

Jersey Business Tendency Survey

June 2011

Statistics Unit: www.gov.je/statistics

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 enables a set of indicators to be produced that can be used to monitor economic performance. The headline indicator is that of Business Activity.

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

The June 2011 round of the survey (which ran in the first three weeks of June) achieved a response rate of 78% and covered almost half of total private sector employment in the Island.

Summary

- The **headline all-sector Business Activity Indicator was -11 percentage points (pp)**, implying that the proportion of businesses in Jersey reporting a decline in business activity compared with three months previously was 11 pp greater than the proportion reporting an increase. Half of businesses reported 'no change'.
- as in previous quarters, there was a considerable difference between the positive Business Activity Indicator of the Finance sector (+18 pp) and the negative balance recorded by the other sectors of the economy (-22 pp).
- for the **Finance** sector:
 - the Profitability indicator was positive for the second consecutive quarter;
 - the Employment indicator was neutral for the first time since the survey was introduced; that for Future Employment has been significantly positive for the last two quarters;
 - larger firms were significantly more positive than smaller ones for Profitability, Employment, Business Optimism, Future Business Activity and Future Employment;
- for the **non-finance** sectors:
 - nine of the ten indicators for the non-finance sectors overall were negative;
 - the balances for Profitability and Input Costs were particularly strongly negative;
- five of the ten indicators for **Construction** were at their most negative levels seen by this survey; twelve months ago, in contrast, five of the ten indicators were at their most positive;
- seven of the ten indicators for **Wholesale and retail** were negative; those for Future Business Activity and Future Employment were improved compared with the previous quarter and were marginally positive.

Section 1 - Business Activity Indicator

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

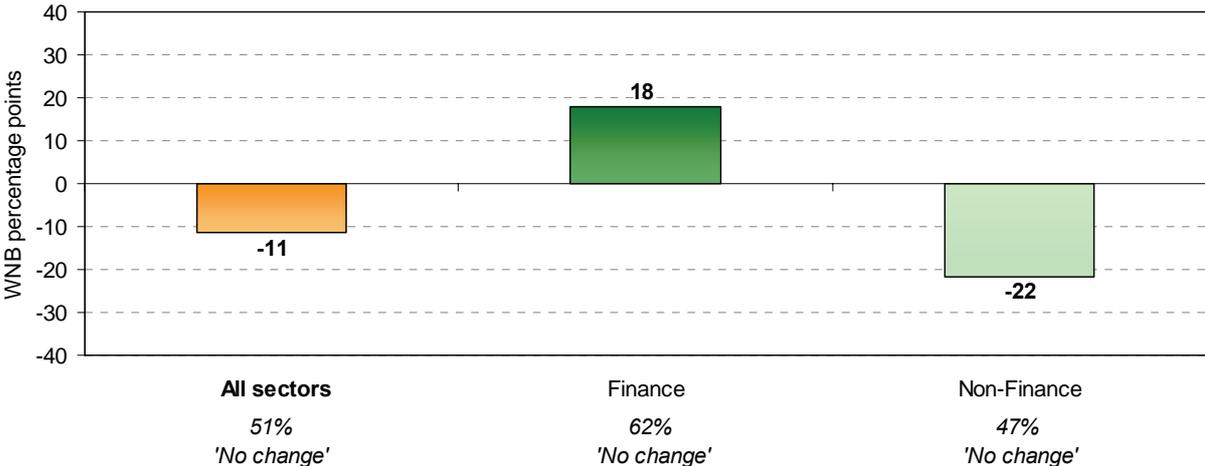
The resultant indicator is a weighted net balance (WNB) calculated as the difference between the proportion of businesses reporting that their current business activity is higher than it was three months earlier and the proportion reporting that their activity is lower¹.

The all-sector Business Activity Indicator in June 2011 was **-11 pp (percentage points)**, implying that the proportion of businesses reporting a decline in business activity compared with three months previously was 11 pp greater than the proportion reporting an increase. Around half (51%) of businesses reported no change in their business activity over the period (see Figure 1).

The all-sector Business Activity Indicator for June 2011 was marginally lower (down by 5 pp) than that in March 2011.

Figure 1 – Business Activity Indicator (percentage points²).

June 2011 compared with the situation three months previously.



As Figure 1 shows, there was a considerable difference between the Business Activity Indicator of the Finance sector and that of the other sectors of the economy:

- the Finance sector had a WNB of 18 pp in June 2011, with 28% of businesses reporting an increase in activity compared with three months earlier and 10% reporting a decrease;
- the non-finance sectors, overall, had a negative WNB of -22 pp, with 16% of businesses reporting an increase in activity and 37% reporting a decrease;
- about three-fifths (62%) of businesses in the Finance sector and almost half (47%) of non-finance companies reported 'no change' in their business activity.

¹ Such an indicator, derived from relative business activity, is fundamentally similar to the Chartered Institute of Purchasing and Supply (CIPS) Services Business Activity Index which is widely used in the UK: the UK Services PMI (Purchasing Managers Index), produced for CIPS by Markit Economics, 2009.

² Throughout this report, bar charts are plotted using unrounded WNBs; numbers on charts and in the tables of the Appendix are shown rounded to the nearest integer.

The Business Activity Indicator for the Finance sector was 8 pp lower than that recorded three months earlier, decreasing from 26 pp in March 2011 to 18 pp in June 2011.

