



**GREATER MANCHESTER
QUARTERLY ECONOMIC SURVEY
Quarter 1 2011**

Full Report

Findings from the Greater Manchester Chamber of Commerce's Quarterly Economic Survey for Q1 2011

About the Chamber

Greater Manchester Chamber of Commerce is the largest Chamber of Commerce in the United Kingdom, with a membership of around 5,200.

The Chamber is recognised as a leader in its field. Its reputation has grown in Government circles both locally and nationally, as well as in the region and overseas.

The aim of Greater Manchester Chamber of Commerce is to create the best climate for business in the region to prosper. This can be achieved by ensuring that those taking decisions on key issues such as transport, taxation and business regulation hear the voice of our members. The representation of our members' views is central to the work of the policy team at the Chamber. These views are gathered in a range of ways including focus groups, meetings with politicians, consultations and this Quarterly Economic Survey.

About this Quarter's Survey

The survey collection period for the Q1 2011 survey was from 21st February to 16th March. A total of 703 businesses from across Greater Manchester, employing 229,164 people, responded to this quarter's survey.

- From the manufacturing sector, 254 businesses employing 70,437 people responded to the survey;
- From the service sector, 449 businesses employing 158,727 people responded to the survey.

If you require any further information about the production or detail of this report, please contact Sana Nabi on 0161 237 4045 or email sana.nabi@gmchamber.co.uk

NB: Net balance figures, referred to throughout this report, are determined by subtracting the percentage of businesses reporting decreases in a factor from the percentage of businesses reporting an increase.

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Report Summary - Manufacturing

- **Manufacturing exports continue to grow, but domestic market slows**
- **The construction sector shows no sign of improvement**
- **Manufacturers saw a slight improvement in jobs created**
- **Construction sector job losses continued**
- **Business costs in raw materials and fuel increases are putting pressure on profitability right across the sector**
- **Cashflow deteriorates across the sector**

The results of the Q1 2011 survey continue to show that the performance of the “manufacturing” sub-sectors construction and manufacturing across Greater Manchester are poles apart and the Chamber continues to focus separate analyses on each sub-sector. The appendix to this report re-produces the breakdown of the broad based manufacturing results and the split between manufacturers and construction firms for each of the last four quarters. As with previous quarters’ results the performance of manufacturing appears weaker in the overall results due to the poor performance of the construction sector.

The domestic market for the broad manufacturing sector has stalled, with the sales balance falling into negative territory (-2%) for the first time since Q1 2010 and the order book for Q2 is flat. Both export sales and orders have on the other hand accelerated (+20% and +12% respectively) over the past quarter and continue their recovery with a sixth successive quarter of growth. Looking specifically at the results in the appendix for Q1 2011 and Q4 2010, manufacturers continue to see growth in sales and orders across both domestic and export markets. Although domestic sales weakened in Q1 (down 11% to +6%), orders have strengthened (up 9% to +16%) along with exports sales and orders, up 9% and 8% respectively to +21% and +15%. The construction sector has seen a further decline in the domestic market, with sales and order balances falling to -21% and -25%, though overseas sales remain positive at a slightly weaker +6%. Overseas orders for construction firms have however fallen this quarter and the balance is now -6%. This is disappointing as overseas orders had offered some respite from the domestic situation for constructors during the previous two quarters.

These results indicate that the domestic economy is slowing down. Spending decisions in the public sector have been making their way through the supply chains in the private sector for some months and we are now starting to see the impact of this on demand, both from the perspective of business to business, but also consumer demand as confidence falls. With more cuts yet to make their way through, public sector job losses, inflationary pressures and tax rises the domestic economy remains fragile and growth will continue to be slow throughout 2011. Consumer demand will be driven by confidence that will be determined by employment prospects.

At present the manufacturing sector as a whole saw flat job creation in Q1, though expectations to recruit have improved, now +6%. In the near term this is

Report Summary - Manufacturing (cont)

insufficient to prevent unemployment in the region rising as public sector losses continue and public sector skill sets do not translate easily to manufacturing sector opportunities. Manufacturers themselves saw employment growth at +6% in Q4, failing to meet expectations during Q4 (+12%). Construction firms are continuing to see net job losses (-11%) and expectations are -13%. The Chamber reiterates the need for sustained investment in Greater Manchester's infrastructure to help revive the construction sector and with it the fortunes of the domestic economy. Without it the recovery and future economic development will be held back.

Despite assurances from the high street banks, cashflow continues to be an issue across both manufacturing and construction firms (-27%). Last quarter manufacturers reporting cashflow difficulties was flat, however this deteriorated over the quarter to -24% and the constructors' balance fell further to -38%. Although the recession has ended many smaller firms are finding that they have exhausted alternative funds to bank lending, such as retained profits, and with a poor and uncertain outlook for the domestic economy businesses are slowly easing back their investment plans. Overall the measures are -4% for plant & machinery and +2% for training, dipping from -2% and +4% respectively. Though down manufacturers plans are still positive for investment in the next twelve months (+9% for plant & machinery and +5% for training), construction firms are understandably continuing to reduce plans for investment (-27% for plant & machinery and -5% for training). The construction sector nationwide is predicted to bear the brunt of private sector job losses resulting from public sector spending cuts over the next four years, and the dependence of the region's constructors on public sector spending is a concern that may see a further 12,000 job losses across the wider North West.

Confidence in profitability remains negative overall, holding a balance of -7%, businesses are challenged with a low growth environment, with tough post-recession competition and increasing costs due to inflation pressures and high commodity prices, including the substantial increase in oil prices. The split between manufacturers and construction firms is +1% and -22%, which for manufacturing is a large fall over the quarter and reflects the ongoing issue of raw material prices challenging their input prices. Confidence in future turnover has weakened to +14%, down 5% over the quarter, with the split between manufacturing and construction being +31% and -13%. This is only slightly down for manufacturers but a further deterioration for constructors as they continue to see falling orders.

Capacity utilisation in the broader manufacturing sector has dipped slightly, reflecting a fall in manufacturing, down 6% to 25%. Construction has however seen a rise of 5% to 33% which may reflect the loss of several firms in the sector recently. Having seen intense competition last quarter, construction firms appear to have seen this ease in Q1 and intentions to increase prices have moved positive again, resulting in the broader sector measure increasing from +30% to +35% as inflationary pressure on input prices continues. Pay settlement pressures remain subdued, but the balance has increased for manufacturers.

Overall the Chamber continues to view the performance of the manufacturing sub-sector as encouraging but there are difficulties in the domestic economy that are slowing the recovery and for Greater Manchester public sector capital investment will play a vital role in assisting the domestic economy's revival.

Report Summary - Services

- **Domestic sales and orders turn negative**
- **Service sector job creation continues**
- **Business confidence falls, particularly for profitability**
- **raw materials and fuel prices are putting pressure on costs**
- **Cashflow difficulties, poor domestic outlook and rising costs are resulting investment plans falling**

Businesses have been reporting the impact of the public sector spending cuts since last June and the direct and indirect consequences are now beginning to have a worrying impact on the domestic service sector across Greater Manchester. Sales and order balances have both moved negative for the first time since Q3 2009 to -1% and -5% respectively, a three quarter declining trend in sales. There is some positive news, export sales and orders have continued to grow; that growth strengthening slightly this quarter to +17% and +9%, which are both the highest balances since Q3 2007. It is evident from the mixed fortunes between the domestic and export markets that Q4's bad weather, inflation and commodity prices are not the key factor in these results; the most important factors are the public sector cuts and the impact on confidence.

Job creation in the service sector has remained very weak, though positive, for five successive quarters, at +4% for Q1 2011. Within the detail of the data there is some evidence that larger businesses are starting to recruit, which should be encouraging in terms of numbers but expectations to recruit have weakened consistently for four quarters, now +6% and now at a level closer to recent outcomes but the weakest balance since Q3 2009.

