

## 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](#).

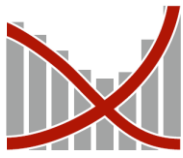
For each indicator a net balance is calculated, defined as the difference between the proportion of businesses reporting an increase in a particular measure and the proportion reporting a decrease. Note that figures in this report are rounded independently; therefore, an indicator's balance may differ 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

In response to the COVID-19 pandemic and associated economic consequences, additional questions have been included since the June 2020 round of the survey in order to measure some of these consequences. These questions are analysed in the [annex](#) at the end of the report. The [glossary](#) includes definitions for some of the new concepts covered in the COVID-19 annex.



## Summary for the Business Tendency Survey in September 2020

### Business activity indicator

- the headline **all-sector business activity** indicator was **slightly negative**, at -8 percentage points (pp); this means the proportion of businesses reporting an increase was 8 pp lower than those reporting a decrease
  - the business activity indicator was neutral for the finance sector (-1 pp) and was negative for the non-finance sector (-11 pp)
  - the business activity indicator increased significantly over the three months since June, overall and for both finance and non-finance; the increases overall and for non-finance were the largest recorded to date

### Current indicators

- **six** of the **eight current indicators** were **significantly negative**, and none were significantly positive
  - for the finance sector, there were four negative indicators, and four indicators within 10 pp of zero
  - for the non-finance sector, seven of the eight current indicators were negative, and one was within 10 pp of zero
- the **overall** picture was **significantly more positive** than last quarter; six current indicators increased significantly and one (input costs) declined significantly
  - the finance sector was more positive than in June 2020 in four current indicators, more negative in one (product prices), and three indicators changed by less than 10 pp
  - the non-finance sector was more positive than last quarter in six current indicators, more negative in one indicator (input costs), and one indicator changed by less than 10 pp

### Current situation: COVID-19

- the **turnover** indicator was **negative** at **-11 pp**
- the **actively working** indicator was **negative** at **-16 pp**
- the most commonly cited workforce measure taken in response to COVID-19 was to enrol in the government Co-Funded Payroll Scheme (36%)

### Next quarter – the three months to December 2020

- the outlook for future business activity was within 10 pp of zero (-4 pp) overall, while the indicator was positive for finance (+13 pp) and negative for non-finance (-11 pp)
  - the overall future business activity indicator was more positive than 3 months ago, up 10 pp
  - the future business activity indicator for finance increased strongly since June, up 45 pp
  - the future business activity indicator did not change significantly for non-finance, down 5 pp
- the overall future employment outlook was within 10 pp of zero (-3 pp), while it was positive (+13 pp) for finance and negative for non-finance (-10 pp)
  - the quarterly changes in this indicator overall and for both finance and non-finance were all less than 10 pp

## Section 1: Current situation

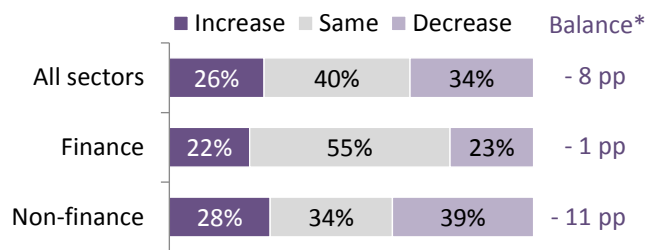
### Business activity

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 September 2020, the all-sector business activity indicator was slightly negative, with a value of -8 percentage points (pp). An increase in business activity was reported by 26% of businesses, compared with 34% that reported a decline; the difference in the unrounded figures results in a net balance of -8 pp, which provides the value of the indicator. The remaining 40% of companies reported that business activity was unchanged; see [Figure 1.1](#).

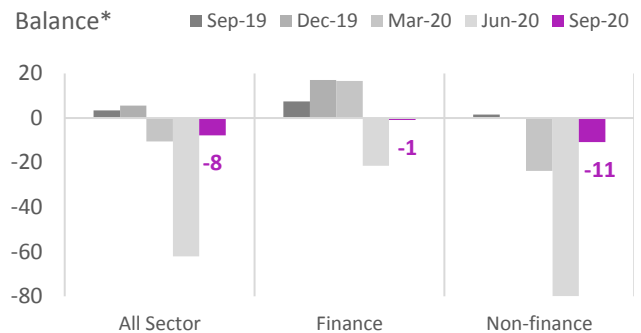
**Figure 1.1 – Business activity, September 2020**

Compared with situation three months previously



**Figure 1.2 – Business activity, time series**

September 2019 – September 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 neutral for the finance sector (-1 pp) and negative for the non-finance sector (-11 pp). The overall business activity indicator increased extremely significantly since the previous quarter, up 54 pp – the largest change recorded for this indicator; see [Figure 1.2](#). The quarterly increase in September offset the previous record quarterly decrease of 51 pp in June. However the balance remained below zero, which prior to 2020 was last recorded in June 2013 (also -8 pp). As noted before, this indicates a larger proportion of businesses experienced a decrease in business activity than experienced an increase. Similarly, since record lows in June there was an extreme increase of 69 pp for non-finance and an increase of 20 pp for finance, with the non-finance increase being the largest recorded for that sector.

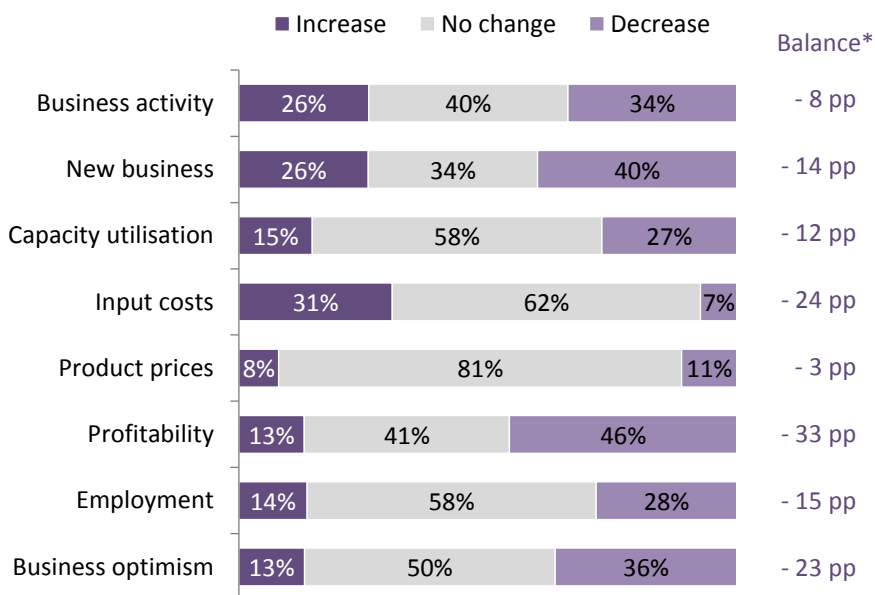
Within the non-finance sector, the business activity indicator was strongly negative (-44 pp) in the hotels, restaurants and bars sector, positive (+21 pp) for wholesale and retail, neutral (-3 pp) for construction, and negative (-14 pp) for other non-finance sectors. See the [appendix](#) for further sectoral breakdown. This indicator was at record lows for all non-finance sub-sectors in June, and indicator increased significantly for these sub-sectors in September. There were extremely large quarterly increases in wholesale and retail (up 100 pp), construction (up 89 pp) and hotels, restaurants and bars (up 56 pp), and a strong increase in other non-finance (up 35 pp). As noted above, wholesale and retail was the only sector with a positive balance for this indicator, although the size of this balance (+21 pp) is much smaller than the extreme balance it had in June (-79 pp).

