Jersey Business Tendency Survey

December 2018

Statistics Jersey: www.gov.je/statistics @JsyStats

Summary

In December 2018:

- the **headline all-sector business activity** indicator was **positive**, at +11 percentage points (pp); this means the proportion of businesses reporting an increase was 11 pp greater than those reporting a decrease
    - the business activity indicator was strongly positive for the finance sector (+28 pp) and marginally positive for the non-finance sector (+4 pp)
    - the all-sector business activity indicator decreased by 10 pp over the latest three months, due to a decrease in the non-finance indicator of 14 pp; the finance sector indicator was unchanged
- **four** out of the eight **current indicators** were **positive**, **two** were **neutral** and **two** were **negative**
    - for the finance sector, seven of the eight current indicators were positive and one was negative
    - for the non-finance sector, two of the eight current indicators were positive, two were neutral and four were negative
    - the finance sector was significantly more positive than non-finance in six of the eight current indicators
- the **overall** picture was **more negative** than last quarter; of the three current indicators to change significantly, all were decreases
    - for the finance sector, there was one significant increase and one significant decrease
    - for the non-finance sector, there was one significant increase and four significant decreases
- while the **profitability** indicator was **negative** (-14 pp) overall, it was positive for the finance sector (+7 pp) and negative for the non-finance sector (-23 pp)
- almost half (45%) of companies reported higher **input costs**, producing a **strongly negative** indicator of -44 pp; this was more pronounced for non-finance companies (-53 pp) than finance companies (-22 pp)

Regarding the next quarter, the first three months of 2019:

- the outlook for **future business activity** was **positive** (+11 pp) overall, with the finance sector being strongly positive (+34 pp) and non-finance neutral (+1 pp)
    - the future business activity indicator was significantly lower than last quarter, down 10 pp
- the **future employment** outlook was **neutral** (+3 pp) overall, with the finance sector being positive (+12 pp) and non-finance neutral (-1 pp)
    - the future employment indicator was significantly lower than last quarter, down 14 pp

Additional questions were asked of the finance sector:

- **employment expectations for 2019** were **positive** (+24 pp); 55% of finance companies predicted an increase, while 30% predicted a decrease
    - compared to expectations from December 2017, this indicator was significantly lower, down 25 pp
- **profit expectations for 2019** were **strongly positive** (+59 pp); 71% of finance companies predicted an increase, compared to 12% that predicted a decrease
    - compared to expectations from December 2017, this indicator was significantly lower, down 16 pp

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 three 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.

Additional questions were asked of the finance sector to gauge their expectations for future employment, profits and business development. The results are included in the annex.

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 December 2018, the all-sector business activity indicator was positive, with a value of +11 percentage points (pp). A quarter (24%) of businesses reported an increase in business activity, compared with 13% that reported a decline; this results in a net balance of +11 pp, which provides the value of the indicator. Amost two-thirds (63%) of companies reported that business activity was unchanged; see Figure 1.1.

Figure 1.1 – Business activity, December 2018
Compared with situation three months previously

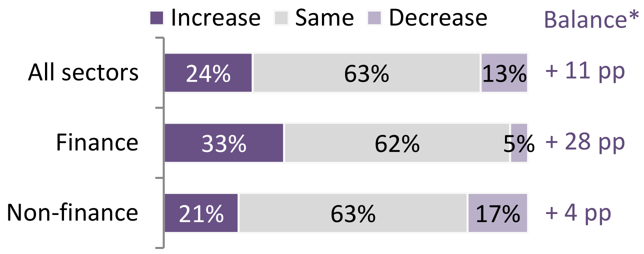
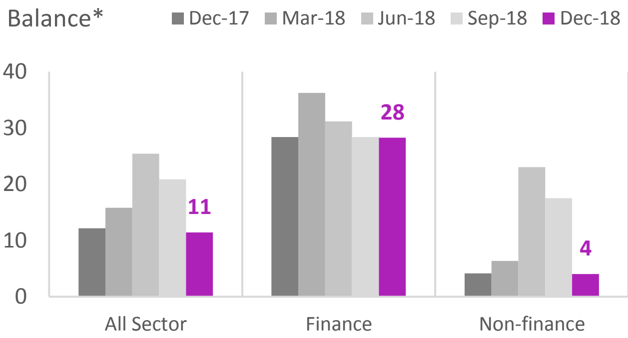


Figure 1.2 – Business activity, time series
December 2017 - December 2018 (percentage points)



* 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 strongly positive for the finance sector (+28 pp) and marginally positive for the non-finance sector (+4 pp). The overall business activity indicator declined since the previous quarter by 10 pp due to a decline of 14 pp for non-finance. In contrast, the indicator was unchanged for the finance sector.

In December 2018, a third (33%) of finance companies reported that business activity had increased, compared with a fifth (21%) of non-finance companies.

Within the non-finance sector, the business activity indicator for December 2018 was essentially neutral for wholesale & retail (+2 pp) and construction (+3 pp), and slightly positive for other non-finance businesses (+5 pp). See the appendix for further sectoral breakdown.

Current indicators

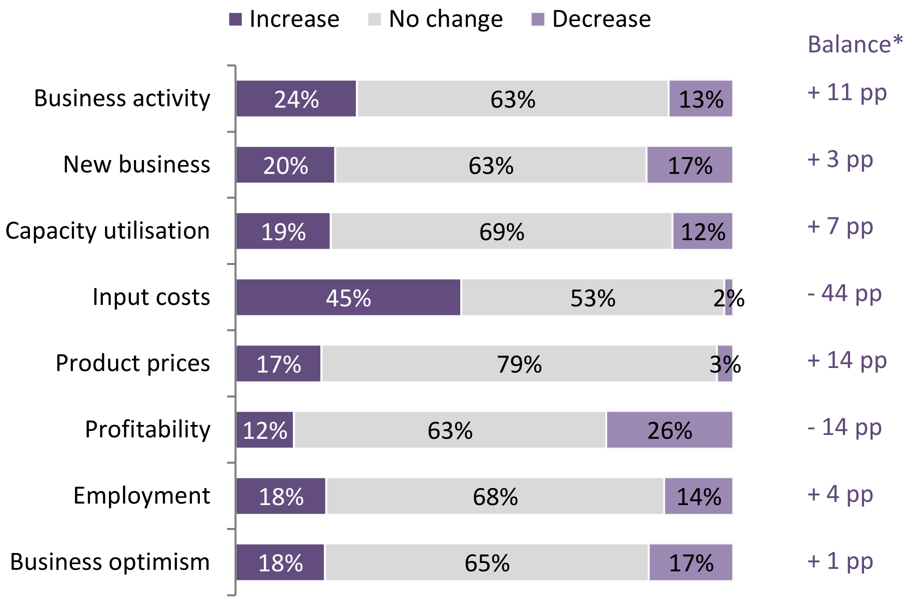
In December 2018, four out of the eight indicators relating to the current situation were positive (a positive balance indicates that a greater proportion of companies reported increases than decreases), two were neutral and two were negative. For all eight of the current indicators, the majority of companies reported ‘no change’; see Figure 2.1.

