

BRITISH CHAMBERS OF COMMERCE **QUARTERLY ECONOMIC SURVEY** **KEY FINDINGS** Q2 2016

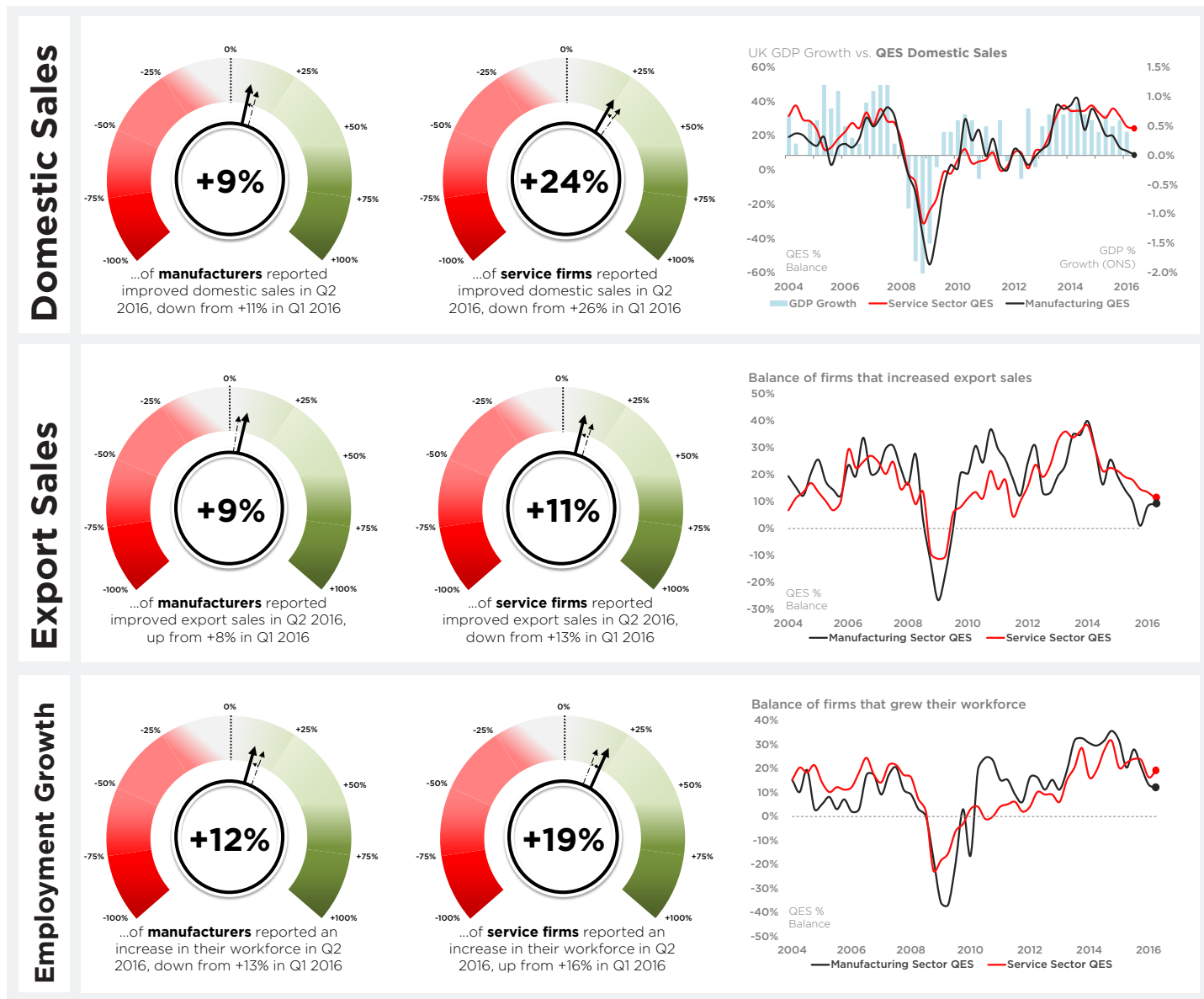
The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain’s largest and most authoritative private sector business survey, based on more than 8,200 responses from firms in Q2 2016 – shows that several key indicators remained static, or at a low ebb just prior to the EU referendum on June 23.

