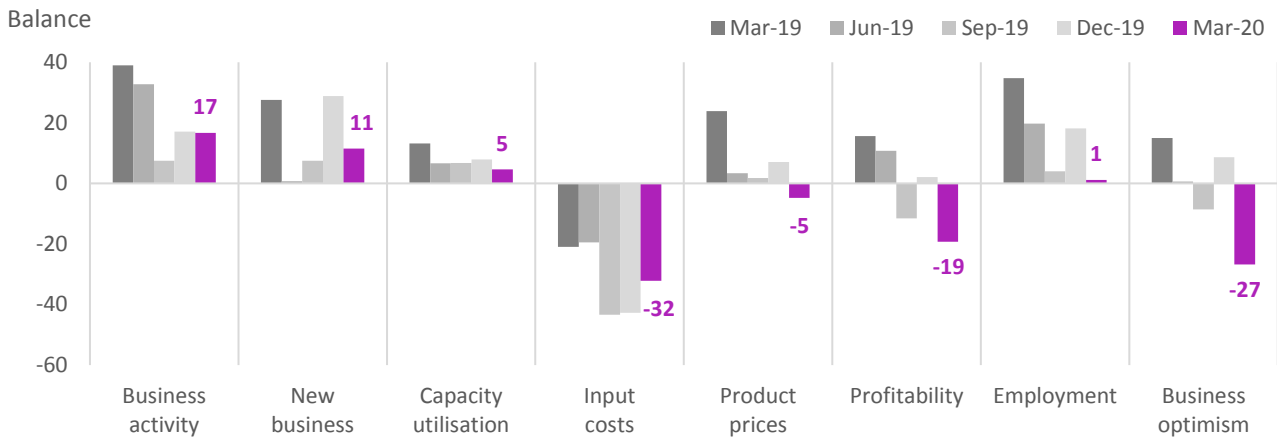
The balance of positive indicators with negative indicators (-1) is lower than the three-year mean for the period up to December 2019 for finance (4.0).

[Figure 3.2](#) illustrates that there were six changes of at least 10 pp since last quarter, five of which were decreases. The indicators that saw large decreases were: business optimism (down 36 pp), profitability (down

21 pp), new business (down 18 pp), employment (down 17 pp) and product prices (down 12 pp). The only indicator to improve was input costs, which increased 11 pp.

Figure 3.2 – Finance sector current indicators, time series

March 2019 – March 2020



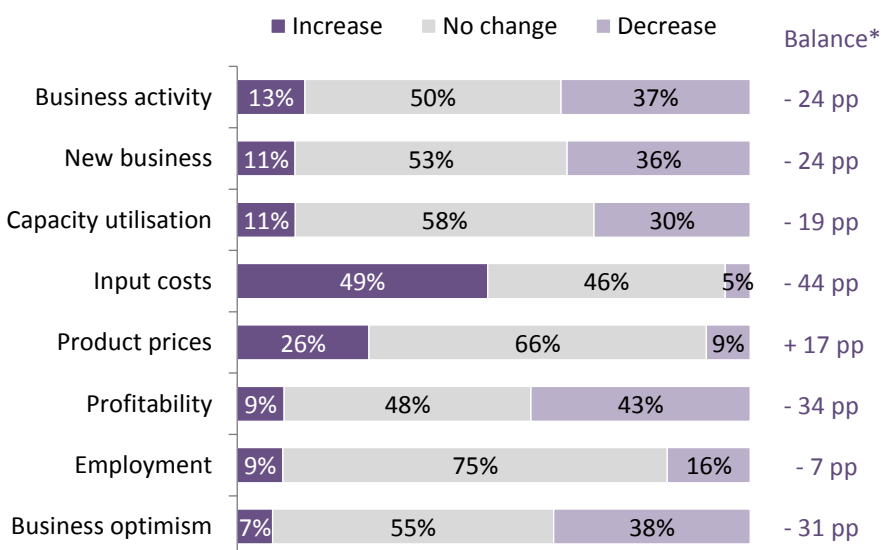
The greatest quarterly change was in the business optimism indicator, down 36 pp. This is the largest quarterly change recorded for any finance sector indicator since September 2013, when the new business indicator increased by 39 pp. The current balance of the business optimism indicator, -27 pp, is 2 pp from the lowest recorded level (-29 pp in December 2011).

