

Summary

In December 2014:

- the **headline all-sector Business Activity Indicator was 5 percentage points (pp)**, implying that the proportion of businesses in Jersey reporting an increase in business activity compared with three months previously was 5 pp greater than the proportion reporting a decrease. More than half of all businesses reported 'no change';
- the all-sector Business Activity Indicator declined slightly (down by 7 pp) in the latest quarter, returning to the essentially neutral levels seen in late 2013 and early 2014;
- for the **Finance** sector:
 - four indicators declined compared with the previous quarter, five were essentially unchanged and one improved;
 - the indicators which declined were: Business Activity, Profitability, Employment and Capacity Utilisation; the Business Activity indicator remained positive, although recording its lowest level for 18 months;
 - Business Optimism remained at the positive level recorded in the previous quarter but was considerably lower than twelve months previously, in December 2013;
 - the overall expectation for employment in the sector in 2015 was marginally negative; the Accountancy and Legal sub-sectors were the most positive, whilst Banking was the most negative;
 - profit expectations for 2015 were positive, increased profits being anticipated for 2015 compared with 2014; the Accountancy and Legal sub-sectors were the most positive;
- for the **non-finance** sectors overall:
 - all ten indicators were essentially unchanged compared with the previous quarter; Business Optimism and Future Business Activity remained slightly positive, whilst the Profitability and Inputs Costs indicators remained strongly negative.

Introduction

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

Responses to the survey are used to calculate weighted net balances (WNB), defined as the difference between the proportion of businesses reporting seeing an increase in a particular measure compared to three months earlier and the proportion of businesses seeing a decrease.

Appendix 1 presents the WNB for each indicator for the current quarter; Appendix 2 presents the time series of WNBs for the last four years. In addition, the short- and longer-term expectations of the Finance sector for employment, profit and business development are presented in the Annex.

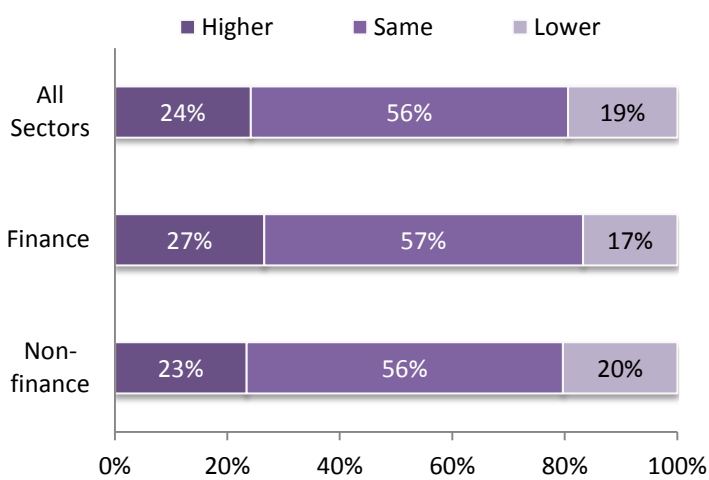
It should be emphasised that the Business Activity Indicator, and the other “current” indicators, represent a qualitative expression of the relative position of economic performance between the current point in time and that of three months previously rather than an absolute measure of performance. The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

Section 1: Business Activity

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

Figure 1.1 – Business Activity Indicator

December 2014 compared with the situation three months previously



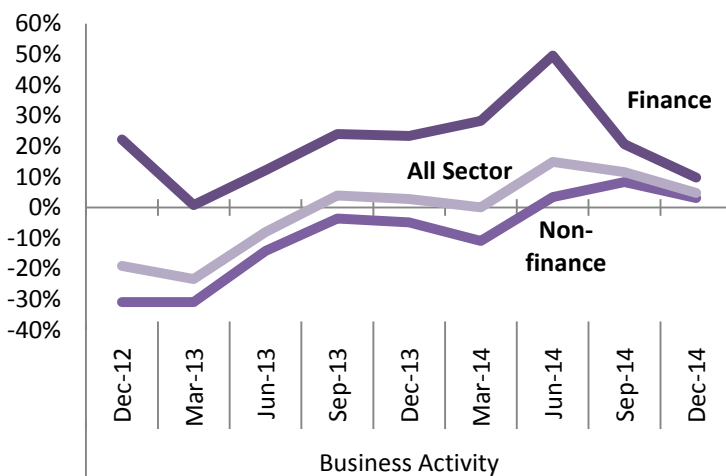
The all-sector Business Activity Indicator in December 2014 was 5 pp, representing a slight fall (down by 7 pp) compared with the previous quarter.

The Finance sector was slightly more positive in terms of Business Activity than the non-finance sectors overall (10 pp and 3 pp, respectively).

More than half of all businesses in both the Finance and the non-finance sectors reported no change in Business Activity in the latest three months.

Figure 1.2 – Business Activity Indicator: time series

December 2012 – December 2014



The Business Activity indicator for the Finance sector declined compared with the previous quarter (down by 11 pp), recording its lowest level for 18 months, since June 2013.

The Business Activity indicator for the non-finance sectors was relatively unchanged in the latest quarter, remaining neutral and at essentially the highest level seen by the non-finance sectors, overall, for five years.

Section 2: Business Optimism Indicator

All-sector **Business Optimism** remained positive in the latest quarter, at a similar level to that seen in each of the previous two quarters. For the Finance sector, the Business Optimism indicator was relatively unchanged, declining marginally from the previous quarter to its lowest level for 18 months and was significantly lower than twelve months previously (in December 2013). The non-finance sectors, overall, saw Business Optimism increase marginally to its highest level to date for these sectors.