“ Even before the EU referendum, both business confidence and economic growth were softening in many parts of the UK. Our latest survey results, captured just before the vote, suggest that many businesses have been operating in something of a holding pattern for some time. It is categorically too early to say what impact the referendum decision has had on most firms across the UK, as we have as yet had only anecdotal evidence from those facing challenges, those holding steady, and those seizing new opportunities. The impact of the referendum will require many businesses to take decisions whose impacts will take time to show up on the bottom line. ”

Dr Adam Marshall
Acting Director General, British Chambers of Commerce

AT A GLANCE

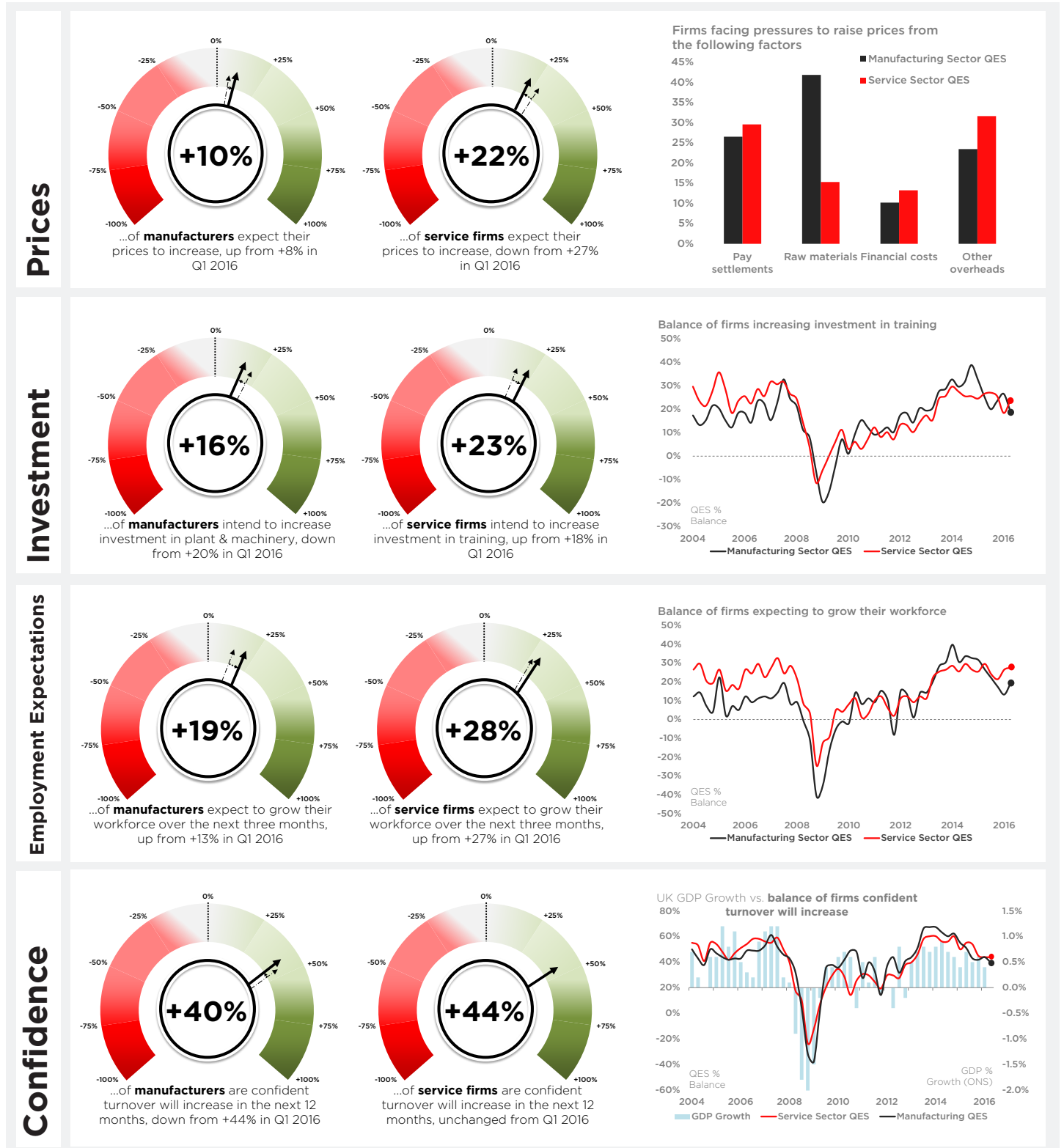
Positive balance (+) = **growth** | Negative balance (-) = **contraction**