The input costs indicator[1] was the most negative of the eight current indicators at -44 pp; almost half (45%) of companies reported increases and very few (2%) reported decreases. For this indicator, a negative balance indicates that more businesses have seen input costs increase than decrease.

Apart from business activity, the product prices indicator was the only other significantly positive indicator (+14 pp). Although 45% of companies reported increased input costs, 17% reported increased product prices (charged to customers), a lower proportion than three months ago (24%). Four in five (79%) of businesses reported that product prices were unchanged compared with the previous quarter.

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

Figure 2.1 – All-sector indicators, comparing current situation (December 2018) to three months previously

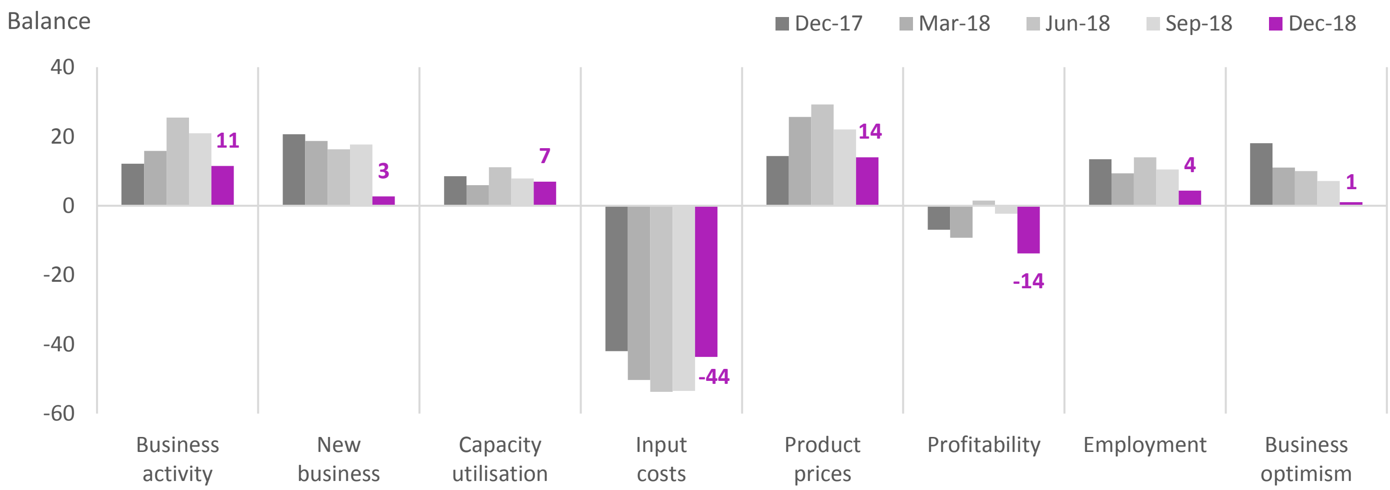


*The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

The profitability indicator was negative (-14 pp), and comprised a quarter (26%) of businesses that reported a decrease in profitability and 12% that reported an increase, and no change for the remaining 63%.

Figure 2.2 shows each of the eight current indicators for December 2018 against those of the previous four rounds of the survey, from December 2017 to September 2018.

Figure 2.2 – All-sector current indicators, time series
December 2017 - December 2018



Three of the indicators changed significantly since the previous quarter; business activity, new business, and profitability, each of which decreased by at least 10 pp.

While the new business indicator was neutral (+3 pp), it was the most-changed indicator from the previous quarter, having declined by 15 pp since September 2018.

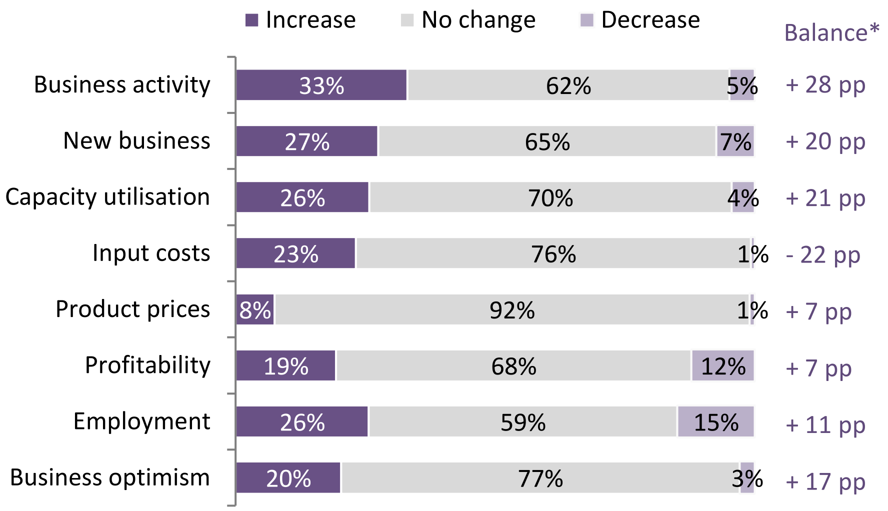
The profitability indicator also declined significantly, decreasing by 12 pp from last quarter.

The inputs costs indicator improved by 9 pp since September 2018. However, this indicator has remained below -40 pp since December 2016, indicating that input costs continue to rise for a large proportion of businesses. See Figure 2.2 for a time series of recent values and the annex for previous years.

Finance sector

For the finance sector, five of the eight current indicators were significantly positive (a balance of at least +10 pp), and there was only one significantly negative indicator, which was input costs; see Figure 3.1.

Figure 3.1 – Finance sector indicators, comparing current situation (December 2018) 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 business activity indicator was strongly positive (+28 pp); a third (33%) of finance companies reported increased business activity in the latest quarter and 5% reported a decrease.

Capacity utilisation was also strongly positive (+21 pp). A quarter (26%) of companies reported that their current level of business activity was above normal capacity, compared with 4% that reported lower levels.

The only other indicator of at least +20 pp was new business, which had a balance of +20 pp. This comprised a quarter (27%) of companies that reported higher levels of new business, and 7% that reported less new business.

The only non-positive indicator was input costs, which was negative (-22 pp).

