

BRITISH CHAMBERS OF COMMERCE **QUARTERLY ECONOMIC SURVEY** **KEY FINDINGS** Q3 2016

The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain’s largest and most authoritative private sector business survey, based on more than 7,000 responses from firms across the UK in Q3 2016 – shows divergence between the manufacturing and services sectors in the period following the EU referendum result, with QES balances for the manufacturing sector overtaking the service sector for the first time in four years.

“ Although it is important not to take one quarter’s figures in isolation, our survey does show that growth has slowed further since the EU referendum, most noticeably in the services sector. Boosting business must be a key task for government in the months ahead, particularly as forward confidence on turnover and profitability has flagged for firms across the UK.

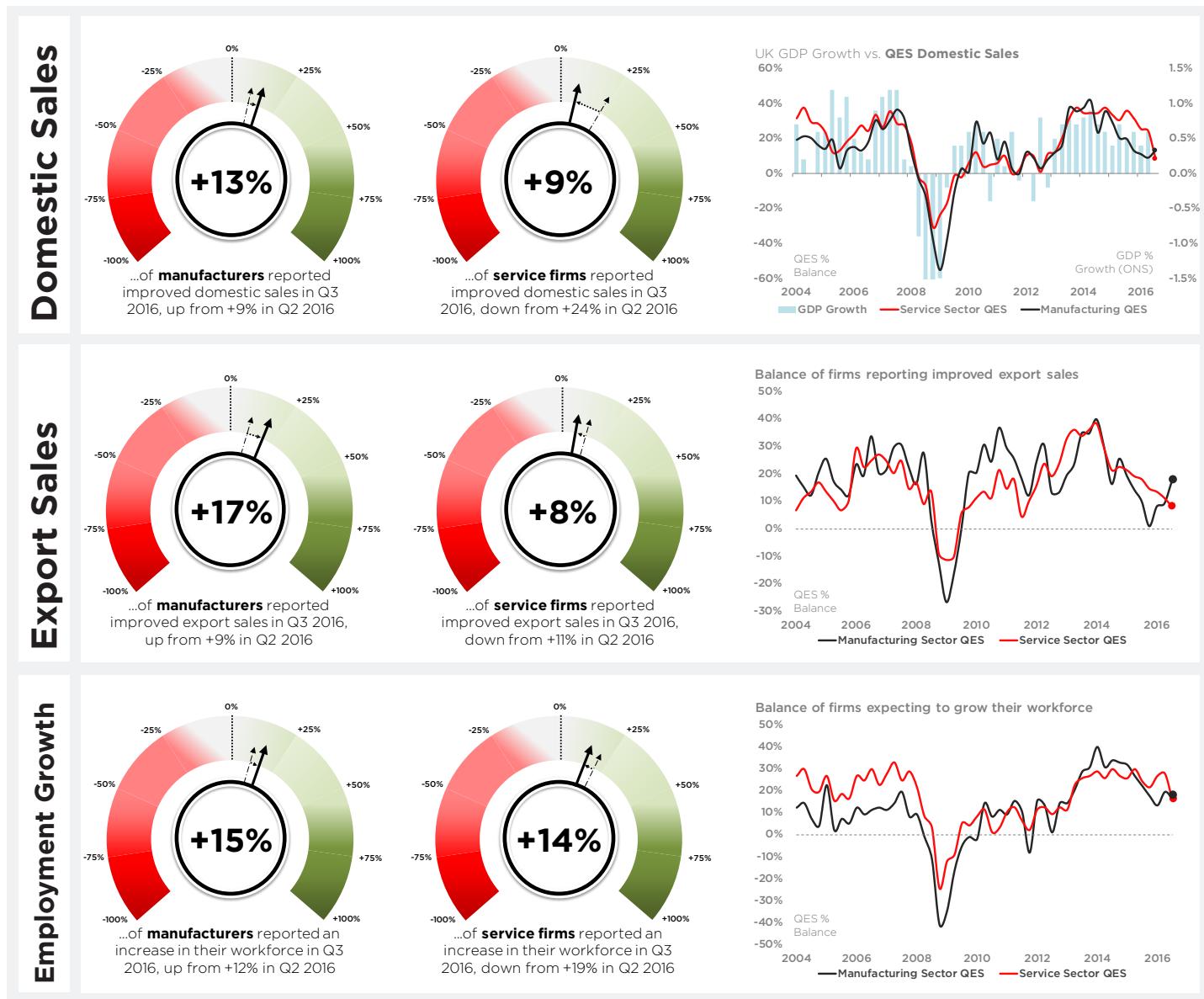
The Prime Minister has given businesses some clarity on the timetable for Article 50, and on short-term regulatory and legal issues. This is helpful, but needs to be followed up by a firm demonstration that the government has a clear and coherent strategy to defend the UK’s economic and business interests in the negotiations that lie ahead.

