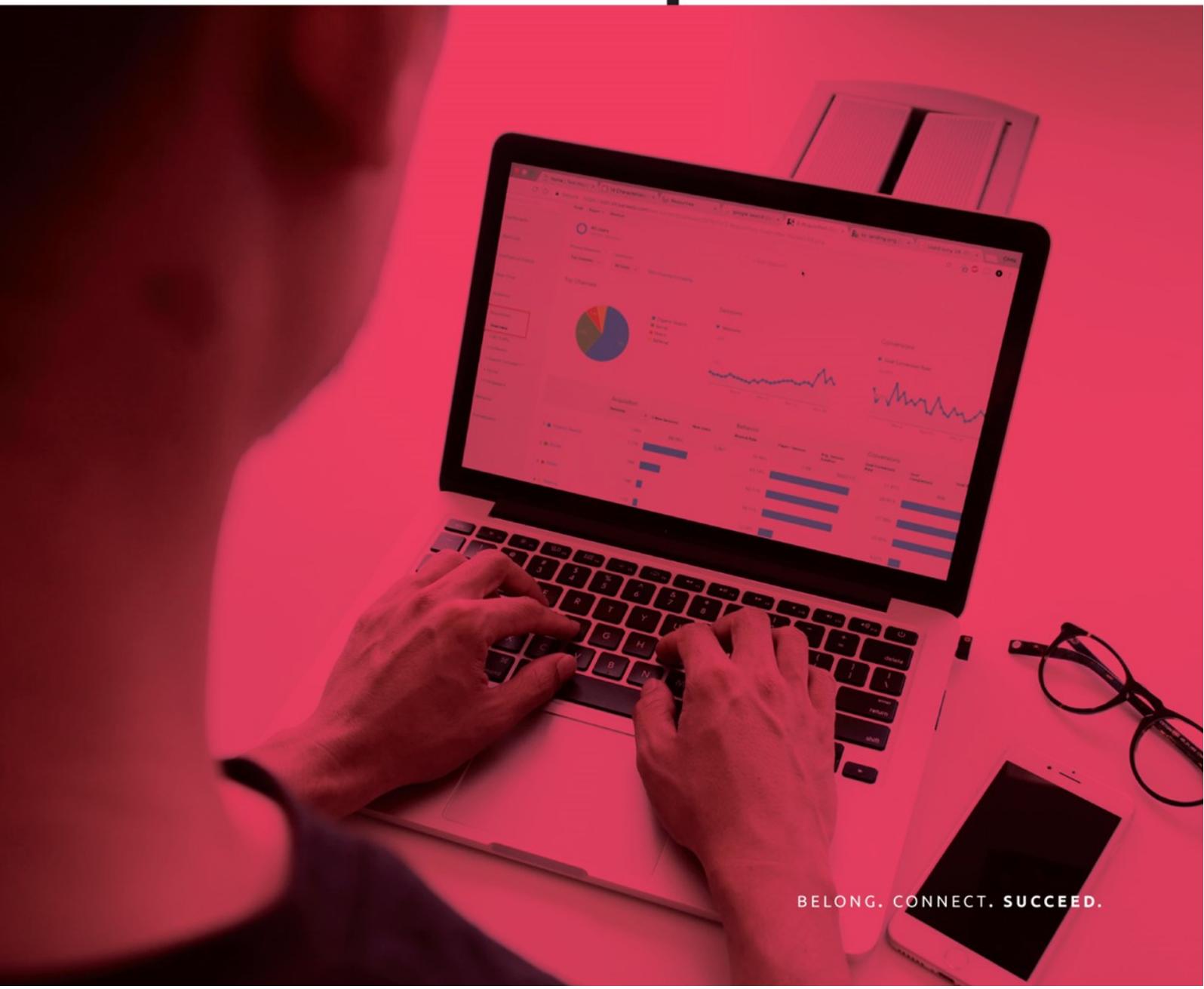




Staffordshire
Chambers of
Commerce.

staffordshirechambers.co.uk

QES SURVEY



BELONG. CONNECT. SUCCEED.



DOMESTIC DEMAND.

