Business Tendency Survey

June 2019

Statistics Jersey: www.gov.je/statistics

Summary for the Business Tendency Survey in June 2019

Business activity indicator

- the headline **all-sector business activity** indicator was **positive**, at +16 percentage points (pp); this means the proportion of businesses reporting an increase was 16 pp greater than those reporting a decrease
    - the business activity indicator was strongly positive for the finance sector (+33 pp) and slightly positive for the non-finance sector (+8 pp)
    - the all-sector business activity indicator increased marginally over the latest three months (up 3 pp); the indicator decreased slightly by 6 pp for finance, and increased slightly for non-finance (up 7 pp)

Current indicators

- **five** of the **eight current indicators** were **positive** and **three** were **negative**
    - for the finance sector, five indicators were positive, one was negative and two were neutral
    - for the non-finance sector, three of the eight current indicators were positive, four were negative and one was neutral
- the **overall** picture was **essentially unchanged** from last quarter; no current indicator changed significantly
    - while the finance sector was positive, it was significantly less positive than last quarter in four current indicators: new business, product prices, employment and business optimism
    - the non-finance sector was slightly more positive this quarter; the only significant change was in the profitability indicator, which was 10 pp higher than last quarter

Next quarter – the three months to September 2019

- the outlook for **future business activity** was **positive** (+13 pp) overall, with the finance sector strongly positive (+28 pp) and the non-finance sector slightly positive (+6 pp)
    - the future business activity indicator was significantly lower than 3 months and 12 months ago, down 12 pp compared to both periods
- the **future employment** outlook was **marginally positive** (+3 pp) overall, with finance positive (+18 pp) and non-finance slightly negative (-4 pp)
    - the future employment indicator was slightly lower than last quarter, down 4 pp, and was significantly lower than 12 months ago (down 13 pp)

2019 – Finance sector expectations

- the employment expectations indicator for 2019 was strongly positive (+26 pp); 51% of finance companies predicted an increase, while 25% predicted a decrease
    - this indicator was essentially unchanged from December 2018, but was significantly lower on an annual basis, down 19 pp
- the profit expectations indicator for 2019 was strongly positive (+59 pp); 68% of finance companies predicted an increase, compared to 9% that predicted a decrease
    - as with the future employment indicator, the expected profits indicator was unchanged from December 2018, but was significantly lower on an annual basis (down 21 pp)

Statistics Jersey

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.

Section 1: Current situation

Business activity

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

In June 2019, the all-sector business activity indicator was positive, with a value of +16 percentage points (pp). Close to a third (31%) of businesses reported an increase in business activity, compared with 15% that reported a decline; this results in a net balance of +16 pp, which provides the value of the indicator. Over half (55%) of companies reported that business activity was unchanged; see Figure 1.1.

Figure 1.1 – Business activity, June 2019
Compared with situation three months previously

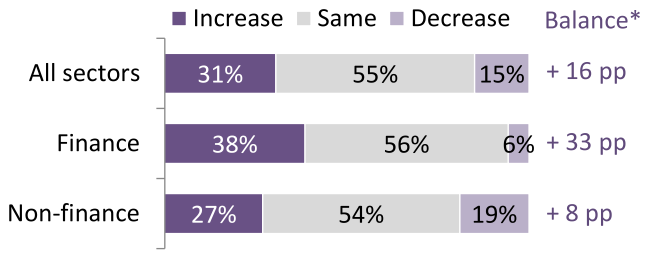
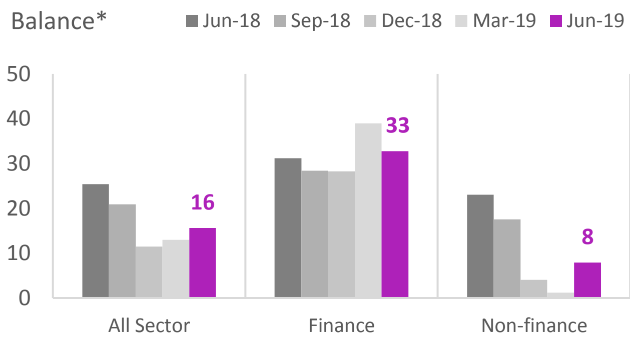


Figure 1.2 – Business activity, time series
June 2018 - June 2019 (percentage points)



* 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 (+33 pp) and slightly positive for the non-finance sector (+8 pp). The overall business activity indicator was marginally higher than in the previous quarter, up 3 pp. The indicator decreased slightly for the finance sector (down 6 pp), and it increased slightly for non-finance (up 7 pp); see Figure 1.2.

In June 2019, over a third (38%) of finance companies reported that business activity had increased, compared with a quarter (27%) of non-finance companies.

Within the non-finance sector, the business activity indicator for June 2019 was positive for wholesale and retail (+16 pp), negative for construction (-10 pp), and slightly positive for other non-finance businesses (+9 pp). See the appendix for further sectoral breakdown.

Current indicators

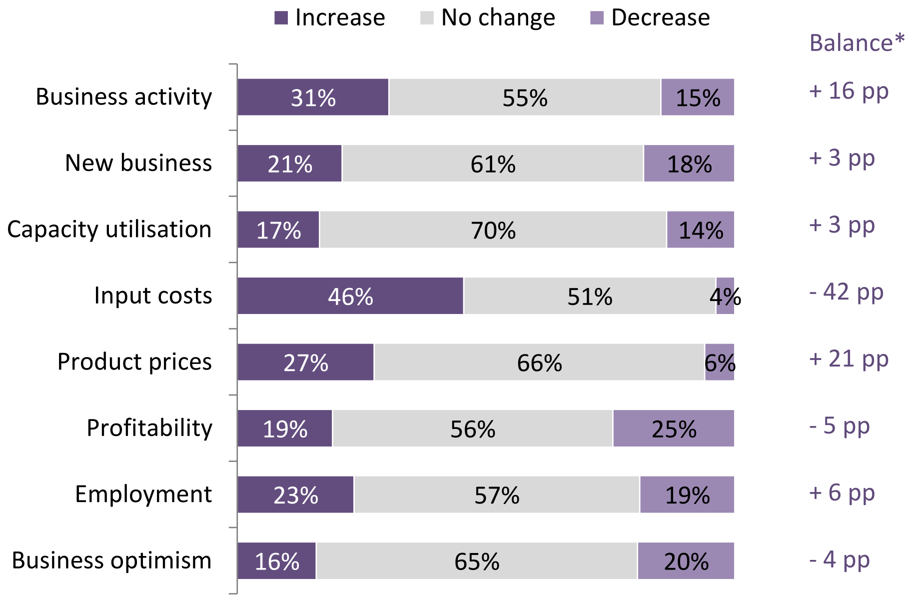
In June 2019, five out of the eight all-sector indicators relating to the current situation were positive (a positive balance indicates that a greater proportion of companies reported increases than decreases), and the other three were negative. For all eight of the current indicators, the majority of companies reported 'no change'; see Figure 2.1.

The input costs indicator[1] was -42 pp, making it the most negative of the eight current indicators; 46% of companies reported increases and very few (4%) reported decreases. For this indicator, a negative balance indicates that more businesses have seen input costs increase than decrease.