Figure 3.2 – Finance sector current indicators, time series

December 2017 - December 2018

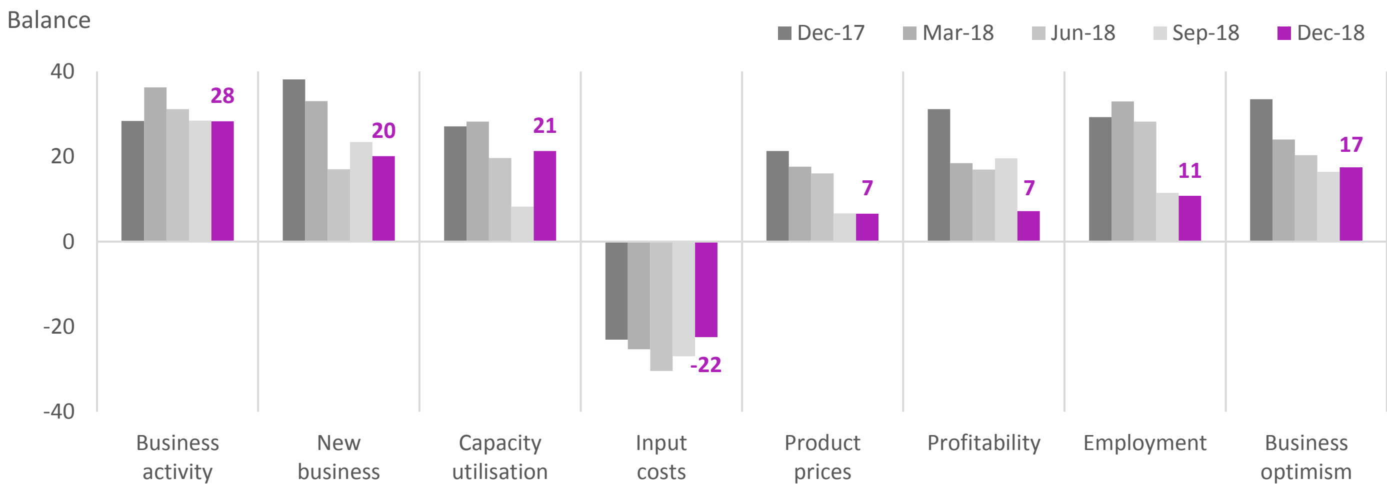


Figure 3.2 illustrates that the finance industry continues to be broadly positive. There were two significant changes (of at least 10 pp) since last quarter; the capacity utilisation indicator increased, while the profitability indicator

decreased. The finance sector was less strongly positive this quarter than twelve months prior; six of the eight indicators were at least +20 pp in December 2017, while only three indicators were at least +20 pp in December 2018.

The capacity utilisation indicator increased by 13 pp since the previous quarter, up from slightly positive (+8 pp) in September to positive (+21 pp) in December 2018, and now stands at a similar level to that in June 2018 (+20 pp).

Profitability was the other indicator to change significantly, decreasing by 13 pp from +20 pp last quarter to +7 pp.

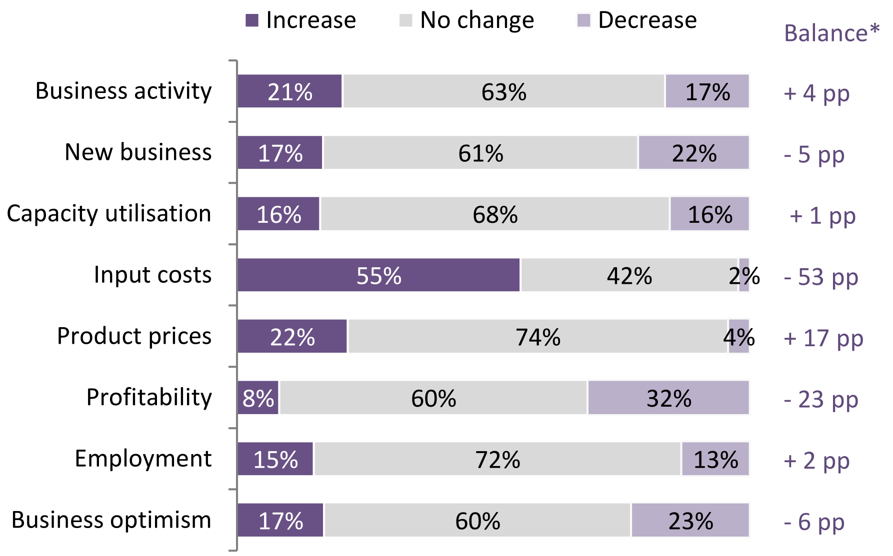
The new business and input costs indicators declined slightly from the previous quarter, by 3 pp and 5 pp respectively. The input costs indicator has been at similarly negative levels for the past four quarters.

Three of the current indicators were essentially unchanged; the indicators for product prices, employment and business optimism each changed by at most one percentage point from September 2018.

Non-finance sector

For the non-finance sector, four out of the eight indicators for the current situation were negative in the latest quarter, and two were positive; see Figure 4.1. The input costs and profitability indicators were significantly negative, while the product prices indicator was significantly positive.

Figure 4.1 – Non-finance sector indicators, comparing current situation (December 2018) 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.

Input costs was the most strongly negative indicator, with a balance of -53 pp (a negative balance for this indicator implies increased costs overall). Over half (55%) of companies reported an increase in input costs in the latest quarter. This was in contrast to product prices (balance of +17 pp), for which only a fifth (22%) of non-finance companies reported an increase and three-quarters (74%) reported no change.

The input costs indicator was more negative for wholesale & retail (-66 pp), and less negative for construction (-44 pp), while the indicator for other non-finance was essentially the same as the overall non-finance indicator (-52 pp and -53 pp respectively).

The profitability indicator was also significantly negative (-23 pp). This comprised a third (32%) of companies reporting decreased profitability and 8% reporting an increase, whilst 60% reported no change. The profitability indicator was strongly negative (-36 pp) for wholesale & retail, and negative for construction (-17 pp) and other non-finance companies (-21 pp). For a breakdown by sector, see the appendix.

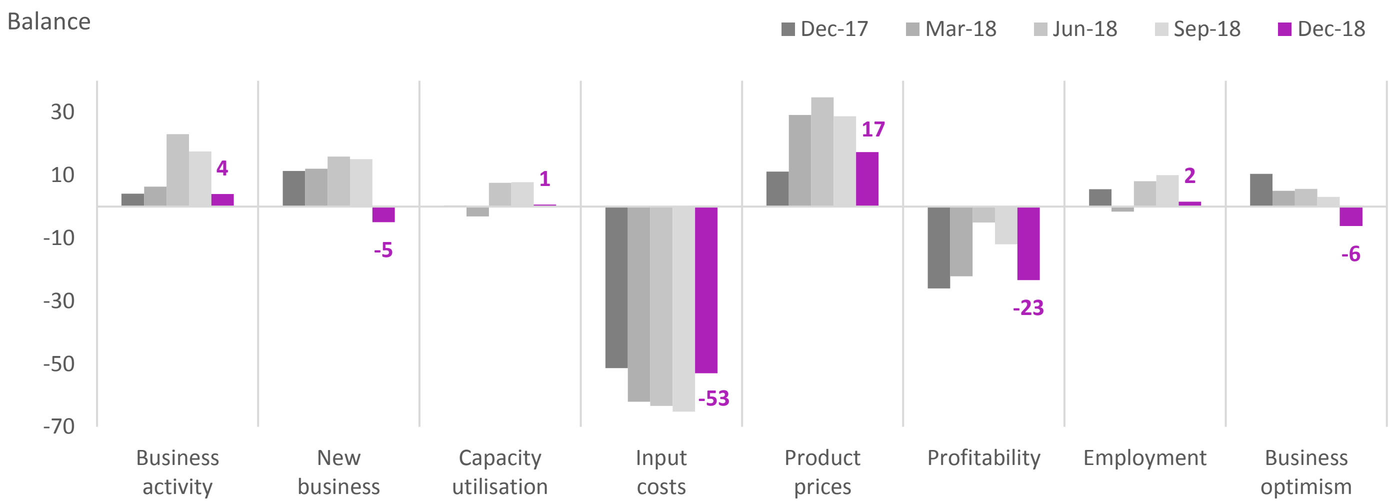
The indicators for new business and business optimism were slightly negative (-5 pp and -6 pp respectively), while the business activity indicator was slightly positive (+4 pp). The remaining two indicators, employment and capacity utilisation, were neutral (+2 pp and + 1pp respectively).