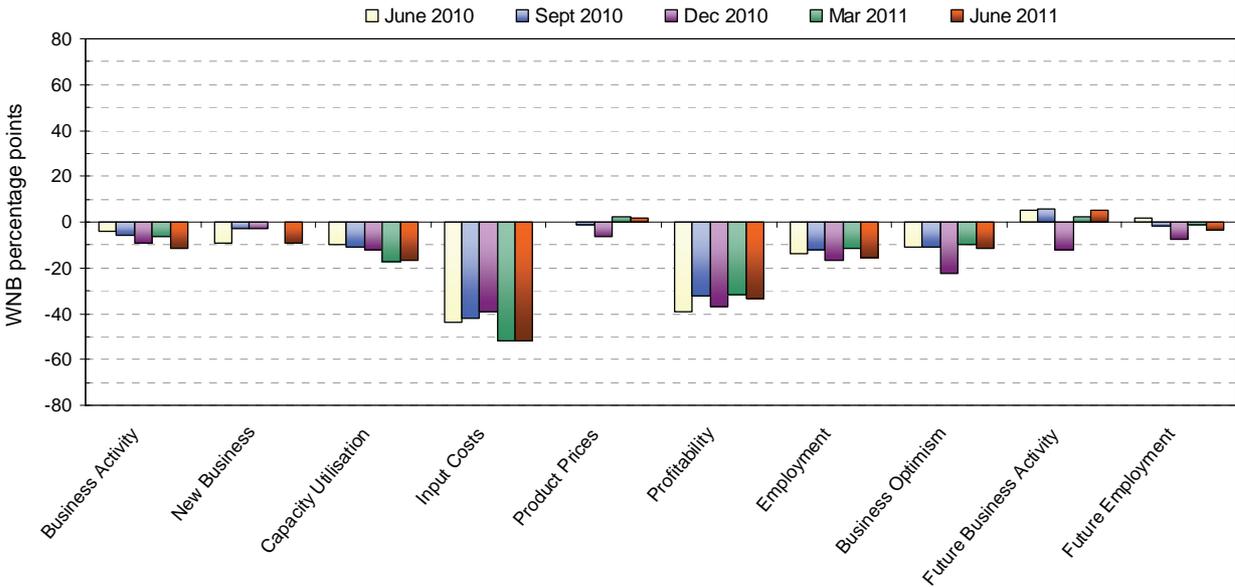
The Business Activity Indicator for the non-finance sectors remained strongly negative and decreased slightly, by 4 pp, from -18 pp in March 2011 to -22 pp in June 2011.

It should be re-iterated that the Business Activity Indicator expresses a relative measure of economic performance between the current point in time and that of three months previously, rather than an absolute measure of economic performance.

Section 2 - All Indicators

Figure 2 presents the ten all-sector WNB indicators derived from the responses to each question of the survey; the measures of each indicator are shown for the latest and four previous rounds of the survey. Detailed results for all indicators are shown in Appendix 1 and 2.

Figure 2 – Ten all-sector WNB indicators³
June, Sept, Dec 2010 and March and June 2011.



Over all sectors of the economy, nine of the ten indicators remained at essentially the same level as that seen in the previous quarter, changing by less than 5 pp.

The New Business indicator saw the greatest difference when compared with the previous quarter, decreasing by 9 pp from a neutral balance in March 2011 to -9 pp this quarter.

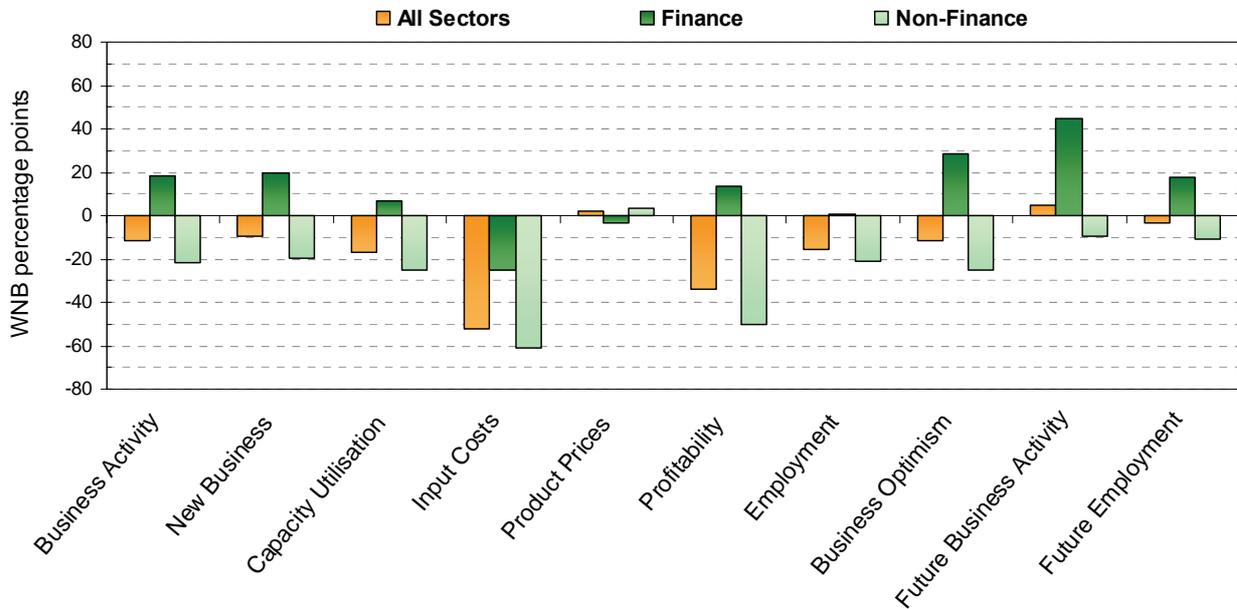
As in all previous rounds of the survey, Input Costs and Profitability were the most strongly negative indicators.

