

Results of the Business West Quarterly Economic Survey Q4, 2015

Business West, working with the British Chambers of Commerce, undertakes a quarterly economic survey of businesses. The results presented below reflect the position of over 500 businesses surveyed between November and December in the West of England, Gloucestershire, Swindon and Wiltshire.

Business West Comment on the Key Findings

Commenting on the survey results for quarter 4, Phil Smith, Managing Director of Business West, said:

“These results should give businesses a boost to start the year, with both domestic and international sales on the up this past quarter. Business confidence has not yet returned to its peak at the start of the year, but it has stabilised since the summer and stands at a healthy 63%.

“That said, the job is far from done. With most indicators down compared to this time last year and George Osborne warning that the UK faces a ‘cocktail’ of serious threats from a slowing world economy, it is clear that there are warning signs of potential trouble ahead.

“Given the global uncertainties, it is vital that the government makes 2016 a year of action on fundamental issues that we know are holding our local firms back, such as infrastructure and skills.”

Key Economic Indicators Q4 (November – December 2015)

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

Indicator	Q4 2015	Change on Quarter (Q3 2015)	Change on Year (Q4 2014)
UK sales	44%	+5%	-5%
UK orders	39%	+5%	-5%
Export sales	37%	+7%	0%
Export orders	28%	0%	-7%
Current workforce	25%	-2%	-6%
Future workforce	29%	-2%	0%
Business confidence	63%	0%	-2%
Cashflow	35%	+2%	-2%

Housing

In addition to our regular questions on general business conditions, this quarter we also explored views on the local housing market and how local authorities should be planning for future housing and business growth.

- 42% of firms believe that high housing costs are having a 'negative' or 'very negative' impact on the regional economy, compared with 8% who believe it is having a 'positive' or 'very positive' impact.
- 22% of firms indicate that high housing costs are having a direct negative impact on their business, compared with 7% who say it is having a positive impact.
- In future decisions about the location, expansion or relocation of their business, 16% of firms say that high housing costs would make it more likely they would move or expand elsewhere. 57% of businesses say high housing costs would not have a bearing on future location.
- Nearly three-quarters of firms surveyed (73%) believe that when deciding on the level of homes to build, local authorities should aim to ensure that future housing costs are more affordable in real terms than they currently are.