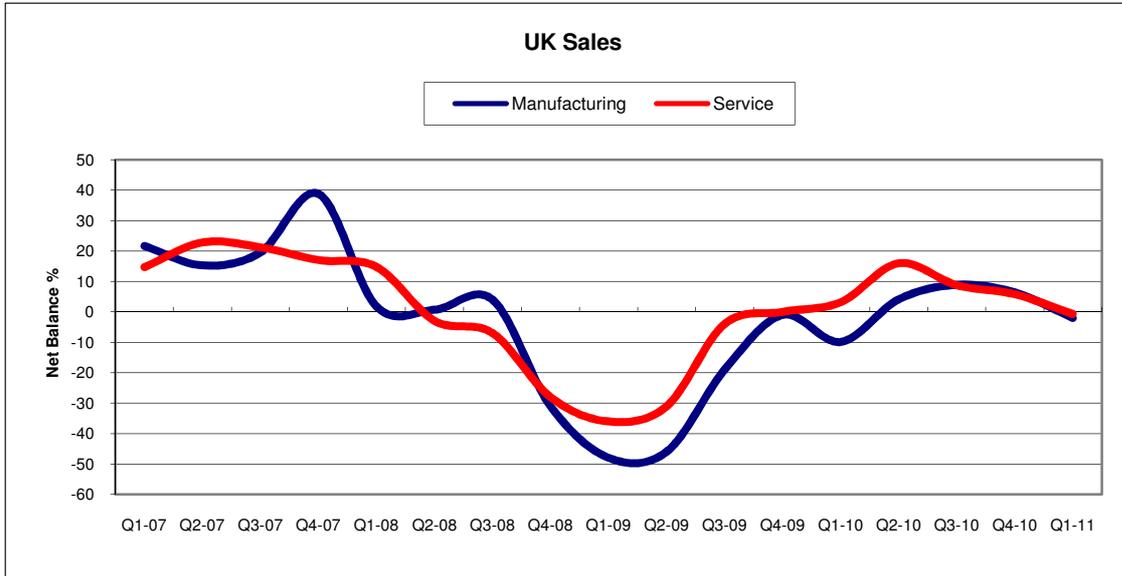
Cashflow problems have deteriorated (-17%), again issues over reserves and alternatives to bank lending likely to be becoming an issue. Investment intentions are however further declining which leads to more concerns over the domestic economy as this will have consequences for other sectors over time. Investment plans for plant and machinery have fallen 7% to -9% and in training, the stronger measure of investment in the service sector, is down to -3%. Both measures are now weaker than those recorded in Q3 2009.

Confidence in turnover across the sector has fallen 7% to +21%, though raw material price pressures and other costs such as fuel prices are clearly impacting on businesses costs in the sector and squeezing profitability, with confidence in profitability falling 12% to just +4%. The price pressures are impacting on intentions to increase prices (+31%) despite a fall in the number of businesses reporting that they are working at capacity (+29%), and inflationary concerns have seen a strong increase this quarter to a level not seen since Q3 2008 (45%).

This quarter's service sector performance is a concern. We anticipated the domestic economy would slow, though this happening ahead of the austerity measures that will impact on households from April 2011 onwards. The recovery will be slow though we are hopeful of improvements in the domestic economy in the latter half of 2011.

UK Sales and Orders

"Evidence of a domestic slowdown is clear"

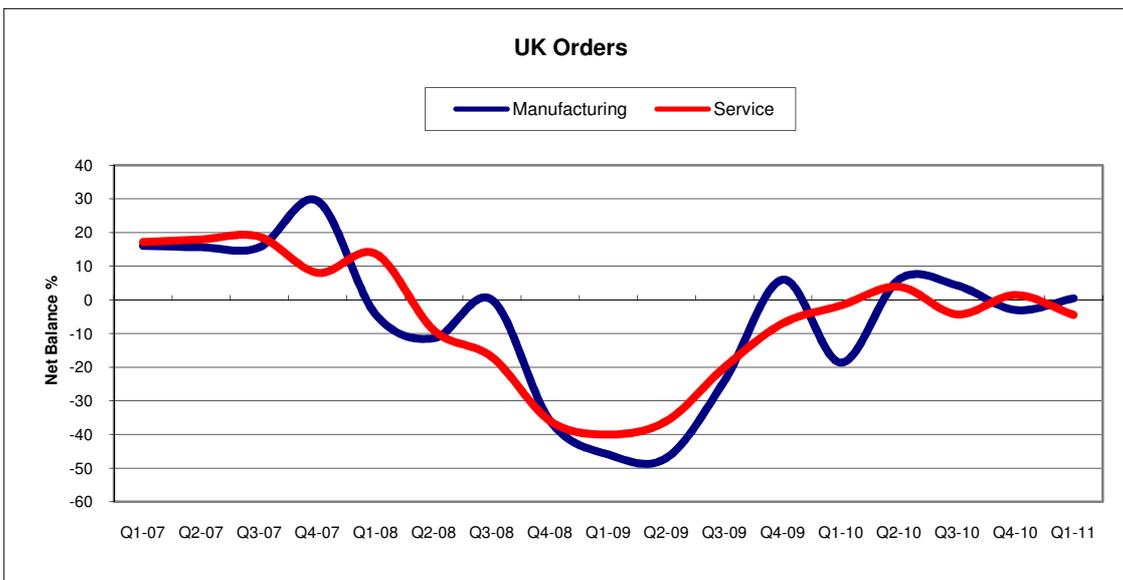


Domestic manufacturing sector sales have faltered to -2% this quarter from the positive +6% in Q4 last year. This is due to the continued decline in the construction sector, -21%.

UK orders for the manufacturing sector however reversed their decline from -3% to 0% but failed to expand. Again this is due to the lack of orders within the construction sector which stood at -25%.

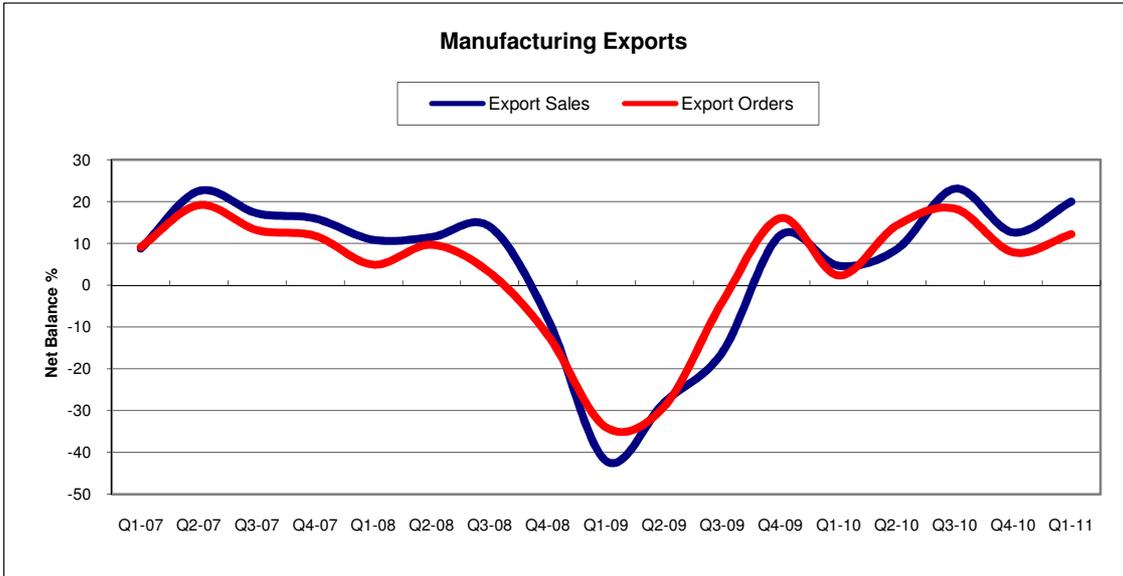
In the service sector, domestic sales also declined to -1% for sales, down 7% and the lowest balance since Q3 09. Orders have also suffered and now stand at -5% down from +1% in Q4 2010.

The service sector's performance is showing a mixed picture across size of business.