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

Apart from business activity, the product prices indicators was the only other significantly positive indicator, at +21 pp. Although close to half (46%) of companies reported increased input costs, only a quarter (27%) reported increased product prices (charged to customers).

Figure 2.1 – All-sector indicators, comparing current situation (June 2019) to three months previously



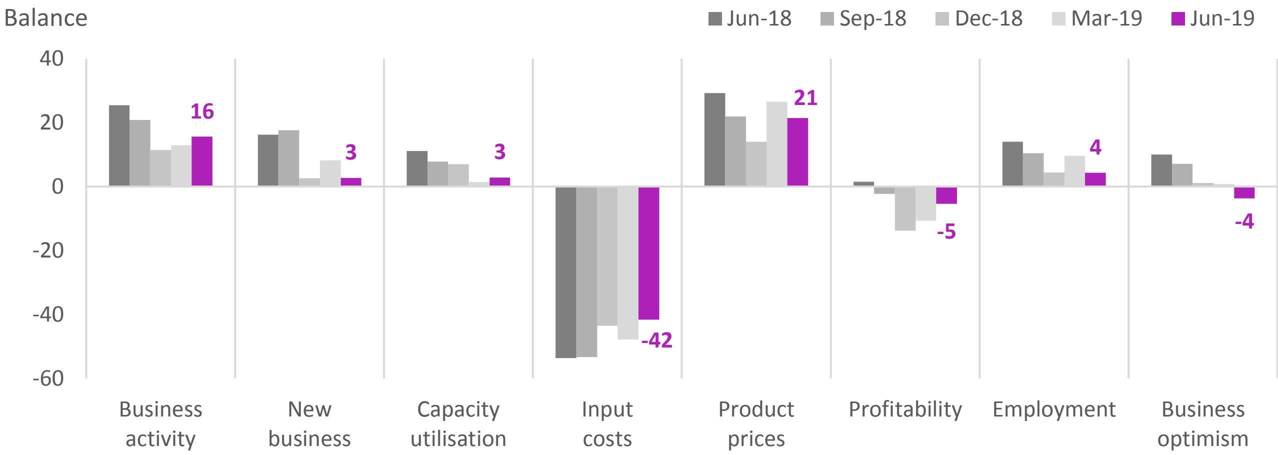
* The net balance is the difference between the proportion of companies reporting an increase and those reporting a decrease. For input costs, a negative balance indicates that more businesses have seen input costs increase than decrease.

The profitability indicator was slightly negative (-5 pp), and comprised a quarter (25%) of businesses that reported a decrease in profitability and 19% that reported an increase, with no change for the remaining 56%.

Figure 2.2 shows each of the eight current indicators for June 2019 against those of the previous four rounds of the survey, from June 2018 to March 2018.

Figure 2.2 – All-sector current indicators, time series

June 2018 - June 2019



None of the current indicators changed significantly from the previous quarter; they all changed by less than 10 pp. However, there were some non-significant changes: three indicators increased slightly and four decreased slightly, while capacity utilisation was essentially unchanged.

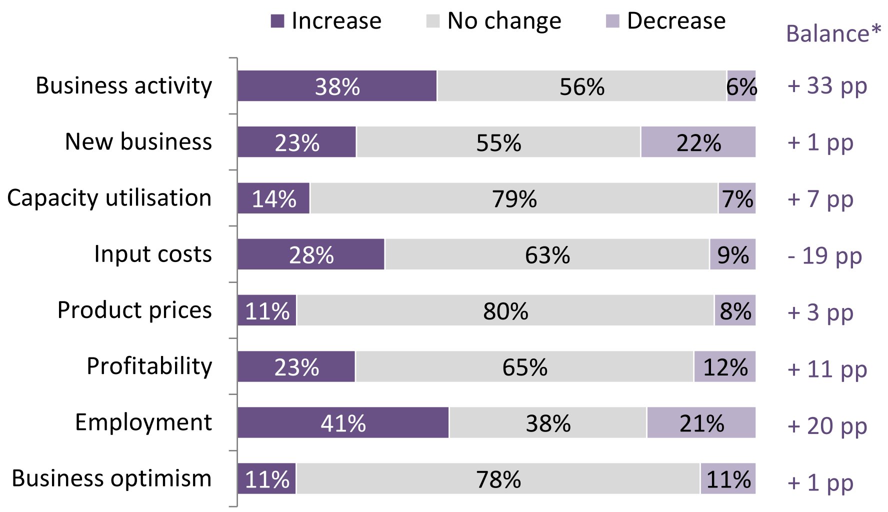
While the input costs indicator remained the most negative of the indicators, it increased slightly by 4 pp from last quarter to -42 pp, the least negative it has been for 18 months. This indicator has remained around or below -40 pp since December 2016, indicating that input costs have risen for a large proportion of businesses in each round of the survey. See Figure 2.2 for a time series of recent values and the appendix for previous years.

Compared to twelve months ago (June 2018), the situation this quarter is similar. The new business and business optimism indicators are significantly lower, while the input costs indicator is significantly higher.

Finance sector

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

Figure 3.1 – Finance sector indicators, comparing current situation (June 2019) 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 the most positive indicator, with a balance of +33 pp; this comprised 38% of finance companies that reported increased business activity and 6% that reported decreased activity.

The other significantly positive indicators were employment (+20 pp) and profitability (+11 pp).

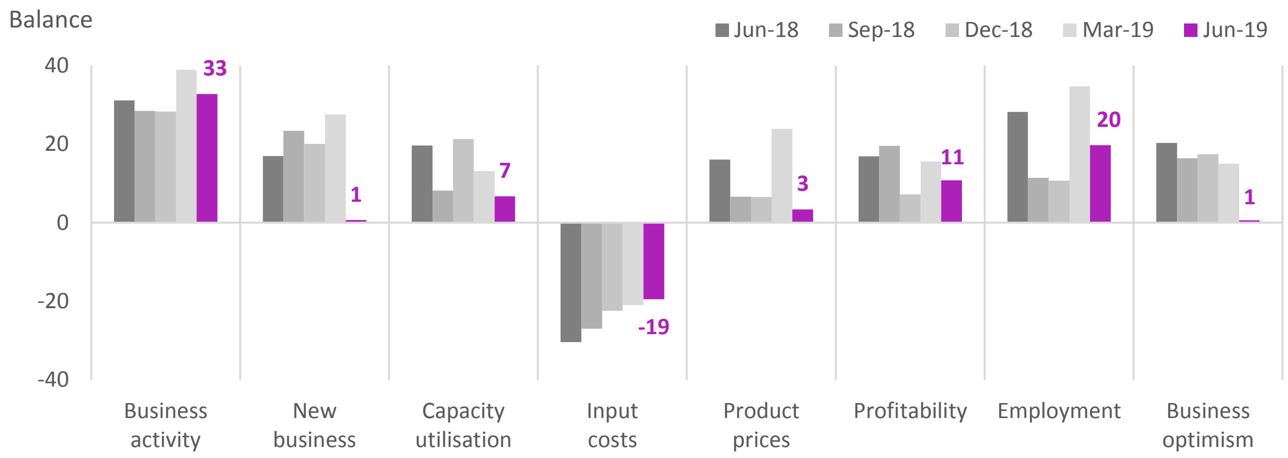
The indicator for capacity utilisation was slightly positive (+7 pp) and the produce prices indicator was marginally positive (+3 pp).