³ The Input Costs indicator has been constructed such that a negative net balance implies that more businesses have seen input costs increase than decrease.

Section 3 - Finance and non-finance sectors

The Finance sector had a more positive balance than the non-finance sectors for nine of the ten indicators in June 2011 (see Figure 3).

Figure 3 – WNB indicators: Finance and non-finance
June 2011 compared with the situation three months previously.



In June 2011, the Finance sector had positive WNBs for eight of the ten indicators. In contrast, nine of the ten indicators for the non-finance sectors were negative.

The Finance sector was considerably more positive (or less negative) than the non-finance sectors (by more than 25 pp) for eight of the ten indicators – the largest differences being for Profitability, Business Optimism and Future Business Activity.

For the Finance sector the Business Optimism and Future Business Activity indicators were strongly positive, at levels greater than 25 pp. The non-finance sectors recorded negative balances for both of these indicators.

The Input Costs and Product Prices indicators were negative for the Finance sector. Input Costs and Profitability were the most negative indicators for the non-finance sectors.

Section 4: Finance sector

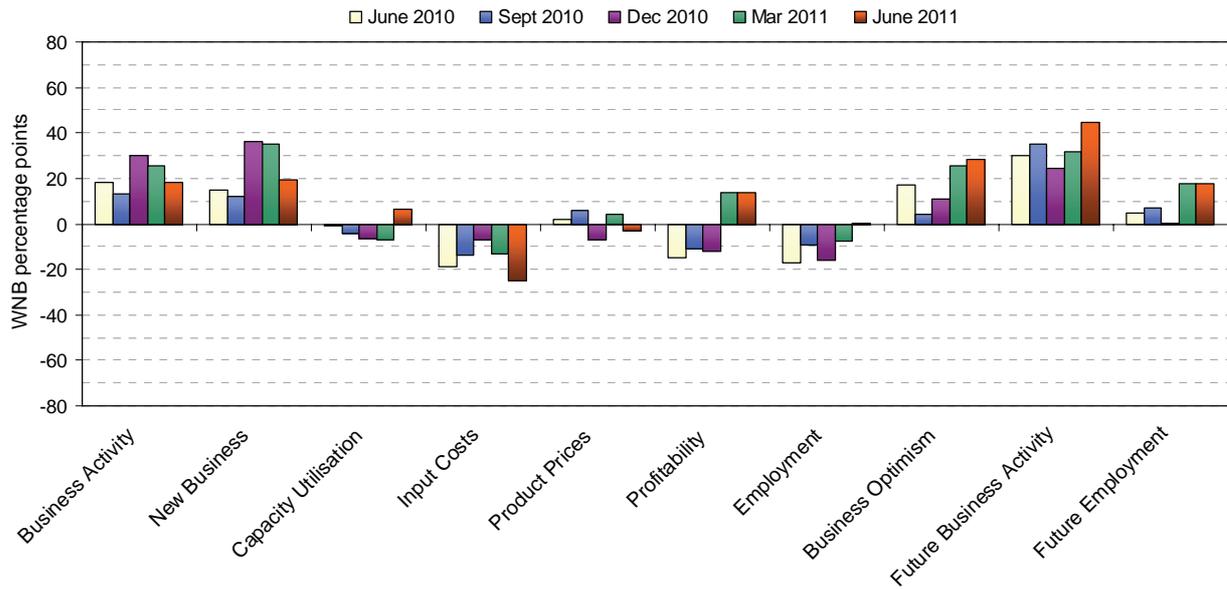
Figure 4 compares all ten indicators for the Finance sector in June 2011 with those measured in the previous four rounds of the BTS. Four of the ten indicators were more positive (or less negative) than in March 2011, four indicators recorded decreases whilst two were similar.

The Profitability indicator, driven by the larger firms, was positive for the second consecutive quarter, having been positive in March 2011 for the first time since the survey was introduced.

The indicator for Employment in the sector was neutral for the first time since the survey was introduced whilst that for Future Employment has been significantly positive for the last two quarters.

Figure 4 – Finance sector WNB indicators

June, September, December 2010 and March and June 2011.