For businesses involved in the UK market, over the past 3 months (excluding seasonal variations), have your sales/customs/bookings: **Increased, remained constant or decreased?**

DOMESTIC SALES

BALANCE
0 Points

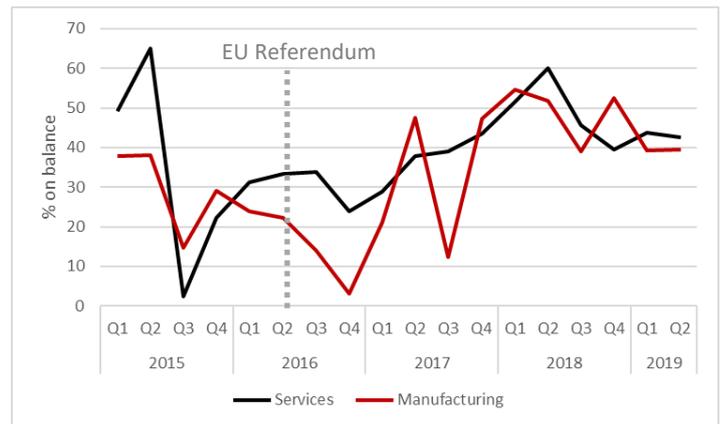
↑ 53	- 36	↓ 11
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Results show

This quarter: 53% of firms reported an increase in UK sales and conversely, 11% reported a decrease. From a sector perspective, both sectors continue to show good domestic performance with little change to Q1 of 2019. In terms of projected growth, both sectors reported minimal change indicating that UK sales have been locked in a 'holding pattern'.

Year on year: The position, on balance, has declined for both sectors since this time last year.

Nationally: The balance of manufacturing firms reporting increased domestic sales fell from +15 to +10, the lowest level since Q2 2016, while those reporting improved domestic orders also fell five points from +9 to +4 – the weakest level since Q4 2012. The balance of services firms reporting increased domestic sales rose from +10 to +17. Those reporting improved domestic orders rose from +5 to +10.



EXPORT DEMAND.

For businesses involved in international markets, over the past 3 months (excluding seasonal variations), have your export sales, customs/bookings: **Increased, remained constant, or decreased?**

EXPORT SALES

BALANCE
↑16 Points

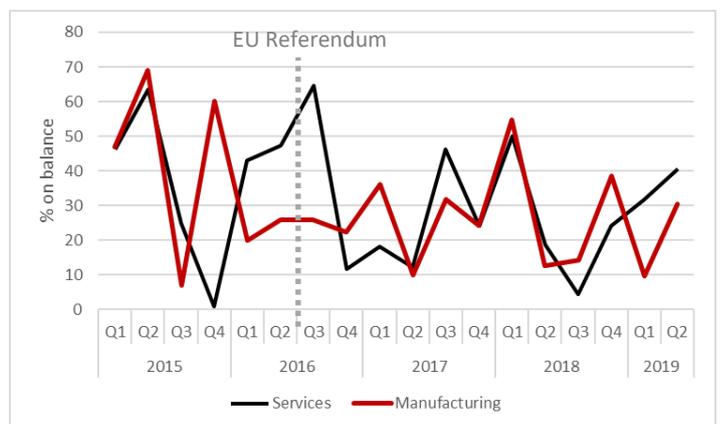
↑ 45	- 45	↓ 9
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Results show

This quarter: Services sector saw growth in domestic sales to a rate of 47% of firms reporting increases. Manufacturing firms reporting an increase in sales also increased +21 percentage balance points to 43% of firms reporting an increase in export sales.

Year on year: Export sales for both sectors continue to show growth but are well below their 2018 Q1 level.

Nationally: The balance of manufacturing firms reporting improved export sales fell from +14 to +10, the weakest since Q2 2016 and the balance of firms reporting improved export orders dropped from +10 to +4 – the weakest since Q4 2015. The balance of service sector firms reporting improved export sales rose from 0 to +6. Those reporting improved export orders rose from -2 to +5





BUSINESS INVESTMENT.

