

BRITISH CHAMBERS OF COMMERCE

QUARTERLY ECONOMIC SURVEY Q2 2017

The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain’s largest and most authoritative private sector business survey – based on more than 7,700 responses from firms across the UK in Q2 2017 – indicates that the UK economy grew at a subdued rate in the second quarter of 2017. The services sector in particular saw indicators of domestic activity, employment and investment continue to weaken in the quarter.

“Our latest survey results, which reflect the outlook of companies in all sectors and locations of the UK, indicate that for many businesses growth is static at best, and at worst, beginning to slow.

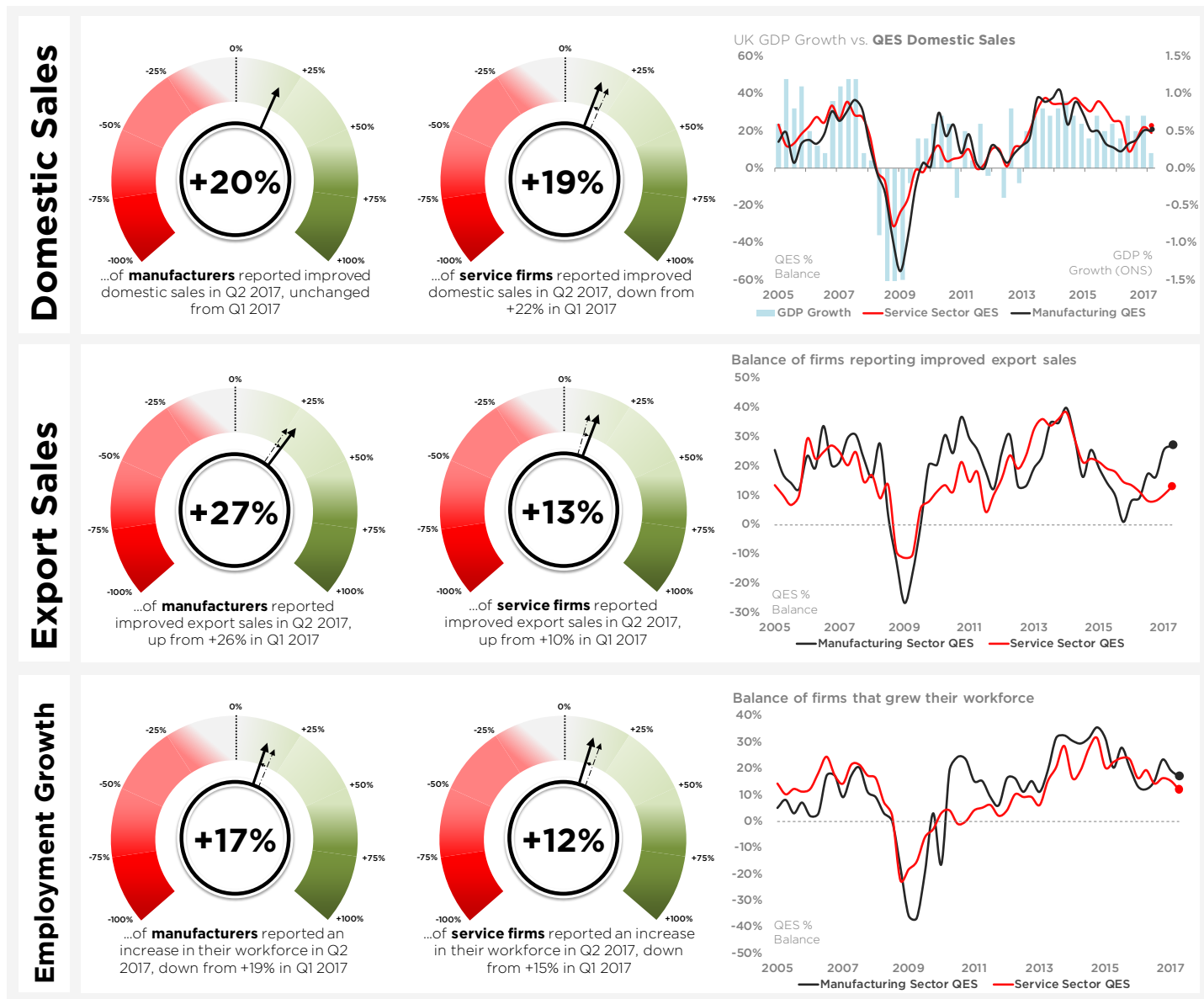
It’s time for the economy to be put back at the heart of the agenda, with a focus on creating the best possible environment for business growth all across the UK. Government must play its part by tackling the issues that hold businesses back, including labour shortages, weaknesses in our physical and digital infrastructure, and high upfront costs which dampen investment intentions and firms’ growth potential.