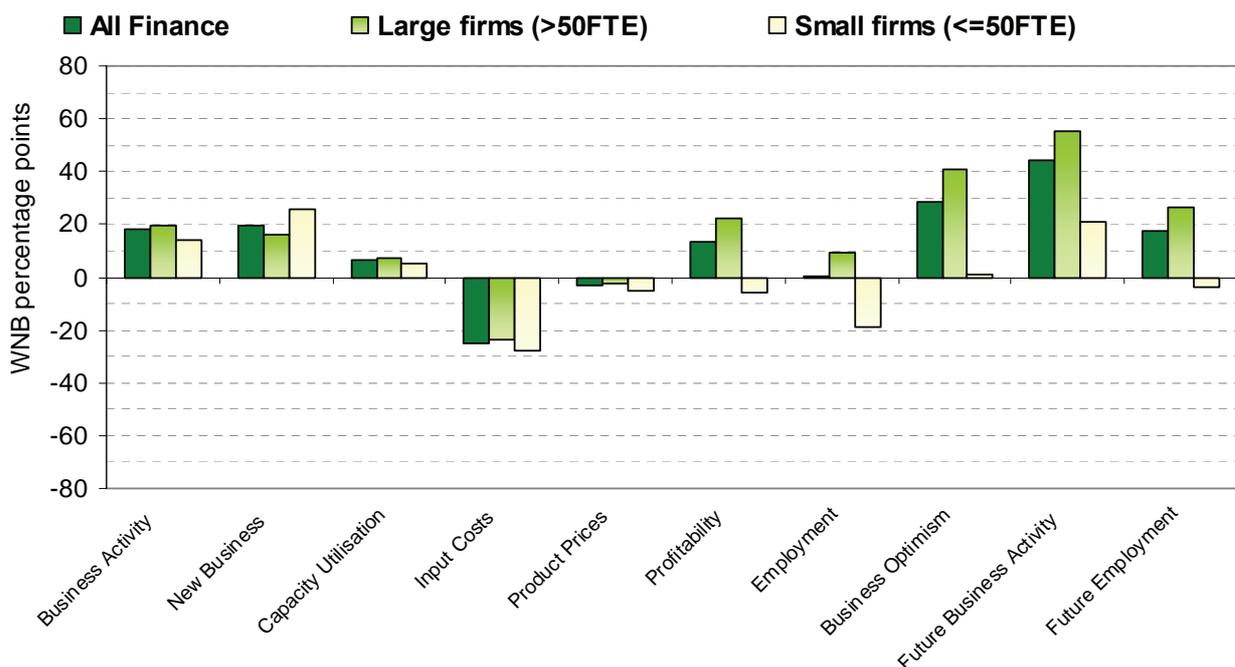
Future Business Activity recorded its most positive balance since December 2009. This indicator and that for Business Optimism have seen improving balances for the last 9 months. However, those for Business Activity and New Business have declined over the same period.

The indicator for Capacity Utilisation recorded a positive WNB of 6 pp, being positive for the first time in 18 months. In contrast, Input Costs recorded its most negative level yet, at -25 pp.

Larger firms (those with more than 50 full-time equivalent employees, FTEs) were significantly more positive than their smaller counterparts for Profitability, Employment, Business Optimism, Future Business Activity and Future Employment (see Figure 5).

Figure 5 – Finance sector WNB indicators for large and small companies

June 2011 compared with the situation three months previously.

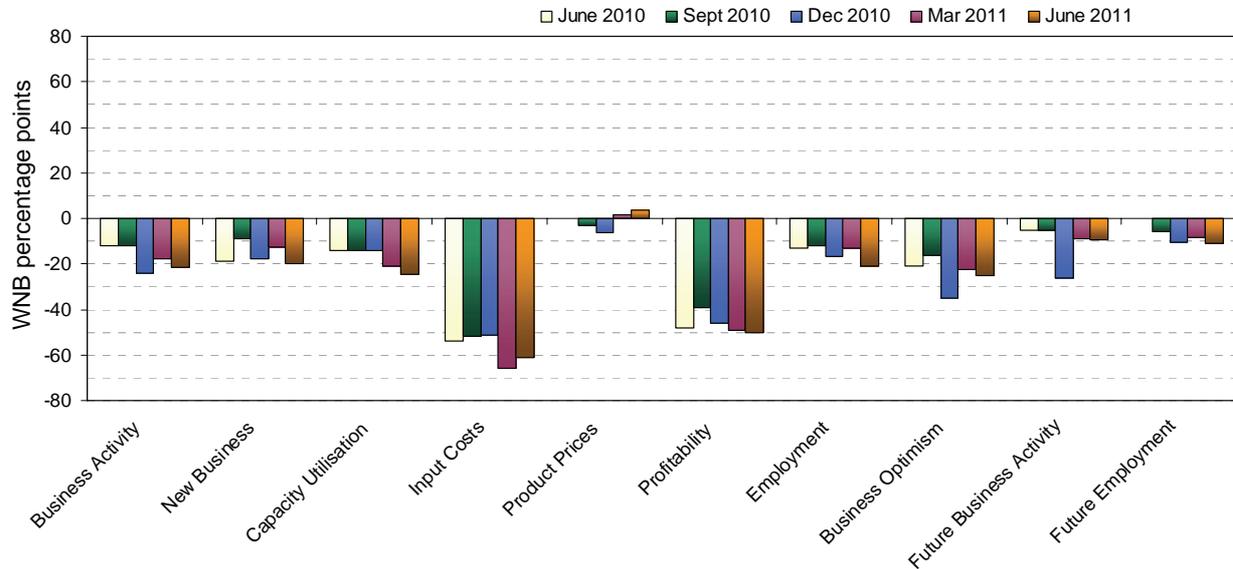


Section 5 - Non-finance sectors

Figure 6 compares all ten indicators for the non-finance sectors with the previous four rounds of the survey.

Figure 6 – Non-finance sectors WNB indicators

June, September, December 2010 and March and June 2011.



All ten indicators for the non-finance sectors remained at essentially the same levels as those recorded in the previous round of the survey.

In June 2011 nine out of the ten indicators for the non-finance sectors overall were negative. The balances for Profitability and Input Costs were particularly strongly negative.

Analysing by size of company reveals that smaller firms (those with fewer than 50 FTEs) were significantly more negative than the larger firms for Profitability, Business Optimism and the two forward looking indicators, Future Business Activity and Future Employment (see Appendix 1).

Construction

The Construction sector accounts for about 10% of Jersey's total workforce⁴ and for about 6% of total economic activity as measured by Gross Value Added, GVA⁵.