Export Sales and Orders

"All export measures strengthen, with the service sector seeing the best results since Q3 2007"

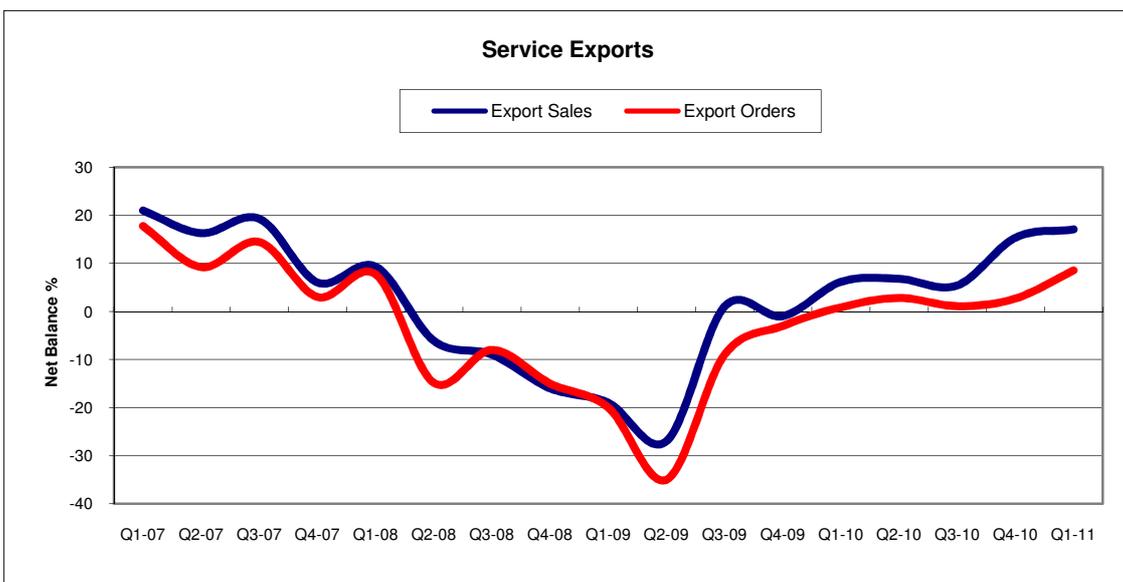


The broad manufacturing sector's export sales have strengthened to +20%, up 7% from last quarter. This is due to manufacturers' sales accelerating from +12% to +21%.

Export order growth has also increased from +8% to +12%. Again this is due to an increase in orders for manufacturers. Constructors have seen their orders decrease to a balance of -6%.

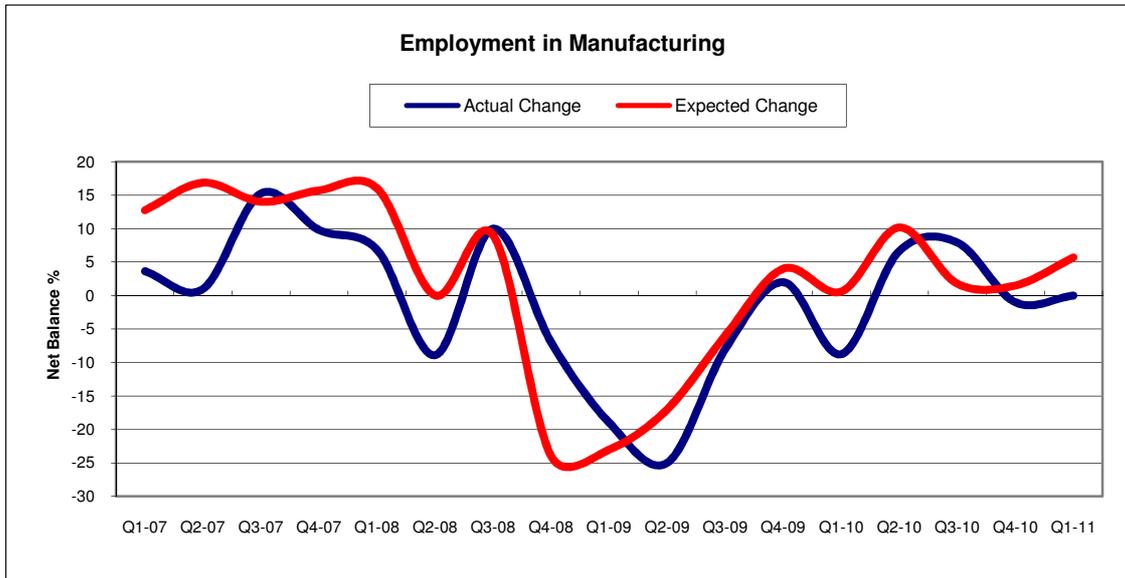
Service sector export sales improved again slightly to +17%, the strongest balance since Q3 2007 and a fifth successive month of growth. Export orders also increased +3% to +9% also the strongest balance since Q3 2007.

Unlike the domestic service sector, export markets favourable right across the business spectrum.



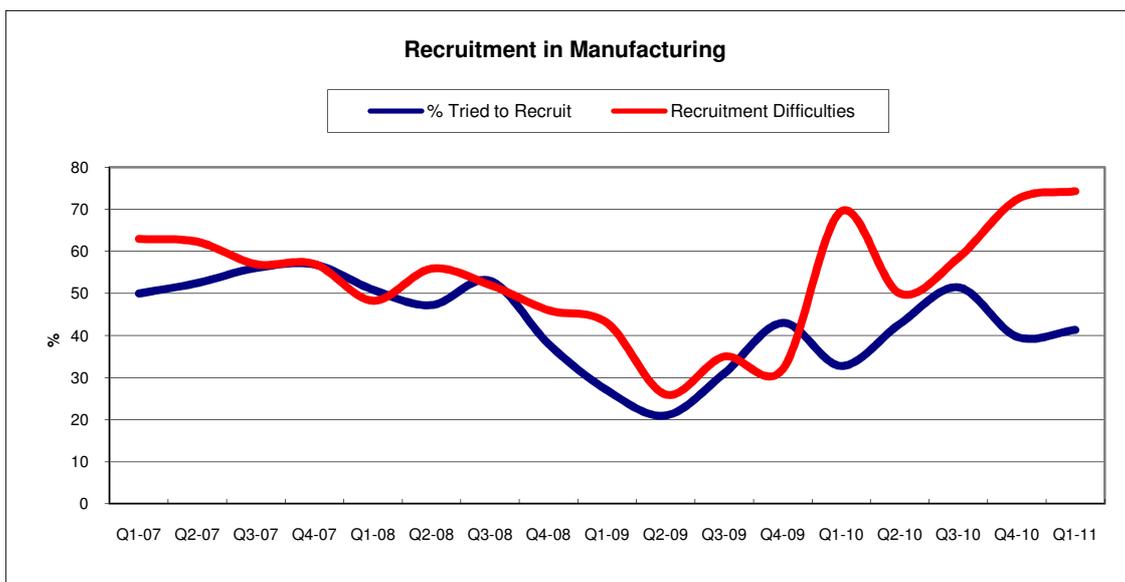
Employment and Recruitment in Manufacturing

"Positive job creation, but difficulties sourcing skills a key issue"