Firms are concerned over investment, hiring, and profitability. The Chancellor’s Autumn Statement is a crucial opportunity to incentivise business investment and overseas trade. Final and irrevocable decisions on infrastructure projects, both big and small, would also boost business confidence and support investment all across the UK. ”

Dr Adam Marshall Acting Director General, British Chambers of Commerce

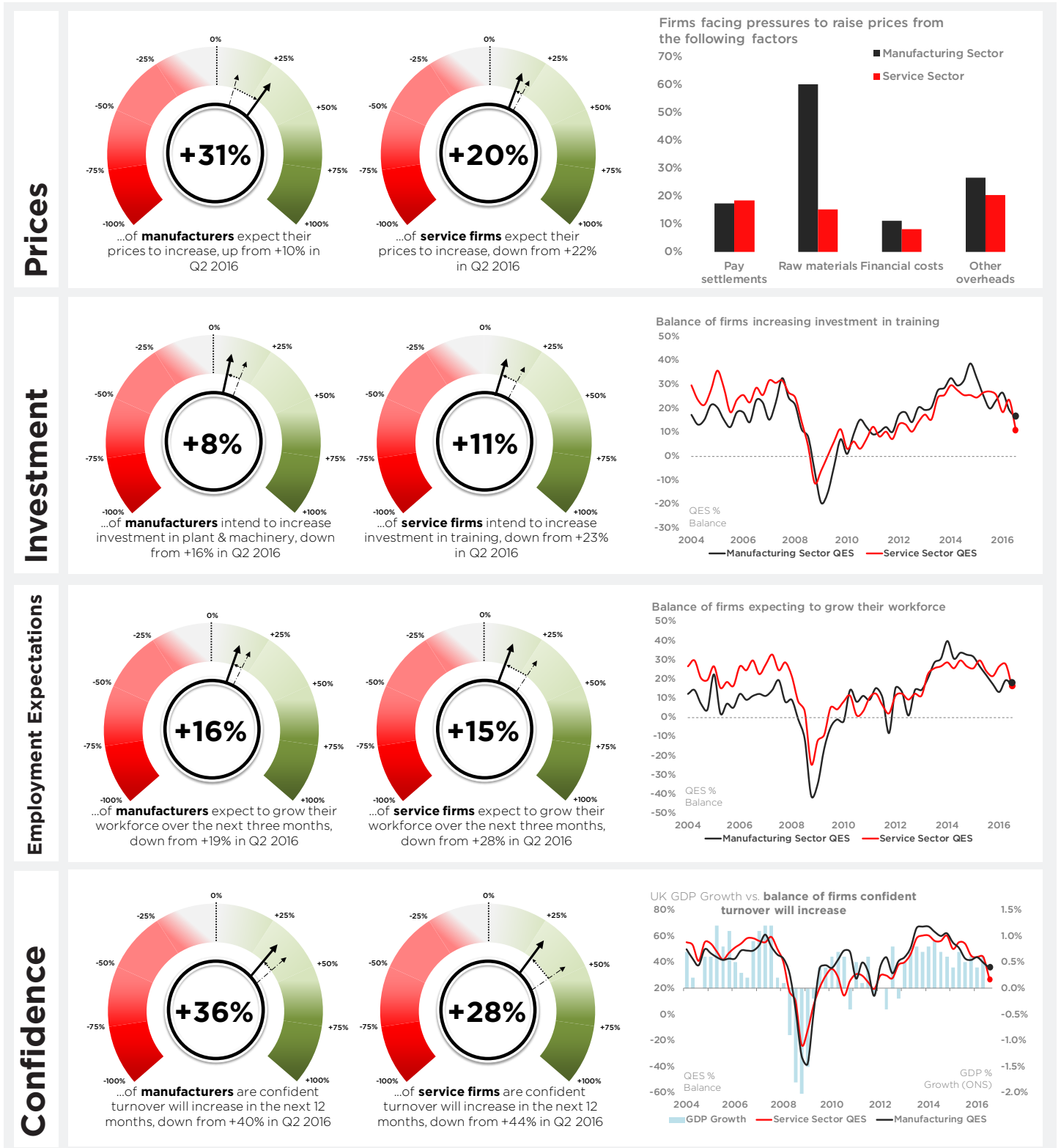
AT A GLANCE

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



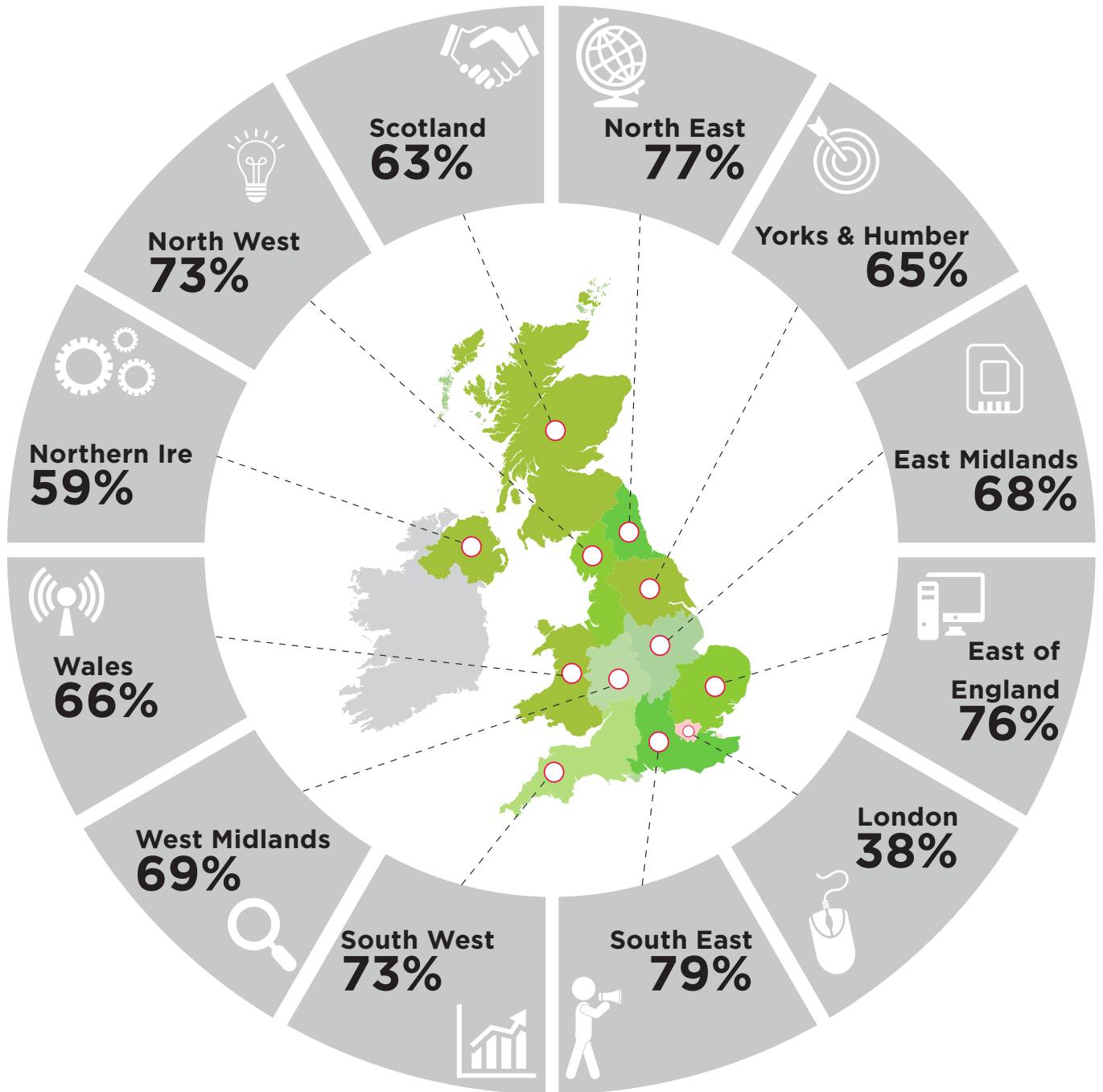
LOOKING AHEAD

The Quarterly Economic Survey (QES) examines business sentiment on a range of forward looking indicators, including investment intentions, turnover confidence, and prices. In Q3 2016, the forward looking indicators saw a clear slow down in growth within the service sector, the number of service firms expecting employment growth and business confidence.



IN FOCUS **RECRUITMENT**

This heat map shows the percentage of **service sector firms** attempting to recruit staff in Q3 2016 by region:



In the service sector, the regions which saw the highest percentage of firms which had attempted to recruit in Q3 2016 were the South East at 79%, followed by the North East at 77%, and the East of England at 76%. The regions and nations which saw the lowest percentage of service firms attempting to recruit included London at 38%, Northern Ireland at 59%, and Scotland at 63%.

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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, such as the Bank of England, HM Treasury, and European Commission.

The BCC Q3 2016 QES is made up of responses from more than 7,000 businesses across the UK. Firms were questioned between August 22 and September 12. In the manufacturing sector, 1,878 firms responded, employing approximately 160,000 people. 67% (1,266) of manufacturing respondents were exporters. In the services sector, 5,198 businesses responded, employing approximately 631,000 people. Of the services sector participants, 38% (2,001) 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:

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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).

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