## Current indicators

In September 2020, six out of the eight all-sector indicators relating to the current situation were significantly negative, the other two were within 10 pp of zero; see [Figure 2.1](#). A positive balance indicates that a greater proportion of companies reported increases than decreases, and conversely for a negative balance, while an indicator is significant if it has a balance of at least  $\pm 10$  pp. For profitability and new business the most common response was negative, while ‘no change’ was the most common response for the other six indicators.

The profitability indicator had a strongly negative (-33 pp) balance, the lowest of the current indicators. There were five indicators with negative balances, and two with balances within 10 pp of zero (business activity and produce prices).

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



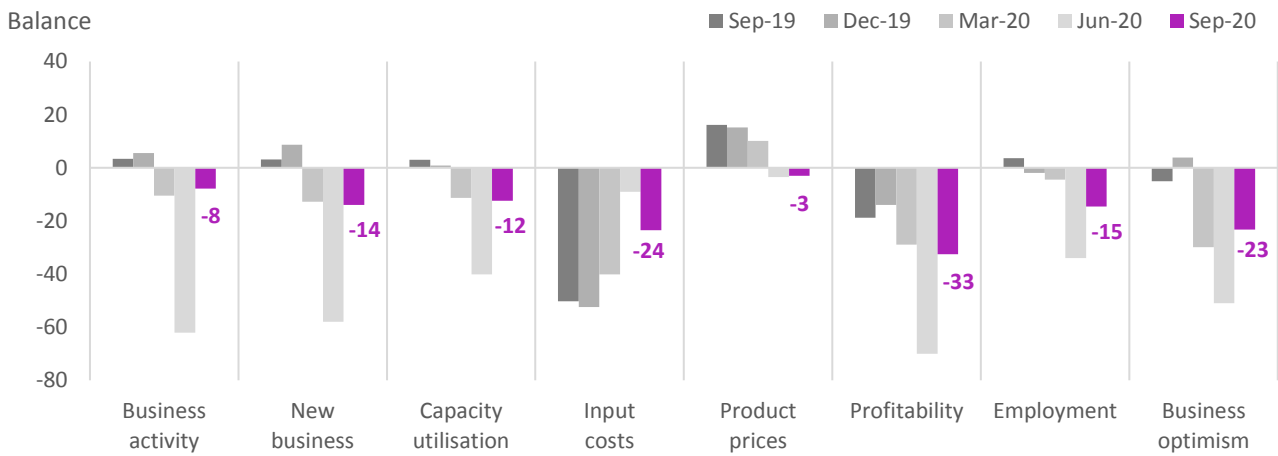
\* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

The balance of significantly positive indicators with significantly negative indicators (-6) was the same balance as in June 2020, and lower than the three-year mean for the period to June 2020 (0.4). However, looking at the balance of extreme indicators (at least +50 pp or -50 pp), the recorded balance was 0 in September compared to -4 in June. Prior to June 2020, the balance of extreme indicators has always been either 0 or -1.

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

**Figure 2.2 – All-sector current indicators, time series**

September 2019 – September 2020



In the previous quarter, June 2020, six of the eight current indicators were at record lows. All six of those indicators increased significantly in September, five of them by more than 25 pp. Similarly the input costs indicator was at its highest recorded level in June, and decreased significantly (down 15 pp) in September.

Five of the eight current indicators were within 10 pp of their respective balances in March 2020, in contrast to June 2020 when each indicator was more than 10 pp different from March, four by at least 30 pp.

After the extreme quarterly increase in business activity (up 54 pp), the largest quarterly changes between June and September 2020 were the strong increases in the indicators for new business (up 44 pp), profitability (up 37 pp), and business optimism and capacity utilisation (both up 28 pp). The employment indicator increased significantly (up 19 pp), the input costs indicator decreased (down 15 pp), and the product prices indicator was unchanged.

Every current indicator was significantly different to its three-year average; seven of the eight current indicators were more than 10 pp below their three-year average, with inputs costs being the exception at 20 pp higher than its three-year average. While this the same number of indicators were more than 10 pp lower than their averages in June, the differences in September were smaller. The six largest differences were between 15 and 25 pp from their previous three year means: business optimism and product prices (both down 21 pp), input costs (up 20 pp), employment (down 18 pp), new business and profitability (both down 17 pp). In contrast, in June five indicators were more than 50 pp below their three-year means, with the largest difference being 84 pp in business activity.

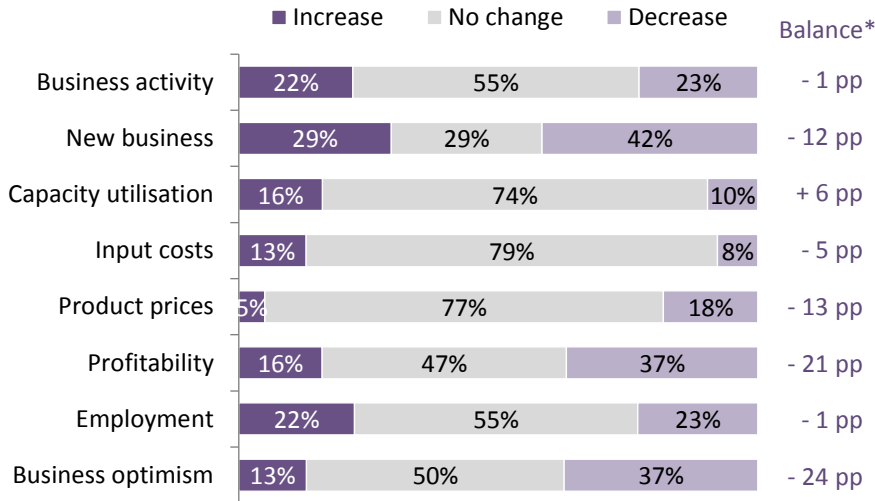
## Finance sector

In September 2020 the finance industry had four negative current indicators and four 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  $\pm 10$  pp.

The negative indicators were business optimism (-24 pp), profitability (-21 pp), product prices (-13 pp), and new business (-12 pp). The four other current indicators were within ten percentage points of zero.

The balance of positive indicators with negative indicators (-4) was lower than the three-year mean for the period up to June 2020 for finance (+2.8).