As Figure 7 shows, the Construction sector was negative for all ten indicators in June 2011, with five of the indicators recording their most negative balances since the survey was introduced (see Appendix 2). Conversely, the corresponding quarter last year, June 2010, saw five of the indicators record their most positive, or least negative, balances; the other five indicators recorded their most positive balances in either March 2010 or September 2010.

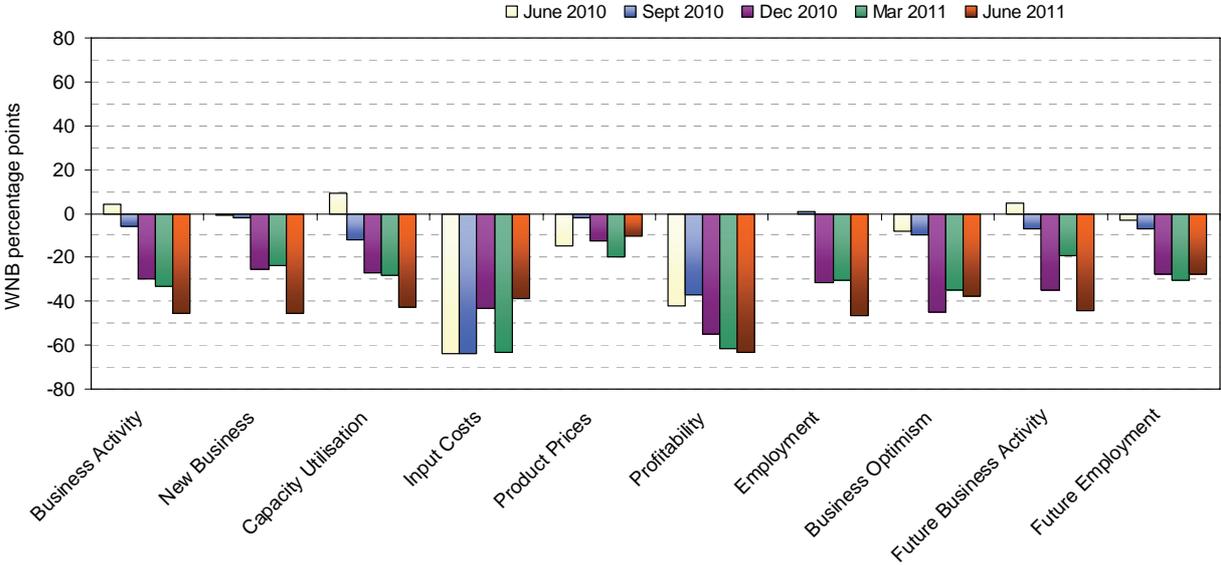
The Employment indicator decreased by a further 17 pp from that in March 2011, recording its most negative level yet seen, whilst Future Employment maintained the strongly negative balance seen in the previous two rounds.

⁴ Jersey Labour Market at December 2010, States of Jersey Statistics Unit April 2011.

⁵ Jersey Gross Value Added (GVA) and Gross National Income (GNI) 2009, Statistics Unit, September 2010.

Nine of the ten indicators for Construction recorded a level more negative than -25 pp, indicating that the proportion of businesses reporting a decrease was more than 25 pp greater than those reporting an increase.

Figure 7 – Construction sector WNB indicators
June, September, December 2010 and March and June 2011.

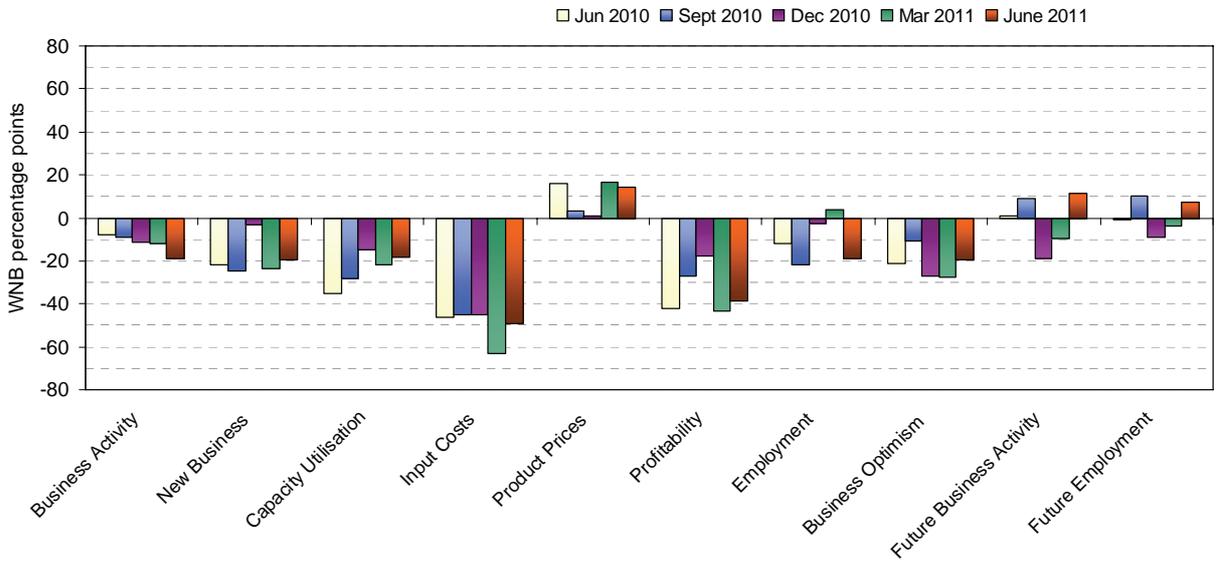


Wholesale & retail

The Wholesale & retail sector accounts for almost a sixth (16%) of Jersey’s total workforce³ and for about 7% of total economic activity as measured by GVA⁴.