Seven of the eight current indicators were at least 10 pp below their three-year averages, with input costs being the exception. Business optimism was 42 pp below its three-year average, the largest difference, followed by profitability (31 pp below), employment (18 pp below), and product prices (17 pp below). Capacity utilisation, business activity and new business were all 11 pp or 10 pp lower than their three-year means.

Non-finance sector

For the non-finance sector, six out of the eight indicators for the current situation were negative in March 2020, one (product prices) was positive, and one (employment) was within 10 pp of zero; see [Figure 4.1](#).

Figure 4.1 – Non-finance sector indicators, comparing current situation (March 2020) to three months previously



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, the balance indicates that more businesses have seen input costs increase than decrease.

The profitability and business optimism indicators were also strongly negative (-34 pp and -31 pp respectively). Business activity and new business were both -24 pp, and capacity utilisation was -19 pp.

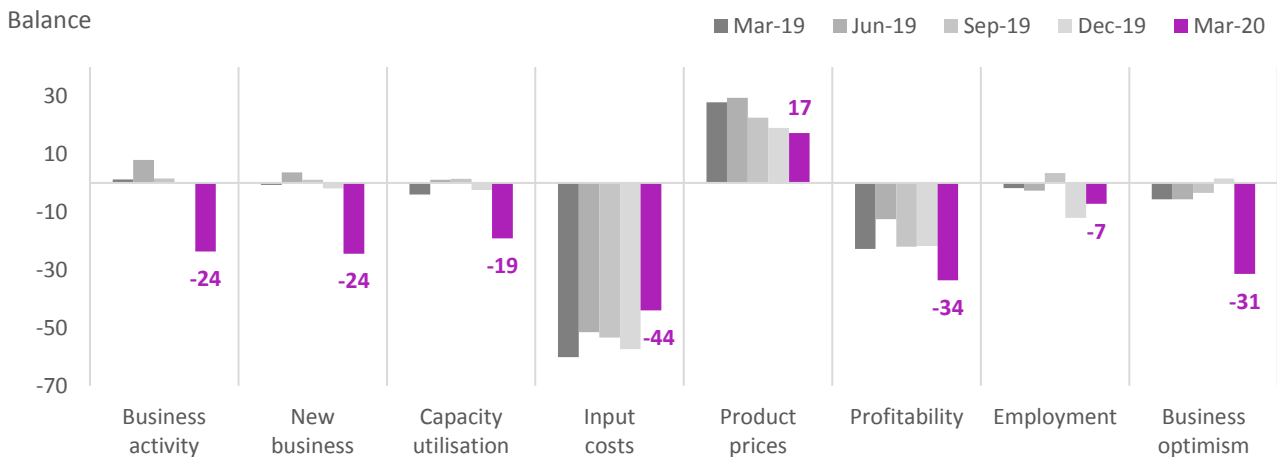
The only positive indicator was product prices, at +17 pp.

The only indicator not significantly different to zero was for employment, which was slightly negative (-7 pp). Four of the eight current indicators were at least 10 pp higher for small non-finance companies than large companies²: business activity, profitability, business optimism and new business (32 pp, 19 pp, 14 pp and 13 pp higher respectively for small companies). The differences in the other four current indicators were less than 10 pp. See the [appendix](#) for detailed breakdowns by size and sector.

For the non-finance sector overall, there were five quarterly decreases and one quarterly improvement (input costs) where the changes were at least 10 pp; see [Figure 4.2](#). Some sub-sectors were more variable than others; hotels, restaurants and bars reported changes of at least 10 pp in every indicator, seven of which were negative and one (input costs) was positive. Wholesale and retail also saw five such decreases and one such increase (input costs) on the previous quarter. Other non-finance saw similar numbers of quarterly changes of at least 10 pp, with three decreases and two increases. Construction only reported two quarterly changes of at least 10 pp, both decreases (business optimism and capacity utilisation). See the [appendix](#) for detailed breakdowns by size and sector.

Figure 4.2 – Non-finance sector current indicators, time series

March 2019 – March 2020



The greatest quarterly change was in the business optimism indicator, which decreased by 32 pp. This is the largest quarterly change reported in any current indicator for the non-finance sector, and 12 pp larger than the previous record change of 20 pp.

The next-largest quarterly change was in the business activity indicator, which decreased by 24 pp. This decrease is also larger than the previous record before March 2020. The indicator decreased strongly for the hotels, restaurants and bars sector (down 35 pp), and the wholesale and retail sector (down 26 pp). It decreased by 22 pp for the other non-finance sector, but only decreased by 5 pp for construction. See the [appendix](#) for a breakdown by sector.

