

Results of the Business West Quarterly Economic Survey Q2, 2017

Business West, working with the British Chambers of Commerce, undertakes a quarterly economic survey of businesses. The results presented reflect the position of almost 300 businesses surveyed between 24th May and 14th June 2017 in the West of England, Gloucestershire, Swindon and Wiltshire.

Business West Comment on the Key Findings

Commenting on the survey results for quarter 2, Matt Griffith, Director of Policy at Business West, said:

“One year on from the UK’s vote to leave the EU, business confidence in the West has not been lower since the depths of the recession in 2009. In a quarter marked by a general election campaign and outcome which few were anticipating, and with the clock now ticking on Brexit negotiations in the absence of any clarity on the likely shape of a future deal, “uncertainty” seems to be the watchword as we hit the middle of 2017.”

“With the backdrop of Brexit and a heavily weakened Government, high levels of uncertainty are evidently weighing on business confidence. Nearly two-thirds of firms surveyed report that ‘general business uncertainty’ is more of a concern now than it was three months ago and with domestic sales down, inflation on the rise and UK growth expected to ease over the next two years, it’s little surprise that confidence among West Country firms appears to have taken a knock, down a startling 22% compared with this time last year.”

“Despite falling sales growth domestically and weakened business confidence, there are some positives to draw from the figures. It’s pleasing to see our region’s exporters continuing to make the most of the low value of sterling, with export sales increasing in the three months to June at the fastest rate since Q2 2014. With recruitment levels and recruitment intentions also on the up, the South West labour market still looks strong.”

“Now that Brexit negotiations are underway, there is a pressing need for clarity on the government’s negotiating aims. Many firms feel that their concerns and interests have not been adequately registered to date, and will now be calling strongly for an approach to Brexit which puts the needs of businesses first and affords them the time and the assistance necessary for adapting to life outside the EU.”

Key Economic Indicators Q2 (April – June 2017)

The table below shows the percentage of survey respondents reporting increases against the following key indicators:

Indicator	Q2 2017	Change on Quarter (Q1 2017)	Change on Year (Q2 2016)
UK sales	31%	-7%	-12%
UK orders	34%	0%	-3%
Export sales	40%	+3%	+5%
Export orders	36%	+2%	+4%
Current workforce	25%	+2%	-2%
Future workforce	29%	+1%	-2%
Business confidence	44%	-4%	-22%
Cashflow	26%	0%	-9%