Figure 2.1 Business Optimism

Dec 2014 compared with the situation three months previously

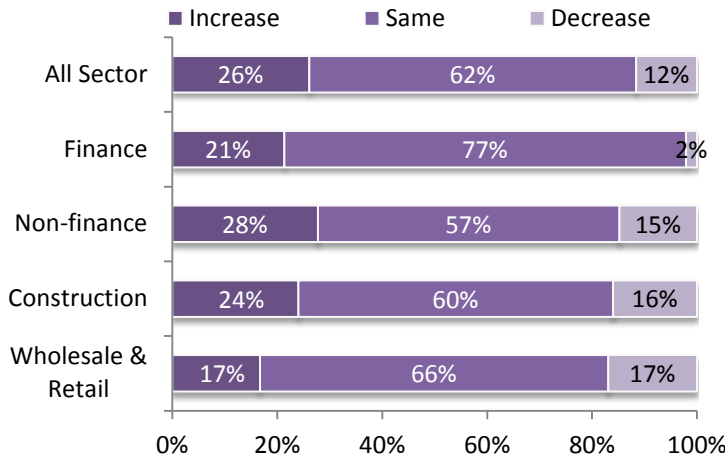
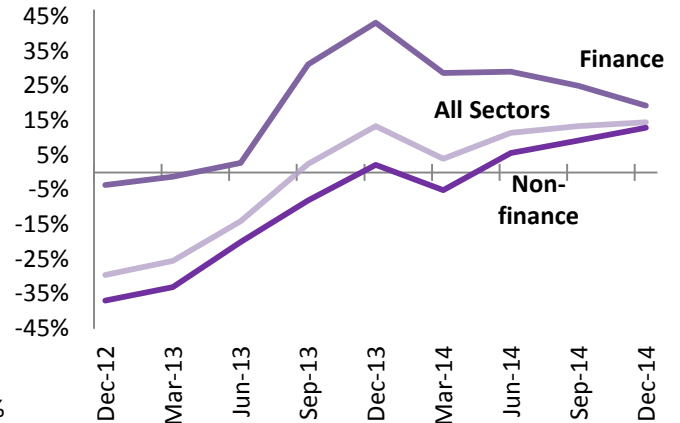


Figure 2.2 Business Optimism

December 2012 – December 2014

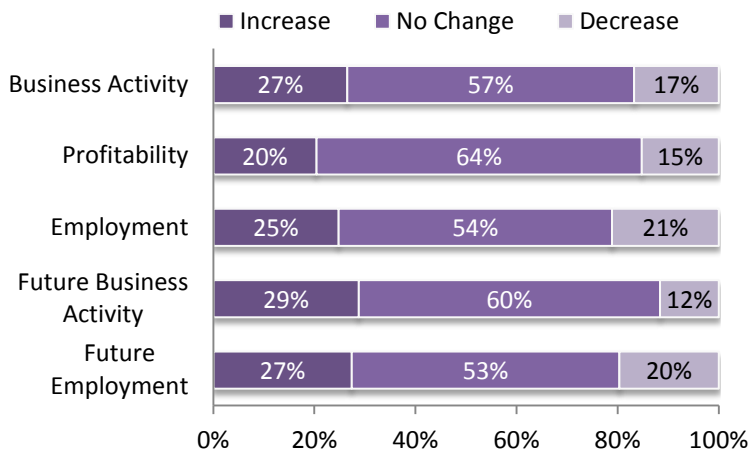


Section 3: Finance

In the latest quarter, the Business Activity, Profitability, Employment and Capacity Utilisation indicators for the **Finance** sector decreased (down by more than 10 pp) compared with the previous quarter.

Figures 3.1 Finance Sector Indicators

Dec 2014 compared with the situation three months previously



Although recording its lowest level for 18 months (since June 2013), the Business Activity indicator for the Finance sector remained positive, as did Capacity Utilisation. In contrast, the Profitability and Employment indicators became essentially neutral.

The Input Costs indicator improved from a significantly negative level (higher costs) to an essentially neutral level, suggesting that input costs were lower in the latest quarter. The remaining five indicators for the sector were relatively unchanged compared with the previous quarter.

Smaller finance companies (having 50 or fewer full-time equivalent employees, FTEs) were more positive than larger finance companies for Profitability, Employment and Future Business Activity

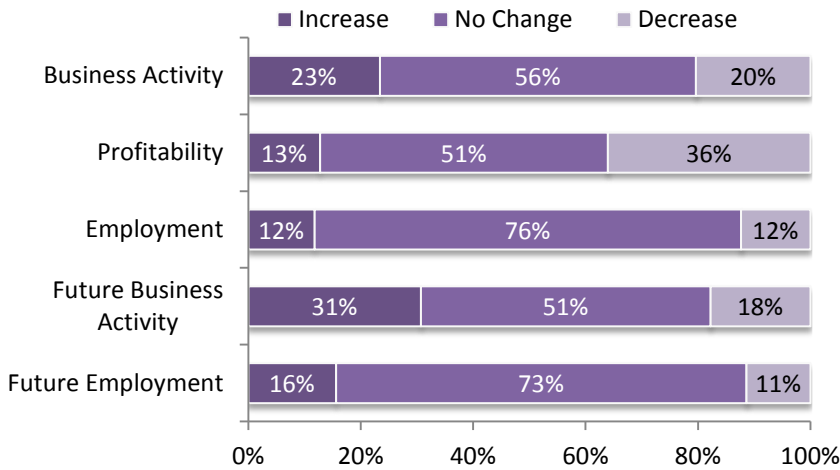
Larger finance companies (having more than 50 FTEs) were more positive from the perspective of New Business and Input Costs than smaller companies in the sector.

Section 4: Non-finance

For the **non-finance** sectors overall, all ten indicators were essentially unchanged compared with the previous quarter. Business Optimism and Future Business Activity remained positive, whilst the Profitability and Inputs Costs indicators remained strongly negative.