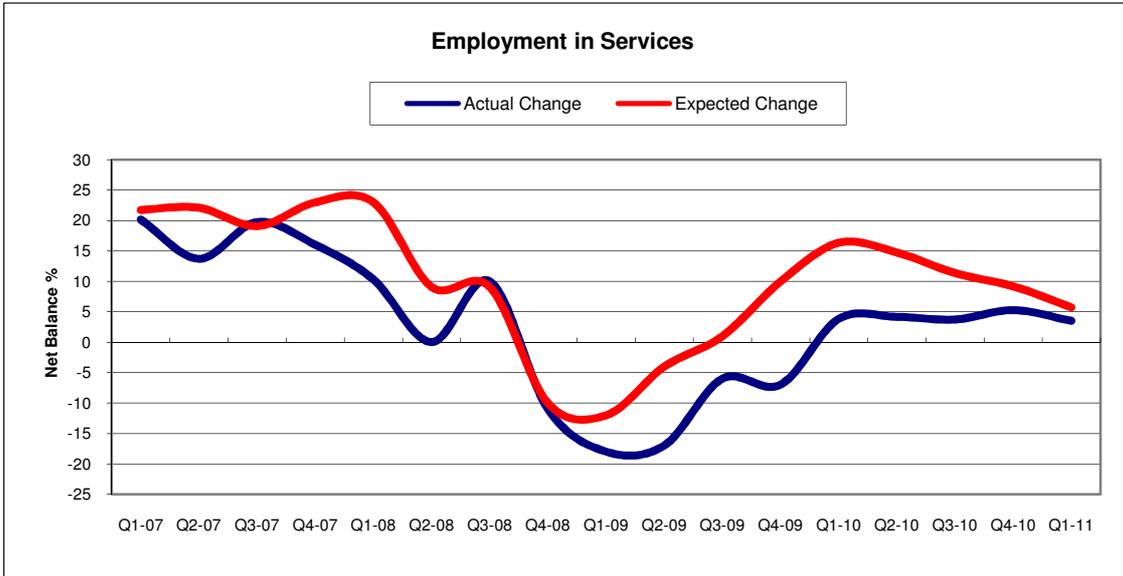
Employment in the broad manufacturing sector is flat at 0%. Manufacturers saw slightly stronger positive job creation (+6%) this quarter, while the construction sector workforce continues to fall and the balance now stands at -11%. Next quarter expectations are stronger overall at +6%, manufacturers expectations up 4% to +16% though constructors continue to see job losses with a balance of -13%, though this is up 4% on the quarter.

The number of firms attempting to recruit rose by only 1% to +41% this quarter which may also explain the increase in businesses that experienced recruitment difficulties, up 2% to +74%. For both the manufacturing and construction industries the 'skilled manual/technical' positions proved to be the most difficult to fill.



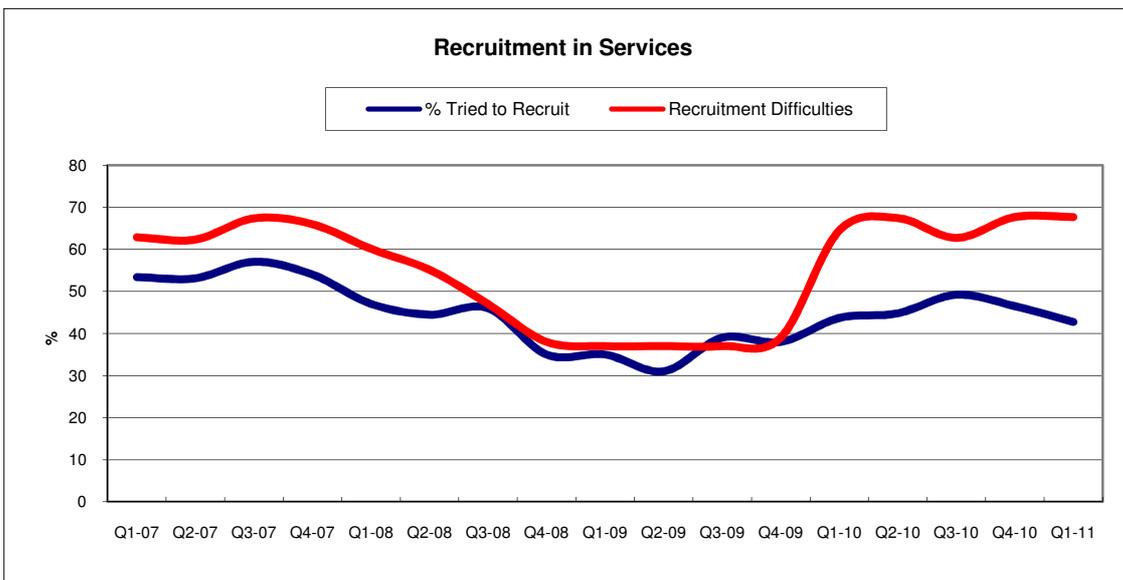
Employment and Recruitment in Services

"Service sector continues to steady, though weak, employment growth"



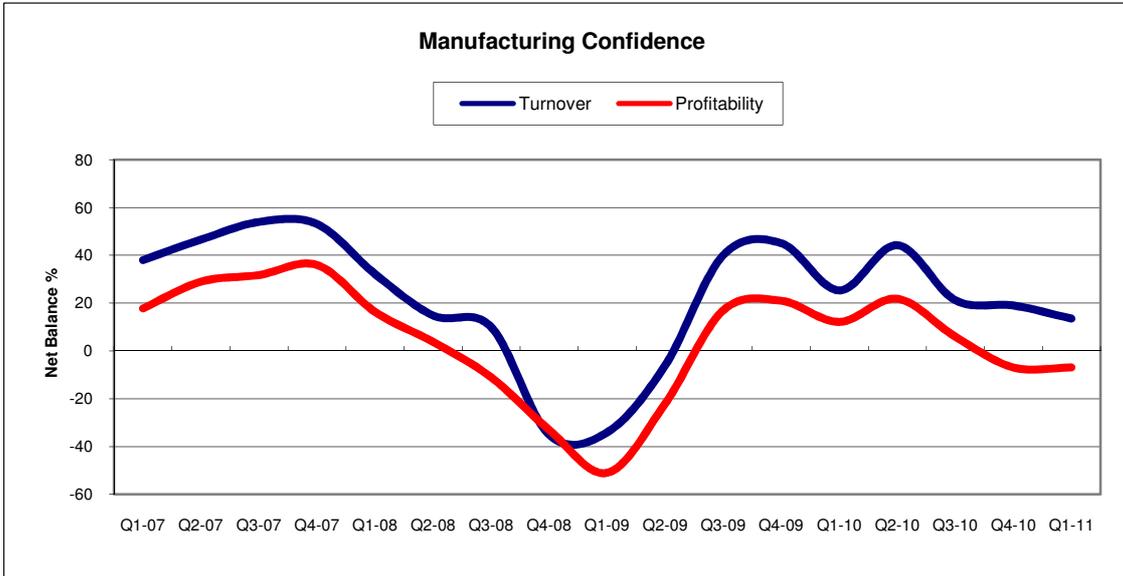
Employment growth in the service sector remains very steady, though somewhat weak, as it has since Q1 2010, decreasing slightly by 1% to +4% this quarter. Expectations to recruit for the next quarter remain positive but have fallen for the fourth successive quarter to +6%. On balance smaller firms are currently more optimistic about job creation than larger ones.

The number of respondents attempting to recruit has decreased for the second consecutive quarter to 43%, though recruitment difficulties remained steady at 68%. Clerical roles remain those that are the most difficult to fill, reported by 44% of respondents up from 36% in Q4 2010. The biggest decrease from last quarter was for the professional and managerial roles from 24% to 14%, more than reversing the large increase last quarter.