The only negative indicator was input costs, which was significantly negative with a balance of -19 pp.

In June 2019 the finance industry continued to be positive overall, but was significantly less positive this quarter than in the previous four quarters. Figure 3.2 illustrates that there were four significant changes (of at least 10 pp) since last quarter; the indicators for new business, product prices, employment and business optimism all decreased significantly. The finance sector was also less strongly positive this quarter than twelve months prior; two of the eight indicators were at least +20 pp in June 2019, while four indicators were at least +20 pp in June 2018.

Figure 3.2 – Finance sector current indicators, time series

June 2018 - June 2019



The new business indicator decreased from strongly positive (+28 pp) in March 2019 to neutral (+1 pp) in June 2019, finance's largest quarterly change this round. June 2019 is the first time the indicator has been recorded as non-positive since June 2013.

The product prices indicator also decreased significantly over this period, from positive (+24 pp) to marginally positive (+3 pp). This indicator now sits at a similar level to the last two quarters of 2018, when it was slightly positive (+7 pp).

The employment indicator decreased from strongly positive (+35 pp) in March to positive (+20 pp) in June.

Since the previous quarter, the business optimism indicator decreased from positive (+15 pp) to neutral (+1 pp). The current level is the lowest recorded since March 2013, when it was -1 pp.

The annual differences are somewhat similar; four indicators decreased significantly (business optimism, new business, capacity utilisation and product prices), and only the input costs indicator increased significantly.

Non-finance sector

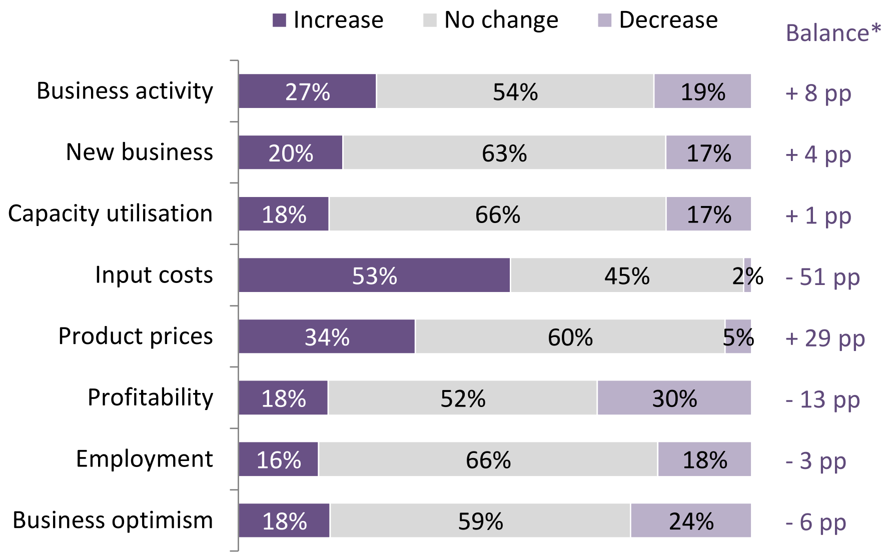
For the non-finance sector, four out of the eight indicators for the current situation were negative in the latest quarter, three were positive, and one was neutral; see Figure 4.1. Input costs and profitability were the significantly negative indicators, while product prices was the only significantly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

Input costs was the most strongly negative indicator, with a balance of -51 pp (a negative balance for this indicator implies increased costs overall). Over half (53%) of companies reported an increase in input costs in the latest quarter. This was in contrast to product prices (balance of +29 pp), for which only a third (34%) of non-finance companies reported an increase and 60% reported no change.

The input costs indicator was most negative for construction (-77 pp), and was strongly negative for wholesale and retail (-51 pp) and other non-finance (-46 pp).

The profitability indicator was also significantly negative (-13 pp). This comprised 30% of companies that reported decreased profitability and 18% that reported an increase, whilst 52% reported no change. The profitability indicator was strongly negative for construction (-25 pp) and wholesale and retail (-23 pp), and slightly negative for other non-finance (-6 pp). For a breakdown by sector, see the appendix.

Figure 4.1 – Non-finance sector indicators, comparing current situation (June 2019) to three months previously



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

The indicator for business optimism was slightly negative (-6 pp), and employment was marginally negative (-3 pp). The indicators for business activity and new business were slightly positive (+8 pp and +4 pp respectively).

Two of the eight current indicators were significantly more positive for large non-finance companies than small companies[2], business activity and product prices (33 pp and 10 pp higher respectively for large companies). Large companies were also significantly more negative in the business optimism indicator (23 pp lower). These differences were broadly reflected in the balances of their indicators; large non-finance companies had two significantly positive indicators and three significantly negative, compared to one significantly positive and two significantly negative for small companies. See the appendix for detailed breakdowns by size and sector.

For the non-finance sector overall, the only current indicator to change significantly since the previous quarter was profitability, up 10 pp. There were four slight increases, and the remainder were essentially unchanged; see Figure 4.2. The sub-sector indicators saw greater quarterly change; there were three significant quarterly increases for construction and two significant decreases. The wholesale and retail indicators saw two significant increases and one significant decrease, and the only significant changes for non-finance were increases in the indicators for profitability and input costs. See the appendix for detailed breakdowns by size and sector.

The business activity indicator for the non-finance sector was slightly positive (+8 pp), a slight increase of 7 pp from March 2019. This change was driven by a significant increase in other non-finance (up 10 pp); the indicator was essentially unchanged for construction and for wholesale and retail. See the appendix for a breakdown by sector.

The profitability indicator was the only significant quarterly increase, rising 10 pp. Again this was driven by a significant increase for non-finance (up 20 pp); the profitability indicator was significantly lower for whole and retail (down 10 pp), and unchanged for construction.

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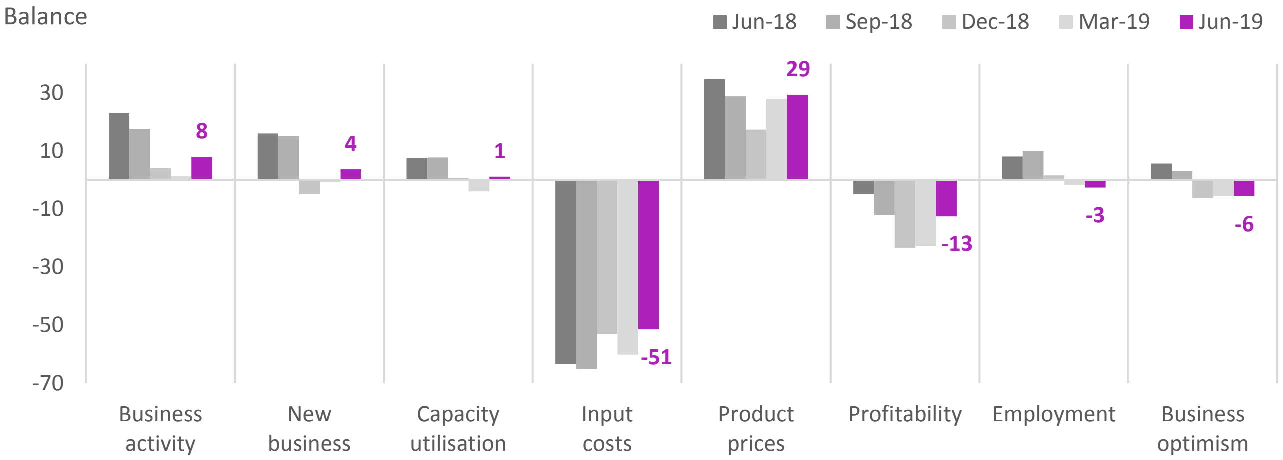
[2] Large companies are defined as having more than 50 FTEs and small companies are defined as having 50 or fewer FTEs.