Figure 4.1 Non-finance sector indicators

Dec 2014 compared with the situation three months previously



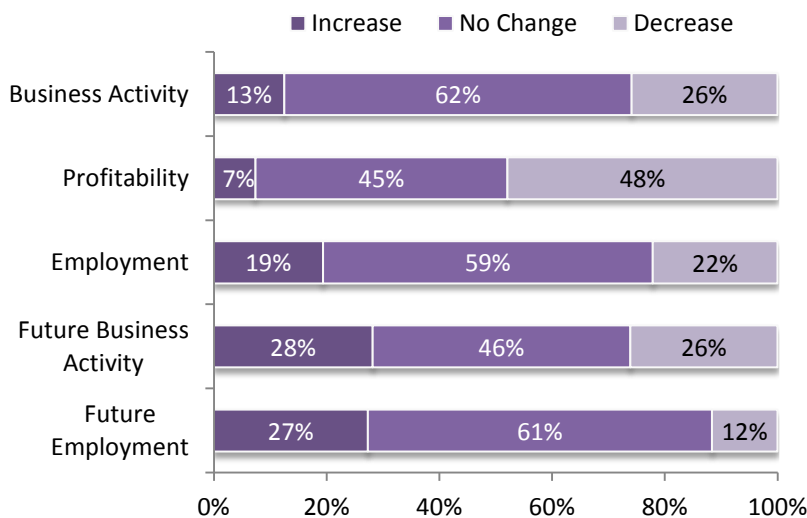
Larger non-finance companies (having more than 50 FTEs) were more positive than smaller non-finance companies for seven of the ten indicators (see Appendix 1).

Section 5: Construction sector

The New Business and Capacity Utilisation indicators for the **Construction** sector improved in the latest quarter, but remained negative. In contrast, the Input Costs and Product Prices indicators declined in the latest quarter, returning to the negative levels (representing higher costs and lower prices, respectively) seen six months previously.

Figure 5.1 Construction sector indicators

Dec 2014 compared with the situation three months previously



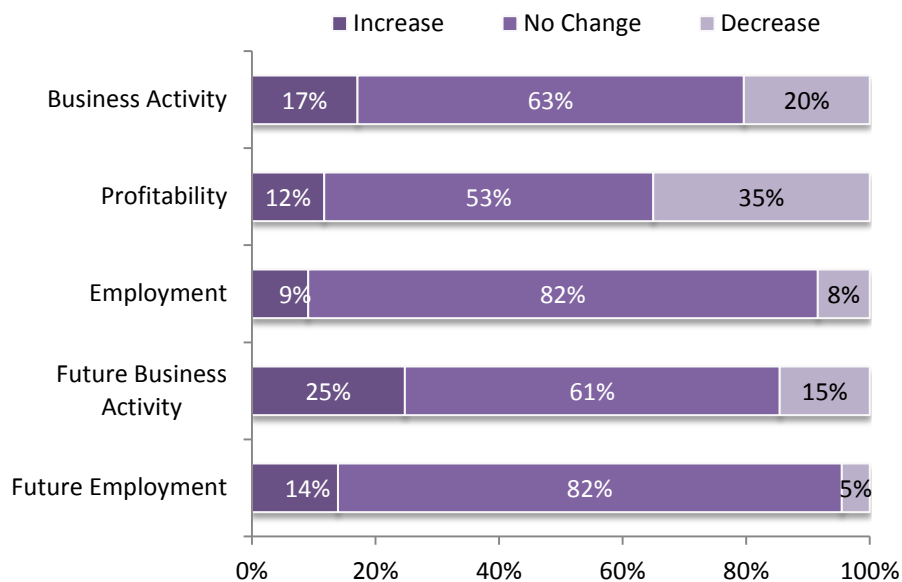
The Future Employment indicator remained positive, at the highest level seen to date for the sector.

Section 6: Wholesale and retail sector

Eight of the ten indicators for the **Wholesale & retail** sector were essentially unchanged compared with the previous quarter. Input Costs improved but remained negative (meaning higher costs), whilst Product Prices declined to a negative level (meaning lower prices).

Figure 6.1 Wholesale & retail sector indicators

Dec 2014 compared with the situation three months previously



Statistics Unit
28 January 2015

Notes

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

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

1. **Net Balance:**

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

2. **Seasonal effects:**

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

3. **Stratified sample:**

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

4. **Response:**

480 firms were sent a survey questionnaire for this survey; 340 completed questionnaires were returned, constituting an overall response rate of 71%. The respondents accounted for more than two-fifths (43%) 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.

December 2014 WNB indicators: all sectors, Finance, non-finance, Construction, Wholesale & retail and other non-finance; percentage points.

Indicator	ALL SECTORS		FINANCE		NON-FINANCE		CONSTRUCTION		WHOLESALE & RETAIL		OTHER NON-FINANCE	
	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*
Business Activity	5	56	10	57	3	56	-13	62	-3	53	9	53
New Business	8	59	27	64	2	57	-9	55	8	56	3	56
Capacity Utilisation	-1	69	16	74	-7	67	-18	59	-16	69	-2	69
Input Costs	-27	61	-2	74	-35	57	-50	45	-11	55	-38	55
Product Prices	1	77	11	86	-2	73	-19	72	-11	75	5	75
Profitability	-16	55	5	64	-23	51	-40	45	-23	52	-19	52
Employment	1	70	4	54	-1	76	-3	59	1	78	0	78
Business Optimism	15	62	19	77	13	57	8	60	0	54	18	54
Future Business Activity	14	54	17	60	13	51	2	46	10	50	17	50
Future Employment	5	68	8	53	4	73	16	61	9	74	0	74

December 2014 WNB indicators: Finance & non-finance by size of business; percentage points.**

Indicator	Large: FINANCE		Small: FINANCE		Large: NON-FINANCE		Small: NON-FINANCE	
	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*
Business Activity	8	60	15	48	28	57	-7	56
New Business	32	66	12	59	26	58	-8	56
Capacity Utilisation	15	74	20	74	1	74	-11	64
Input Costs	-4	73	-19	78	-14	74	-43	50
Product Prices	10	90	14	77	-3	76	-2	72
Profitability	1	68	15	56	5	70	-35	43
Employment	-1	49	15	66	5	73	-3	77
Business Optimism	18	80	23	68	23	61	9	56
Future Business Activity	12	58	32	65	30	50	6	52
Future Employment	6	46	13	70	6	75	4	72

* Weighted percentage of respondents who replied "same". ** Large firms are defined as having more than 50 FTEs; small firms defined as having 50 or fewer FTEs.