Business Confidence

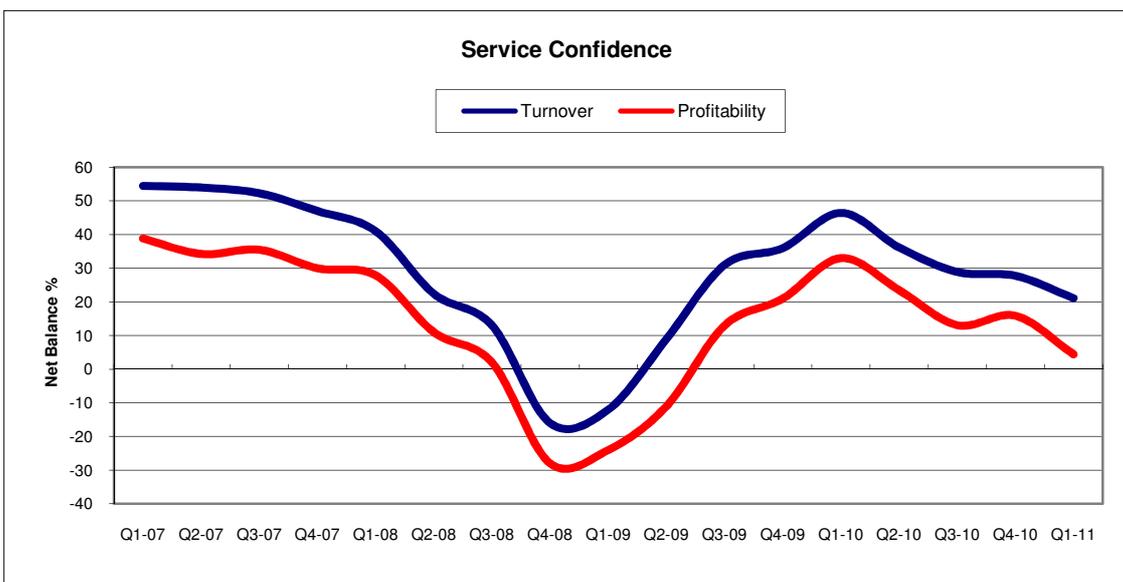
"Manufacturing sector confidence for profitability falls due to price pressures"



Confidence in the broad manufacturing sector remains positive for turnover but has decreased by 5% and now stands at +14%. Confidence in profitability for the next 12 months has failed to improve and remains at -7%. Manufacturers' confidence has weakened, particularly for profitability due to cost pressures, and constructors still have a negative view of the next twelve months.

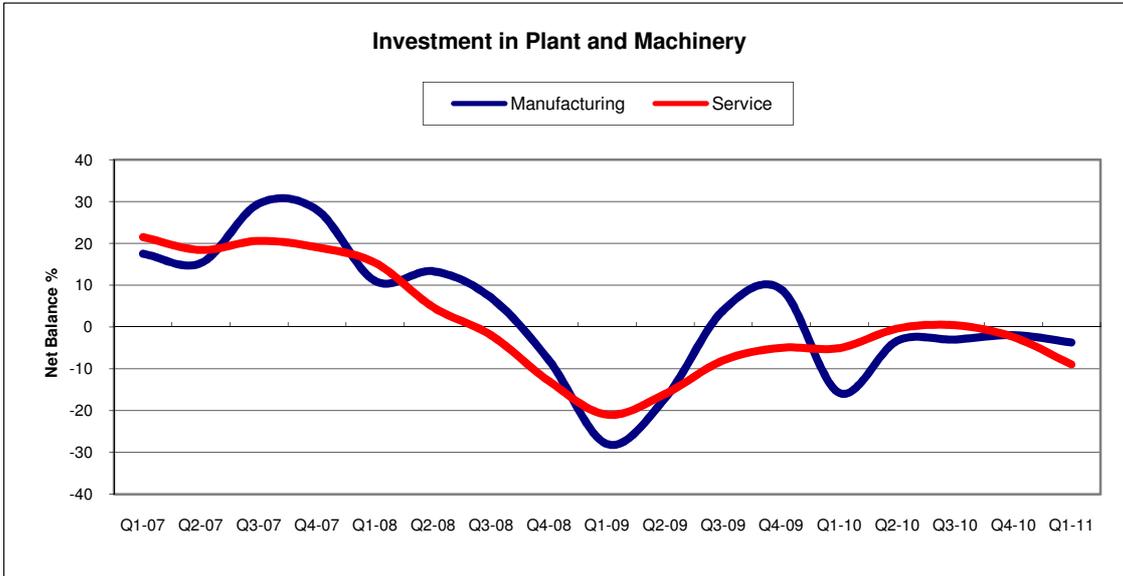
Service sector confidence for both turnover and profitability remains positive but has suffered a downturn this quarter. Confidence for turnover has gone from +28% to +21% and confidence for profitability has gone from +16% to +4%, the lowest it has been since Q3 2008. Again cost pressures are hitting profitability.

"Service sector confidence falls on domestic concerns and price pressures"



Investment Intentions

"Manufacturing investment remains subdued, reflecting construction difficulties"

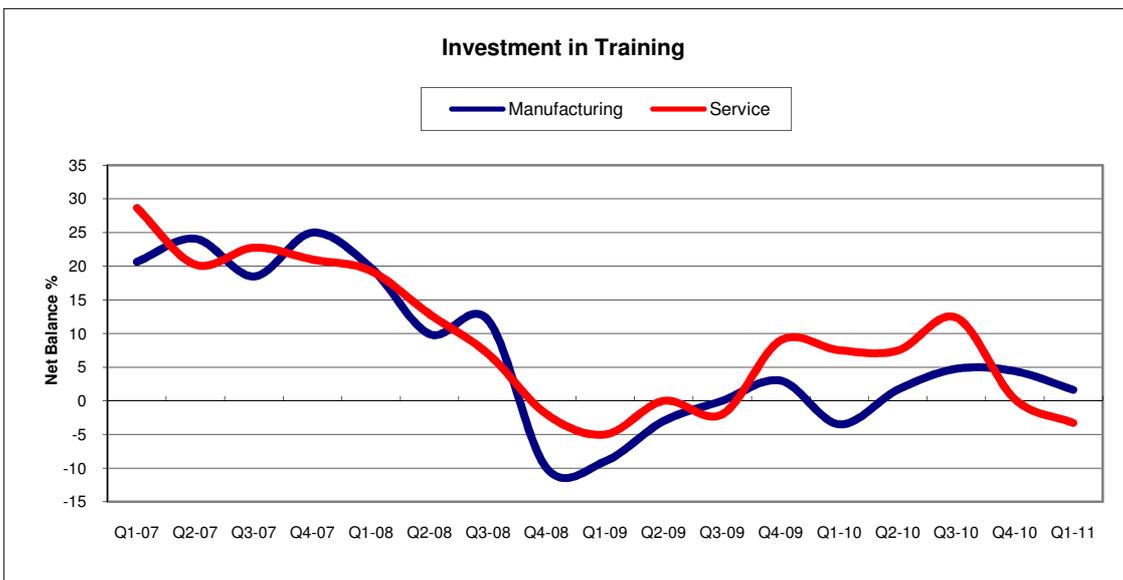


Overall manufacturing plans for investment have been steady over the quarter; -4% (down 2%) and +2% (down 2%) for plant & machinery and training respectively. This masks the difference between manufacturers and construction firms. Manufacturing investment, (although it has decreased from last quarter)

still remains positive, +9% and +5%. For constructors, investment plans for plant & machinery and training remains at a negative balance, -27% and -5% respectively.

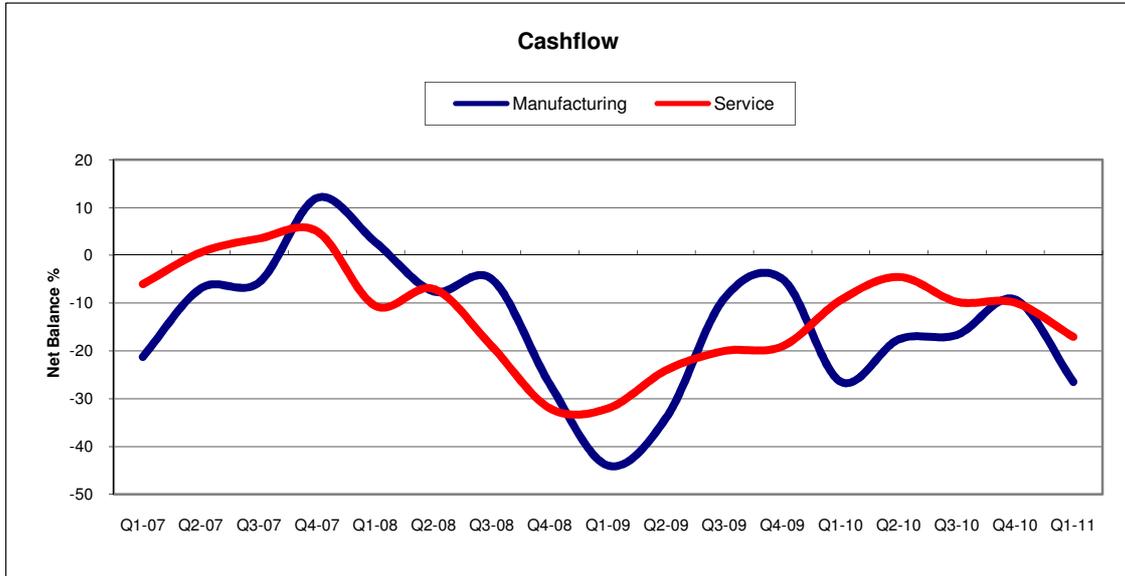
The service sector's plans for investment in plant & machinery have not improved this quarter, down 7% to -9%. Investment in training also decreased 3% to -3%.