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

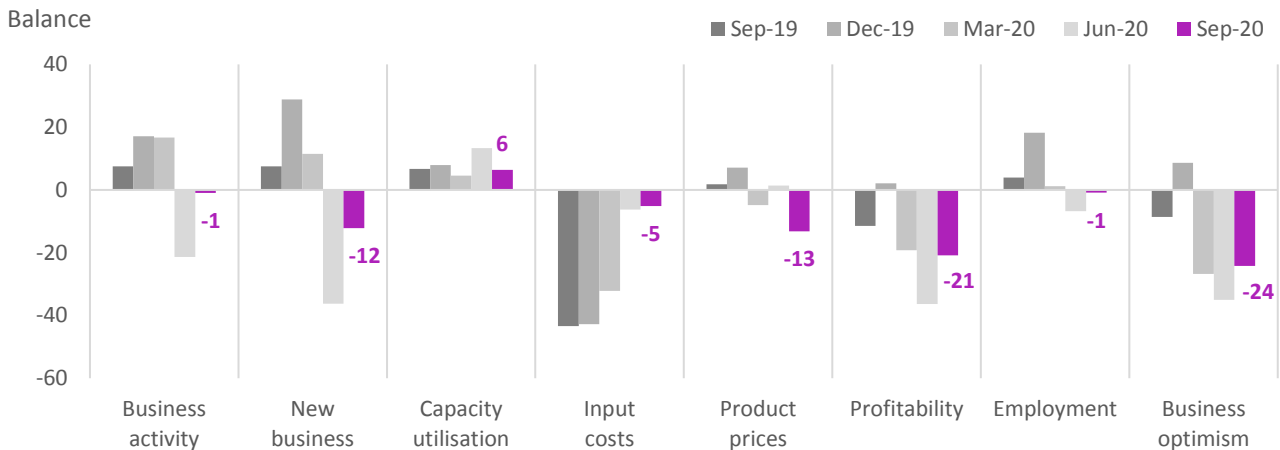


\* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

Figure 3.2 illustrates that there were five changes of at least 10 pp since last quarter, four of which were increases and the other was a decrease. The indicators that saw notable quarterly increases were: new business (up 24 pp), business activity (up 20 pp), profitability (up 15 pp), and business optimism (up 11 pp). These are the same four indicators that in June 2020 were at record lows.

**Figure 3.2 – Finance sector current indicators, time series**

September 2019 – September 2020



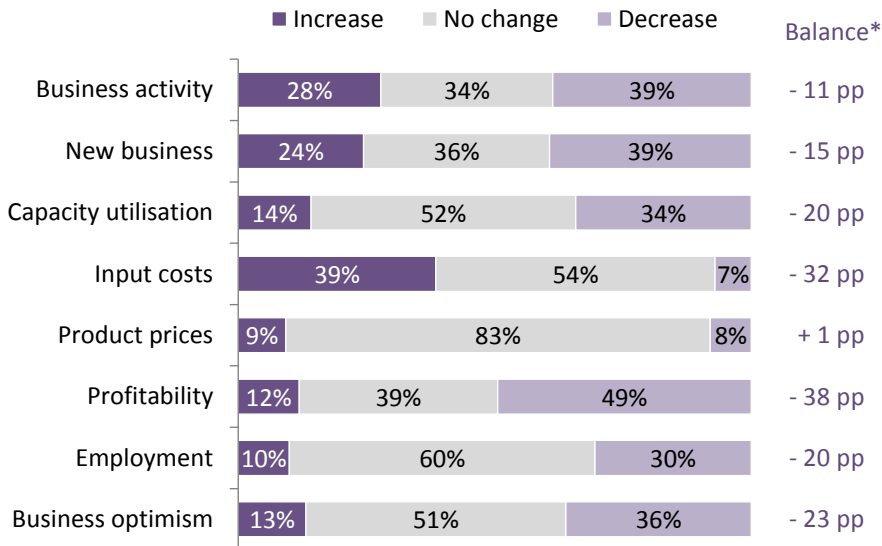
The only indicator to decrease notably was product prices, which decreased by 14 pp. Following its quarterly decrease, the balance of the product prices indicator was the second-lowest recorded, the lowest balance being -15 pp in March 2010. The input costs indicator was essentially unchanged since June (up 1 pp), and was at the highest balance recorded since December 2014, when it was -2 pp.

Six of the eight current indicators were at least 10 pp below their three-year means, three of them by more than 25 pp: business optimism (31 pp below), new business (28 pp below), profitability (27 pp below), business activity and product prices (both 22 pp below), and employment (18 pp below). Input costs was the only indicator significantly above its three-year mean (20 pp above), while capacity utilisation was not significantly different from its three-year average.

## Non-finance sector

For the non-finance sector, seven out of the eight indicators for the current situation were negative in September 2020, with the exception being product prices, which was within 10 pp of zero; see [Figure 4.1](#).

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



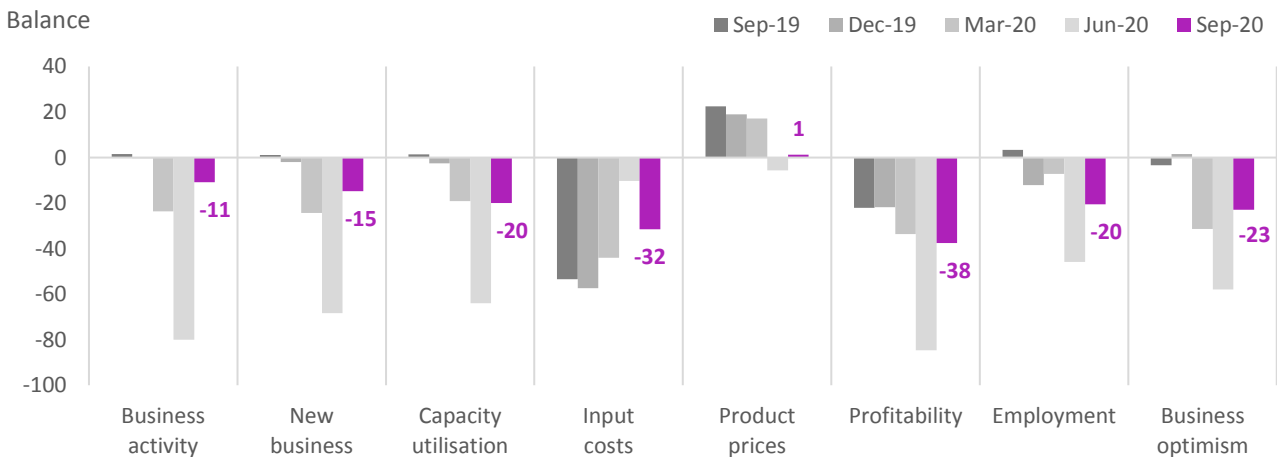
\* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, the balance indicates that more businesses have seen input costs increase than decrease.

Two of the eight current indicators were strongly negative, with balances of at least -25 pp: profitability (-38 pp) and input costs (-32 pp). The five indicators with balances between -24 pp and -10 pp, the most negative of which were business optimism, employment and capacity utilisation (-23 pp, -20 pp and -20 pp).