WNB Indicators

All Sectors

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	-9	-6	-11	-7	-13	-25	-23	-24	-19	-23	-8	4	3	0	15	12	5
New Business	-3	0	-9	-16	-17	-22	-26	-20	-17	-14	-14	3	5	7	11	8	8
Capacity Utilisation	-12	-17	-17	-20	-18	-19	-34	-30	-24	-29	-17	-12	-13	-8	1	-2	-1
Input Costs	-39	-52	-52	-53	-43	-38	-42	-44	-32	-40	-39	-38	-29	-42	-42	-38	-27
Product Prices	-6	2	2	1	1	-1	-6	-5	-16	-3	-8	-7	-3	4	-1	2	1
Profitability	-37	-32	-34	-40	-38	-43	-41	-48	-44	-43	-33	-23	-23	-23	-12	-10	-16
Employment	-17	-12	-16	-8	-17	-16	-23	-25	-22	-19	-12	-5	-12	-5	-2	6	1
Business Optimism	-23	-10	-11	-29	-42	-29	-34	-27	-30	-26	-14	3	13	4	11	13	15
Future Business Activity	-12	2	5	0	-11	-8	-13	-7	-4	-4	2	9	19	26	19	14	14
Future Employment	-7	-1	-4	-13	-21	-16	-16	-14	-13	-17	-5	-2	2	9	9	2	5

Finance

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	30	26	18	18	5	-5	-2	-3	22	1	12	24	23	28	50	21	10
New Business	36	35	19	-5	11	15	6	-6	25	24	-3	36	28	51	23	24	27
Capacity Utilisation	-6	-7	6	-7	3	2	-11	1	2	-8	11	9	11	8	9	27	16
Input Costs	-7	-13	-25	-29	-17	-5	-21	-26	-4	-9	-14	-28	-2	-24	-24	-19	-2
Product Prices	-7	4	-3	-5	5	0	6	1	-5	4	-2	-6	0	4	2	6	11
Profitability	-12	14	14	-24	-4	-11	-5	-26	-2	-8	1	3	15	13	29	18	5
Employment	-16	-7	0	-1	-14	-16	-28	-28	-12	-7	2	5	-11	-2	1	21	4
Business Optimism	11	25	28	-20	-29	-5	-14	-4	-4	-1	3	31	43	29	29	25	19
Future Business activity	24	32	45	39	27	14	12	23	11	8	9	25	43	54	28	11	17
Future Employment	0	18	17	4	0	-10	3	-2	-3	-13	-2	10	17	12	22	6	8

Non-Finance

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	-24	-18	-22	-16	-18	-31	-29	-30	-31	-31	-14	-4	-5	-11	3	8	3
New Business	-18	-13	-20	-19	-24	-33	-36	-25	-29	-27	-18	-10	-5	-11	7	2	2
Capacity Utilisation	-14	-21	-25	-24	-25	-26	-41	-39	-31	-36	-26	-20	-23	-14	-2	-12	-7
Input Costs	-51	-66	-61	-61	-51	-47	-49	-49	-49	-50	-47	-42	-41	-48	-48	-44	-35
Product Prices	-6	2	4	3	-1	-2	-10	-7	-19	-5	-10	-7	-5	4	-2	1	-2
Profitability	-46	-49	-50	-45	-47	-53	-52	-55	-56	-55	-45	-33	-37	-37	-26	-20	-23
Employment	-17	-13	-21	-10	-18	-16	-22	-24	-25	-22	-17	-8	-12	-7	-2	0	-1
Business Optimism	-35	-22	-25	-32	-46	-36	-40	-34	-37	-33	-20	-8	2	-5	6	9	13
Future Business Activity	-26	-9	-9	-13	-22	-15	-21	-17	-8	-8	0	2	11	16	15	15	13
Future Employment	-10	-8	-11	-19	-28	-18	-22	-17	-16	-18	-6	-7	-4	7	5	1	4

Construction

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	-30	-33	-45	-15	-37	-29	-50	-42	-44	-30	-21	-47	-18	-17	11	-4	-13
New Business	-25	-24	-46	-17	-52	-35	-50	-38	-39	-19	-16	-41	-13	-18	10	-21	-9
Capacity Utilisation	-27	-28	-42	-22	-28	-29	-56	-58	-57	-40	-45	-47	-28	-23	7	-29	-18
Input Costs	-43	-63	-39	-46	-37	-22	-18	-33	-36	-46	-38	-38	-37	-56	-56	-35	-50
Product Prices	-12	-20	-10	-16	-6	-27	-37	-37	-43	-23	-29	-27	-20	-4	-18	-5	-19
Profitability	-55	-62	-63	-35	-53	-63	-65	-59	-81	-70	-70	-75	-54	-55	-47	-37	-40
Employment	-31	-30	-47	-19	-32	-25	-34	-29	-47	-15	-28	-30	-31	-8	-7	-5	-3
Business Optimism	-45	-35	-37	-36	-53	-26	-44	-42	-53	-45	-31	-50	9	11	23	16	8
Future Business Activity	-35	-19	-45	-28	-28	-16	-28	-28	-11	-6	-7	-29	11	9	15	19	2
Future Employment	-28	-30	-27	-28	-45	-13	-31	-23	-20	-10	-18	-37	-7	6	5	16	16

Wholesale & retail

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	-11	-12	-19	-10	-1	-27	-25	-7	-36	-28	1	8	-12	-16	8	-3	-3
New Business	-3	-24	-19	-19	3	-26	-39	0	-36	-35	-11	-1	-18	-3	9	0	8
Capacity Utilisation	-15	-22	-19	-16	-1	-19	-50	-44	-48	-45	-37	-37	-44	-10	-10	-24	-16
Input Costs	-45	-63	-49	-57	-67	-47	-50	-45	-41	-50	-38	-36	-37	-46	-46	-37	-11
Product Prices	1	17	14	25	7	7	7	5	-12	-14	-7	-1	0	9	-7	16	-11
Profitability	-18	-43	-39	-36	-52	-54	-60	-49	-61	-54	-35	-18	-45	-42	-26	-25	-23
Employment	-3	4	-19	7	-4	-20	-21	-31	-30	-19	-22	-13	-16	-13	1	0	1
Business Optimism	-27	-28	-19	-24	-47	-57	-42	-35	-47	-32	-24	-2	-6	-19	12	6	0
Future Business Activity	-19	-9	11	13	-23	-18	-15	-3	-6	-7	-6	8	3	-5	27	13	10
Future Employment	-9	-4	7	-5	-22	-28	-25	-5	-16	-26	-6	-7	-20	-10	11	1	9