"The service sector's plans for investment are a concern"



Cashflow and Prices

"Cashflow situation deteriorates despite bank promises"

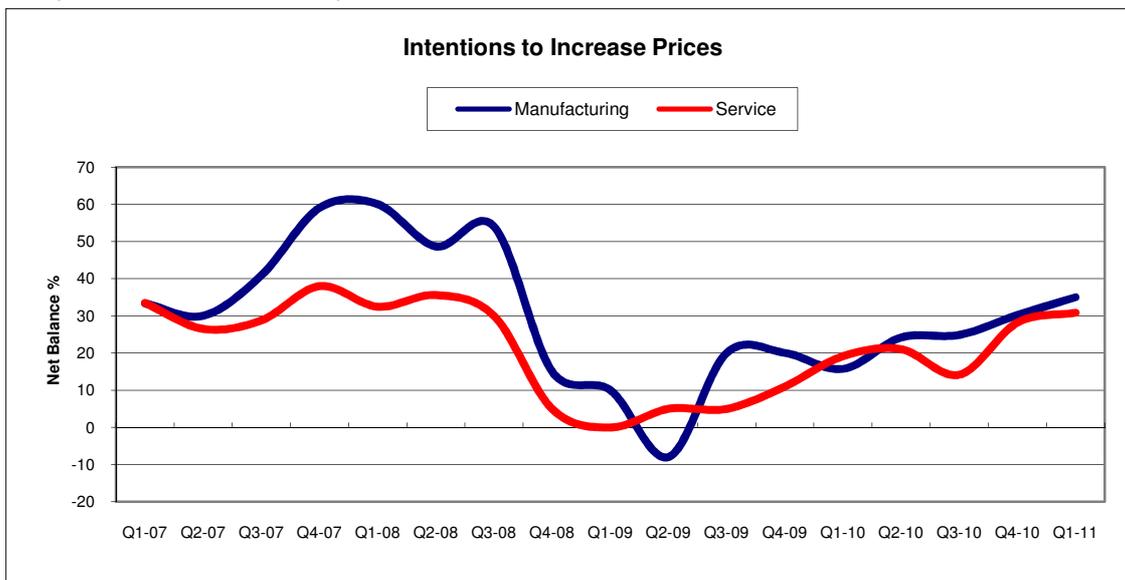


Across the manufacturing sector cashflow difficulties remain, and the balance has deteriorated significantly to -27% (down 18%). Within this sector, both manufacturers and constructors have experienced cashflow difficulties with the balance standing at -24% and -38% respectively.

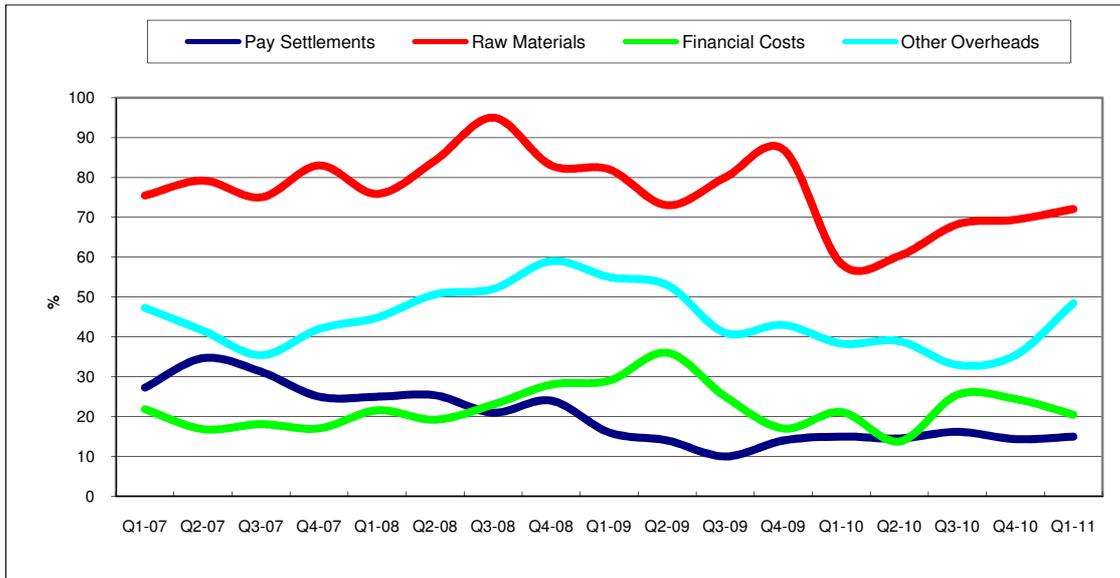
In the service sector, cashflow difficulties have increased and are now at -17% compared to the -10% last quarter.

Manufacturers continue to see price pressures from raw material prices and are still seeking to increase prices (+52%). Construction firms are also looking to increase prices, the balance moving from -3% in Q4 2010 to +18%. Overall the balance is +35%, up 5%.

Service sector businesses' intentions to increase prices have raised to +31%, a steady increase in prices from Q4 10 which was held at +28%.