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

June 2018 - June 2019



The input costs indicator increased slightly (up 9 pp) to -51 pp. Since the survey restarted in December 2016, more than half of non-finance companies have reported increased input costs every quarter. In June 2019, 53% of businesses reported higher input costs, compared to a 34% that reported raising their product prices.

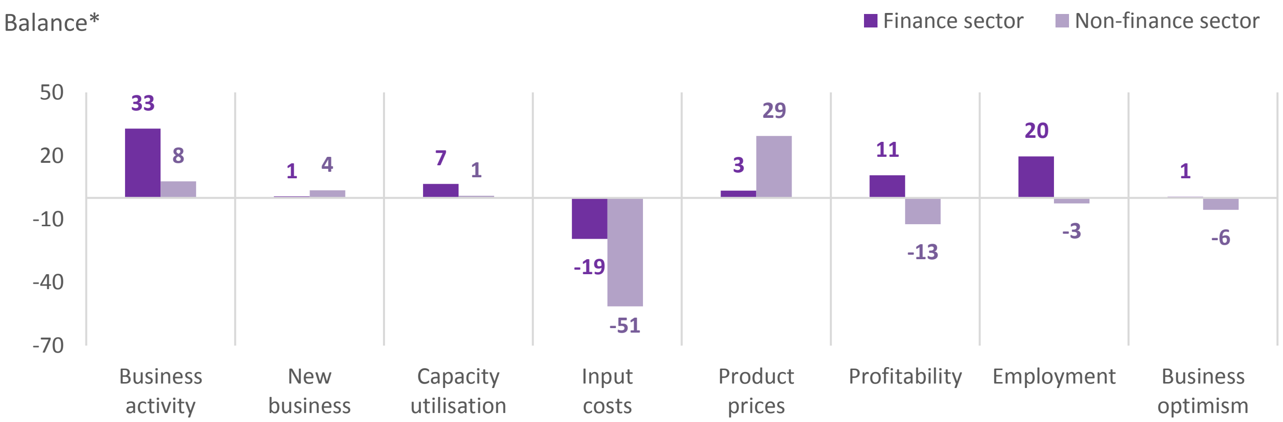
Looking at the non-finance sub-sectors, the input costs indicator for the construction sector decreased significantly by 23 pp from the previous quarter, while for wholesale and retail and other non-finance it increased significantly (both up 14 pp).

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 four of the eight current indicators; see Figure 5.1. All four of these indicators were at least 20 pp higher in the finance industry: input costs, business activity, profitability and employment. Compared to the previous quarter, the gap between finance and non-finance has reduced; in March 2019, seven of the eight indicators were significantly more positive for finance, and six were at least 20 pp more positive. However, the differences between the two sectors was similar in June 2018 (five significantly more positive for finance, three by at least 20 pp).

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

June 2019



* 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 difference between the finance and non-finance sectors was in the input costs indicator (32 pp); the other three indicators with significant differences all had gaps of between 22 and 25 pp.

While the input costs indicator was negative for both sectors, it was 32 pp more positive for the finance sector (-19 pp) than for the non-finance sector (-51 pp).

The business activity indicator was strongly positive (+33 pp) for the finance sector and slightly positive (+8 pp) for the non-finance sector.

The profitability indicator was positive (+11 pp) for the finance sector and negative (-13 pp) for non-finance.

The employment indicator was positive (+20 pp) for finance and marginally negative (-3 pp) for non-finance.

The product prices indicator was the only indicator which was more positive for the non-finance sector (+29 pp) than the finance sector (+3 pp). This indicator saw a 21 pp quarterly drop for finance, the sector's biggest quarterly change on record for this indicator, which followed a record high for the previous quarter.

The remaining indicators were at similar levels for both the finance and non-finance sectors.

Section 2: Future indicators

Future business activity

The outlook for all-sector future business activity over the next three months (to June 2019) was positive (+13 pp). A quarter (27%) of businesses expected to see an increase, compared to 14% that expected a decrease, and the remaining 60% anticipated seeing no change; see Figure 6.1.

Figure 6.1 – Future business activity
Expectations for next three months (June 2019)

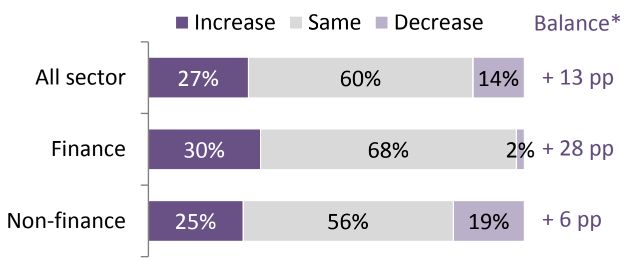
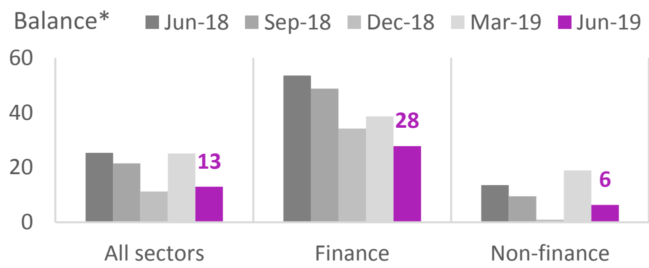


Figure 6.2 – Future business activity time series
June 2018 – June 2019 (percentage points)



* 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 business activity indicator was strongly positive for the finance sector (+28 pp); close to a third (30%) of finance companies anticipated increased activity over the next three months whilst 2% anticipated decreased activity. This indicator was driven by large finance companies, which had a balance of +32 pp for this indicator; small finance companies were also positive, but not strongly (+12 pp).

The future business activity indicator for the non-finance sector was slightly positive (+6 pp). Similar levels were reported across the non-finance sectors; wholesale and retail and other non-finance were both slightly positive (+6 pp and +8 pp respectively), while the indicator was neutral (-1 pp) for construction. The indicator was positive (+10 pp) for small non-finance companies and neutral (+2 pp) for large non-finance companies.