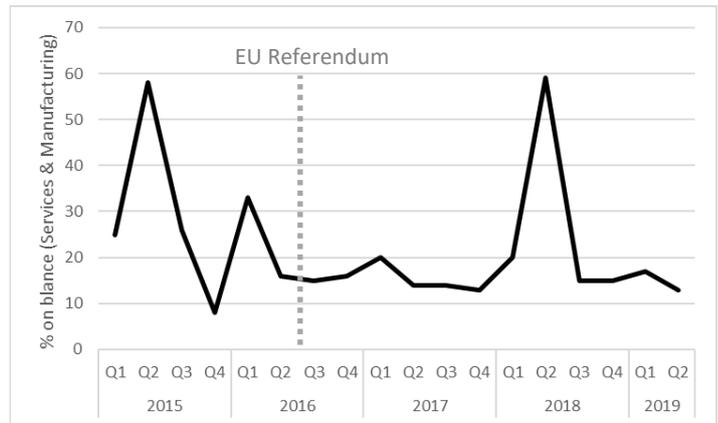
Over the next 3 months do you expect the level of investment in plant machinery or equipment to: **Increase, remain the same or decrease?**

Results show

This quarter: 17% of firms reported decreases to their capital expenditure. The number of service sector firms reported increased levels of capEx remained at 20% while the number of manufacturing sector firms reporting increase in capEx fell by 10 points to 32%.

Year on year: The position has contracted when compared to the Q2 2018 position.

Nationally: The balance of manufacturing firms increasing investment in plant/machinery rose in the quarter from +6 to +11 but remains historically weak, and investment in training stayed level +14, the weakest since Q3 2012. The balance of service sector firms looking to increase investment in plant and machinery rose from +1 to +5, and from +10 to +14 in training.



WORKFORCE & RECRUITMENT.

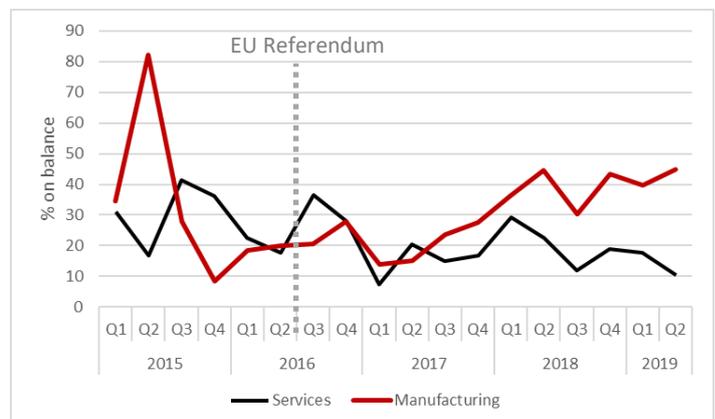
Over the past 3 months has your workforce: **Increased, remained constant or decreased?**

Results show

This quarter: 24% of service sector firms reported increases to their workforces, this is down 8 points on balance when compared to the previous quarter. 50% of manufacturers reported increases to their workforces showing growth within the sector increasing by 5 points from Q1 this year.

Year on year: Following contraction in Q3 of 2018 manufacturers are on a positive trend surpass to their Q2 2018 level. Service sector firms continue to show contraction in their workforces compared to this time last year.

Nationally: Employment Rate in the United Kingdom remained unchanged at 76.10 percent in March from 76.10 percent in February of 2019. Employment Rate in the United Kingdom averaged 71.26 percent from 1971 until 2019, reaching an all time high of 76.10 percent in Q4 of 2018.





BUSINESS CONFIDENCE.

Over the next 3 months do you expect your turnover to: **Increase, remain the same or decrease?**

Results show

This quarter: 63% of service sector firms and 61% of manufacturing firms report that they are confident that turnover will increase over the next 3 months these are up both +5 and +2 points respectively.

Year on year: The service sector position remains at a similar level to its Q2 2018 position. Manufacturers showed contraction in confidence in their Q2 2018 position but this is steadily rising again since Q4 of 2018.

Nationally: The balance of manufacturing firms confident that turnover and profitability will increase in the next 12 months rose from +26 to +38 for turnover and from +13 to +24 for profitability. However, both indicators are still lower than in Q4 2018.