Other non-finance

Indicator	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Business Activity	-27	-13	-14	-18	-18	-34	-25	-35	-24	-32	-18	5	1	-8	0	15	9
New Business	-21	-3	-10	-20	-24	-35	-31	-29	-23	-26	-20	-4	1	-11	6	9	3
Capacity Utilisation	-9	-17	-20	-28	-32	-27	-33	-32	-17	-31	-17	-6	-15	-13	-1	-4	-2
Input Costs	-55	-69	-73	-68	-50	-55	-57	-56	-40	-51	-53	-46	-44	-47	-47	-49	-38
Product Prices	-6	5	5	1	-2	3	-9	-2	-12	5	-6	-3	-2	5	3	-2	5
Profitability	-53	-45	-50	-53	-44	-50	-46	-55	-46	-50	-42	-25	-29	-31	-21	-14	-19
Employment	-17	-13	-13	-13	-18	-12	-19	-19	-15	-26	-13	0	-6	-5	-2	2	0
Business Optimism	-35	-14	-23	-33	-42	-31	-38	-32	-28	-30	-16	2	3	-5	0	8	18
Future Business Activity	-26	-3	-3	-17	-20	-13	-22	-18	-7	-9	5	10	13	24	12	14	17
Future Employment	-5	0	-11	-21	-24	-16	-18	-20	-15	-18	-3	2	1	13	3	-2	0

Finance Sector - future expectations

This Annex focuses on the future expectations of the finance sector for employment, profit and business development, overall and for the individual sub-sectors: Accountancy, Banking, Fund management, Legal and Trust & company administration. The information presented is derived from a set of questions included in both the June 2014 and December 2014 rounds of the Business Tendency Survey (BTS).

Results presented have been weighted by manpower, whereby the responses of larger companies are given more significance.

Changes in Employment – short-term

Companies were asked to compare their expectations of staff numbers over the next three months to the situation in December 2014. The overall outlook was slightly positive (see Figure A1a), with almost a third (31%) of companies anticipating that employment numbers in March 2015 would be greater than in December 2014; almost half (45%) of all companies who responded anticipated no change in manpower over the short-term; whilst almost a quarter (23%) anticipated that employment would decrease.

Figure A1a – Short-term employment expectations (Jan-Mar 2015)

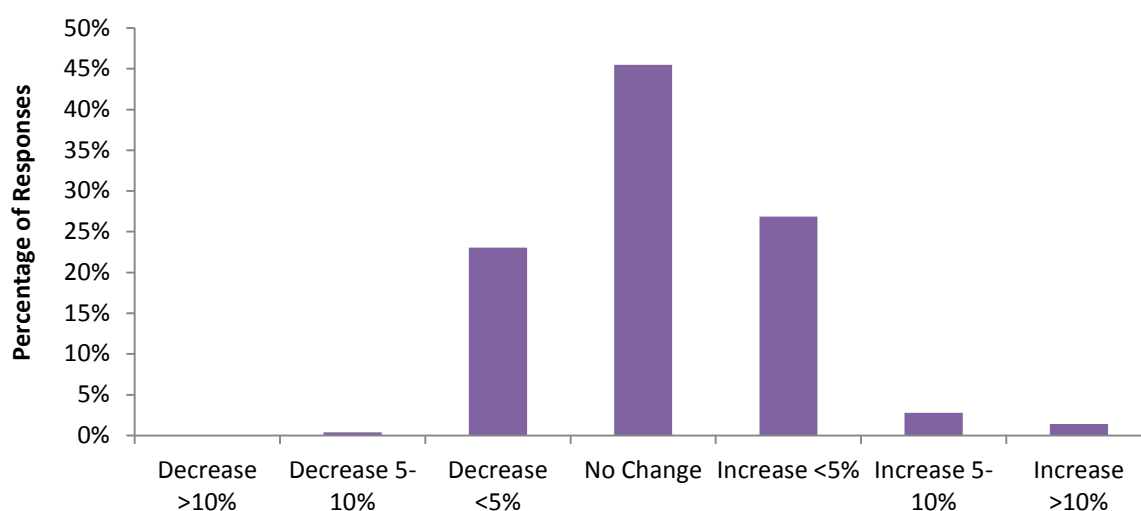
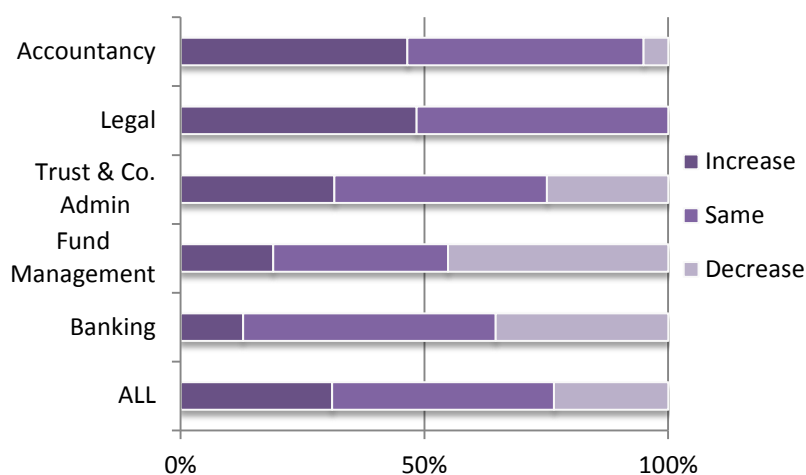


Figure A1b – Short-term employment expectations (Jan-Mar 2015), by sub-sector



The Legal and Accountancy sub-sectors were the most positive for anticipated change in short-term employment, with almost half reporting that employment levels would increase.