Seven of the ten indicators for the sector were negative in June 2011 (see Figure 8). The indicators for Future Business Activity and Future Employment improved compared with the previous quarter and were marginally positive.

Figure 8 – Wholesale & retail sector WNB indicators
June, September, December 2010 and March and June 2011.



The indicator for Business Activity has recorded an increasingly negative balance since June 2010, and in the latest quarter recorded was at its most negative since Q1 2010.

In contrast, both forward looking indicators (Future Business Activity and Future Employment) were positive, with larger firms being more positive, overall, than smaller ones.

Other non-finance sectors

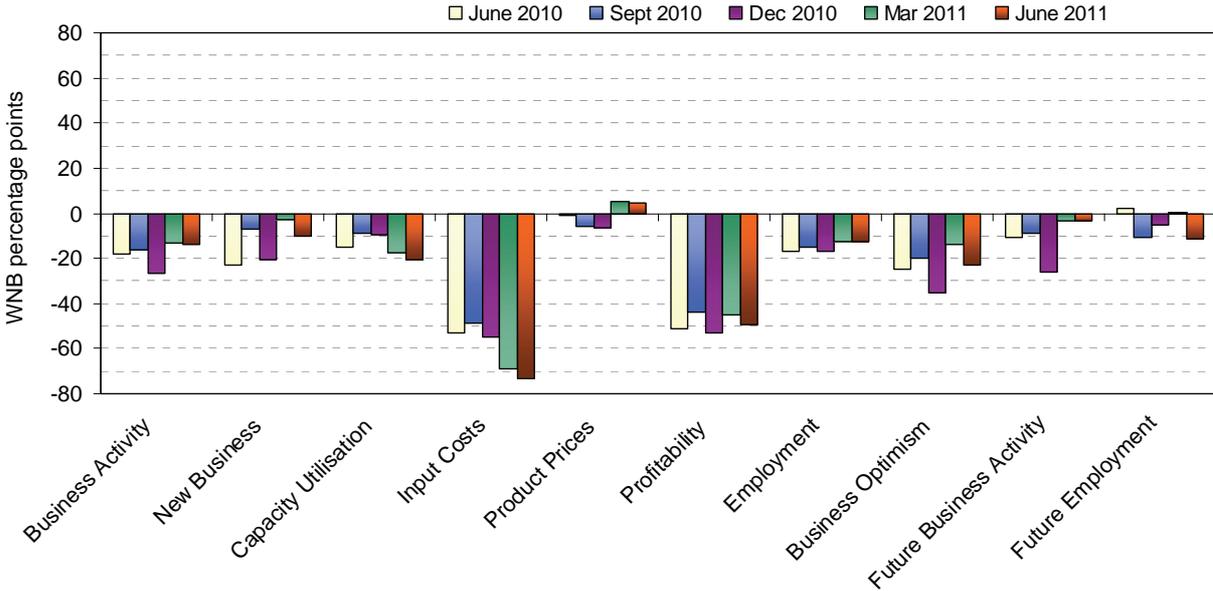
The remaining non-finance sectors, excluding Construction and Wholesale & retail, together account for almost two-fifths (37%) of the Island’s workforce³ and for about a fifth (21%) of total economic activity as measured by GVA⁴.

Nine of the ten indicators showed a negative tendency in June 2011 (see Figure 9), with Input Costs and Profitability again recording particularly negative balances.

Only Product Prices recorded a positive balance, as in the previous quarter, indicating that more firms saw the prices they charge increase rather than decrease.

The change in all ten indicators in the latest quarter was small, ranging from 0 to 11 pp.

Figure 9 – Other Non-finance sector WNB indicators
June, September, December 2010 and March and June 2011



Notes

The Business Tendency Survey samples private sector businesses in Jersey. The survey asks the Chief Executive or Managing Director of sampled businesses for their opinions on the **current situation of their business compared to three months previously** and also for their **expectations for the next three months**. A copy of the questionnaire is included in Appendix 2.

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

1. **Net Balance:**

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

2. **Seasonal effects:**

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

3. **Stratified sample:**

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

4. **Response:**

Over 480 firms were sent a survey questionnaire for this survey; some 360 completed questionnaires were returned, constituting an overall response rate of 78%. The respondents accounted for almost half (46%) of total private sector employment.

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.

June 2011 WNB indicators: all sectors, Finance, non-finance, Construction and Wholesale & retail; percentage points.

Indicator	ALL SECTORS		FINANCE		NON-FINANCE		CONSTRUCTION		WHOLESALE & RETAIL		OTHER NON-FINANCE	
	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*
Business Activity	-11	51	18	62	-22	47	-45	38	-19	47	-14	51
New Business	-9	45	19	43	-20	46	-46	36	-19	58	-10	45
Capacity Utilisation	-17	53	6	69	-25	48	-42	36	-19	60	-20	47
Input costs	-52	42	-25	65	-61	34	-39	49	-49	42	-73	26
Product prices	2	68	-3	80	4	64	-10	64	14	67	5	63
Profitability	-34	43	14	54	-50	39	-63	35	-39	53	-50	35
Employment	-16	59	0	49	-21	63	-47	43	-19	68	-13	67
Business optimism	-11	54	28	64	-25	51	-37	33	-19	58	-23	54
Future business activity	5	50	45	50	-9	50	-45	39	11	58	-3	52
Future employment	-4	62	17	49	-11	67	-27	48	7	79	-11	70

June 2011 WNB indicators: Finance & non-finance by size of business **: percentage points.