There were also notable decreases in the indicators for new business (down 22 pp), capacity utilisation (down 17 pp), and profitability (down 12 pp).

² Large companies are defined as having more than 50 FTEs and small companies are defined as having 50 or fewer FTEs.

The input costs indicator saw the only notable improvement (up 13 pp). The balance for March 2020, -44 pp, is the highest since the survey restarted in December 2016. From then until December 2019, the indicator was below -50 pp. Its current balance is 18 pp higher than the three-year average.

Looking at the non-finance sub-sectors, the input costs indicator recorded a strong improvement for hotels restaurants and bars (up 25 pp, from -72 pp to -47 pp), following a slight decrease the previous quarter (down 4 pp). The indicator was 20 pp higher for the wholesale and retail sector compared to December 2019, but this comes after a large 45 pp decrease in the December 2019 round. The input costs indicator was slightly higher for construction this quarter (up 4 pp), following a 13 pp improvement the previous quarter. For other non-finance, the indicator recorded slight quarterly improvements this quarter and the previous quarter (up 8 pp and 9 pp respectively).

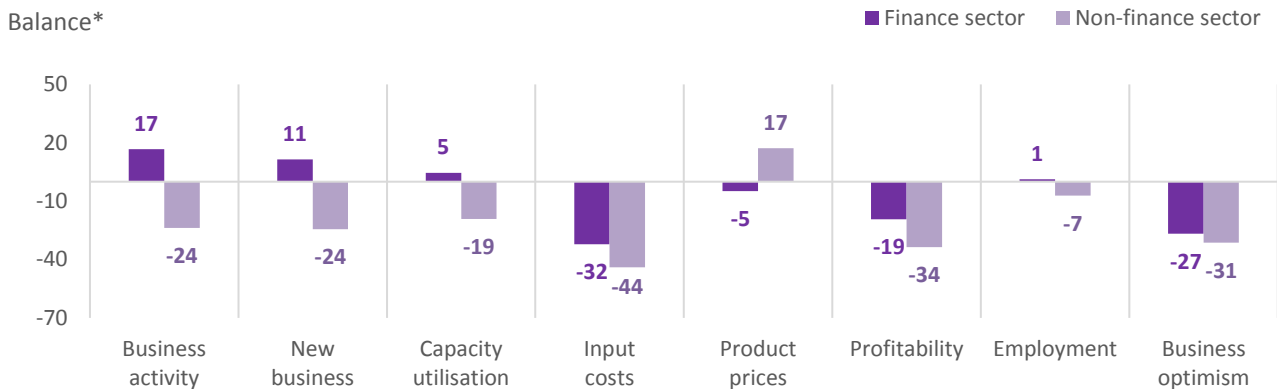
Compared to the three-year averages for the period up to December 2019, five current indicators were at least 10 pp below and one (input costs) was at least 10 pp above – the same overall indicators that saw quarterly changes of this size.

Comparison of finance and non-finance sectors

The finance sector was at least 10 pp more positive than the non-finance sector in five of the eight current indicators, and was at least 10 pp more negative in one indicator (product prices), for a net balance of +4; see [Figure 5.1](#). This is typical for these sectors – the three-year mean balance between more positive and more negative indicators (by at least 10 pp) is +4.4 for the period ending December 2019.

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

March 2020



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, the balance indicates that more businesses have seen input costs increase than decrease.

Of the five current indicators that were at least 10 pp higher for the finance sector, three of them were more than 20 pp higher: business activity (41 pp higher), new business (35 pp higher), and capacity utilisation (24 pp). The difference in the business activity indicator, 41 pp, is the largest recorded difference between any current indicator for finance and non-finance since December 2017, when the profitability indicator was 57 pp more positive for finance.

The product prices indicator was the only indicator that was at least 10 pp more positive for the non-finance sector (+17 pp) than the finance sector (-5 pp).

Business optimism and employment were the indicators where the two sectors differed by less than 10 pp.

Section 2: Future indicators

The results presented below (and throughout this report) for the two future indicators are as reported by respondents to this survey in March 2020.

Future business activity

The outlook for all-sector future business activity over the next three months (to June 2020) was negative (-23 pp). Almost two-fifths (38%) of businesses expected to see a decrease, compared to 16% that expected an increase, and the remaining 46% anticipated seeing no change; see [Figure 6.1](#).