The overall future business activity indicator decreased significantly from the previous quarter, down 12 pp; see Figure 6.2. There were significant decreases in both finance and non-finance, down 11 pp and 13 pp respectively. Within the non-finance sector, this indicator decreased significantly since the previous quarter for wholesale and retail (down 19 pp) and other non-finance (down 14 pp). Construction was the only sub-sector to not report a significant decrease; the indicator was essentially unchanged. Compared to twelve months earlier, the future business activity indicators were significantly lower overall and for finance (down 12 pp and 26 pp, respectively), with a slight decrease for non-finance (down 8 pp). See the appendix for a breakdown of the non-finance sector.

Future employment

The outlook for all-sector future employment was marginally positive (+3 pp). A fifth (21%) of companies expected to see an increase, and 18% expected to see a decrease; see Figure 7.1. In comparison, 39% of finance companies expected to increase their employment, contributing to the sector's positive (+18 pp) balance for the future employment indicator. The non-finance sector had a slightly negative (-4 pp) indicator.

Figure 7.1 – Future employment
Expectations for next three months (June 2019)

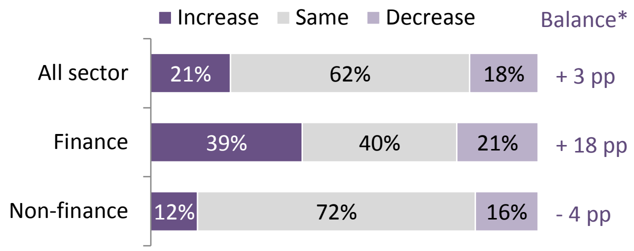
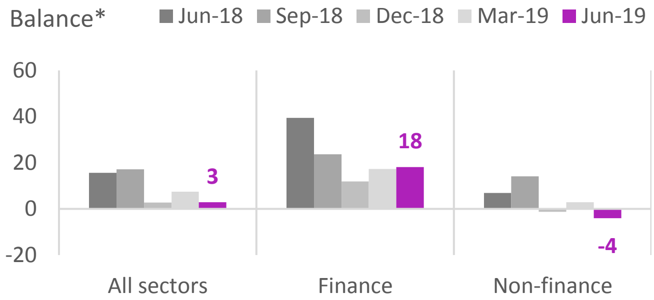


Figure 7.2 – Future employment time series
June 2018 – June 2019 (percentage points)



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

The overall indicator decreased slightly from the previous quarter (down 4 pp), driven by a slight decrease for non-finance (down 7 pp); the indicator essentially unchanged for finance, see Figure 7.2. Compared to June 2018, the future employment indicator was significantly lower for both finance and non-finance sectors (21 pp and 11 pp lower respectively), resulting in the overall indicator also being significantly lower on an annual basis (down 13 pp).

The future employment indicator was slightly negative for both large and small non-finance companies (both -4 pp). The indicator was positive for both large and small finance companies (+20 pp and +11 pp respectively). See the appendix for a detailed breakdown by size and sector.

Annex – Finance sector

Future expectations

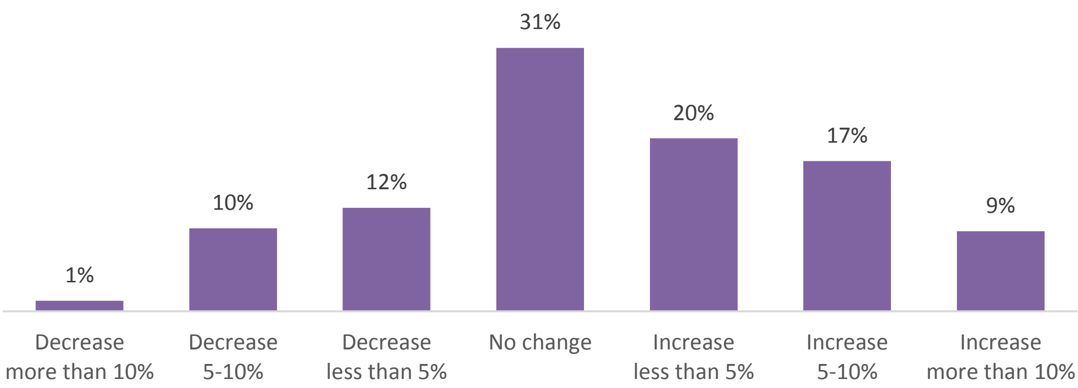
Additional questions were asked of the finance sector to gauge their expectations for future employment, profits and business development.[3]

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 (+24 pp), with close to half (47%) of finance companies expecting employment to be higher in December 2019, compared to a quarter (23%) that expected a decrease and close to a third (31%) that expected no change; see Figure A.1.

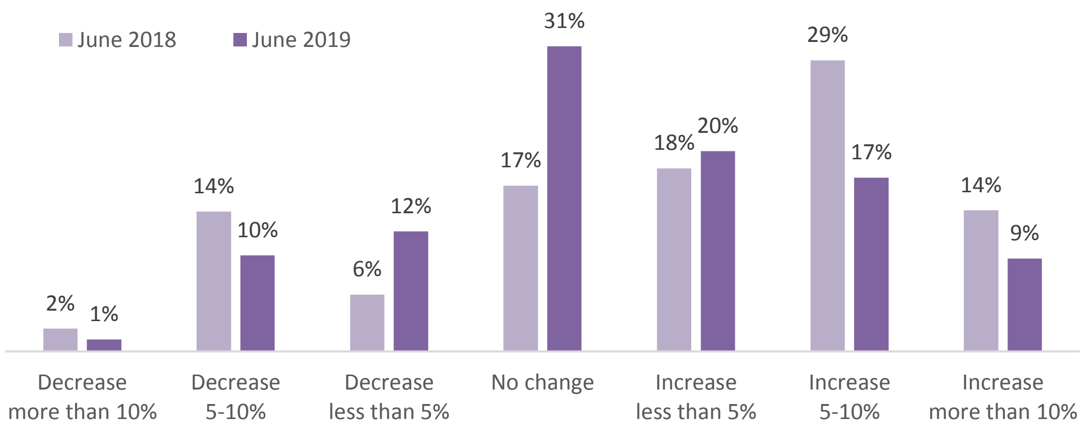
Figure A.1 – Longer-term employment expectations (December 2018 to December 2019)



A fifth (20%) of companies expected employment increases of less than 5%, and a quarter (26%) of companies expected an increase of 5% or more. Companies that expected a decrease were split evenly between decreases of less than 5% and decreases of 5% or more (12% and 11% respectively).

Compared to expectations in June 2018, this indicator was down 16 pp (from +40 pp to +24 pp), a significant decrease. This was due to more companies in June 2019 predicting "no change" and fewer companies predicting increased employment; see Figure A.2.