Indicator	Large: FINANCE		Small: FINANCE		Large: NON-FINANCE		Small: NON-FINANCE	
	WNB	No change*	WNB	No change*	WNB	No change*	WNB	No change*
Business Activity	20	63	14	61	-15	57	-23	45
New Business	16	38	26	56	-13	62	-21	42
Capacity Utilisation	7	67	5	75	-15	57	-27	45
Input costs	-24	63	-28	69	-66	34	-60	35
Product prices	-2	78	-5	84	22	66	-1	63
Profitability	23	46	-6	72	-23	55	-57	35
Employment	9	44	-19	61	-18	70	-22	61
Business optimism	41	56	1	83	-6	63	-30	48
Future business activity	55	42	21	67	23	55	-17	49
Future employment	27	38	-4	74	1	72	-14	65

* Weighted percentage of respondents who replied "same".

** Large firms are defined as having more than 50 FTEs; small firms defined as having 50 or fewer FTEs.

All Sectors WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	-11	-15	-15	-4	-6	-9	-6	-11
New Business	-11	-15	-13	-9	-3	-3	0	-9
Capacity Utilisation	-9	-18	-21	-10	-11	-12	-17	-17
Input costs	-31	-32	-36	-44	-42	-39	-52	-52
Product prices	-11	-13	-6	0	-1	-6	2	2
Profitability	-41	-43	-41	-39	-32	-37	-32	-34
Employment	-18	-15	-15	-14	-12	-17	-12	-16
Business optimism	-13	-15	-15	-11	-11	-23	-10	-11
Future business activity	12	4	8	5	6	-12	2	5
Future employment	-14	-12	-8	2	-2	-7	-1	-4

Finance WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	1	0	14	18	13	30	26	18
New Business	10	5	25	15	12	36	35	19
Capacity Utilisation	8	-12	-5	-1	-4	-6	-7	6
Input costs	-16	1	-13	-19	-14	-7	-13	-25
Product prices	-1	-12	-15	2	6	-7	4	-3
Profitability	-26	-27	-21	-15	-11	-12	14	14
Employment	-30	-1	-19	-17	-9	-16	-7	0
Business optimism	12	13	20	17	4	11	25	28
Future business activity	33	50	29	30	35	24	32	45
Future employment	-22	-7	-1	5	7	0	18	17

Non-Finance WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	-16	-21	-26	-12	-12	-24	-18	-22
New Business	-19	-23	-27	-19	-9	-18	-13	-20
Capacity Utilisation	-15	-20	-27	-14	-14	-14	-21	-25
Input costs	-48	-45	-43	-54	-52	-51	-66	-61
Product prices	-15	-13	-3	0	-3	-6	2	4
Profitability	-46	-49	-48	-48	-39	-46	-49	-50
Employment	-14	-20	-13	-13	-12	-17	-13	-21
Business optimism	-22	-25	-26	-21	-16	-35	-22	-25
Future business activity	4	-13	1	-5	-5	-26	-9	-9
Future employment	-11	-14	-10	0	-6	-10	-8	-11

Construction WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	-34	-40	-15	4	-6	-30	-33	-45
New Business	-31	-59	-31	-1	-2	-25	-24	-46
Capacity Utilisation	-7	-33	-14	9	-12	-27	-28	-42
Input costs	-39	-41	-34	-64	-64	-43	-63	-39
Product prices	-12	-12	-12	-15	-2	-12	-20	-10
Profitability	-42	-53	-39	-42	-37	-55	-62	-63
Employment	-5	-8	1	0	1	-31	-30	-47
Business optimism	-29	-38	-22	-8	-10	-45	-35	-37
Future business activity	3	-23	1	5	-7	-35	-19	-45
Future employment	-15	-17	-1	-3	-7	-28	-30	-27

Wholesale & retail WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	13	-18	-36	-8	-9	-11	-12	-19
New Business	13	-6	-47	-22	-25	-3	-24	-19
Capacity Utilisation	-22	-11	-44	-35	-28	-15	-22	-19
Input costs	-50	-52	-48	-46	-45	-45	-63	-49
Product prices	-6	-12	6	16	3	1	17	14
Profitability	-30	-57	-52	-42	-27	-18	-43	-39
Employment	1	-8	-9	-12	-22	-3	4	-19
Business optimism	5	-25	-47	-21	-11	-27	-28	-19
Future business activity	33	-13	-3	1	9	-19	-9	11
Future employment	6	-15	-7	-1	10	-9	-4	7

Other non-finance WNB Indicators

Indicator	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011
Business Activity	-16	-14	-26	-18	-16	-27	-13	-14
New Business	-25	-15	-20	-23	-7	-21	-3	-10
Capacity Utilisation	-12	-18	-26	-15	-9	-9	-17	-20
Input costs	-52	-43	-44	-53	-49	-55	-69	-73
Product prices	-21	-14	-2	-1	-6	-6	5	5
Profitability	-52	-45	-49	-51	-44	-53	-45	-50
Employment	-22	-29	-19	-17	-15	-17	-13	-13
Business optimism	-32	-19	-22	-25	-20	-35	-14	-23
Future business activity	-8	-9	2	-11	-9	-26	-3	-3
Future employment	-17	-13	-13	2	-11	-5	0	-11

Business Tendency Survey – June 2011

BEFORE COMPLETING THE SURVEY PLEASE READ THE ATTACHED GUIDANCE NOTES

Company Name:

Contact Details:

If the contact details have changed please update details: Name:.....Tel number:.....