Among the sub-sectors, hotels, restaurants and bars was extremely negative (at least -50 pp) in four indicators, while no other sub-sectors were extremely negative in any indicators. Hotels, restaurants and bars were negative in all eight current indicators, both construction and other non-finance in six, and wholesale and retail in three indicators.

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

September 2019 – September 2020



For the non-finance sector overall, six of the eight current indicators increased significantly since the previous quarter, the input costs indicator decreased significantly, and product prices changed by less than 10 pp; see [Figure 4.2](#). Similar results were reported in every sub-sector, with six or seven indicators increasing by at least

10 pp in each. Looking at the non-finance sector overall, there were extreme quarterly increases in business activity (up 69 pp) and new business (up 53 pp), and strong quarterly increases in profitability (up 47 pp), capacity utilisation (up 44 pp), business optimism up (35 pp), and employment (up 26 pp). The inputs costs indicator saw a quarterly decrease of 22 pp. Four of these changes are higher than the previous record increases. The large quarterly changes reported in September were in the same indicators that reported record quarterly decreases in June, which brought the balance of many of these indicators into similar ranges to those they occupied before 2020. See the [appendix](#) for detailed breakdowns by size and sector.

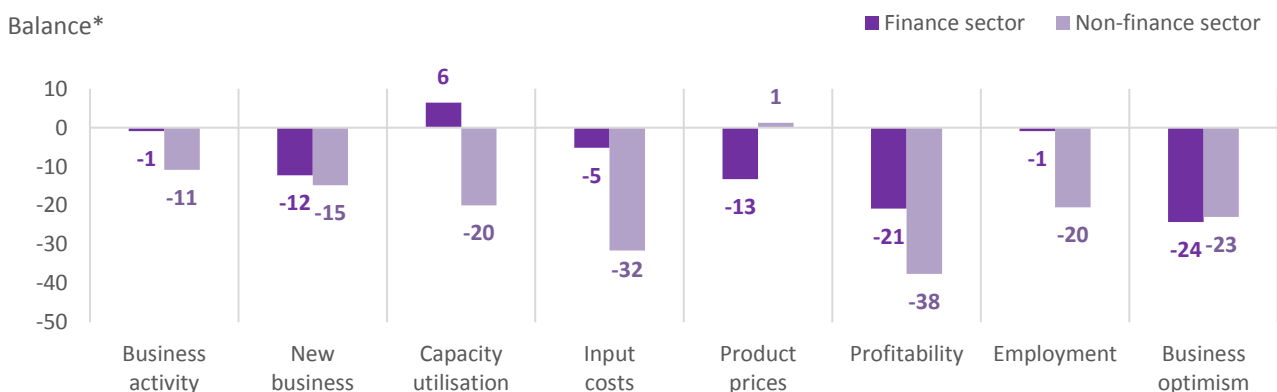
Despite large quarterly increases, six of the eight current indicators were at least 10 pp lower than their three-year averages: product prices was 21 pp below its three-year mean, employment and business optimism both 16 pp below, capacity utilisation 14 pp below, and profitability and new business both 12 pp below. The input costs indicator was the only one to have a balance above its three-year average (20 pp above), and business activity was the only indicator within 10 pp of its three-year mean. Hotels, restaurants and bars also reported seven current indicators at least 10 pp below average, with the input costs indicator being the exception and above average. Other non-finance had six below average and one above, while construction was less negative, with four indicators below their three-year averages and four within 10 pp. In contrast wholesale and retail reported five indicators above their three-year averages, three of them by more than 20 pp, and only two indicators at least 10 pp below average.

### 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, 14 pp more negative in product prices, and within 10 pp for the other two indicators, for a net balance of +4; see [Figure 5.1](#). This is a typical net balance – the previous three-year mean was +4.6 – and the size of the differences is much smaller than reported in June 2020. In September 2020 the indicators that were at least 10 pp higher for finance were input costs (27 pp higher), capacity utilisation (26 pp), employment (19 pp), profitability (17 pp), and business activity (10 pp), while in June the largest differences were 77 pp, 59 pp, 49 pp, 39 pp and 32 pp (in capacity utilisation, business activity, profitability, employment and new business respectively). The net balance and the size of the individual differences were similar to those observed in most quarters of 2019.

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

September 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.



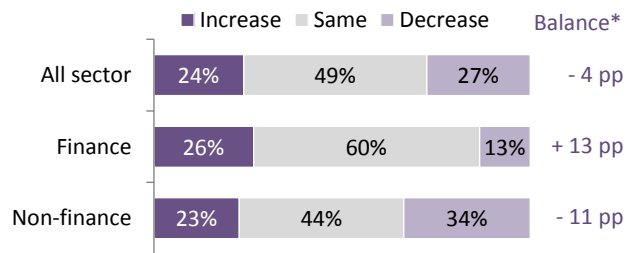
## Section 2: Future indicators

### Future business activity

The outlook for all-sector future business activity over the next three months (to December 2020) was within 10 pp of zero (-4 pp). Increases and decreases in business activity were both expected by approximately one quarter of businesses (24% and 27%), while half (49%) expected no change; see [Figure 6.1](#).

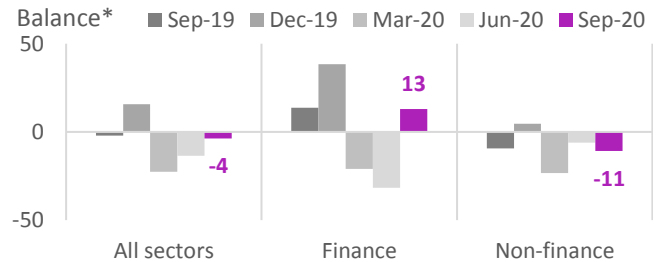
**Figure 6.1 – Future business activity**

Expectations for next three months (December 2020)



**Figure 6.2 – Future business activity time series**

September 2019 – September 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 finance sector was positive (+13 pp), while non-finance was negative (-11 pp), which resulted in the relatively neutral balance overall.

Approximately one quarter of both the finance and non-finance sectors predicted an increase in activity (26% and 23% respectively), but a larger proportion of non-finance companies (34%) predicted a decrease compared to finance companies (13%).

The future business activity indicator was extremely negative for hotels, restaurants and bars (-71 pp), and was within 10 pp of zero for all other non-finance sub-sectors.

The overall future business activity indicator increased 10 pp, from -14 pp in June to -4 pp in September; see [Figure 6.2](#). Despite increasing by 19 pp since the record low in March 2020, the balance of this indicator in September was still 15 pp below the three-year mean of +11 pp.

The future business activity indicator for the finance sector saw a strong quarterly increase of 45 pp since June, increasing from -32 pp to +13 pp. Prior to 2020 finance had never reported a negative balance for this indicator, and the September value brought the balance above the pre-2020 low of +8 pp. Nonetheless the future business activity indicator was still 13 pp below its three-year mean. The non-finance sector balance was a similar 15 pp below its three-year mean, but was not notably changed since June (down 5 pp).