Seven of the eight current indicators were significantly more positive for small non-finance companies than large companies[2], with the product prices indicator being the only one more negative for smaller non-finance companies. This was reflected in the balances of their indicators as well; six of the eight current indicators for small non-finance companies were positive, while only one, product prices, was positive for larger companies. See the appendix for detailed breakdowns by size and sector.

Seven of the eight of the current indicators for the non-finance sector become more negative since September 2018, four of them significantly so. The exception was the input costs indicator, which became significantly more positive; see Figure 4.2. This pattern was also seen in construction and other non-finance, which had six and seven significant decreases respectively; see the appendix for detailed breakdowns by size and sector.

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

December 2017 - December 2018



The business activity indicator was positive in June and September 2018, but decreased significantly by 14 pp to slightly positive (+4 pp) in December 2018, similar to the levels seen in December 2017 and March 2018. This recent decrease was driven by the other non-finance sector, which decreased 20 pp from strongly positive (+25 pp) in September 2018 to slightly positive (+5 pp) in the latest quarter. The indicator for construction also decreased since September 2018, while wholesale & retail was relatively unchanged. See the appendix for a breakdown by sector.

The latest profitability indicator was negative (-23 pp), which represented a significant decrease of 11 pp since the previous quarter. This decrease was driven by construction and other non-finance, which both saw significant declines in their profitability indicators; the indicator also declined slightly for wholesale & retail.

The input costs indicator improved significantly, increasing by 12 pp, but remained strongly negative (-53 pp). Since the survey restarted in December 2016, more than half of non-finance companies have reported increased input costs every quarter. The proportion of businesses that reported increasing their product prices was lower (22%), and was smaller than in the first three quarters of 2018. This resulted in the significant decrease in the product prices indicator, which has decreased by 12 pp since September 2018.

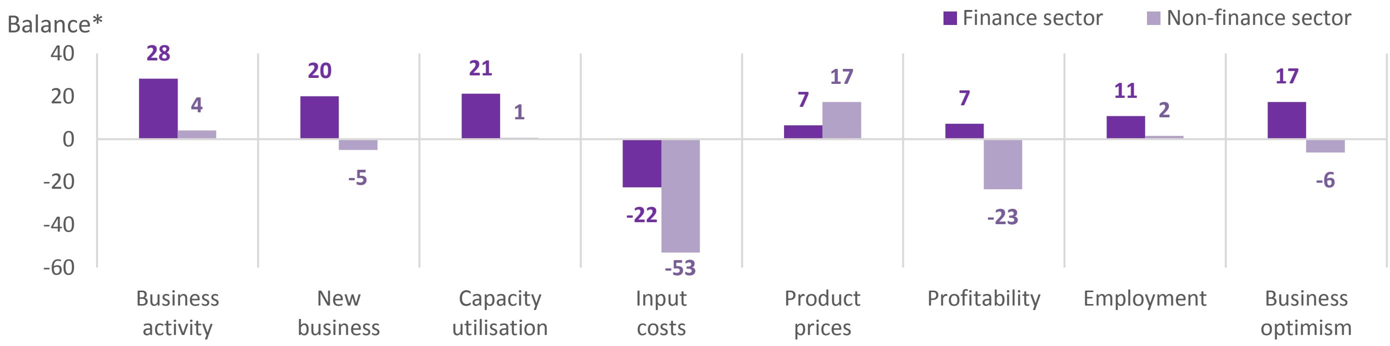
Within sub-sectors, the construction sector saw the input costs indicator strongly improve by 31 pp. It also improved for other non-finance by 10 pp, while it was essentially unchanged for wholesale & retail.

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

Comparison of finance and non-finance sectors

The finance sector was significantly more positive (at least 10 pp higher) than the non-finance sector in six of the eight current indicators; see Figure 5.1. Five indicators were at least 20 pp higher in the finance industry: business activity, new business, capacity utilisation, input costs, profitability and business optimism. This represents a widening of the gap between finance and non-finance; in the previous two quarters only two indicators were more than twenty points more positive for finance.

Figure 5.1 – Finance and non-finance sector indicators (net balances, percentage points)
December 2018



* 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 greatest differences between the finance and non-finance sector were in the input costs and profitability indicators.

While the input costs indicator was negative for both sectors, it was 31 pp more positive for the finance sector (-22 pp) than for the non-finance sector (-53 pp).

The profitability indicator was slightly positive (+7 pp) for the finance sector, but was 31 pp more positive than the indicator for the non-finance sector, which was negative (-23 pp).

The business activity indicator was strongly positive for finance (+28 pp) and slightly positive for non-finance (+4 pp).

The new business, capacity utilisation and business optimism indicators were positive for the finance sector, while they were neutral or slightly negative for the non-finance sector.

The product prices indicator was the only indicator which was more positive for the non-finance sector (+17 pp) than the finance sector (+7 pp).

Section 2: Future indicators

Future business activity

The outlook for all-sector future business activity over the next three months (to March 2019) was positive (+11 pp). A quarter (26%) of businesses expected to see an increase, compared to 15% that expected a decrease, and the remaining 60% anticipated seeing no change (Figure 6.1).

The future business activity indicator was strongly positive for the finance sector (+34 pp); two-fifths (39%) of finance companies anticipated increased activity over the next three months whilst 5% anticipated decreased activity. Both large and small finance companies were strongly positive; large finance companies had a balance of +35 pp, and smaller companies were at +29 pp.

The future business activity indicator for the non-finance sector was neutral (+1 pp). Similar levels were reported across the non-finance sectors; construction and wholesale & retail were both slightly positive (+8 pp and +5 pp, respectively), while other non-finance was neutral (-2 pp). Small non-finance companies were slightly positive (+7 pp), compared to large non-finance companies that were slightly negative (-7 pp).

The overall future business activity indicator decreased significantly from the previous quarter, declining by 10 pp. This was observed in most sectors; finance decreased by 15 pp, construction by 11 pp and other non-finance by 14 pp. Wholesale & retail was the only sub-sector to report an increase, rising from -3 pp to +5 pp, but it had decreased significantly the previous quarter. See the appendix for a breakdown of the non-finance sector.