The survey is to be **completed by the Chief Executive or Managing Director** and all answers should refer to the local Jersey-based unit of your organisation, not the performance of the international operations of your organisation outside the Island. The basis for answers should be consistent from one survey quarter to the next.

Current situation

Please **compare the current trading situation** for your organisation to **three months ago**; **excluding normal seasonal fluctuations** e.g. *current trading situation is higher (the same or lower) than three months ago when seasonal fluctuations are excluded.*

Note: If it is not practical to compare the current trading situation for your organisation with that of three months ago then please compare it with that of one year ago and make a note of this in the exceptional circumstances below. **(see guidance notes)**

Please tick one option only when answering the following questions regarding your organisation:

1. **Level of business activity / output:** Gross income, chargeable hours worked or turnover. **(see note 1)**

Higher Same Lower N/A

2. **Incoming new business / new orders:** New business 'won' or placed with your organisation. **(see note 2)**

Higher Same Lower N/A

3. **Level of capacity utilisation:** Current business activity relative to 'normal capacity' (e.g. 'above capacity' means busier and longer hours worked than normal). **(see note 3)**

Above capacity Normal capacity Below capacity N/A

4. **Average costs that you pay for inputs:** Prices paid for supplies, purchases, wages and salaries etc. **(see note 4)**

Higher Same Lower N/A

5. **Average prices that you charge for your products:** Prices charged per item or unit of time on average. **(see note 5)**

Higher Same Lower N/A

6. **Profitability:** Total profits earned on all activities of your organisation. **(see note 6)**

Higher Same Lower N/A

7. **Employment:** Number of employees employed. **(see note 7)**

Higher Same Lower N/A

8. **Business optimism:** Optimism about the overall business situation in your sector, generally. **(see note 8)**

Increase Same Decrease N/A

Future expectations

Please **compare your expectations** for your organisation over **the next three months** to the current situation; **excluding normal seasonal fluctuations** e.g. *the next quarter will be higher (the same or lower) than the current quarter, excluding seasonal fluctuations.*

9. **Level of business activity / output:** Gross income, chargeable hours worked or turnover. **(see note 1)**

₁ Increase ₂ No change ₃ Decrease ₄ N/A

10. **Employment:** Number of employees employed. **(see note 7)**

₁ Increase ₂ No change ₃ Decrease ₄ N/A

Exceptional circumstances

Please list any recent exceptional circumstances such as business re-structuring, mergers or changes in accounting practices and what impact these circumstances have had on the answers provided.

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Would you like to receive a copy of the **quarterly report** via email? Yes / No

Would you like to receive the **next quarterly Business Tendency Survey questionnaire** via email? Yes / No

Please provide a contact email address:.....

The information contained in each survey will be treated with the strictest confidence and will only be used to produce aggregate measures.

Thank you for your time.

GUIDELINES ON COMPLETING THE SURVEY

Please try to **exclude normal seasonal variations** from your responses. For example, activity in hotels is typically higher in the summer than in spring, so do not tick 'higher' *unless* business activity is higher than three months ago *excluding* normal seasonal variations.

If it is not practical to compare the *current* trading situation for your organisation with that of three months ago (e.g. where there may be strong seasonal activities such as in Agriculture or Hospitality) then please compare the current trading situation with that of one year ago. Also use the same annual comparison for the future expectations of your organisation.

- Level of business activity / output:** This is the total amount of work undertaken by your 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 your 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.
- Incoming new business / new orders:** This is the amount of new business placed with your organisation. This may include any new clients, new orders or contracts from existing clients or any new contracts.
- Level of capacity utilisation:** This is your current business activity relative to 'normal capacity'. Please tick 'above capacity' if your current business activity is above its normal capacity (e.g. because your organisation is busier than normal or staff are working longer hours than normal). Please tick 'below capacity' if your current business activity is below its normal capacity (e.g. because your organisation is quieter than normal or staff are working shorter hours than normal).
- Average cost of inputs:** This is the average cost for all inputs used by your organisation. Inputs include supplies obtained, stocks/materials bought in and costs of employees, including wages, salaries and pension costs paid by your organisation. Please try to give a weighted average of costs. For example, if employment costs are the largest share, give them the largest weighting (i.e. importance) when answering the question.
- Average prices that you charge for your 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 your organisation offers various services/products then please try to give a weighted average. For example, if one service accounts for most of your sales and its prices have increased then give it the largest weighting (i.e. importance) when answering the question by indicating that prices have risen on average.
- Profitability:** This is the total profits earned on all activities of your organisation. If your organisation does not calculate profits over the most recent three months, please try to estimate how your profitability has changed, taking into account changes in turnover, changes in input costs and changes in mark-ups/spreads over input costs.
- Employment:** This is the number of employees employed on average. Please count two part-time employees as equivalent to one full-time employee. For example, if two part-time employees resigned and one full-time employee was taken on, please count this as no net change and tick 'same'. Ignore seasonal or temporary hirings.
- Business optimism:** This refers to your confidence or optimism about the overall business situation in your sector generally. Unlike the previous questions, it is *not* about what is actually happening to *your organisation* at present, but asks about your opinions for your *sector generally*.