Figure A.2 – Longer-term employment expectations for 2019 (expressed in June 2019), compared with expectations for 2018 (expressed in June 2018)

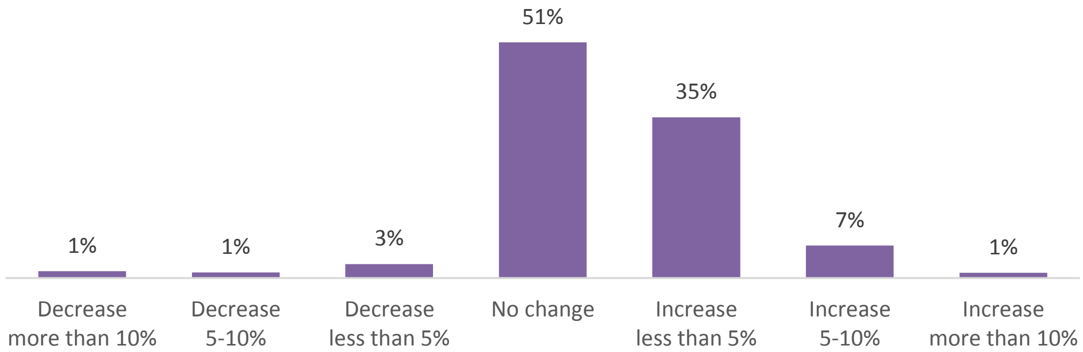


[3] In previous publications, the finance annex was weighted by company size only. The annex is now weighted by company size and sampling probability, as in the rest of the report.

Profit expectations

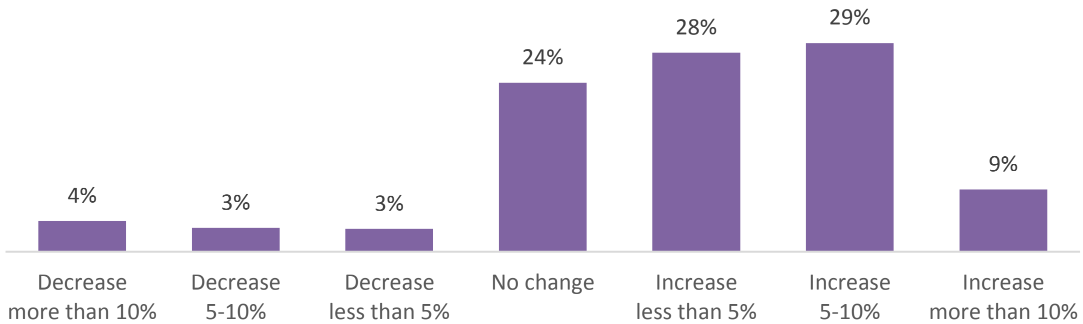
Companies were asked their expected level of profits for the following three months, between June and September 2019. The outlook for profits in the short term was strongly positive (+37 pp); 43% of finance companies expected increases, with most of those companies predicting increases of less than 5%, see Figure A.3. Some 6% of companies expected a decrease in profits in the short term.

Figure A.3 – Short-term profit expectations (June 2019 to September 2019)



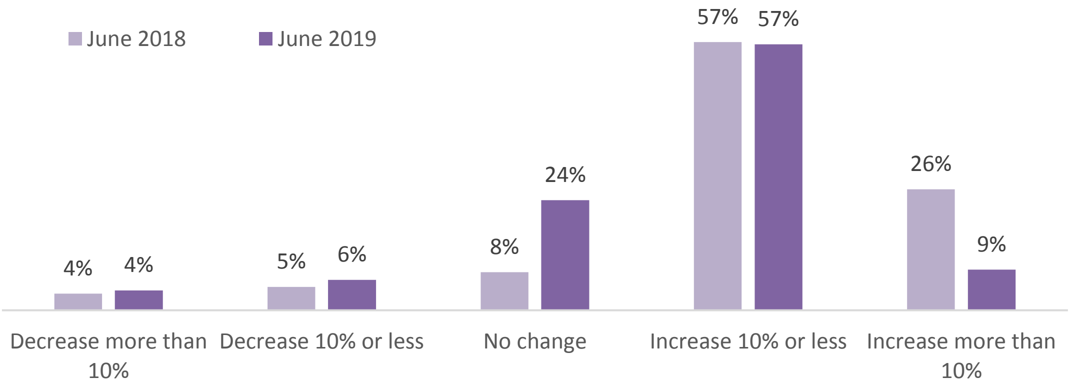
Businesses were also asked to compare their profits for financial year 2018 with their expected profits for financial year 2019. The longer-term outlook for this year's profits was more strongly positive (+55 pp), with two-thirds (66%) of finance companies expecting that profits in 2019 would be higher than in 2018, compared to 11% that expected decreases; see Figure A.4.

Figure A.4 – Longer-term profit expectations (for 2019, compared with 2018)



The balance of this indicator is essentially unchanged from December 2018. However, it is significantly less positive than 12 months ago, down 20 pp. This can be seen in Figure A.5, which compares the profit expectations for 2019 expressed in June 2019 with expectations for the year 2018 expressed in June 2018.

Figure A.5 – Longer-term profit expectations for 2019 (expressed in June 2019), compared with expectations for 2018 (expressed in June 2018)



There was a decrease in the proportion predicting an increase of more than 10%, down from 26% in June 2018 to 9% in June 2019. There was a similar increase in the proportion predicting no change in profits, from 8% in June 2018 to 24% in June 2019. However, a majority of companies predicted increased profits in both rounds of the survey.

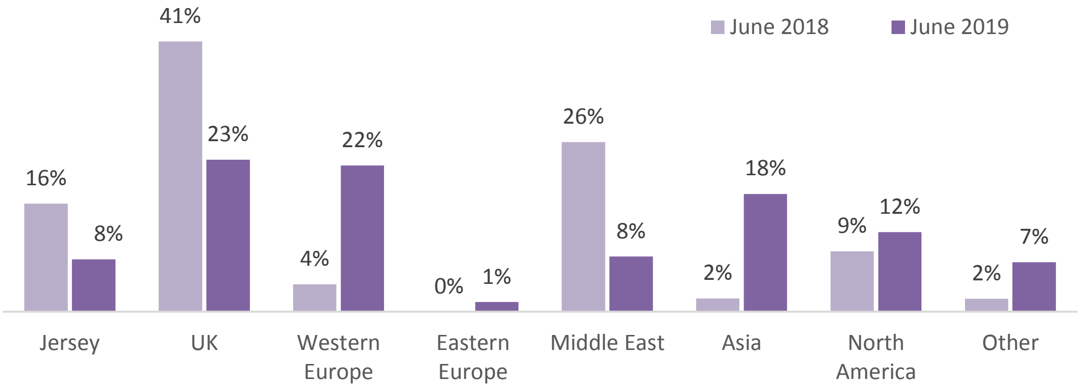
Geographical regions

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

Developing regions

The UK and Western Europe were the most commonly cited regions with the highest potential for developing business, cited by 23% and 22% of finance companies respectively; see Figure A.6. These were followed by Asia (18%), North America (12%), and Jersey and the Middle East (both 8%).