Figure 6.1 – Future business activity
Expectations for next three months (December 2018)

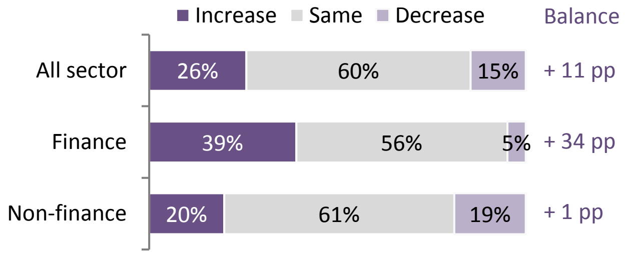
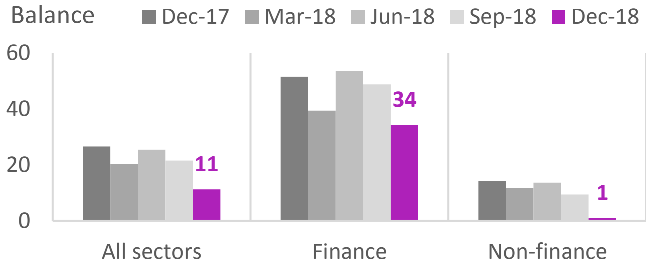


Figure 6.2 – Future business activity time series
December 2017 – December 2018 (percentage points)



Future employment

The outlook for all-sector future employment was essentially neutral (+3 pp). A fifth (21%) of companies expected to see an increase, and almost a fifth (18%) expected to see a decrease; see Figure 7.1. In comparison, a third (33%) of finance companies expected to increase their employment, which resulted in a positive (+12 pp) future employment indicator for this sector. The non-finance sector had a neutral (-1 pp) indicator.

Figure 7.1 – Future employment
Expectations for next three months (December 2018)

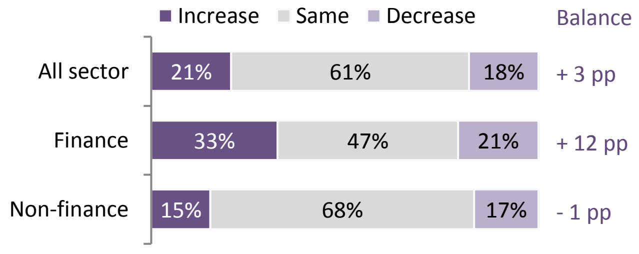
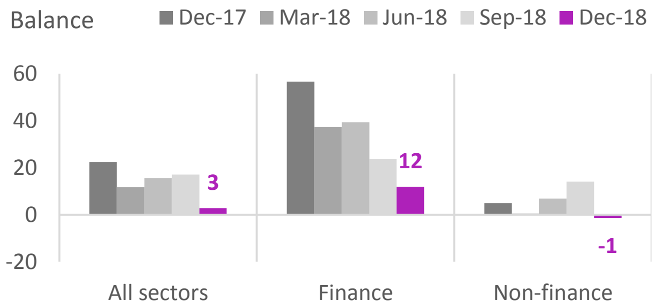


Figure 7.2 – Future employment time series
December 2017 – December 2018 (percentage points)



The overall indicator declined significantly from the previous quarter, which was also observed in the indicators for both the finance and non-finance sectors. The overall indicator decreased by 14 pp, the finance indicator by 12 pp, and non-finance by 15 pp.

The future employment indicator was neutral (-1 pp) for large companies, but slightly positive (+8 pp) for small companies. Small companies were more positive in both the finance and non-finance sectors. In the finance sector, large and small companies were positive, but small finance companies more so (+10 pp and +23 pp respectively). Large non-finance companies were negative (-12 pp), while small non-finance companies were slightly positive (+7 pp). See the appendix for a detailed breakdown by size and sector.

Annex – Finance sector

Future expectations

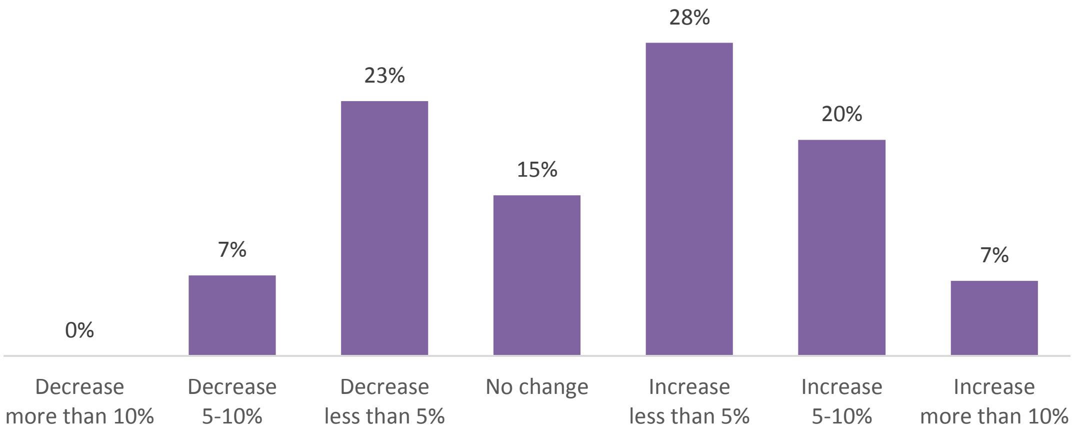
Additional questions were asked of the finance sector to gauge their expectations for future employment, profits and business development. Results have been weighted by manpower, whereby the responses of larger companies are given more significance.

Employment expectations

Businesses were asked to quantify their expected changes in employment from December 2018 to December 2019.

The long-term employment expectations indicator was positive overall (+24 pp), with over half (55%) of finance companies expecting employment to be higher in December 2019, compared to 30% that expected a decrease; see Figure A.1.

Figure A.1 – Longer-term employment expectations (December 2018 to December 2019)



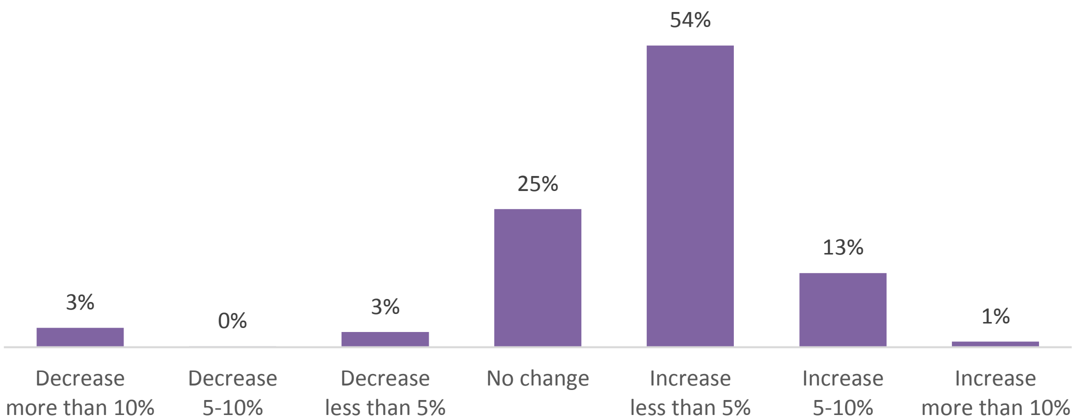
Almost half (48%) of companies expected an increase in employment of less than 10%, and a further 7% expected increases of over 10%. Of the third (30%) of companies that anticipated a decrease in employment over this period, the majority expected decreases of less than 5%.

Compared to expectations made in December 2017, this indicator was down 25 pp, a significant decrease. However, the indicator in December 2018 remained positive.

Profit expectations

Companies were asked their expected level of profits for the following three months, between December 2018 and March 2019. The outlook for profits in the short term was strongly positive (+62 pp); over two-thirds (69%) of finance companies expected increases, with most of those companies split between increases of less than 5% (Figure A.2). Some 6% of companies expected a decrease in profits in the short term.