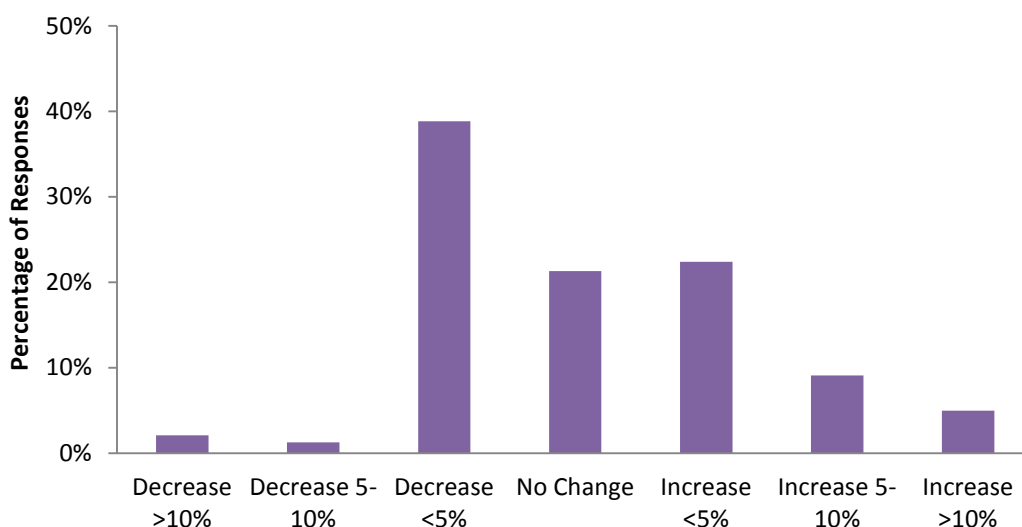
In contrast, almost half (45%) of the Fund Management sub-sector reported that employment would decrease in the short-term.

Changes in Employment – longer-term

Companies were asked for their expectations for staff numbers over the longer-term, comparing their expected manpower in December 2015 with that in December 2014.

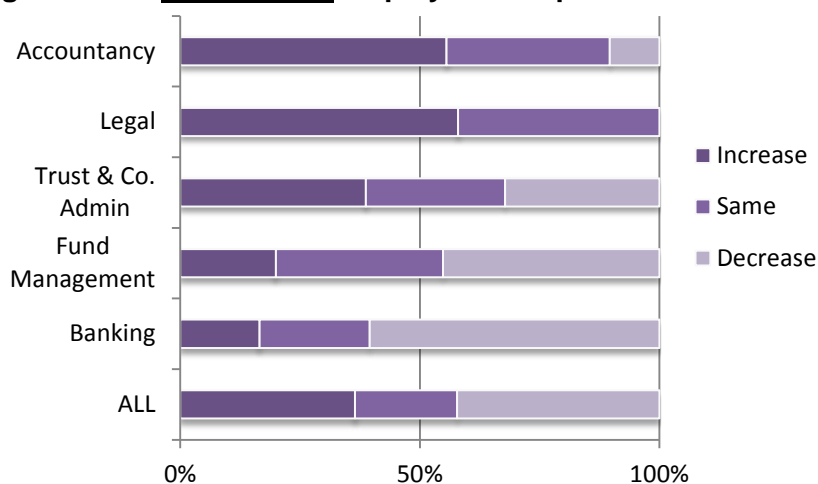
Overall, more than two-fifths (42%) of businesses in the Finance sector reported that they expected employment to decrease during 2015; the majority of business anticipating a decrease thought it would be by less than 5%. About a fifth (21%) of companies anticipated no change in employment numbers during 2015, whilst more than a third (36%) anticipated increased employment in 2015.

Figure A2a – Longer-term employment expectations, 2015



The weighted net balance for employment in the sector overall during 2015 was marginally negative (-6 pp)

Figure A2b – Longer-term employment expectations for 2015, by sub-sector



Banking was the most negative sub-sector in terms of anticipated employment in 2015, with three-fifths (60%) of companies anticipating a decrease.

The Legal and Accountancy sub-sectors were the most positive for longer-term future employment, with more than half of companies anticipating increased employment in 2015.

Profit expectations

Companies were asked for their short-term outlook on profits for the next three months (January to March 2015) and also for their expectation of profits on a longer-term basis, that is for the current financial year (2015) compared with that recorded in 2014.

Profits – short term

Almost two-thirds of businesses (64%) anticipated profits to be unchanged in the short-term (Figure A3a). More than a quarter (29%) of businesses reported that they anticipated profits to increase during the next three months; in contrast, a smaller proportion (7%) expected profits to decline.

Figure A3a – Short –term profit expectations (Jan-Mar 2015)