Figure 6.1 – Future business activity

Expectations for next three months (June 2020)

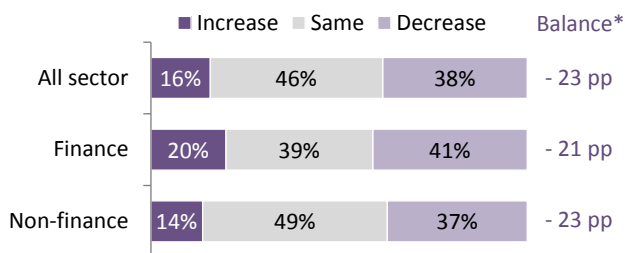
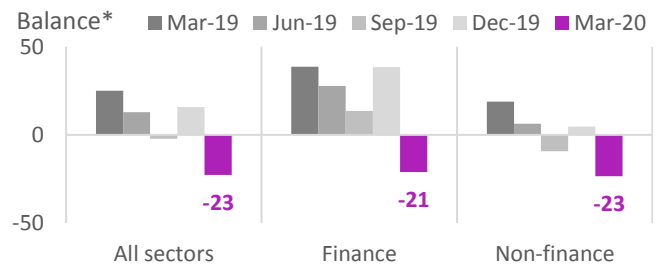


Figure 6.2 – Future business activity time series

March 2019 – March 2020 (percentage points)



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. The net balance and individual percentages are rounded independently, and therefore the percentages may not sum to the balance.

The overall future business activity indicator (-23 pp) was similar to the balances for both finance (-21 pp) and non-finance (-23 pp).

Among finance companies, 41% of them anticipated decreased activity over the next three months, whilst 20% anticipated increased activity. Both large and small finance companies had a negative balance (-22 pp and -20 pp respectively).

The future business activity indicator was strongly negative for hotels, restaurants and bars (-49 pp), negative for wholesale and retail and other non-finance (-21 pp and 20 pp respectively), and slightly positive for construction (+5 pp).

The indicator was strongly negative for large non-finance companies (-42 pp), and slightly negative for small non-finance companies (-9 pp), with a difference of 33 pp.

The overall future business activity indicator decreased strongly from the previous quarter, down 39 pp, the largest quarterly change recorded for this indicator; see [Figure 6.2](#). This decrease brought the level of the indicator to the lowest recorded, and 10 pp below the previous record of -13 pp in June 2012.

This indicator also recorded its largest quarterly changes for both the finance and non-finance sectors, a 59 pp decrease for finance and a 28 pp decrease for non-finance. This is by far the largest quarterly change observed in this indicator for finance; the previous largest change was a 27 pp increase (in December 2017). This record quarterly change drove the finance future business activity indicator to its lowest recorded level (-21 pp), 29 pp below its previous low of +8 pp. That makes this the first round where the finance sector reported a negative outlook for future business activity. For non-finance the indicator was within 3 pp of its lowest recorded value (-26 pp for December 2010).

The overall future business activity indicator (-23 pp) was 41 pp below its three-year average of +18 pp. This was driven by the finance sector, which in March 2020 was 59 pp below its three-year average of +38 pp. In contrast, the non-finance sector was 32 pp below its three-year average of +9 pp.

Within the non-finance sector, the future business activity indicator was strongly down for hotels, restaurants and bars (down 44 pp) and other non-finance (down 30 pp), notably down for wholesale and retail (down 20 pp), and essentially unchanged for construction (down 1 pp). See the [appendix](#) for a breakdown of the non-finance sector.

Future employment

The outlook for all-sector future employment was neutral (+2 pp). An increase was expected by 16% of companies, and a similar proportion (14%) expected a decrease; see [Figure 7.1](#). In comparison, 23% of finance companies expected to increase their employment compared to 7% that expected a decrease, resulting in a positive balance of +16 pp. The non-finance sector was slightly negative (-5 pp).