Figure A.2 – Short-term profit expectations (December 2018 to March 2019)



Businesses were also asked to compare their profits for financial year 2018 with their expected profits for financial year 2019. The longer-term outlook for profits was also strongly positive (+59 pp), with 71% of finance companies expecting that profits in 2019 would be higher than in 2018, compared to 12% that expected decreases; see Figure A.3.

Figure A.3 – Longer-term profit expectations (for 2019, compared with 2018)

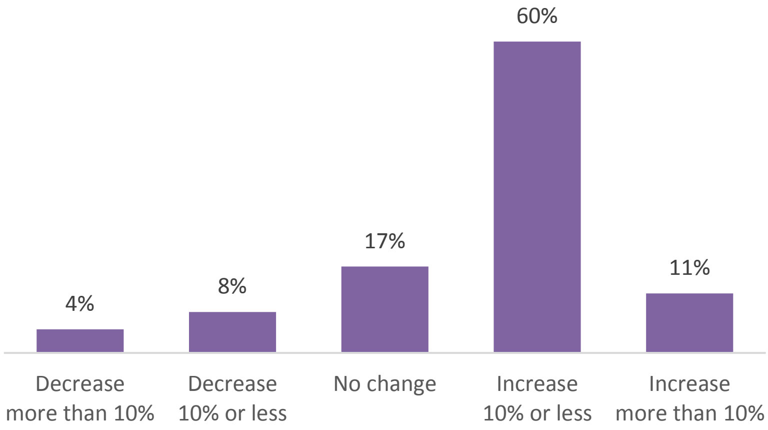
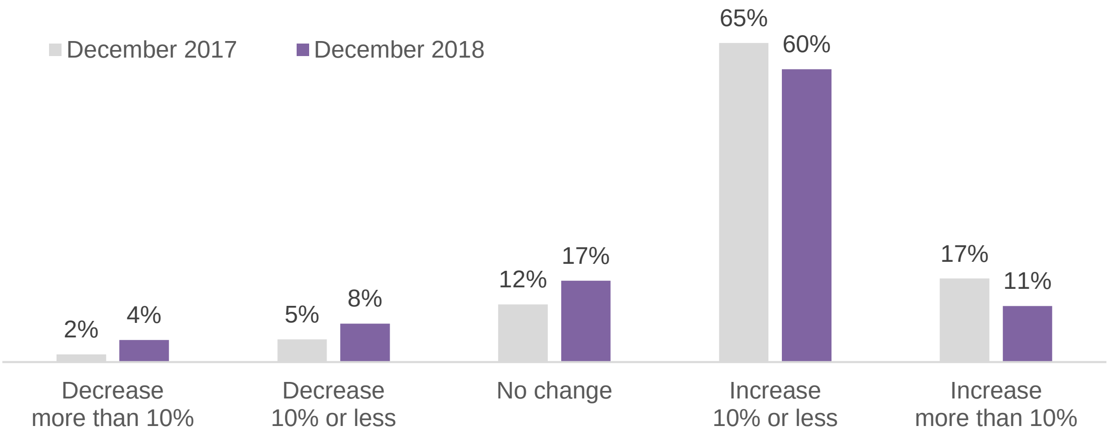


Figure A.4 compares the profit expectations for 2019 expressed in December 2018 with those expressed in last year's survey in December 2017 for the year 2018.

Figure A.4 – Longer-term profit expectations for 2019 (expressed in December 2018) compared with expectations for 2018 (expressed in December 2017)



Compared to expectations made in December 2017, this indicator was down 16 pp, a significant decrease. However, optimism was high in both rounds of the survey; the majority of companies predicted increases in both surveys.

From December 2017 to December 2018, there was a decrease of 11 pp in the proportion of companies that anticipated an increase in profits in the following year, from 82% to 71%. There was a slight decrease in both small and large predicted profit increases. There was also a slight increase in the proportion of companies that predicted lower profits, from 6% to 12%.

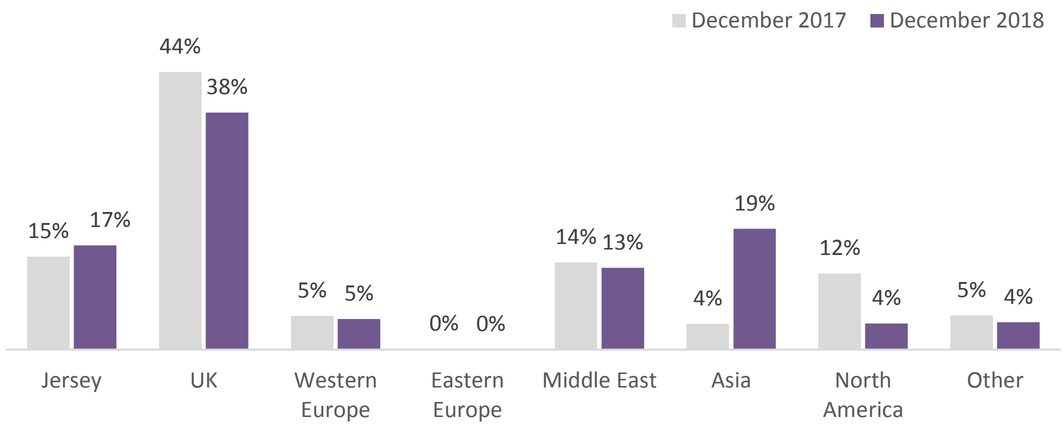
Geographical regions

Respondents were asked to identify which geographical regions had the greatest potential for developing key business referrers in 2019 and which had the greatest potential for decline.

Developing regions

Around two-fifths (38%) of companies identified the UK as the region with the highest potential for developing business, making it the most commonly cited region for development in 2019; see Figure A.5. Other commonly cited regions were Asia (19%), Jersey (17%), and the Middle East (13%). In contrast, Europe, North America and other regions were rarely cited for developing key business referrers in 2019, with 13% between them.

Figure A.5 – Geographical regions with the greatest potential for developing key business referrers for 2019 (expressed in December 2018), compared with expectations for 2018 (expressed in December 2017)

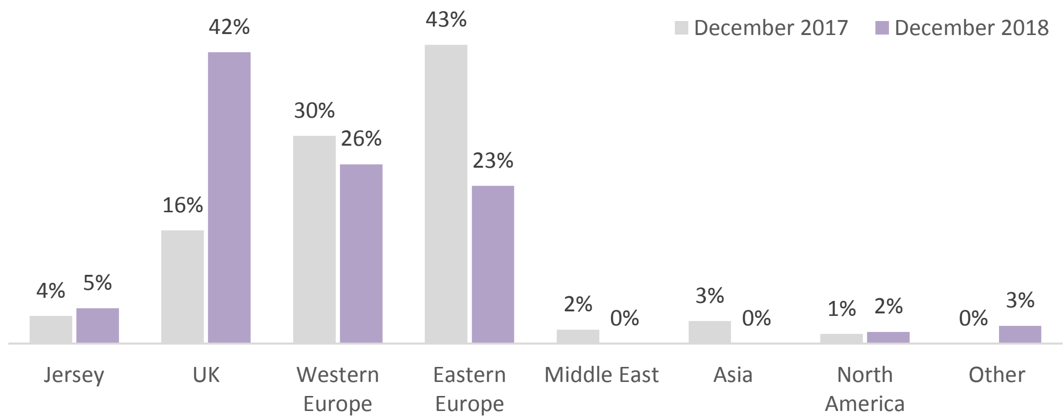


The distribution of regions for key business development was broadly similar to that expressed in December 2017. North America and the UK were cited less often as key regions for 2019, while Asia was cited more often.