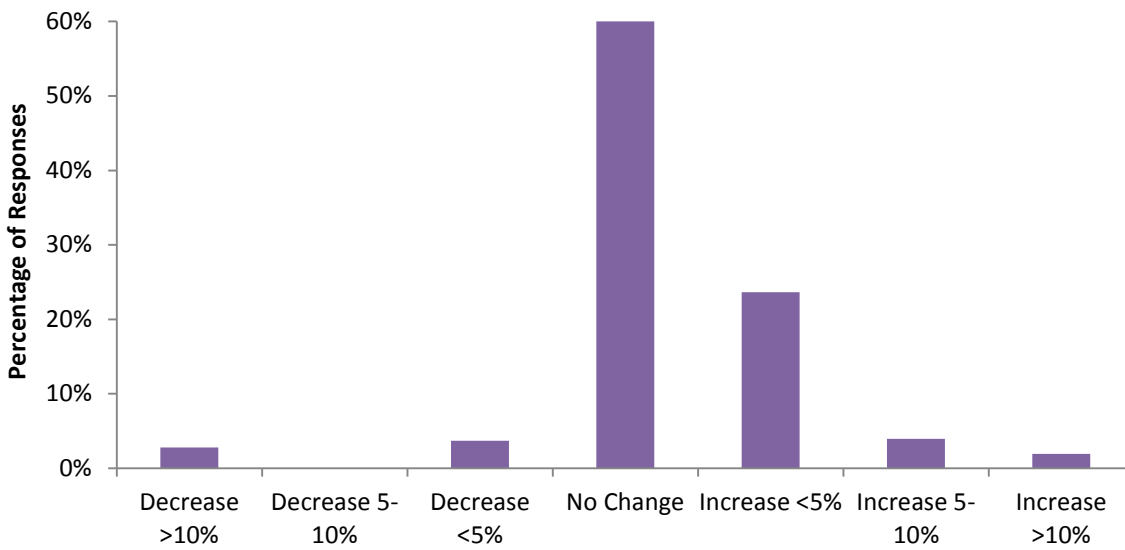
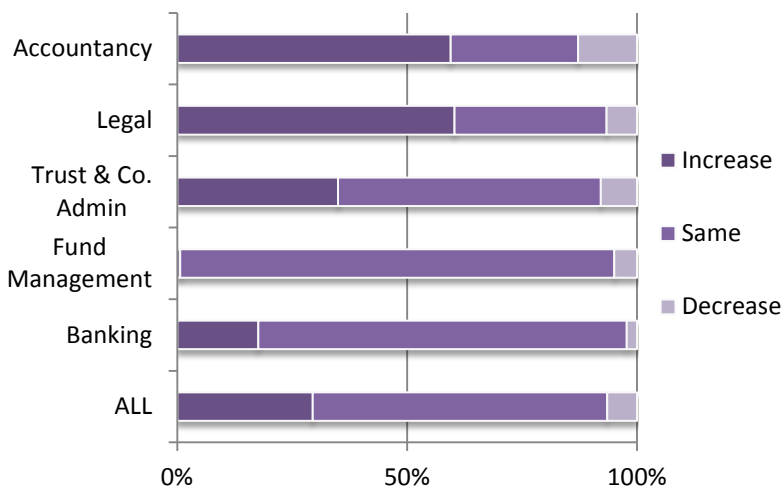


Figure A3b – Short –term profit expectations (Jan-Mar 2015), by sub-sector



The Legal and Accountancy sub-sectors were the most positive for short-term profit, with around three-fifths of such businesses anticipating profits to increase during the next three months.

The majority of companies in Banking and Fund Management reported that profits would be unchanged in the short-term.

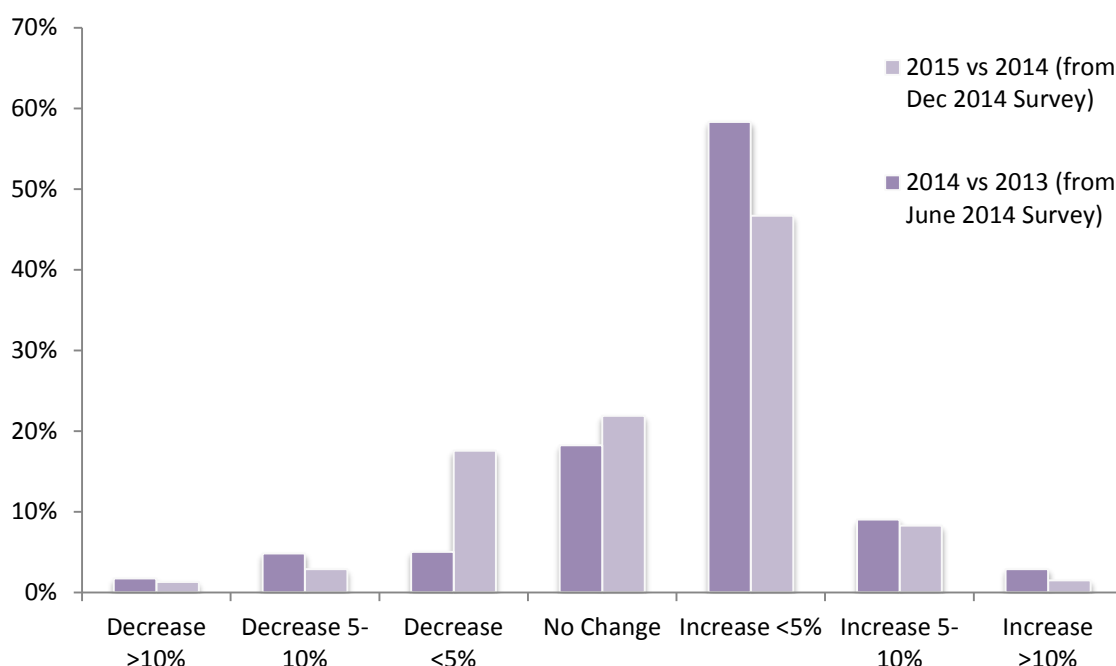
Profits – Longer-term

The longer-term outlook for profits for 2015 was positive (see Figure A4a), with more than half of companies (56%) anticipating that profits would increase in 2015 compared with those recorded in 2014; for such companies, the anticipated increase was generally expected to be less than 5%.

Around a fifth (22%) of companies anticipated profits for 2015 to be at a similar level to those recorded in 2014, whilst a similar proportion (22%) expected profits for 2015 to be lower than in 2014.

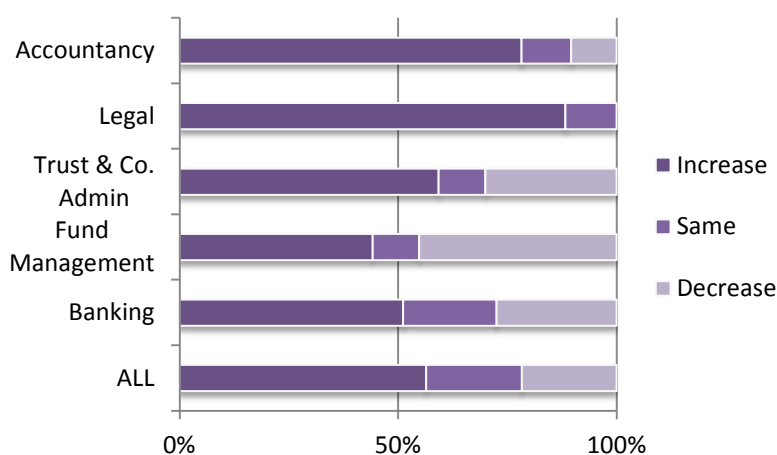
Figure A4a also shows the profit expectations expressed in June 2014, whereby companies were asked to compare expectations for 2014 with those recorded in 2013.