Figure 7.1 – Future employment

Expectations for next three months (June 2020)

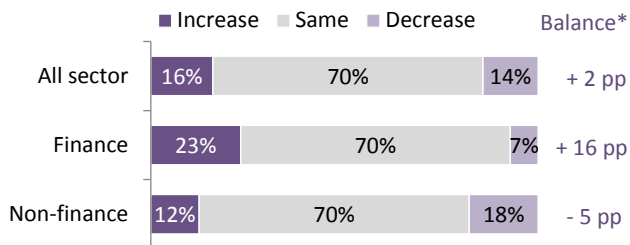
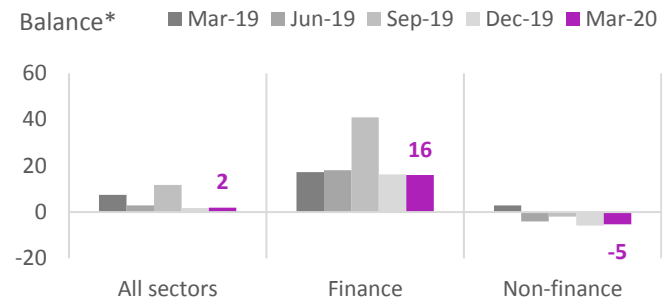


Figure 7.2 – Future employment time series

March 2019 – March 2020 (percentage points)



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. The net balance and individual percentages are rounded independently, and therefore the percentages may not sum to the balance.

The overall indicator was unchanged from the previous quarter, when it was also +2 pp. The indicator was also unchanged for the finance sector, and was essentially unchanged for the non-finance sector (up 1 pp), see [Figure 7.2](#).

The overall indicator (+2 pp) was 8 pp below its three-year average of +10 pp, as it was for non-finance. The finance indicator was 11 pp below its three-year average of +27 pp.

Within the non-finance sector, the future employment indicator was strongly negative for hotels, restaurants and bars (-35 pp), positive for construction (+13 pp), and neutral for wholesale and retail and other non-finance (-2 pp and +1 pp respectively).

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

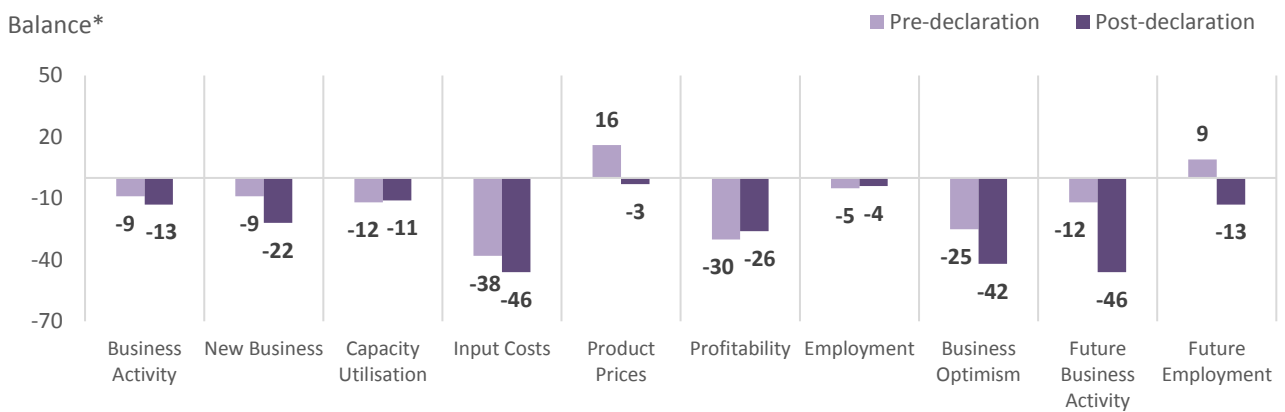
Annex – COVID-19

While the March 2020 Business Tendency Survey was being run, the [World Health Organisation \(WHO\) declared COVID-19 to be a pandemic on March 11](#). We have taken this as a demarcation point, and in this section we compare results received before this date with those received on or after this date. These results should be treated with caution, as responses from businesses that respond later may differ from earlier respondents for reasons other than those relating to COVID-19.

The eight current indicators and two future indicators are compared for these two groups in [Figure 8.1](#).

The biggest differences were observed in the future indicators for the three months to June 2020. For surveys returned before the cut-off date, the future business activity indicator was -12 pp, compared to -46 pp for those received after – a difference of 34 pp. There were also large differences in the indicators for future employment, product prices, business optimism, and new business, all of which were lower for respondents that returned later (lower by 22 pp, 19 pp, 17 pp and 13 pp respectively). The differences in the other indicators were less than 10 pp.

Figure 8.1 – Returns before and after the WHO declared COVID-19 a pandemic (March 2020, net balances, percentage points)



* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, the balance indicates that more businesses have seen input costs increase than decrease.