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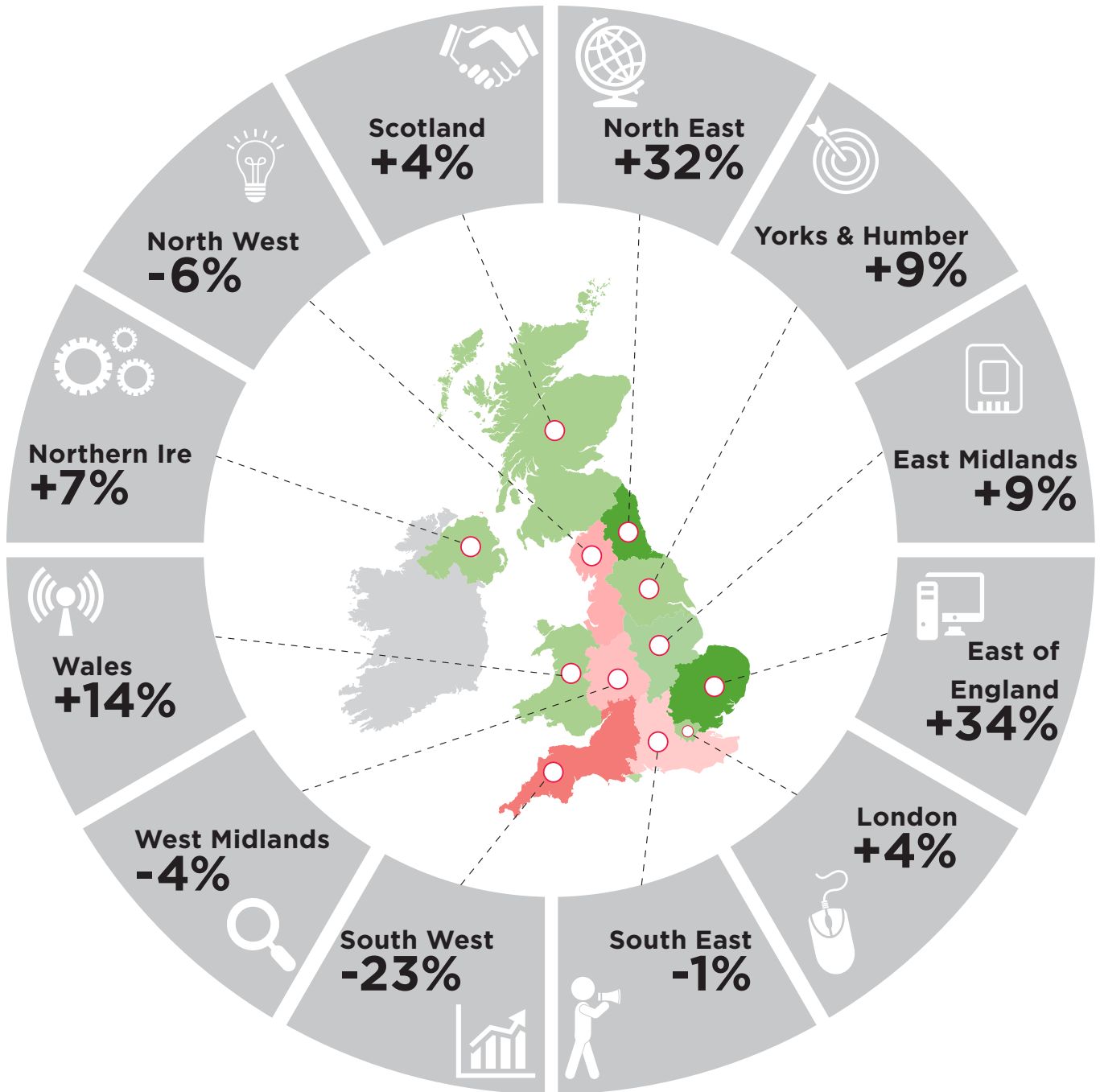
LOOKING AHEAD

The Quarterly Economic Survey (QES) examines business sentiment on a range of forward looking indicators, including investment intentions, turnover confidence, and prices. In Q2 2016, the forward looking indicators show a slight reduction in the number of manufacturers expecting to grow their workforces and invest in plant & machinery, while confidence remains unchanged from Q1.



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IN FOCUS EXPORT ORDERS

This heat map shows the percentage balance of **manufacturers** reporting improved advance export orders in Q2 2016 by region:



The Q2 2016 balances for manufacturing firms reporting improved advance export orders were in positive territory in eight regions and nations, while four balances were negative. Comparing the manufacturing sector's performance across the various regions and nations, the strongest Q1 2016 domestic sales balances were in the East of England at +34%, followed by the North East at +32%, and Wales at +14%. By contrast, the weakest manufacturing export orders balances were in the South West at -23%, the North West at -6%, and West Midlands at -4%.

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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, European Commission, and IMF.

The BCC Q2 2016 QES is made up of responses from more than 8,200 businesses across the UK. Firms were questioned between May 23 and June 13. In the manufacturing sector, 2,019 firms responded, employing approximately 150,000 people. 66% (1,328) of manufacturing respondents were exporters. In the services sector, 6,254 businesses responded, employing approximately 631,000 people. Of the services sector participants, 40% (2,442) 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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Mid Yorkshire

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 is +32% (an expansion).

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

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