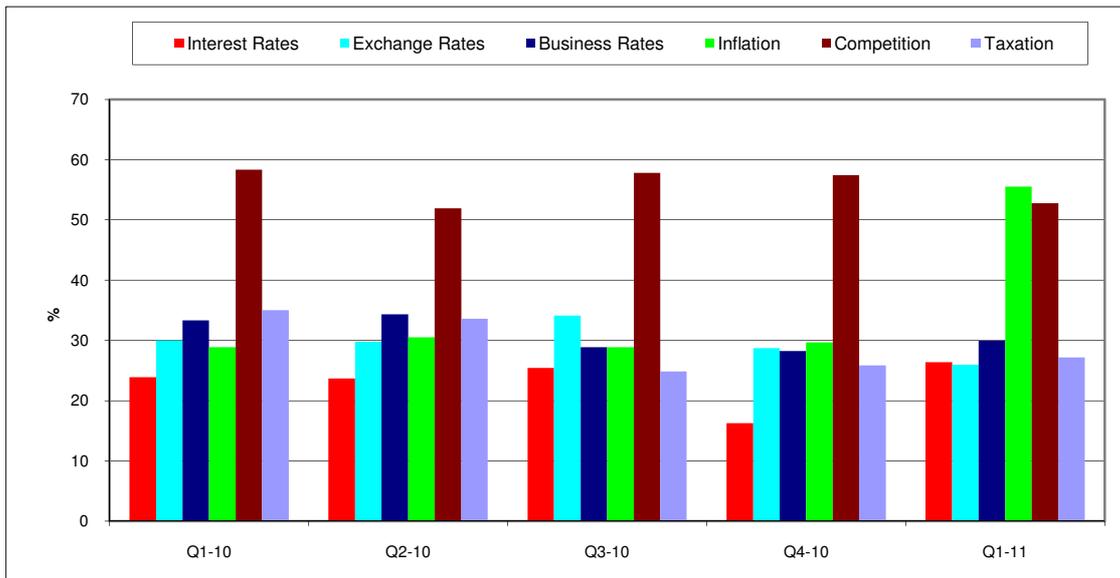


Price Pressures in Manufacturing



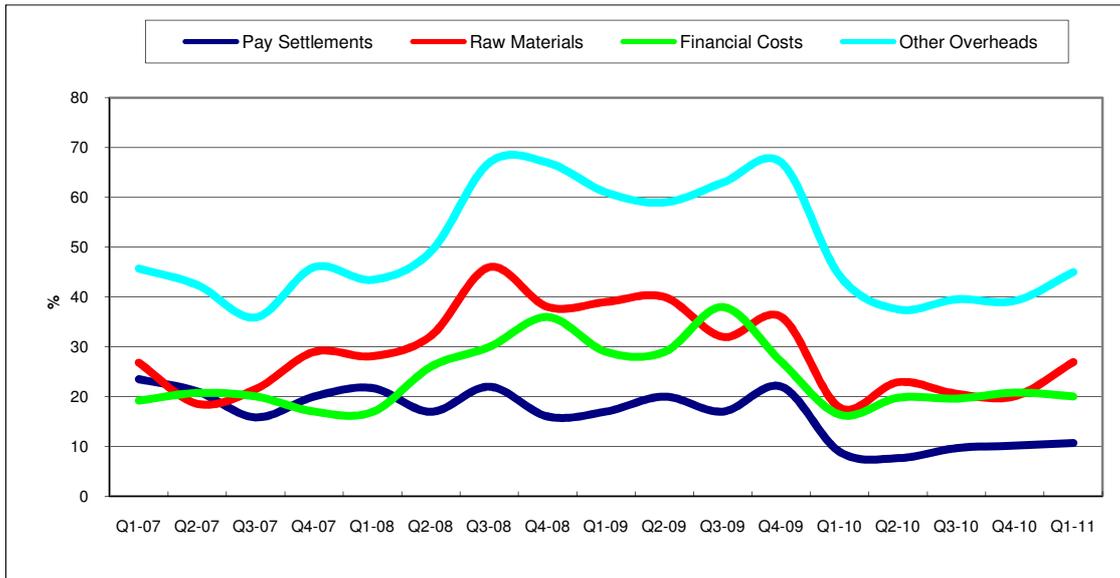
Across the broad manufacturing sector the largest change in the price pressures was other overheads. Within these results manufacturers see the greatest pressure from raw material prices (85%). This also continued to increase for constructors (56%). The increase in other overheads was down to a sharp increase in the pressure experienced by constructors, up 23% to 42%.

External Factors in Manufacturing



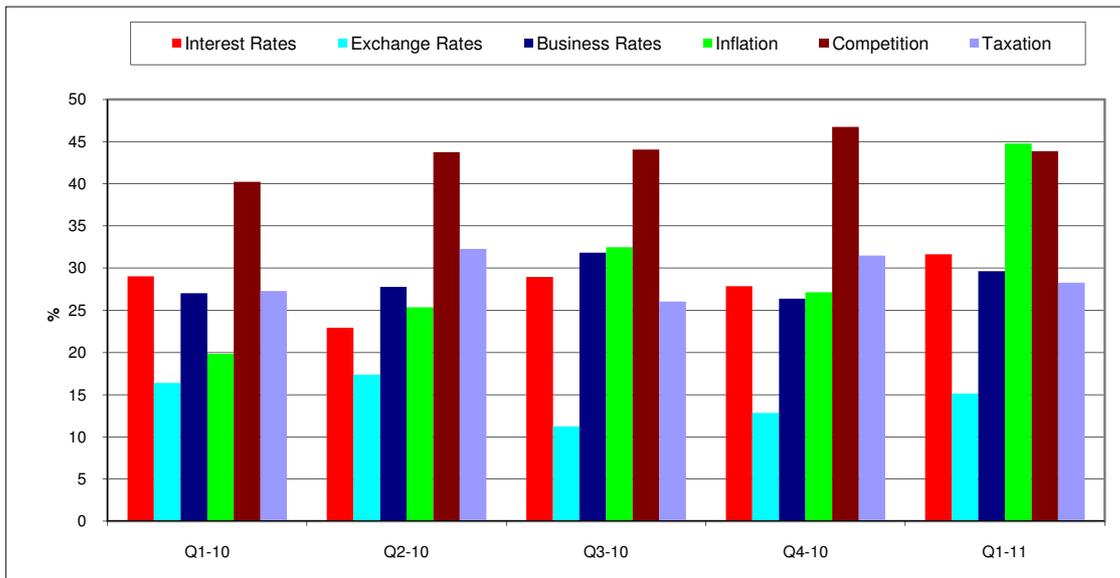
External factors affecting the sector saw a 26% increase in inflation to 56%, by far the largest increase, and 10% increase in interest rate concerns. There were slight increases in business rates (up 2%) and corporate tax concerns (up 1%). Exchange rates were down 3% and competition concerns down 4%. For the sub-sectors manufacturers' main concern is now inflation (54% up 20%), though for constructors it remains competition at 65%, though this is down 10% on the quarter.

Price Pressures in Services



The service sector saw pressures from pay settlements and finance costs remain fairly steady, up 1% and down 1% respectively, though raw material prices saw the largest increase over the quarter, up 7% to 27%. Other overheads also increased, up 6% to 45%, the main price pressure on the sector reflecting increased fuel prices.

External Factors in Services



Competition has been superseded by concerns over inflation amongst service sector businesses, increasing by 18% to 45%, whereas competition concerns fell 3% to 44%. Business rates and interest rates both increased 4% to 30% and 32% respectively, exchange rate concerns increased by 2% to 15%, though corporate taxation concerns fell 3% to 28%.

Recent Quarter Results - Manufacturing

	Q2-10	Q3-10	Q4-10	Q1-11
Deliveries And Orders				
UK sales	4	9	6	-2
UK orders	6	4	-3	0
Export sales	9	23	13	20
Export orders	14	18	8	12
Labour				
Employment in the last quarter	7	8	-1	0
Employment expectations for next quarter	10	2	1	6
% Tried to recruit staff	43	51	40	41
If yes, were they for:				
% Part-time jobs	9	15	12	15
% Full-time jobs	79	76	78	76
% Temporary jobs	25	25	28	27
% Permanent jobs	34	40	41	41
% Recruitment difficulties	50	58	72	74
If yes, were they for:				
% Skilled manual/technical	39	28	48	47
% Professional/managerial	11	8	12	12
% Clerical	11	27	30	26
% Semi/unskilled	14	16	20	15
Cashflow				
	-18	-17	-9	-27
Investment Plans				
Investment plant & machinery	-3	-3	-2	-4
Investment training	2	5	4	2
Confidence (For Next 12 Months)				
Turnover	44	21	19	14
Profitability	22	6	-7	-7
Production				
% At full capacity	30	26	31	27
Prices/Costs				
Balance of firms expecting to increase prices	24	25	30	35
Is your business currently suffering pressures to raise its prices from any of the following?				
% Pay settlements	15	16	14	15
% Raw material prices	60	68	69	72
% Finance costs	14	25	24	20
% Other overheads	39	33	35	48
External Factors				
Affecting your business than three months ago.				
interest rates	24	25	16	26
exchange rates	30	34	29	26
business rates	34	29	28	30
inflation	31	29	30	56
competition	52	58	57	53
corporate taxation	34	25	26	27
Number of respondent companies				
Number of respondent companies	131	173	209	254
Number of employees				
Number of employees	8138	12702	84683	70437