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 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).

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 usually ranges from ± 4 to ± 6 pp, but was ± 7 pp this round due to a lower response rate.
- 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 500 firms were sent a survey questionnaire for this survey; 197 completed questionnaires were returned, constituting an overall response rate of 39%. The respondents accounted for 29% of total private sector employment in the Island.
- 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.

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

Statistics Jersey

17 April 2020

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 that 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

March 2020 – Net balances of indicators (percentage points) and percentage of responders reporting ‘no change’ All sectors, finance, non-finance, construction, wholesale and retail, and other non-finance

Indicator	All sectors		Finance		Non-finance		Construction		Hotels, restaurants 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	-11	53	17	59	-24	50	-13	72	-42	31	-29	25	-17	62
New Business	-13	57	11	66	-24	53	-13	72	-45	31	-29	28	-17	66
Capacity Utilisation	-11	61	5	66	-19	58	-7	71	-44	32	-24	76	-11	58
Input costs	-40	53	-32	68	-44	46	-52	48	-47	35	-48	47	-40	49
Product prices	10	67	-5	68	17	66	15	80	8	47	22	75	20	66
Profitability	-29	44	-19	37	-34	48	-33	67	-62	15	-48	42	-18	59
Employment	-4	69	1	57	-7	75	4	79	-25	64	-4	76	-5	77
Business optimism	-30	56	-27	59	-31	55	-2	69	-78	20	-21	61	-25	62
Future business activity	-23	46	-21	39	-23	49	5	63	-49	13	-21	46	-20	61
Future employment	2	70	16	70	-5	70	13	80	-35	63	-2	65	1	72

March 2020 – 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	-13	54	-8	52	17	64	17	45	-41	45	-9	56
New Business	-13	62	-13	52	9	76	19	33	-33	49	-20	54
Capacity Utilisation	-12	64	-11	57	3	71	10	50	-25	57	-18	62
Input costs	-36	62	-44	44	-27	73	-48	52	-45	52	-41	45
Product prices	2	61	18	72	-13	65	21	79	16	58	19	70
Profitability	-36	38	-22	51	-27	34	7	43	-43	41	-24	56
Employment	-2	67	-7	71	-2	58	12	51	-1	74	-10	75
Business optimism	-35	58	-24	54	-33	54	-9	73	-38	62	-24	52
Future business activity	-32	43	-13	49	-22	37	-20	44	-42	48	-9	54
Future employment	5	69	-1	70	15	66	19	81	-5	72	-8	71

* 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	2015				2016*		2017				2018				2019				2020
	March	June	Sept	March	March	Dec	March	Sept	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	26	20	5	13	7	20	18	3	7	12	16	25	21	11	13	16	3	6	-11
New Business	26	24	12	8	14	14	14	3	12	21	19	16	18	3	8	3	3	9	-13
Capacity Utilisation	11	7	9	1	2	9	9	3	4	9	6	11	8	7	1	3	3	1	-11
Input costs	-40	-31	-19	-48	-23	-45	-55	-50	-39	-42	-50	-54	-53	-44	-48	-42	-50	-52	-40
Product prices	9	10	4	27	7	14	16	16	21	14	26	29	22	14	27	21	16	15	10
Profitability	-1	2	-8	-11	-9	-11	-16	-19	-8	-7	-9	1	-2	-14	-11	-5	-19	-14	-29
Employment	9	-4	7	10	8	3	2	4	6	13	9	14	10	4	10	4	4	-2	-4
Business optimism	18	15	5	1	9	4	7	-5	8	18	11	10	7	1	1	-4	-5	4	-30
Future business activity	32	27	25	25	22	14	26	-2	10	27	20	25	21	11	25	13	-2	16	-23
Future employment	13	12	10	7	11	0	7	12	11	22	12	16	17	3	7	3	12	2	2