Figure A.6 – Geographical regions with the greatest potential for developing key business for 2019 (expressed in June 2019), compared with expectations for 2018 (expressed in June 2018)

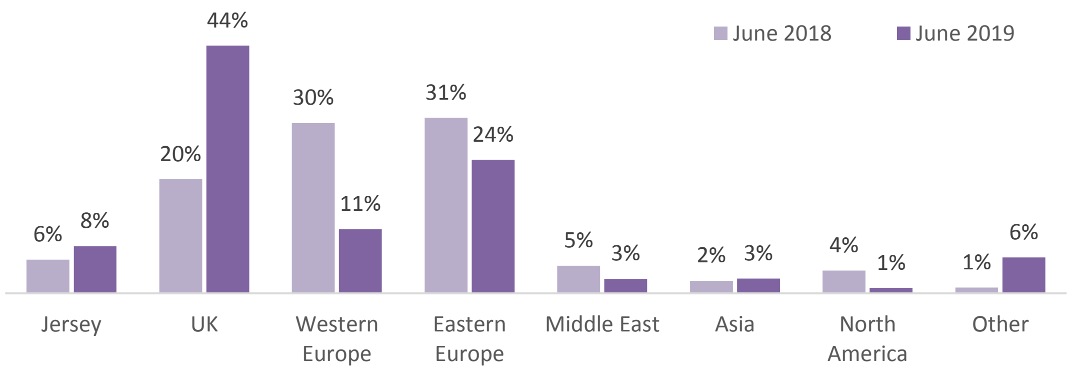


The largest annual changes have been seen in the UK (down 18 pp), Western Europe (up 18 pp), the Middle East (down 17 pp), and Asia (up 16 pp).

Declining regions

The UK was the region mostly commonly cited as having the greatest potential for decline in 2019, with 44% of finance companies choosing it; see Figure A.7. This is a significant increase of 24 pp from twelve months before, when the UK was cited by only 20% of companies. Western and Eastern Europe were both cited by smaller proportions of companies than in June 2018, down 19 pp and 7 pp respectively. All other regions were rarely cited as having the greatest potential for decline, similar to previous rounds.

Figure A.7 – Geographical regions with the greatest potential for decline of key business for 2019 (expressed in June 2019), compared with expectations for 2018 (expressed in June 2018)



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; 246 completed questionnaires were returned, constituting an overall response rate of 49%. The respondents accounted for 35% of total private sector employment in the Island.

5. **Weighting**:

   The response data collected were analysed by calculating a weighted net balance. Each reporting business was assigned two weights: a sampling probability weight and a size weight (FTE workforce). The sampling weight adjusts for the different likelihoods of different sized businesses being included in the sample, an effect of the sampling methodology used. The size weight ensures that companies contribute to each indicator in proportion to the size of their workforce.

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

Statistics Jersey

17 July 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.

Statistics Jersey

Appendix

June 2019 – 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		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*
Business Activity	**16**	*55*	**33**	*56*	**8**	*54*	**-10**	*57*	**16**	*68*	**9**	*49*
New Business	**3**	*61*	**1**	*55*	**4**	*63*	**19**	*52*	**3**	*85*	**1**	*58*
Capacity Utilisation	**3**	*70*	**7**	*79*	**1**	*66*	**7**	*56*	**10**	*78*	**-3**	*63*
Input costs	**-42**	*51*	**-19**	*63*	**-51**	*45*	**-77**	*17*	**-51**	*49*	**-46**	*50*
Product prices	**21**	*66*	**3**	*80*	**29**	*60*	**38**	*48*	**29**	*61*	**27**	*62*
Profitability	**-5**	*56*	**11**	*65*	**-13**	*52*	**-25**	*59*	**-23**	*62*	**-6**	*48*
Employment	**4**	*57*	**20**	*38*	**-3**	*66*	**-10**	*59*	**-7**	*74*	**0**	*65*
Business optimism	**-4**	*65*	**1**	*78*	**-6**	*59*	**9**	*66*	**-16**	*68*	**-5**	*54*
Future business activity	**13**	*60*	**28**	*68*	**6**	*56*	**-1**	*62*	**6**	*79*	**8**	*47*
Future employment	**3**	*62*	**18**	*40*	**-4**	*72*	**3**	*69*	**3**	*82*	**-8**	*69*

June 2019 – Net balances of indicators (percentage points) and percentage of respondents reporting 'no change'
All sectors, finance and non-finance sectors by size of business*

Indicator	All sectors				Finance				Non-finance			
	Large		Small		Large		Small		Large		Small	
	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**	Net balance	*No change**
Business Activity	**32**	*54*	**-2**	*55*	**37**	*55*	**18**	*60*	**27**	*53*	**-5**	*54*
New Business	**2**	*64*	**4**	*57*	**-4**	*55*	**17**	*55*	**6**	*71*	**2**	*57*
Capacity Utilisation	**7**	*75*	**-2**	*64*	**8**	*78*	**3**	*81*	**6**	*71*	**-3**	*62*
Input costs	**-37**	*53*	**-47**	*48*	**-17**	*61*	**-28**	*68*	**-55**	*45*	**-49**	*45*
Product prices	**19**	*68*	**24**	*65*	**0**	*80*	**17**	*83*	**36**	*58*	**25**	*62*
Profitability	**-1**	*55*	**-10**	*58*	**14**	*62*	**-3**	*77*	**-14**	*48*	**-11**	*56*
Employment	**13**	*52*	**-6**	*64*	**25**	*32*	**-1**	*63*	**3**	*69*	**-6**	*64*
Business optimism	**-9**	*75*	**2**	*53*	**2**	*81*	**-6**	*66*	**-19**	*71*	**3**	*51*
Future business activity	**16**	*68*	**10**	*51*	**32**	*66*	**12**	*75*	**2**	*69*	**10**	*47*
Future employment	**8**	*55*	**-2**	*69*	**20**	*31*	**11**	*82*	**-4**	*78*	**-4**	*68*

* 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

	2014			2015				2016*		2017				2018				2019	
Indicator	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**March**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**
Business Activity	**15**	**12**	**5**	**26**	**20**	**5**	**13**	**7**	**20**	**18**	**25**	**7**	**12**	**16**	**25**	**21**	**11**	**13**	**16**
New Business	11	8	8	26	24	12	8	14	14	14	23	12	21	19	16	18	3	8	3
Capacity Utilisation	1	-2	-1	11	7	9	1	2	9	9	8	4	9	6	11	8	7	1	3
Input costs	-42	-38	-27	-40	-31	-19	-48	-23	-45	-55	-55	-39	-42	-50	-54	-53	-44	-48	-42
Product prices	-1	2	1	9	10	4	27	7	14	16	25	21	14	26	29	22	14	27	21
Profitability	-12	-10	-16	-1	2	-8	-11	-9	-11	-16	-2	-8	-7	-9	1	-2	-14	-11	-5
Employment	-2	6	1	9	-4	7	10	8	3	2	1	6	13	9	14	10	4	10	4
Business optimism	11	13	15	18	15	5	1	9	4	7	14	8	18	11	10	7	1	1	-4
Future business activity	19	14	14	32	27	25	25	22	14	26	25	10	27	20	25	21	11	25	13
Future employment	9	2	5	13	12	10	7	11	0	7	13	11	22	12	16	17	3	7	3