The subdued growth picture also underlines the importance of getting as much clarity on the Brexit transition as possible, as quickly as possible over the coming months. ”

Dr Adam Marshall Director General, British Chambers of Commerce

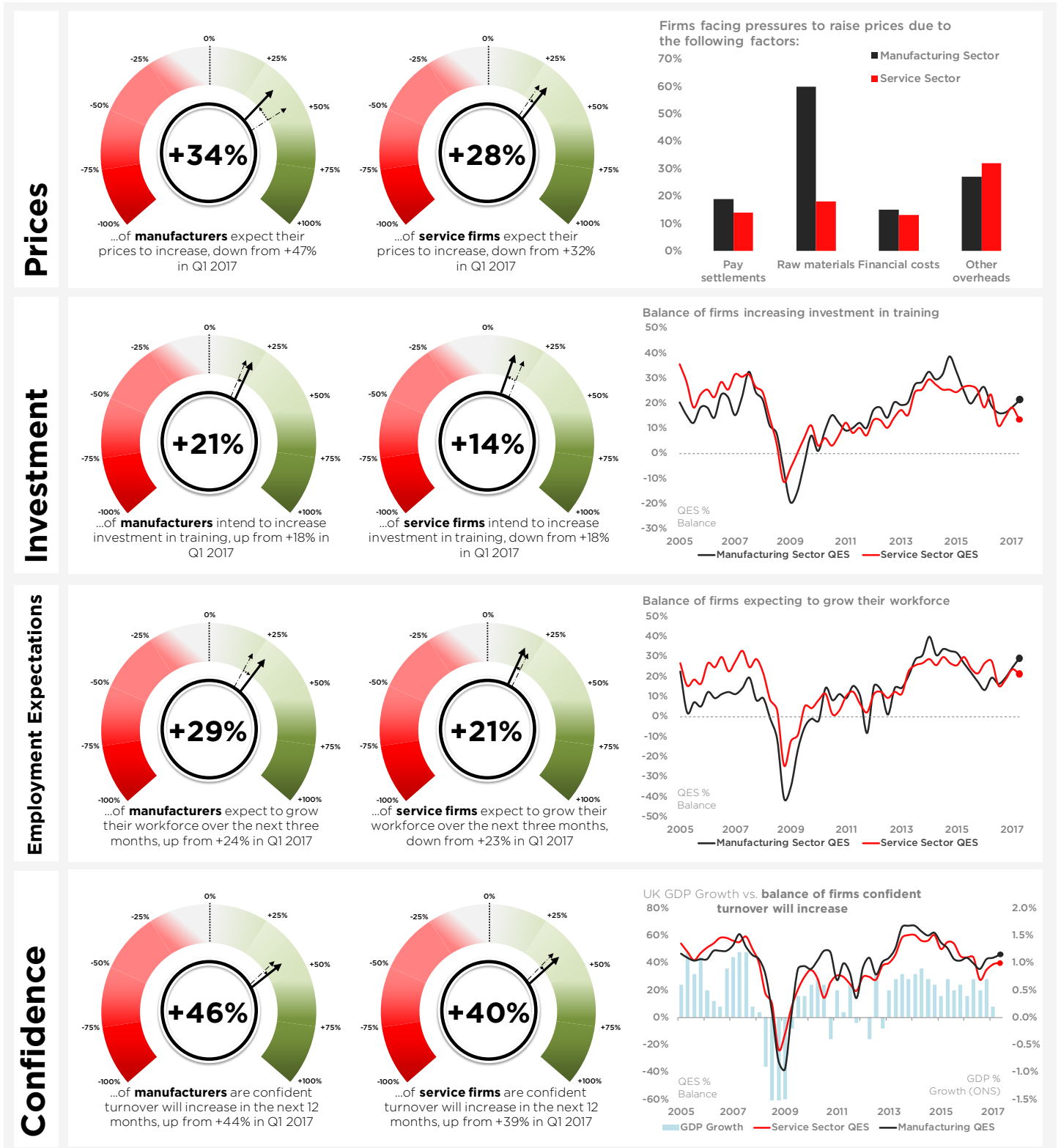
AT A GLANCE

Positive balance (+) = **growth** | Negative balance (-) = **contraction**



BRITISH CHAMBERS OF COMMERCE LOOKING AHEAD

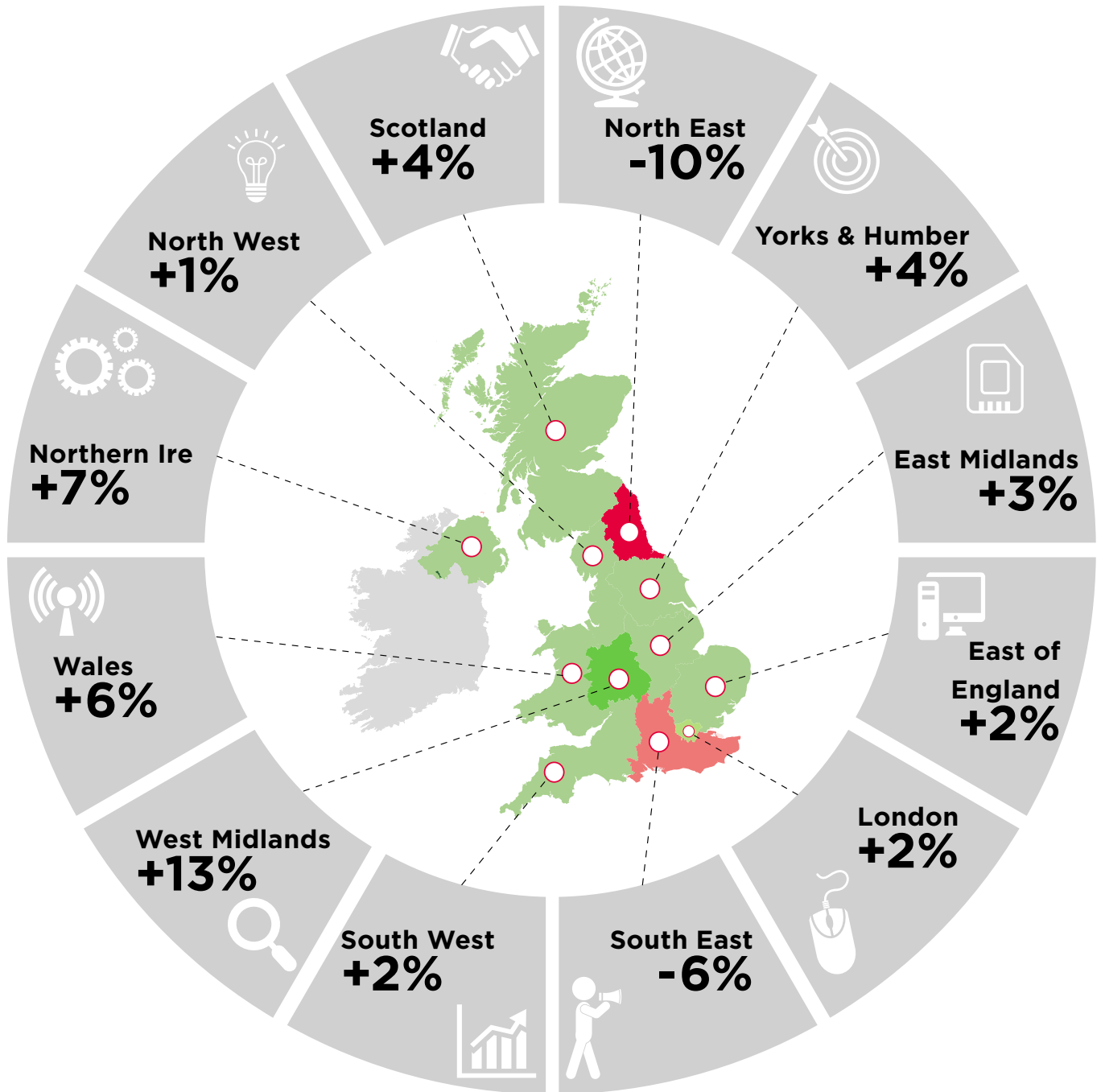
The Quarterly Economic Survey (QES) examines business sentiment on a range of forward looking indicators, including investment intentions, turnover confidence, and prices. In Q2 2017, the forward looking indicators show that while confidence in turnover and profitability is improving, investment intentions remain low. More businesses have increased their employment expectations, although recruitment difficulties remain high.