*Data is not available for June and September 2016

Finance

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	March	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	38	31	0	39	33	41	34	35	12	28	36	31	28	28	39	33	7	17	17
New Business	34	39	15	28	41	31	18	16	18	38	33	17	23	20	28	1	7	29	11
Capacity Utilisation	23	16	23	13	19	28	30	25	4	27	28	20	8	21	13	7	7	8	5
Input costs	-27	-26	-13	-21	-22	-18	-34	-23	-11	-23	-25	-30	-27	-22	-21	-19	-43	-43	-32
Product prices	9	12	0	24	14	3	16	13	7	21	18	16	7	7	24	3	2	7	-5
Profitability	26	17	-3	16	7	12	-7	15	23	31	18	17	20	7	16	11	-12	2	-19
Employment	17	-4	8	35	19	-5	12	6	18	29	33	28	11	11	35	20	4	18	1
Business optimism	21	18	4	15	11	13	19	12	22	33	24	20	16	17	15	1	-9	9	-27
Future business activity	32	29	36	39	22	49	38	45	25	51	39	54	49	34	39	28	14	38	-21
Future employment	9	24	11	17	6	-2	11	28	29	57	37	39	24	12	17	18	41	16	16

*Data is not available for June and September 2016

Non-finance

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	21	14	9	10	-4	12	12	21	5	4	6	23	18	4	1	8	2	0	-24
New Business	22	15	10	10	1	7	13	26	9	11	12	16	15	-5	-1	4	1	-2	-24
Capacity Utilisation	6	3	2	-3	-5	2	3	2	4	0	-3	8	8	1	-4	1	1	-2	-19
Input costs	-46	-33	-22	-30	-23	-55	-62	-66	-54	-51	-62	-64	-65	-53	-60	-51	-53	-57	-44
Product prices	9	10	6	1	4	18	16	30	28	11	29	35	29	17	28	29	22	19	17
Profitability	-13	-5	-10	-9	-16	-21	-19	-9	-24	-26	-22	-5	-12	-23	-23	-13	-22	-22	-34
Employment	6	-4	7	3	3	6	-1	-1	0	5	-2	8	10	2	-2	-3	3	-12	-7
Business optimism	17	14	5	6	8	1	3	15	0	10	5	6	3	-6	-6	-6	-3	1	-31
Future business activity	32	26	19	8	23	0	22	18	1	14	12	14	9	1	19	6	-9	5	-23
Future employment	15	6	9	8	13	0	5	9	1	5	1	7	14	-1	3	-4	-2	-6	-5

*Data is not available for June and September 2016

Construction

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	30	8	8	-5	2	25	16	10	7	16	20	21	11	3	-8	-10	3	-8	-13
New Business	17	4	12	10	2	14	17	16	6	20	9	18	4	-10	-6	19	9	-7	-13
Capacity Utilisation	13	11	-4	-5	-10	8	3	12	-2	18	-5	-2	13	-7	21	7	3	4	-7
Input costs	-46	-37	-27	-24	-28	-57	-64	-73	-51	-62	-78	-76	-75	-44	-54	-77	-69	-56	-52
Product prices	17	2	40	-4	-1	13	24	24	16	17	31	34	33	12	3	38	25	14	15
Profitability	-31	-14	-19	-6	-29	-6	-15	-12	-29	-22	-24	8	-6	-17	-25	-25	-37	-27	-33
Employment	16	-4	30	17	-5	-4	1	-1	1	25	4	18	28	6	-2	-10	8	-5	4
Business optimism	34	17	36	31	11	20	18	34	27	26	21	32	21	5	-11	9	34	13	-2
Future business activity	37	23	53	22	3	21	13	16	13	32	17	17	19	8	-1	-1	12	6	5
Future employment	36	21	36	6	-10	4	11	14	-14	16	-17	2	19	9	-2	3	16	9	13

*Data is not available for June and September 2016

Hotels, restaurants and bars

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	23	31	19	11	20	5	16	2	-23	-20	-7	13	28	-16	-27	-23	-4	-7	-42
New Business	39	42	36	22	7	-7	6	-2	-18	14	2	13	28	-27	-20	-27	-10	-18	-45
Capacity Utilisation	-7	15	28	-2	4	-5	-3	-5	-10	-16	-10	-3	17	-25	-24	-28	-5	-12	-44
Input costs	-65	-81	-38	-44	-51	-70	-80	-88	-69	-55	-91	-70	-70	-70	-83	-75	-68	-72	-47
Product prices	41	29	22	29	20	47	33	58	52	15	47	36	52	23	58	38	35	47	8
Profitability	3	15	0	-2	5	-9	-23	-25	-55	-30	-35	-30	-12	-46	-39	-15	-31	-39	-62
Employment	-17	-2	11	-23	3	11	2	-8	-18	-5	-14	15	1	-15	-19	-12	-13	-14	-25
Business optimism	20	33	13	-1	7	-13	8	-3	-24	-7	-14	-15	-11	-35	-8	-12	-16	-10	-78
Future business activity	37	30	2	5	19	-17	22	8	-39	-22	17	17	-11	-37	25	5	-41	-5	-49
Future employment	15	13	-3	4	6	-10	12	-6	-16	-18	29	6	-3	-26	22	-15	-36	-10	-35