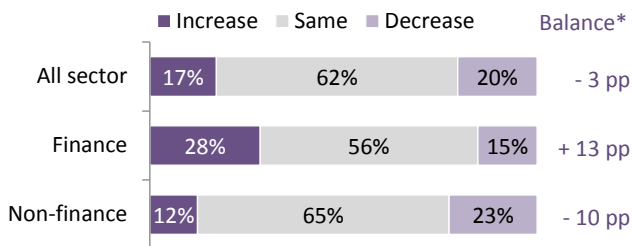
Within the non-finance sector, the future business activity indicator was below the three-year average for hotels, restaurants and bars to an extreme degree (54 pp below). The wholesale and retail sector was 14 pp below its three-year mean, while construction and other non-finance were within 10 pp of their respective three-year averages. See the [appendix](#) for a breakdown of the non-finance sector.

## Future employment

The outlook for all-sector future employment was within 10 pp of zero (-3 pp), similar to the future business activity indicator. An increase in employment was expected by 17% of companies, and 21% expected a decrease; see [Figure 7.1](#). The finance sector was positive (+13 pp), while the non-finance sector was negative (-10 pp).

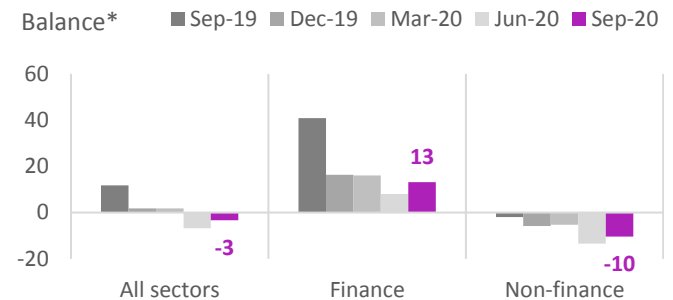
**Figure 7.1 – Future employment**

Expectations for next three months (December 2020)



**Figure 7.2 – Future employment time series**

September 2019 – September 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 future employment indicator has changed by less than 10 pp since March 2020 for all sectors, the finance sector, and the non-finance sector; see [Figure 7.2](#).

The overall indicator (-3 pp) was 11 pp more negative than its three-year average of +3 pp, and both finance and non-finance were similarly below their three-year means (13 pp and 10 pp lower respectively).

Within the non-finance sector, the future employment indicator was extremely negative for hotels, restaurants and bars (-63 pp), positive for construction (+13 pp), and within 10 pp of zero for wholesale and retail and other non-finance. Construction saw a strong quarterly increase of 34 pp, while hotels, restaurants and bars saw a quarterly decrease of 21 pp. Other sub-sectors saw quarterly changes of less than 10 pp.

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

## Annex – COVID-19

In response to the COVID-19 pandemic and associated economic consequences, additional questions have been included since June 2020 in order to measure some of these consequences.

### Trading activity

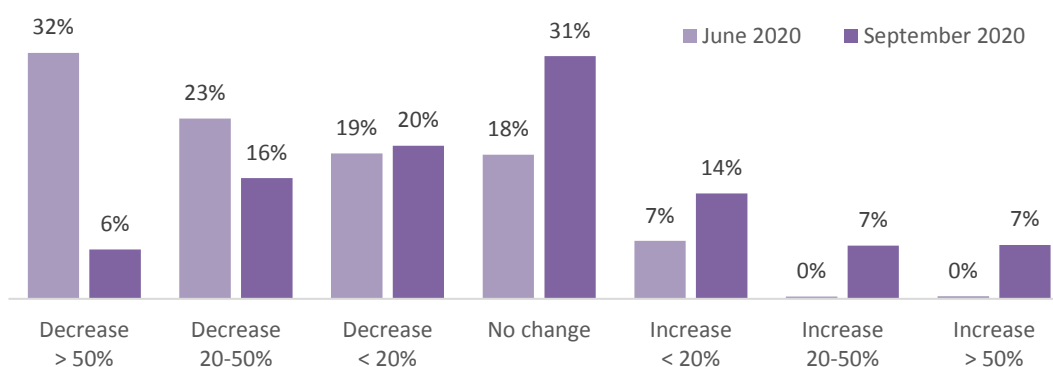
Businesses were asked if they were currently trading. Of those that responded, 98% were trading and 2% were inactive in June 2020. A small, non-zero, number of businesses reported having ceased trading; however, some of the undertakings that did not respond to the survey are known to have ceased, so this will be an underestimate.

### Turnover

Businesses were asked how their turnover in September compared to three months' ago (June 2020) and were given a choice of several options. In calculating the balance of this indicator, we have given a lower weight (50%) to the smaller increases and decreases (of less than 20%), and a larger weight (150%) to the greatest increases and decreases (of more than 50%).

The balance of the turnover indicator was negative at -11 pp, see [Figure A1.1](#). Overall, 42% of undertakings reported a decrease in turnover, compared to 27% that reported an increase. While the balance is negative, indicating a net decrease in turnover, there was an extremely significant quarterly increase of 64 pp from the June figure of -75 pp. The proportion of businesses reporting an increase in turnover rose from 7% in June to 27% in September, and the proportion of businesses reporting a decrease declined from 73% to 42%.

**Figure A1.1 – Change in turnover in September 2020, compared with change in turnover in June 2020**

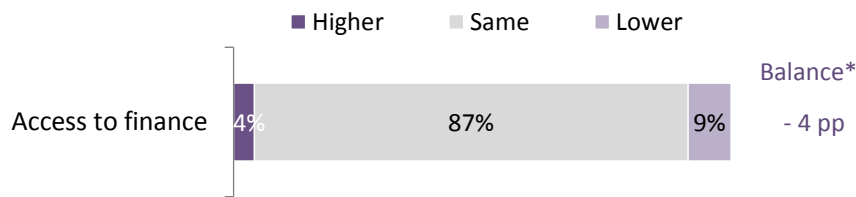


The turnover indicator had a negative balance of -21 pp in finance, while it was within 10 pp for zero for non-finance (-7 pp).

### Access to finance

The access to finance indicator was within 10 pp of zero (-4 pp). A large majority (87%) reported no change in their access to finance; see [Figure A1.2](#). In contrast, the balance of the indicator was negative (-13 pp) in June, but the difference between these values is not significant. However, the proportion of undertakings that reported lower access to finance has decreased from 19% in June to 9% in September, while the proportion indicating no change increased from 75% to 87%.

**Figure A1.2 – Access to finance in September 2020 compared to three months’ ago (June 2020)**

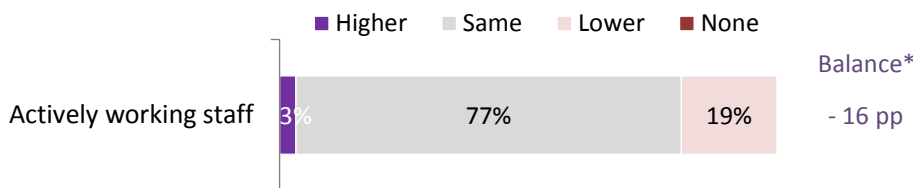


\* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. The net balance and individual percentages are rounded independently, and therefore the percentages may not sum to the balance.