Declining regions

Two-fifths (42%) of finance companies identified the UK as having the greatest potential for decline in 2019; see Figure A.6. This is a significant change from twelve months before, when the UK was cited by only 16% of companies. Eastern Europe was cited by a smaller proportion of companies in 2018, down to 23% from 43% in December 2017. Aside from these changes, the distribution of regions reported to have the greatest potential for decline was similar to that expressed in December 2017.

Figure A.6 – Geographical regions with the greatest potential for decline of key business referrers for 2019 (expressed in December 2018), compared with expectations for 2018 (expressed in December 2017)



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 and ranges from ±4 to ±6 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 used, stratified by business size (employment on a full-time equivalent, FTE, basis) and type of activity (SIC 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; 260 completed questionnaires were returned, constituting an overall response rate of 52%. The respondents accounted for 36% 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
6 February 2019

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

December 2018 – Net balances of indicators (percentage points) and percentage of responders reporting 'no change'
All sectors, finance, non-finance, construction, wholesale & retail, and other non-finance

	All sectors		Finance		Non-finance		Construction		Wholesale & retail		Other non-finance	
Indicator	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**	*63*	**28**	*62*	**4**	*63*	**3**	*62*	**2**	*61*	**5**	*63*
New Business	**3**	*63*	**20**	*65*	**-5**	*61*	**-10**	*72*	**-9**	*65*	**-2**	*57*
Capacity Utilisation	**7**	*69*	**21**	*70*	**1**	*68*	**-7**	*71*	**3**	*72*	**2**	*66*
Input costs	**-44**	*53*	**-22**	*76*	**-53**	*42*	**-44**	*39*	**-66**	*34*	**-52**	*46*
Product prices	**14**	*79*	**7**	*92*	**17**	*74*	**12**	*68*	**27**	*66*	**16**	*78*
Profitability	**-14**	*63*	**7**	*68*	**-23**	*60*	**-17**	*67*	**-36**	*58*	**-21**	*59*
Employment	**4**	*68*	**11**	*59*	**2**	*72*	**6**	*59*	**1**	*81*	**1**	*72*
Business optimism	**1**	*65*	**17**	*77*	**-6**	*60*	**5**	*68*	**-27**	*59*	**-3**	*58*
Future business activity	**11**	*60*	**34**	*56*	**1**	*61*	**8**	*62*	**5**	*68*	**-2**	*59*
Future employment	**3**	*61*	**12**	*47*	**-1**	*68*	**9**	*66*	**-7**	*79*	**-2**	*65*

December 2018 – Net balances of indicators (percentage points) and percentage of respondents reporting 'no change'
All sectors, finance and non-finance sectors by size of business*

	All sectors				Finance				Non-finance			
	Large		Small		Large		Small		Large		Small	
Indicator	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**
Business Activity	**12**	*67*	**10**	*57*	**31**	*62*	**14**	*60*	**-4**	*71*	**10**	*57*
New Business	**2**	*64*	**4**	*60*	**25**	*66*	**-9**	*62*	**-19**	*63*	**5**	*60*
Capacity Utilisation	**5**	*68*	**10**	*69*	**20**	*69*	**28**	*72*	**-9**	*68*	**7**	*69*
Input costs	**-46**	*53*	**-41**	*52*	**-22**	*78*	**-23**	*67*	**-67**	*31*	**-43**	*50*
Product prices	**17**	*77*	**10**	*83*	**5**	*93*	**17**	*83*	**28**	*63*	**9**	*83*
Profitability	**-13**	*64*	**-15**	*62*	**7**	*71*	**6**	*52*	**-32**	*56*	**-17**	*63*
Employment	**-1**	*70*	**12**	*65*	**6**	*60*	**40**	*54*	**-8**	*79*	**8**	*66*
Business optimism	**-5**	*68*	**9**	*61*	**18**	*79*	**13**	*64*	**-26**	*58*	**8**	*61*
Future business activity	**13**	*62*	**9**	*56*	**35**	*58*	**29**	*44*	**-7**	*66*	**7**	*57*
Future employment	**-1**	*55*	**8**	*70*	**10**	*44*	**23**	*66*	**-12**	*66*	**7**	*70*

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

Indicators – net balances (percentage points)

All sectors

	2013		2014				2015				2016*		2017				2018			
Indicator	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**
Business Activity	**4**	**3**	**0**	**15**	**12**	**5**	**26**	**20**	**5**	**18**	**7**	**20**	**18**	**25**	**7**	**12**	**16**	**25**	**21**	**11**
New Business	3	5	7	11	8	8	26	24	12	10	14	14	14	23	12	21	19	16	18	3
Capacity Utilisation	-12	-13	-8	1	-2	-1	11	7	9	9	2	9	9	8	4	9	6	11	8	7
Input costs	-38	-29	-42	-42	-38	-27	-40	-31	-19	-25	-23	-45	-55	-55	-39	-42	-50	-54	-53	-44
Product prices	-7	-3	4	-1	2	1	9	10	4	2	7	14	16	25	21	14	26	29	22	14
Profitability	-23	-23	-23	-12	-10	-16	-1	2	-8	-1	-9	-11	-16	-2	-8	-7	-9	1	-2	-14
Employment	-5	-12	-5	-2	6	1	9	-4	7	8	8	3	2	1	6	13	9	14	10	4
Business optimism	3	13	4	11	13	15	18	15	5	8	9	4	7	14	8	18	11	10	7	1
Future business activity	9	19	26	19	14	14	32	27	25	18	22	14	26	25	10	27	20	25	21	11
Future employment	-2	2	9	9	2	5	13	12	10	21	11	0	7	13	11	22	12	16	17	3

*Data is not available for June and September 2016

Finance

	2013		2014				2015				2016*		2017				2018			
Indicator	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**
Business Activity	**24**	**23**	**28**	**50**	**21**	**10**	**38**	**31**	**0**	**31**	**33**	**41**	**34**	**35**	**12**	**28**	**36**	**31**	**28**	**28**
New Business	36	28	51	23	24	27	34	39	15	10	41	31	18	16	18	38	33	17	23	20
Capacity Utilisation	9	11	8	9	27	16	23	16	23	29	19	28	30	25	4	27	28	20	8	21
Input costs	-28	-2	-24	-24	-19	-2	-27	-26	-13	-18	-22	-18	-34	-23	-11	-23	-25	-30	-27	-22
Product prices	-6	0	4	2	6	11	9	12	0	4	14	3	16	13	7	21	18	16	7	7
Profitability	3	15	13	29	18	5	26	17	-3	11	7	12	-7	15	23	31	18	17	20	7
Employment	5	-11	-2	1	21	4	17	-4	8	16	19	-5	12	6	18	29	33	28	11	11
Business optimism	31	43	29	29	25	19	21	18	4	11	11	13	19	12	22	33	24	20	16	17
Future business activity	25	43	54	28	11	17	32	29	36	34	22	49	38	45	25	51	39	54	49	34
Future employment	10	17	12	22	6	8	9	24	11	43	6	-2	11	28	29	57	37	39	24	12