The balance of service sector firms confident that turnover and profitability will improve over the next year increased from +26 to +35 for turnover from +19 to +26 in profitability. Indicators of investment and confidence remain below the levels recorded in Q4 2018.

ANALYSIS.

“The results of our QES survey for quarter two of 2019 indicate that the economic conditions in Staffordshire remain somewhat stagnated, with intensifying uncertainty over Brexit, the rising costs of doing business in the UK and a sluggish global economy combining to suppress key drivers of growth.

“We are not alone in this ‘holding pattern’ economy. Nationally key indicators are down across the board remaining weak and in some instances continuing to show decline from quarter one this year. We are also continuing to see the impact of the Brexit impasse, causing orders to be cancelled, firms stockpiling ahead of a decision only for Brexit day to be pushed back and the cost of expensive ‘no-deal’ scenario action plans.

“While some indicators show growth and that the Brexit ‘pressure valve’ has been loosened slightly for some firms, the overall picture is that much of the economy remains in stasis, hoping for a breakthrough in the Westminster impasse before the Brexit deadline on October 31st

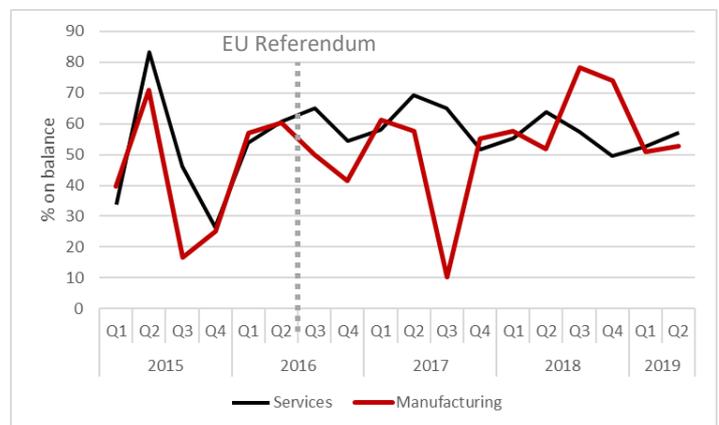
TURNOVER

BALANCE
↑ 4 Points

↑
62

-
32

↓
10



Matthew Lowe

Policy Manager

Staffordshire Chambers
of Commerce



Staffordshire
Chambers of
Commerce.

ABOUT THE QUARTERLY ECONOMIC SURVEY.

The Staffordshire Chambers Quarterly Economic Survey (QES) provides an economic snapshot of Staffordshire businesses, forming part of the British Chambers of Commerce's (BCC) largest and most authoritative private sector business survey. As the principal national business survey, and the first to be published in each quarter, its results are monitored by both HM Treasury and the Bank of England's Monetary Policy Committee.

The Staffordshire Chambers Q1 2019 QES is made up of responses from more than 150 businesses across Staffordshire. Firms were questioned between 18 February and 11 March 2019. In the manufacturing sector, 53 firms responded, employing approximately 1400 people. 77% (41) of manufacturing respondents were exporters. In the services sector, 101 businesses responded, employing approximately 6100 people. Of the services sector participants, 60% (61) were belong to the Professional Services sector.

Methodology

QES results are generally presented as balance figures - the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is a plus it indicates expansion of activity and if the figure is a minus it indicates contraction of activity. A figure above 0 indicates growth, while a figure below 0 indicates contraction.

For example, if 50% of firms told us their sales grew and 18% said they decreased the balance for the quarter would be +32% (an expansion).

ABOUT STAFFORDSHIRE CHAMBERS OF COMMERCE.

The Staffordshire Chambers of Commerce and Industry (SCCI) is a membership-led, business support organisation that has acted as the voice of local business since 1813. Today, the Chamber continues to connect, support and grow local businesses.

As the only Chamber covering Staffordshire we have over 1000 member companies covering a range of geographic areas across the county (Stafford, Stone, Penkridge, South Staffordshire, Uttoxeter, Staffordshire Moorlands, Stoke-on-Trent and Newcastle-Under-Lyme).

Our members range from young professionals to SMEs and large, high profile organisations including 22 Chamber Patrons comprising of companies such as Michelin, Bet365, JCB and both Staffordshire and Keele University.

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