BRITISH CHAMBERS OF COMMERCE

IN FOCUS **CASH FLOW: MANUFACTURING**

The percentage balance of manufacturers reporting improved cash flow is at its lowest level in four years. The below heat map shows the breakdown of this indicator by UK region:



In the manufacturing sector, the regions which saw the largest percentage balance of firms reporting improved cash flow were the West Midlands at +13%, followed by Northern Ireland at +7%, and Wales at +6%. The regions and nations which saw the lowest percentage balance of manufacturers reporting improved cash flow were the North East at -10%, the South East at -6%, and the North West at +1%.

BRITISH CHAMBERS OF COMMERCE ABOUT THE QES

The Quarterly Economic Survey is the flagship economic survey of the British Chambers of Commerce. It is a prominent tool used to measure the state of business sentiment and is monitored by a range of national and international organisations, including the Bank of England, HM Treasury, and European Commission.

The BCC Q2 2017 QES is made up of responses from more than 7,700 businesses across the UK. Firms were questioned between 22 May and 12 June 2017. In the manufacturing sector, 1,992 firms responded, employing approximately 168,000 people. 67% (1,329) of manufacturing respondents were exporters. In the services sector, 5,718 businesses responded, employing approximately 578,000 people. Of the services sector participants, 39% (2,248) were exporters.

This report has been prepared by the British Chambers of Commerce. Further information about any of the region and nation surveys may be obtained from the following:

National

Coordinator: David Bharier
d.bharier@britishchambers.org.uk
British Chambers of Commerce,
65 Petty France, London SW1H 9EU
(020 7654 5800)

Scotland

Coordinator: Roisin Milligan
rmilligan@scottishchambers.org.uk
Scottish Chambers of Commerce
(0141 204 8366)

North East

Coordinator: Ross Smith
Ross.Smith@necc.co.uk
North East Chamber of Commerce
(0191 3861133)

North West

Coordinator: Christian Spence
Christian.Spence@gmchamber.co.uk
Greater Manchester Chamber
of Commerce (0161 237 4045):
Contributing Chambers: St Helens,
Liverpool, North & West Lancashire,
East Lancashire, Greater Manchester,
Cumbria, South Cheshire, Wirral

Yorkshire & the Humber

Coordinator: David Bharier (BCC);
Contributing Chambers: Barnsley &
Rotherham, Doncaster, Sheffield, Hull &
Humber, West & North Yorkshire, and
Mid Yorkshire

East Midlands

Coordinator: Chris Hobson
Chris.Hobson@emc-dnl.co.uk
Derbyshire, Nottinghamshire &
Leicestershire Chamber of Commerce,
(0116 204 6606):
Contributing Chambers: Derbyshire,
Nottinghamshire & Leicestershire,
Northamptonshire, Lincolnshire,

West Midlands

Coordinator: Thomas Byrne
thomasbyrne@blackcountrychamber.co.uk
Black Country Chamber of Commerce
(01902 912319):
Contributing Chambers: Coventry &
Warwickshire, Birmingham, Black
Country, Staffordshire, Shropshire,
Herefordshire & Worcestershire

Wales

Coordinator: Elgan Morgan
Elgan.Morgan@southwaleschamber.co.uk
South Wales Chamber of Commerce
(01633 242721);
Contributing Chambers: South Wales,
West Cheshire and North Wales

East of England

Coordinator: David Bharier (BCC);
Contributing Chambers: Bedfordshire,
Cambridgeshire, Essex, Hertfordshire,
Norfolk and Suffolk

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).

If 32% told us their sales grew and 33% said they fell the balance would be -1% (a contraction).

South East

Coordinator: David Bharier (BCC);
Contributing Chambers:
Kent Invicta, Hampshire, Surrey, Sussex,
Isle of Wight, Milton Keynes and
Thames Valley

South West

Coordinator: David Bharier (BCC);
Contributing Chambers:
Business West, Dorset, Cornwall,
Somerset, and Devon

London

Coordinator: Thomas Wagemakers
twagemakers@londonchamber.co.uk
London Chamber Of Commerce and
Industry, (020 7248 4444)

Northern Ireland

Coordinator: Christopher Morrow
Christopher.Morrow@northernirelandchamber.com
Northern Ireland Chamber of
Commerce (028 9024 4113)