*Data is not available for June and September 2016

Non-finance

Indicator	2013 Sept	2013 Dec	2014 March	2014 June	2014 Sept	2014 Dec	2015 March	2015 June	2015 Sept	2015 Dec	2016* March	2016* Dec	2017 March	2017 June	2017 Sept	2017 Dec	2018 March	2018 June	2018 Sept	2018 Dec
Business Activity	**-4**	**-5**	**-11**	**3**	**8**	**3**	**21**	**14**	**9**	**10**	**-4**	**12**	**12**	**21**	**5**	**4**	**6**	**23**	**18**	**4**
New Business	-10	-5	-11	7	2	2	22	15	10	10	1	**7**	13	26	9	11	12	16	15	-5
Capacity Utilisation	-20	-23	-14	-2	-12	-7	6	3	2	-3	-5	**2**	3	2	4	0	-3	8	8	1
Input costs	-42	-41	-48	-48	-44	-35	-46	-33	-22	-30	-23	**-55**	-62	-66	-54	-51	-62	-64	-65	-53
Product prices	-7	-5	4	-2	1	-2	9	10	6	1	4	**18**	16	30	28	11	29	35	29	17
Profitability	-33	-37	-37	-26	-20	-23	-13	-5	-10	-9	-16	**-21**	-19	-9	-24	-26	-22	-5	-12	-23
Employment	-8	-12	-7	-2	0	-1	6	-4	7	3	3	**6**	-1	-1	0	5	-2	8	10	2
Business optimism	-8	2	-5	6	9	13	17	14	5	6	8	**1**	3	15	0	10	5	6	3	-6
Future business activity	2	11	16	15	15	13	32	26	19	8	23	**0**	22	18	1	14	12	14	9	1
Future employment	-7	-4	7	5	1	4	15	6	9	8	13	**0**	5	9	1	5	1	7	14	-1

*Data is not available for June and September 2016

Construction

Indicator	2013 Sept	2013 Dec	2014 March	2014 June	2014 Sept	2014 Dec	2015 March	2015 June	2015 Sept	2015 Dec	2016* March	2016* Dec	2017 March	2017 June	2017 Sept	2017 Dec	2018 March	2018 June	2018 Sept	2018 Dec
Business Activity	**-47**	**-18**	**-17**	**11**	**-4**	**-13**	**30**	**8**	**8**	**-5**	**2**	**25**	**16**	**10**	**7**	**16**	**20**	**21**	**11**	**3**
New Business	-41	-13	-18	10	-21	-9	17	4	12	10	2	14	17	16	6	20	9	18	4	-10
Capacity Utilisation	-47	-28	-23	7	-29	-18	13	11	-4	-5	-10	8	3	12	-2	18	-5	-2	13	-7
Input costs	-38	-37	-56	-56	-35	-50	-46	-37	-27	-24	-28	-57	-64	-73	-51	-62	-78	-76	-75	-44
Product prices	-27	-20	-4	-18	-5	-19	17	2	40	-4	-1	13	24	24	16	17	31	34	33	12
Profitability	-75	-54	-55	-47	-37	-40	-31	-14	-19	-6	-29	-6	-15	-12	-29	-22	-24	8	-6	-17
Employment	-30	-31	-8	-7	-5	-3	16	-4	30	17	-5	-4	1	-1	1	25	4	18	28	6
Business optimism	-50	9	11	23	16	8	34	17	36	31	11	20	18	34	27	26	21	32	21	5
Future business activity	-29	11	9	15	19	2	37	23	53	22	3	21	13	16	13	32	17	17	19	8
Future employment	-37	-7	6	5	16	16	36	21	36	6	-10	4	11	14	-14	16	-17	2	19	9

*Data is not available for June and September 2016

Wholesale & retail

	2013		2014				2015				2016*		2017				2018			
Indicator	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**
Business Activity	**8**	**-12**	**-16**	**8**	**-3**	**-3**	**12**	**11**	**-1**	**10**	**-11**	**9**	**-4**	**40**	**11**	**4**	**-19**	**41**	**1**	**2**
New Business	-1	-18	-3	9	0	8	17	13	6	4	-6	8	-6	48	15	1	-14	33	6	-9
Capacity Utilisation	-37	-44	-10	-10	-24	-16	18	1	-5	-10	-10	3	-11	0	7	-9	-13	15	-21	3
Input costs	-36	-37	-46	-46	-37	-11	-49	-29	-13	-28	-8	-57	-56	-71	-57	-53	-47	-73	-67	-66
Product prices	-1	0	9	-7	16	-11	-12	10	-7	-10	-8	12	23	45	51	20	32	36	22	27
Profitability	-18	-45	-42	-26	-25	-23	-34	0	-10	-4	-16	-26	-20	12	-20	-46	-24	3	-30	-36
Employment	-13	-16	-13	1	0	1	5	-13	3	19	-5	17	-9	3	7	-5	-12	-2	-8	1
Business optimism	-2	-6	-19	12	6	0	23	15	7	-1	2	-8	-27	26	3	4	1	-2	-20	-27
Future business activity	8	3	-5	27	13	10	31	28	30	9	21	-1	18	28	11	19	17	16	-3	5
Future employment	-7	-20	-10	11	1	9	-6	-6	14	19	16	1	-3	16	24	-10	-14	5	14	-7

*Data is not available for June and September 2016

Other non-finance

	2013		2014				2015				2016*		2017				2018			
Indicator	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**
Business Activity	**5**	**1**	**-8**	**0**	**15**	**9**	**23**	**16**	**16**	**14**	**-2**	**10**	**19**	**23**	**1**	**1**	**12**	**16**	**25**	**5**
New Business	-4	1	-11	6	9	3	25	19	12	14	4	5	21	19	7	13	22	9	21	-2
Capacity Utilisation	-6	-15	-13	-1	-4	-2	-1	2	8	1	-2	0	10	9	5	0	1	7	17	2
Input costs	-46	-44	-47	-47	-49	-38	-44	-34	-28	-32	-30	-54	-65	-47	-54	-48	-63	-57	-62	-52
Product prices	-3	-2	5	3	-2	5	16	11	8	8	12	23	10	20	22	6	28	35	30	16
Profitability	-25	-29	-31	-21	-14	-19	-1	-5	-9	-12	-13	-21	-19	-5	-25	-19	-21	-12	-7	-21
Employment	0	-6	-5	-2	2	0	3	0	4	-8	9	2	2	0	-3	5	1	10	13	1
Business optimism	2	3	-5	0	8	18	10	12	-3	4	11	0	14	8	-8	9	2	2	8	-3
Future business activity	10	13	24	12	14	17	31	27	3	3	28	-5	27	26	-6	8	8	12	12	-2
Future employment	2	1	13	3	-2	0	17	8	0	3	16	-1	8	12	-3	8	11	9	13	-2

*Data is not available for June and September 2016

Figures for earlier years are available online at www.gov.je/BTS