## Employment

Of businesses that employed staff, 19% reported that a lower proportion of their staff were actively working in September 2020 compared to normal, compared to 3% that said a higher proportion of their staff were actively working. Staff that are actively working are carrying out their duties, as opposed to not working but continuing to be employed. The balance of higher and lower responses gave a negative balance of -16 pp for the actively working indicator<sup>1</sup>; see [Figure A1.3](#). The actively working indicator had a strongly significant quarterly increase, being 35 pp higher than in June 2020 when it was -51 pp.

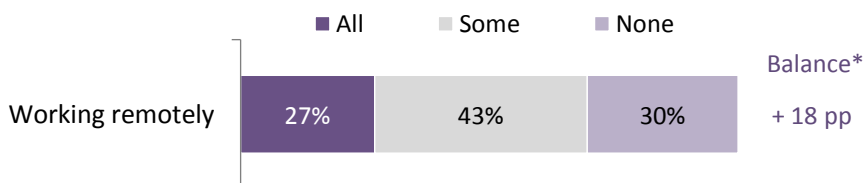
**Figure A1.3 – Proportion of staff actively working in September 2020 compared to three months’ ago (June 2020)**



The finance sector actively working indicator was essentially neutral (-2 pp), which is within 10 pp of their balance in June (-10 pp). In contrast, the non-finance sector balance was negative (-23 pp) in September, a strong quarterly increase of 45 pp from the June figure of -68 pp.

Of the businesses that employed staff, a quarter (27%) reported that all of their staff were working remotely, and a further 43% said some of their staff were working remotely. In contrast, 30% said none of their staff were working remotely. This resulted in a positive balance of +18 pp for the working remotely indicator<sup>2</sup>; See [Figure A1.4](#). This indicator balance is not significantly different from the June balance (+13 pp).

**Figure A1.4 – Proportion of working remotely in September 2020**



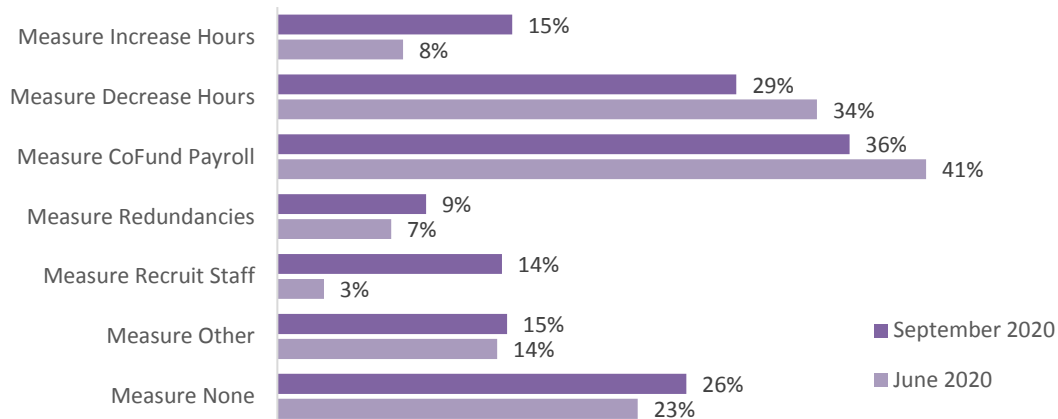
The overall remote working indicator balance was driven by the finance sector: in both June and September the remote working indicator was extremely positive (+85) for finance. In contrast, the non-finance sector had a negative balance (-18 pp in June and -15 pp in September).

<sup>1</sup> For this indicator, businesses that reported none of their staff were actively working were weighted at 150%, compared to 100% for those that responded higher or lower.

<sup>2</sup> For this indicator, we have assigned a weight of +100% to “all”, +50% to “some” and -100% to “none”.

Businesses were asked if they had taken any measures to cope with the impact of COVID-19 on their workforce since March. Of businesses that employed staff, three-quarters (74%) implemented some measures. The most commonly cited response was enrolling in the Government of Jersey Co-Funded Payroll Scheme (36%), followed by decreased hours for staff (29%); see [Figure A1.5](#). The least commonly selected option was staff redundancies (9%), followed by recruiting staff (14%) and other measures (15%). The only significant change in workforce measures taken was in the recruitment of staff, which increased from 3% in June to 14% in September.

**Figure A1.5 – Workforce measures taken in response to COVID-19 since March 2020, as reported in June and September 2020**



Among the measures described in “other” were flexible working arrangements, not recruiting new staff, and financial measures such as changes to pensions and bonuses.

In both June and September, over half (54% and 55% respectively) of finance businesses reported they took no workforce measures in response to COVID-19. For non-finance the figures were 10% and 12% respectively. For non-finance, the option selected by more than half of businesses was enrolling in the co-funded payroll scheme (58% and 52% in June and September 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 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 ranges from  $\pm 4$  to  $\pm 6$  pp.
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; 290 completed questionnaires were returned, constituting an overall response rate of 58%. The respondents accounted for 39% 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](mailto:statistics@gov.je).

*Statistics Jersey*

*22 October 2020*

## Glossary

1. **Employed staff:** This includes staff who are currently on leave of any sort, including furlough leave and unpaid leave. Staff paid through the co-funded payroll scheme should be included, whether or not they are working any hours.
2. **Actively working staff:** This includes staff who are fulfilling their work duties. Staff who are unable to work for any reason should be excluded, whether or not they are paid
3. **Level of business activity / output:** Laying off only covers staff who are no longer employed by the business. Staff that are on the co-funded payroll scheme are still employed, and similarly for staff on leave of any sort, including furlough leave and unpaid leave.
4. **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.
5. **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.
6. **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.
7. **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.
8. **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.
9. **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.
10. **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.
11. **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

### September 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
<b>Business Activity</b>	<b>-8</b>	<b>40</b>	<b>-1</b>	<b>55</b>	<b>-11</b>	<b>34</b>	<b>-3</b>	<b>31</b>	<b>-44</b>	<b>21</b>	<b>21</b>	<b>59</b>	<b>-14</b>	<b>29</b>
New Business	-14	34	-12	29	-15	36	-11	32	-50	24	14	64	-14	33
Capacity Utilisation	-12	58	6	74	-20	52	-22	55	-65	27	-19	65	-6	53
Input costs	-24	62	-5	79	-32	54	-39	47	-38	35	-20	67	-31	58
Product prices	-3	81	-13	77	1	83	12	82	-22	63	3	91	5	86
Profitability	-33	41	-21	47	-38	39	-40	43	-85	11	0	62	-37	37
Employment	-15	58	-1	55	-20	60	-16	69	-44	42	-14	71	-17	58
Business optimism	-23	50	-24	50	-23	51	-14	60	-80	20	3	70	-17	50
Future business activity	-4	49	13	60	-11	44	1	49	-71	25	-6	57	3	43
Future employment	-3	62	13	56	-10	65	13	84	-63	37	-9	67	-2	67