*Data is not available for June and September 2016

Wholesale and retail

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	12	11	-1	10	-11	9	-4	40	11	4	-19	41	1	2	14	16	9	-3	-29
New Business	17	13	6	4	-6	8	-6	48	15	1	-14	33	6	-9	7	3	3	-1	-29
Capacity Utilisation	18	1	-5	-10	-10	3	-11	0	7	-9	-13	15	-21	3	-15	10	26	0	-24
Input costs	-49	-29	-13	-28	-8	-57	-56	-71	-57	-53	-47	-73	-67	-66	-65	-51	-23	-68	-48
Product prices	-12	10	-7	-10	-8	12	23	45	51	20	32	36	22	27	22	29	8	29	22
Profitability	-34	0	-10	-4	-16	-26	-20	12	-20	-46	-24	3	-30	-36	-13	-23	-12	-31	-48
Employment	5	-13	3	19	-5	17	-9	3	7	-5	-12	-2	-8	1	-1	-7	5	5	-4
Business optimism	23	15	7	-1	2	-8	-27	26	3	4	1	-2	-20	-27	-15	-16	6	-5	-21
Future business activity	31	28	30	9	21	-1	18	28	11	19	17	16	-3	5	25	6	6	-1	-21
Future employment	-6	-6	14	19	16	1	-3	16	24	-10	-14	5	14	-7	-3	3	14	-2	-2

*Data is not available for June and September 2016

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

Indicator	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	22	12	14	15	-11	12	20	26	11	8	18	19	24	13	8	19	0	5	-17
New Business	20	12	3	11	3	10	25	23	17	13	28	8	18	7	4	10	2	4	-17
Capacity Utilisation	2	-2	1	1	-4	2	13	12	11	5	5	11	18	12	0	5	-8	-2	-11
Input costs	-36	-19	-25	-28	-21	-48	-61	-39	-48	-46	-54	-51	-59	-45	-52	-37	-57	-48	-40
Product prices	5	6	2	0	9	13	4	14	10	3	22	34	22	13	28	24	23	7	20
Profitability	-2	-11	-12	-16	-21	-26	-18	-2	-13	-15	-16	-3	-4	-12	-21	-3	-19	-11	-18
Employment	11	1	2	-3	12	-1	2	2	3	8	6	7	17	6	4	4	8	-20	-5
Business optimism	7	6	-9	6	13	6	16	10	-2	14	7	10	16	9	1	-3	-13	5	-25
Future business activity	29	26	4	2	31	0	29	29	7	17	6	10	21	10	20	9	-10	10	-20
Future employment	18	7	1	3	21	2	7	15	3	16	6	10	19	7	2	-6	0	-9	1

*Data is not available for June and September 2016

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	2015				2016*		2017				2018				2019				2020
	March	June	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar
Business Activity	23	16	16	14	-2	10	19	23	1	1	12	16	25	5	-1	9	-1	2	-24
New Business	25	19	12	14	4	5	21	19	7	13	22	9	21	-2	-2	1	-1	-1	-25
Capacity Utilisation	-1	2	8	1	-2	0	10	9	5	0	1	7	17	2	-6	-3	-7	-4	-23
Input costs	-44	-34	-28	-32	-30	-54	-65	-47	-54	-48	-63	-57	-62	-52	-60	-46	-60	-54	-43
Product prices	16	11	8	8	12	23	10	20	22	6	28	35	30	16	36	27	27	17	17
Profitability	-1	-5	-9	-12	-13	-21	-19	-5	-25	-19	-21	-12	-7	-21	-26	-6	-22	-18	-29
Employment	3	0	4	-8	9	2	2	0	-3	5	1	10	13	1	-2	0	2	-19	-10
Business optimism	10	12	-3	4	11	0	14	8	-8	9	2	2	8	-3	-1	-5	-14	1	-40
Future business activity	31	27	3	3	28	-5	27	26	-6	8	8	12	12	-2	22	8	-19	6	-29
Future employment	17	8	0	3	16	-1	8	12	-3	8	11	9	13	-2	6	-8	-10	-9	-9

*Data is not available for June and September 2016

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