*Data is not available for June and September 2016

Finance

	2014			2015				2016*		2017				2018				2019	
Indicator	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**March**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**
Business Activity	**50**	**21**	**10**	**38**	**31**	**0**	**39**	**33**	**41**	**34**	**35**	**12**	**28**	**36**	**31**	**28**	**28**	**39**	**33**
New Business	23	24	27	34	39	15	28	41	31	18	16	18	38	33	17	23	20	28	1
Capacity Utilisation	9	27	16	23	16	23	13	19	28	30	25	4	27	28	20	8	21	13	7
Input costs	-24	-19	-2	-27	-26	-13	-21	-22	-18	-34	-23	-11	-23	-25	-30	-27	-22	-21	-19
Product prices	2	6	11	9	12	0	24	14	3	16	13	7	21	18	16	7	7	24	3
Profitability	29	18	5	26	17	-3	16	7	12	-7	15	23	31	18	17	20	7	16	11
Employment	1	21	4	17	-4	8	35	19	-5	12	6	18	29	33	28	11	11	35	20
Business optimism	29	25	19	21	18	4	15	11	13	19	12	22	33	24	20	16	17	15	1
Future business activity	28	11	17	32	29	36	39	22	49	38	45	25	51	39	54	49	34	39	28
Future employment	22	6	8	9	24	11	17	6	-2	11	28	29	57	37	39	24	12	17	18

*Data is not available for June and September 2016

Non-finance

Indicator	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	2019 March	2019 June
Business Activity	**3**	**8**	**3**	**21**	**14**	**9**	**10**	**-4**	**12**	**12**	**21**	**5**	**4**	**6**	**23**	**18**	**4**	**1**	**8**
New Business	7	2	2	22	15	10	10	1	**7**	13	26	9	11	12	16	15	-5	-1	4
Capacity Utilisation	-2	-12	-7	6	3	2	-3	-5	**2**	3	2	4	0	-3	8	8	1	-4	1
Input costs	-48	-44	-35	-46	-33	-22	-30	-23	**-55**	-62	-66	-54	-51	-62	-64	-65	-53	-60	-51
Product prices	-2	1	-2	9	10	6	1	4	**18**	16	30	28	11	29	35	29	17	28	29
Profitability	-26	-20	-23	-13	-5	-10	-9	-16	**-21**	-19	-9	-24	-26	-22	-5	-12	-23	-23	-13
Employment	-2	0	-1	6	-4	7	3	3	**6**	-1	-1	0	5	-2	8	10	2	-2	-3
Business optimism	6	9	13	17	14	5	6	8	**1**	3	15	0	10	5	6	3	-6	-6	-6
Future business activity	15	15	13	32	26	19	8	23	**0**	22	18	1	14	12	14	9	1	19	6
Future employment	5	1	4	15	6	9	8	13	**0**	5	9	1	5	1	7	14	-1	3	-4

*Data is not available for June and September 2016

Construction

Indicator	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	2019 March	2019 June
Business Activity	**11**	**-4**	**-13**	**30**	**8**	**8**	**-5**	**2**	**25**	**16**	**10**	**7**	**16**	**20**	**21**	**11**	**3**	**-8**	**-10**
New Business	10	-21	-9	17	4	12	10	2	14	17	16	6	20	9	18	4	-10	-6	19
Capacity Utilisation	7	-29	-18	13	11	-4	-5	-10	8	3	12	-2	18	-5	-2	13	-7	21	7
Input costs	-56	-35	-50	-46	-37	-27	-24	-28	-57	-64	-73	-51	-62	-78	-76	-75	-44	-54	-77
Product prices	-18	-5	-19	17	2	40	-4	-1	13	24	24	16	17	31	34	33	12	3	38
Profitability	-47	-37	-40	-31	-14	-19	-6	-29	-6	-15	-12	-29	-22	-24	8	-6	-17	-25	-25
Employment	-7	-5	-3	16	-4	30	17	-5	-4	1	-1	1	25	4	18	28	6	-2	-10
Business optimism	23	16	8	34	17	36	31	11	20	18	34	27	26	21	32	21	5	-11	9
Future business activity	15	19	2	37	23	53	22	3	21	13	16	13	32	17	17	19	8	-1	-1
Future employment	5	16	16	36	21	36	6	-10	4	11	14	-14	16	-17	2	19	9	-2	3

*Data is not available for June and September 2016

Wholesale and retail

	2014			2015				2016*		2017				2018				2019	
Indicator	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**
Business Activity	**8**	**-3**	**-3**	**12**	**11**	**-1**	**10**	**-11**	**9**	**-4**	**40**	**11**	**4**	**-19**	**41**	**1**	**2**	**14**	**16**
New Business	9	0	8	17	13	6	4	-6	8	-6	48	15	1	-14	33	6	-9	7	3
Capacity Utilisation	-10	-24	-16	18	1	-5	-10	-10	3	-11	0	7	-9	-13	15	-21	3	-15	10
Input costs	-46	-37	-11	-49	-29	-13	-28	-8	-57	-56	-71	-57	-53	-47	-73	-67	-66	-65	-51
Product prices	-7	16	-11	-12	10	-7	-10	-8	12	23	45	51	20	32	36	22	27	22	29
Profitability	-26	-25	-23	-34	0	-10	-4	-16	-26	-20	12	-20	-46	-24	3	-30	-36	-13	-23
Employment	1	0	1	5	-13	3	19	-5	17	-9	3	7	-5	-12	-2	-8	1	-1	-7
Business optimism	12	6	0	23	15	7	-1	2	-8	-27	26	3	4	1	-2	-20	-27	-15	-16
Future business activity	27	13	10	31	28	30	9	21	-1	18	28	11	19	17	16	-3	5	25	6
Future employment	11	1	9	-6	-6	14	19	16	1	-3	16	24	-10	-14	5	14	-7	-3	3

*Data is not available for June and September 2016

Other non-finance

	2014			2015				2016*		2017				2018				2019	
Indicator	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**	**Sept**	**Dec**	**March**	**June**
Business Activity	**0**	**15**	**9**	**23**	**16**	**16**	**14**	**-2**	**10**	**19**	**23**	**1**	**1**	**12**	**16**	**25**	**5**	**-1**	**9**
New Business	6	9	3	25	19	12	14	4	5	21	19	7	13	22	9	21	-2	-2	1
Capacity Utilisation	-1	-4	-2	-1	2	8	1	-2	0	10	9	5	0	1	7	17	2	-6	-3
Input costs	-47	-49	-38	-44	-34	-28	-32	-30	-54	-65	-47	-54	-48	-63	-57	-62	-52	-60	-46
Product prices	3	-2	5	16	11	8	8	12	23	10	20	22	6	28	35	30	16	36	27
Profitability	-21	-14	-19	-1	-5	-9	-12	-13	-21	-19	-5	-25	-19	-21	-12	-7	-21	-26	-6
Employment	-2	2	0	3	0	4	-8	9	2	2	0	-3	5	1	10	13	1	-2	0
Business optimism	0	8	18	10	12	-3	4	11	0	14	8	-8	9	2	2	8	-3	-1	-5
Future business activity	12	14	17	31	27	3	3	28	-5	27	26	-6	8	8	12	12	-2	22	8
Future employment	3	-2	0	17	8	0	3	16	-1	8	12	-3	8	11	9	13	-2	6	-8

*Data is not available for June and September 2016

Past reports are available online at www.gov.je/BTS

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