Recent Quarter Results - Service

	Q2-10	Q3-10	Q4-10	Q1-11
Deliveries And Orders				
UK sales	16	9	6	-1
UK orders	4	-4	1	-5
Export sales	7	5	15	17
Export orders	3	1	3	9
Labour				
Employment in the last quarter	4	4	5	4
Employment expectations for next quarter	15	11	9	6
% Tried to recruit staff	45	49	46	43
If yes, were they for:				
% Part-time jobs	38	35	30	37
% Full-time jobs	74	78	74	71
% Temporary jobs	22	16	20	18
% Permanent jobs	33	42	36	45
% Recruitment difficulties	67	63	68	68
If yes, were they for:				
% Skilled manual/technical	18	18	22	21
% Professional/managerial	19	17	24	14
% Clerical	31	33	36	44
% Semi/unskilled	16	13	15	16
Cashflow				
	-5	-10	-10	-17
Investment Plans				
Investment plant & machinery	0	0	-2	-9
Investment training	7	12	0	-3
Confidence (For Next 12 Months)				
Turnover	36	29	28	21
Profitability	24	13	16	4
Production				
% At full capacity	32	34	31	29
Prices/Costs				
Balance of firms expecting to increase prices	21	14	28	31
Is your business currently suffering pressures to raise its prices from any of the following?				
% Pay settlements	8	10	10	11
% Raw material prices	23	21	20	27
% Finance costs	20	20	21	20
% Other overheads	38	40	39	45
External Factors				
Affecting your business than three months ago.				
interest rates	23	29	28	32
exchange rates	17	11	13	15
business rates	28	32	26	30
inflation	25	32	27	45
competition	44	44	47	44
corporate taxation	32	26	31	28
Number of respondent companies				
	288	311	413	449
Number of employees				
	167655	185636	133554	158727

Appendix 1 - Manufacturing Sector Split Q1 2011

	Broader Measure	Manufacturers Only	Constructors Only
<i>Deliveries And Orders</i>			
UK sales	-2	6	-21
UK orders	0	16	-25
Export sales	20	21	6
Export orders	12	15	-6
<i>Labour</i>			
Employment in the last quarter	0	6	-11
Employment expectations for next quarter	6	16	-13
% Tried to recruit staff	41	43	35
If yes, were they for:			
% Part-time jobs	15	13	12
% Full-time jobs	76	81	68
% Temporary jobs	27	21	38
% Permanent jobs	41	55	21
% Recruitment difficulties	74	73	76
If yes, were they for:			
% Skilled manual/technical	47	44	56
% Professional/managerial	12	10	9
% Clerical	26	24	29
% Semi/unskilled	15	21	6
<i>Cashflow</i>			
	-27	-24	-38
<i>Investment Plans</i>			
Investment plant & machinery	-4	9	-27
Investment training	2	5	-5
<i>Confidence (For Next 12 Months)</i>			
Turnover	14	31	-13
Profitability	-7	1	-22
<i>Production</i>			
% At full capacity	27	25	33
<i>Prices/Costs</i>			
Balance of firms expecting to increase prices	35	52	18
Is your business currently suffering pressures to raise its prices from any of the following?			
% Pay settlements	15	20	10
% Raw material prices	72	85	56
% Finance costs	20	15	25
% Other overheads	26	16	42
<i>External Factors</i>			
Affecting your business than three months ago.			
interest rates	26	16	42
exchange rates	26	42	4
business rates	30	34	23
inflation	56	54	55
competition	53	41	65
corporate taxation	27	27	29
<i>Number of respondent companies</i>			
Number of respondent companies	254	143	97
<i>Number of employees</i>			
Number of employees	70437	7794	59963

Appendix 2 - Manufacturing Sector Split Q4 2010

	Broader Measure	Manufacturers Only	Constructors Only
<i>Deliveries And Orders</i>			
UK sales	6	17	-12
UK orders	-3	7	-20
Export sales	13	12	8
Export orders	8	8	0
<i>Labour</i>			
Employment in the last quarter	-1	3	-7
Employment expectations for next quarter	1	12	-17
% Tried to recruit staff	40	44	28
If yes, were they for:			
% Part-time jobs	12	18	0
% Full-time jobs	78	80	71
% Temporary jobs	28	25	33
% Permanent jobs	41	47	38
% Recruitment difficulties	72	76	57
If yes, were they for:			
% Skilled manual/technical	48	55	29
% Professional/managerial	12	13	10
% Clerical	30	33	29
% Semi/unskilled	20	22	19
<i>Cashflow</i>			
	-9	0	-24
<i>Investment Plans</i>			
Investment plant & machinery	-2	14	-27
Investment training	4	18	-20
<i>Confidence (For Next 12 Months)</i>			
Turnover	19	34	-7
Profitability	-7	12	-39
<i>Production</i>			
% At full capacity	31	31	28
<i>Prices/Costs</i>			
Balance of firms expecting to increase prices	30	52	-3
Is your business currently suffering pressures to raise its prices from any of the following?			
% Pay settlements	14	14	15
% Raw material prices	69	85	45
% Finance costs	24	20	31
% Other overheads	16	14	19
<i>External Factors</i>			
Affecting your business than three months ago.			
interest rates	16	14	19
exchange rates	29	45	3
business rates	28	28	27
inflation	30	34	23
competition	57	46	75
corporate taxation	26	27	23
Number of respondent companies			
	209	125	75
Number of employees			
	84683	27078	57525

Appendix 3 - Manufacturing Sector Split Q3 2010

	Broader Measure	Manufacturers Only	Constructors Only
Deliveries And Orders			
UK sales	9	21	-6
UK orders	4	10	-7
Export sales	23	22	23
Export orders	18	15	31
Labour			
Employment in the last quarter	8	16	-3
Employment expectations for next quarter	2	2	-2
% Tried to recruit staff	51	58	44
If yes, were they for:			
% Part-time jobs	15	15	14
% Full-time jobs	76	75	79
% Temporary jobs	25	28	18
% Permanent jobs	40	40	39
% Recruitment difficulties	58	60	57
If yes, were they for:			
% Skilled manual/technical	28	30	25
% Professional/managerial	8	7	11
% Clerical	27	25	32
% Semi/unskilled	16	22	4
Cashflow			
	-17	-7	-30
Investment Plans			
Investment plant & machinery	-3	3	-14
Investment training	5	11	-5
Confidence (For Next 12 Months)			
Turnover	21	31	6
Profitability	6	16	-11
Production			
% At full capacity	26	27	24
Prices/Costs			
Balance of firms expecting to increase prices	25	39	-2
Is your business currently suffering pressures to raise its prices from any of the following?			
% Pay settlements	16	17	14
% Raw material prices	68	86	41
% Finance costs	25	23	30
% Other overheads	25	21	31
External Factors			
Affecting your business than three months ago.			
interest rates	25	21	31
exchange rates	34	52	6
business rates	29	34	22
inflation	29	26	31
competition	58	47	75
corporate taxation	25	22	30
Number of respondent companies			
	173	104	64
Number of employees			
	12702	6600	6079

Appendix 4 - Manufacturing Sector Split Q2 2010

	Broader Measure	Manufacturers Only	Constructors Only
<i>Deliveries And Orders</i>			
UK sales	4	14	-8
UK orders	6	16	-2
Export sales	9	17	-25
Export orders	14	24	-25
<i>Labour</i>			
Employment in the last quarter	7	15	-4
Employment expectations for next quarter	10	9	12
% Tried to recruit staff	43	44	43
If yes, were they for:			
% Part-time jobs	9	7	8
% Full-time jobs	79	83	77
% Temporary jobs	25	28	23
% Permanent jobs	34	38	31
% Recruitment difficulties	50	62	35
If yes, were they for:			
% Skilled manual/technical	39	41	35
% Professional/managerial	11	17	4
% Clerical	11	10	12
% Semi/unskilled	14	28	0
<i>Cashflow</i>			
	-18	-3	-33
<i>Investment Plans</i>			
Investment plant & machinery	-3	12	-19
Investment training	2	8	-7
<i>Confidence (For Next 12 Months)</i>			
Turnover	44	59	31
Profitability	22	43	0
<i>Production</i>			
% At full capacity	30	33	28
<i>Prices/Costs</i>			
Balance of firms expecting to increase prices	24	44	2
Is your business currently suffering pressures to raise its prices from any of the following?			
% Pay settlements	15	14	15
% Raw material prices	60	83	34
% Finance costs	14	15	11
% Other overheads	24	23	25
<i>External Factors</i>			
Affecting your business than three months ago.			
interest rates	24	23	25
exchange rates	30	48	8
business rates	34	41	26
inflation	31	32	28
competition	52	48	54
corporate taxation	34	29	38
Number of respondent companies			
	131	66	61
Number of employees			
	8138	4874	3174