### September 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*
<b>Business Activity</b>	<b>-1</b>	<b>46</b>	<b>-15</b>	<b>34</b>	<b>3</b>	<b>55</b>	<b>-18</b>	<b>54</b>	<b>-4</b>	<b>37</b>	<b>-15</b>	<b>31</b>
New Business	-17	31	-11	37	-13	29	-9	32	-20	34	-12	38
Capacity Utilisation	-8	65	-17	52	8	79	2	57	-20	53	-20	51
Input costs	-10	75	-38	48	-1	79	-20	80	-18	71	-40	44
Product prices	-10	78	4	84	-17	77	1	75	-4	79	5	85
Profitability	-26	47	-40	35	-22	47	-15	48	-29	47	-43	33
Employment	-15	55	-14	61	-3	53	9	61	-25	56	-18	62
Business optimism	-29	54	-17	47	-31	51	6	42	-28	55	-20	48
Future business activity	-4	54	-3	43	16	60	-1	58	-23	47	-3	41
Future employment	-1	57	-6	67	18	57	-7	55	-18	58	-6	69

\* 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		
	Sept	Dec	March	Dec	March	Sept	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>5</b>	<b>18</b>	<b>7</b>	<b>20</b>	<b>18</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>16</b>	<b>25</b>	<b>21</b>	<b>11</b>	<b>13</b>	<b>16</b>	<b>3</b>	<b>6</b>	<b>-11</b>	<b>-62</b>	<b>-8</b>
New Business	12	10	14	14	14	3	12	21	19	16	18	3	8	3	3	9	-13	-58	-14
Capacity Utilisation	9	9	2	9	9	3	4	9	6	11	8	7	1	3	3	1	-11	-40	-12
Input costs	-19	-25	-23	-45	-55	-50	-39	-42	-50	-54	-53	-44	-48	-42	-50	-52	-40	-9	-24
Product prices	4	2	7	14	16	16	21	14	26	29	22	14	27	21	16	15	10	-3	-3
Profitability	-8	-1	-9	-11	-16	-19	-8	-7	-9	1	-2	-14	-11	-5	-19	-14	-29	-70	-33
Employment	7	8	8	3	2	4	6	13	9	14	10	4	10	4	4	-2	-4	-34	-15
Business optimism	5	8	9	4	7	-5	8	18	11	10	7	1	1	-4	-5	4	-30	-51	-23
Future business activity	25	18	22	14	26	-2	10	27	20	25	21	11	25	13	-2	16	-23	-14	-4
Future employment	10	21	11	0	7	12	11	22	12	16	17	3	7	3	12	2	2	-7	-3

\*Data is not available for June and September 2016

### Finance

Indicator	2015		2016*		2017				2018				2019				2020		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>0</b>	<b>31</b>	<b>33</b>	<b>41</b>	<b>34</b>	<b>35</b>	<b>12</b>	<b>28</b>	<b>36</b>	<b>31</b>	<b>28</b>	<b>28</b>	<b>39</b>	<b>33</b>	<b>7</b>	<b>17</b>	<b>17</b>	<b>-21</b>	<b>-1</b>
New Business	15	10	41	31	18	16	18	38	33	17	23	20	28	1	7	29	11	-36	-12
Capacity Utilisation	23	29	19	28	30	25	4	27	28	20	8	21	13	7	7	8	5	13	6
Input costs	-13	-18	-22	-18	-34	-23	-11	-23	-25	-30	-27	-22	-21	-19	-43	-43	-32	-6	-5
Product prices	0	4	14	3	16	13	7	21	18	16	7	7	24	3	2	7	-5	1	-13
Profitability	-3	11	7	12	-7	15	23	31	18	17	20	7	16	11	-12	2	-19	-36	-21
Employment	8	16	19	-5	12	6	18	29	33	28	11	11	35	20	4	18	1	-7	-1
Business optimism	4	11	11	13	19	12	22	33	24	20	16	17	15	1	-9	9	-27	-35	-24
Future business activity	36	34	22	49	38	45	25	51	39	54	49	34	39	28	14	38	-21	-32	13
Future employment	11	43	6	-2	11	28	29	57	37	39	24	12	17	18	41	16	16	8	13

\*Data is not available for June and September 2016

## Non-finance

Indicator	2015		2016*		2017				2018				2019				2020		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>9</b>	<b>10</b>	<b>-4</b>	<b>12</b>	<b>12</b>	<b>21</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>23</b>	<b>18</b>	<b>4</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>-24</b>	<b>-80</b>	<b>-11</b>
New Business	10	10	1	7	13	26	9	11	12	16	15	-5	-1	4	1	-2	-24	-68	-15
Capacity Utilisation	2	-3	-5	2	3	2	4	0	-3	8	8	1	-4	1	1	-2	-19	-64	-20
Input costs	-22	-30	-23	-55	-62	-66	-54	-51	-62	-64	-65	-53	-60	-51	-53	-57	-44	-10	-32
Product prices	6	1	4	18	16	30	28	11	29	35	29	17	28	29	22	19	17	-6	1
Profitability	-10	-9	-16	-21	-19	-9	-24	-26	-22	-5	-12	-23	-23	-13	-22	-22	-34	-85	-38
Employment	7	3	3	6	-1	-1	0	5	-2	8	10	2	-2	-3	3	-12	-7	-46	-20
Business optimism	5	6	8	1	3	15	0	10	5	6	3	-6	-6	-6	-3	1	-31	-58	-23
Future business activity	19	8	23	0	22	18	1	14	12	14	9	1	19	6	-9	5	-23	-6	-11
Future employment	9	8	13	0	5	9	1	5	1	7	14	-1	3	-4	-2	-6	-5	-13	-10

\*Data is not available for June and September 2016

## Construction

Indicator	2015		2016*		2017				2018				2019				2020		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>8</b>	<b>-5</b>	<b>2</b>	<b>25</b>	<b>16</b>	<b>10</b>	<b>7</b>	<b>16</b>	<b>20</b>	<b>21</b>	<b>11</b>	<b>3</b>	<b>-8</b>	<b>-10</b>	<b>3</b>	<b>-8</b>	<b>-13</b>	<b>-92</b>	<b>-3</b>
New Business	12	10	2	14	17	16	6	20	9	18	4	-10	-6	19	9	-7	-13	-82	-11
Capacity Utilisation	-4	-5	-10	8	3	12	-2	18	-5	-2	13	-7	21	7	3	4	-7	-83	-22
Input costs	-27	-24	-28	-57	-64	-73	-51	-62	-78	-76	-75	-44	-54	-77	-69	-56	-52	3	-39
Product prices	40	-4	-1	13	24	24	16	17	31	34	33	12	3	38	25	14	15	-10	12
Profitability	-19	-6	-29	-6	-15	-12	-29	-22	-24	8	-6	-17	-25	-25	-37	-27	-33	-92	-40
Employment	30	17	-5	-4	1	-1	1	25	4	18	28	6	-2	-10	8	-5	4	-47	-16
Business optimism	36	31	11	20	18	34	27	26	21	32	21	5	-11	9	34	13	-2	-74	-14
Future business activity	53	22	3	21	13	16	13	32	17	17	19	8	-1	-1	12	6	5	-34	1
Future employment	36	6	-10	4	11	14	-14	16	-17	2	19	9	-2	3	16	9	13	-21	13