Figure A4a – Longer-term profit expectations for 2015 (compared with 2014, expressed in Dec 2014) and for 2014 (compared with 2013, expressed in Jun 2014)



Profit expectations for 2015 (expressed in December 2014) were less positive than those for 2014 (expressed in June 2014); the weighted net balances were positive in each case, +35 pp for 2015 and +59 pp for 2014.

Figure A4b – Longer-term expectation of profits for 2015, by sub-sector



The Legal and Accountancy sub-sectors were the most positive for profit expectations in 2015, with more than three-quarters of businesses in these sub-sectors anticipating increased profits.

Business development – geographical regions

Companies were asked which geographical regions had the greatest potential for developing key business referrers in 2015 and also, in contrast, which regions had the greatest potential for decline.

Development

Figure A5 shows that about a third of companies felt that the UK had the greatest potential for developing key business referrers in 2015; Jersey and Asia were each cited by about a fifth of companies.

Figure A5 – Geographical regions with greatest potential for developing key business referrers in 2015 (expressed in Dec 2014) and 2014 (expressed in Jun 2014)

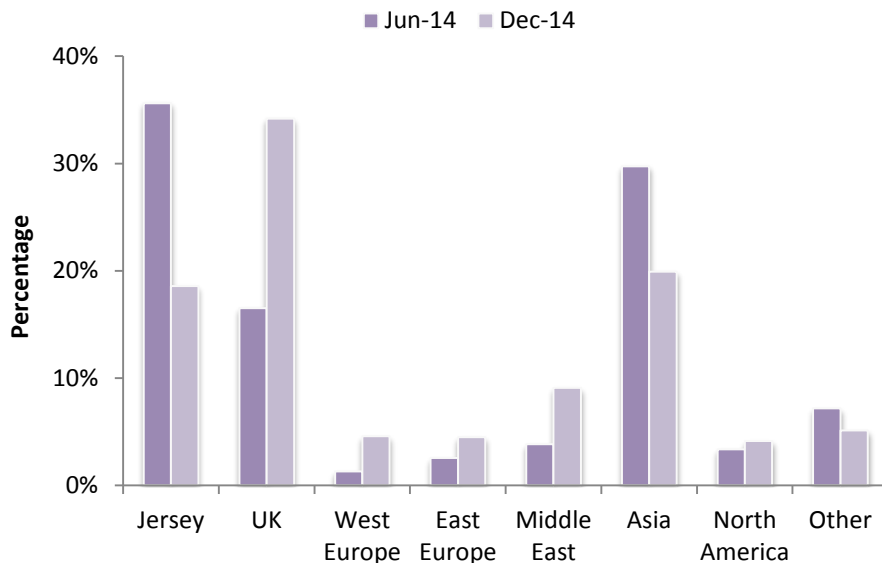
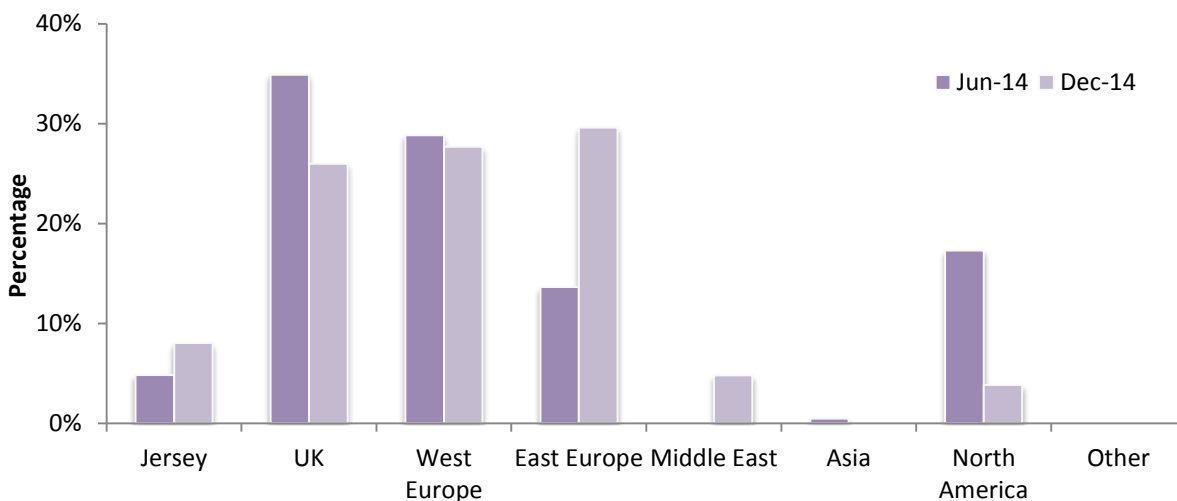


Figure A5 shows that a greater proportion of businesses identified the UK as a region for development in 2015 than in 2014 and, in contrast, lower proportions cited Jersey and Asia in 2015 than in 2014.

Decline

When asked which geographical region had the greatest potential for decline in 2015, in terms of key business referrers, the majority of companies identified regions in Europe, with the UK, Western Europe and Eastern Europe each being cited by similar proportions of companies – see Figure A6.

Figure A6 – Geographical regions with greatest potential for decline of key business referrers in 2015 (expressed in Dec 2014) and 2014 (expressed in Jun 2014)



Jersey's business environment

Companies were asked to identify the key issues facing Jersey's business environment during the next six months. Respondents were asked to tick up to three options and were also able to identify other issues.

Key issues strongly identified were "*External financial regulations*", cited by two-thirds (66%) of respondents (see Figure A7) and "*the Island's reputation*", cited by almost three-fifths (58%) of respondents.

Figure A7 – Key issues for Jersey's business environment for the next six months (Jan-Jun 2015)