\*Data is not available for June and September 2016

## Hotels, restaurants and bars

Indicator	2015		2016*		2017				2018				2019				2020		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>19</b>	<b>11</b>	<b>20</b>	<b>5</b>	<b>16</b>	<b>2</b>	<b>-23</b>	<b>-20</b>	<b>-7</b>	<b>13</b>	<b>28</b>	<b>-16</b>	<b>-27</b>	<b>-23</b>	<b>-4</b>	<b>-7</b>	<b>-42</b>	<b>-100</b>	<b>-44</b>
New Business	36	22	7	-7	6	-2	-18	14	2	13	28	-27	-20	-27	-10	-18	-45	-100	-50
Capacity Utilisation	28	-2	4	-5	-3	-5	-10	-16	-10	-3	17	-25	-24	-28	-5	-12	-44	-87	-65
Input costs	-38	-44	-51	-70	-80	-88	-69	-55	-91	-70	-70	-70	-83	-75	-68	-72	-47	20	-38
Product prices	22	29	20	47	33	58	52	15	47	36	52	23	58	38	35	47	8	-36	-22
Profitability	0	-2	5	-9	-23	-25	-55	-30	-35	-30	-12	-46	-39	-15	-31	-39	-62	-100	-85
Employment	11	-23	3	11	2	-8	-18	-5	-14	15	1	-15	-19	-12	-13	-14	-25	-85	-44
Business optimism	13	-1	7	-13	8	-3	-24	-7	-14	-15	-11	-35	-8	-12	-16	-10	-78	-89	-80
Future business activity	2	5	19	-17	22	8	-39	-22	17	17	-11	-37	25	5	-41	-5	-49	-62	-71
Future employment	-3	4	6	-10	12	-6	-16	-18	29	6	-3	-26	22	-15	-36	-10	-35	-42	-63

\*Data is not available for June and September 2016

## Wholesale and retail

Indicator	2015		2016*		2017				2018				2019				2020		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>-1</b>	<b>10</b>	<b>-11</b>	<b>9</b>	<b>-4</b>	<b>40</b>	<b>11</b>	<b>4</b>	<b>-19</b>	<b>41</b>	<b>1</b>	<b>2</b>	<b>14</b>	<b>16</b>	<b>9</b>	<b>-3</b>	<b>-29</b>	<b>-79</b>	<b>21</b>
New Business	6	4	-6	8	-6	48	15	1	-14	33	6	-9	7	3	3	-1	-29	-62	14
Capacity Utilisation	-5	-10	-10	3	-11	0	7	-9	-13	15	-21	3	-15	10	26	0	-24	-68	-19
Input costs	-13	-28	-8	-57	-56	-71	-57	-53	-47	-73	-67	-66	-65	-51	-23	-68	-48	-10	-20
Product prices	-7	-10	-8	12	23	45	51	20	32	36	22	27	22	29	8	29	22	3	3
Profitability	-10	-4	-16	-26	-20	12	-20	-46	-24	3	-30	-36	-13	-23	-12	-31	-48	-76	0
Employment	3	19	-5	17	-9	3	7	-5	-12	-2	-8	1	-1	-7	5	5	-4	-41	-14
Business optimism	7	-1	2	-8	-27	26	3	4	1	-2	-20	-27	-15	-16	6	-5	-21	-45	3
Future business activity	30	9	21	-1	18	28	11	19	17	16	-3	5	25	6	6	-1	-21	16	-6
Future employment	14	19	16	1	-3	16	24	-10	-14	5	14	-7	-3	3	14	-2	-2	-11	-9

\*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		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>14</b>	<b>15</b>	<b>-11</b>	<b>12</b>	<b>20</b>	<b>26</b>	<b>11</b>	<b>8</b>	<b>18</b>	<b>19</b>	<b>24</b>	<b>13</b>	<b>8</b>	<b>19</b>	<b>0</b>	<b>5</b>	<b>-17</b>	<b>-49</b>	<b>-14</b>
New Business	3	11	3	10	25	23	17	13	28	8	18	7	4	10	2	4	-17	-48	-14
Capacity Utilisation	1	1	-4	2	13	12	11	5	5	11	18	12	0	5	-8	-2	-11	-22	-6
Input costs	-25	-28	-21	-48	-61	-39	-48	-46	-54	-51	-59	-45	-52	-37	-57	-48	-40	-15	-31
Product prices	2	0	9	13	4	14	10	3	22	34	22	13	28	24	23	7	20	0	5
Profitability	-12	-16	-21	-26	-18	-2	-13	-15	-16	-3	-4	-12	-21	-3	-19	-11	-18	-62	-37
Employment	2	-3	12	-1	2	2	3	8	6	7	17	6	4	4	8	-20	-5	-23	-17
Business optimism	-9	6	13	6	16	10	-2	14	7	10	16	9	1	-3	-13	5	-25	-43	-17
Future business activity	4	2	31	0	29	29	7	17	6	10	21	10	20	9	-10	10	-20	-10	3
Future employment	1	3	21	2	7	15	3	16	6	10	19	7	2	-6	0	-9	1	1	-2

\*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		
	Sept	Dec	March	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	Mar	Jun	Sept
<b>Business Activity</b>	<b>16</b>	<b>14</b>	<b>-2</b>	<b>10</b>	<b>19</b>	<b>23</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>16</b>	<b>25</b>	<b>5</b>	<b>-1</b>	<b>9</b>	<b>-1</b>	<b>2</b>	<b>-24</b>	<b>-78</b>	<b>-21</b>
New Business	12	14	4	5	21	19	7	13	22	9	21	-2	-2	1	-1	-1	-25	-67	-23
Capacity Utilisation	8	1	-2	0	10	9	5	0	1	7	17	2	-6	-3	-7	-4	-23	-59	-20
Input costs	-28	-32	-30	-54	-65	-47	-54	-48	-63	-57	-62	-52	-60	-46	-60	-54	-43	-13	-33
Product prices	8	8	12	23	10	20	22	6	28	35	30	16	36	27	27	17	17	-7	-1
Profitability	-9	-12	-13	-21	-19	-5	-25	-19	-21	-12	-7	-21	-26	-6	-22	-18	-29	-86	-48
Employment	4	-8	9	2	2	0	-3	5	1	10	13	1	-2	0	2	-19	-10	-47	-23
Business optimism	-3	4	11	0	14	8	-8	9	2	2	8	-3	-1	-5	-14	1	-40	-58	-32
Future business activity	3	3	28	-5	27	26	-6	8	8	12	12	-2	22	8	-19	6	-29	-6	-15
Future employment	0	3	16	-1	8	12	-3	8	11	9	13	-2	6	-8	-10	-9	-9	-12	-16

\*Data is not available for June and September 2016

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