

# QUARTERLY ECONOMIC REPORT

Q2 2020

Wolverhampton



Black Country  
Chamber of  
Commerce

[blackcountrychamber.co.uk](http://blackcountrychamber.co.uk)

## ABOUT THE QUARTERLY ECONOMIC SURVEY

The Quarterly Economic Survey (QES) is a regular snapshot of what businesses are thinking, feeling, and doing in the Black Country.

The data provided by businesses is analysed to; produce a local overview (which can be seen in this report), shapes a regional West Midland view and, then forms part of the national picture with data from the 53 strong network of Accredited Chambers of Commerce.

As the most authoritative national business survey and the first to be published each quarter, these results are watched closely by policymakers, influencers and decisionmakers across a variety of organisations and government stakeholders.

This national survey is seen as a reliable and valuable indicator of national and regional trends and economic performance, the results of the survey are used to inform, and shape policy and act can act as a catalyst to further support businesses on issues and themes which matter to them.

This report is compiled using evidence collected between and from over businesses across the Black Country region.

## ALL RESPONDENTS:



**51** businesses employing  
**2,187** individuals

## SERVICE SECTOR:



**33** businesses employing  
**1405** individuals

## MANUFACTURING SECTOR:



**18** businesses employing  
**682** individuals

## FOREWORD

### CORIN CRANE

“

The results are unlike any we've seen before in the lifetime of running the QES. Despite being expected, nobody could predict the economic shock that a pandemic would have on our local economy.

These results present an economy which has been paused, at a time of high levels of employment and companies ready to invest their reserves. The true impact of coronavirus is yet to be seen and businesses need to brace themselves for another period of uncertainty.

I want to take this opportunity to thank those Black Country businesses that are determined to continue despite this economic downturn and for their ongoing support and engagement, your input is essential in shaping local and national policy”.

## MANUFACTURING SECTOR OVERVIEW:



**28%** increased or constant domestic sales



**33%** increased or constant domestic orders



**50%** increased or constant export sales



**50%** increased or constant export orders



**22%** working at full capacity



**45%** increased or constant cashflow



**61%** of manufacturers attempted recruiting in the last three months with **33%** reporting recruitment difficulties



**50%** of respondents reported increased or constant forecasts for Training Investment



**28%** increased or constant forecasts for Capital Expenditure



**39%** increased or constant forecasts for turnover



**42%** increased or constant forecasts for profitability



**83%** of respondent said they expected prices to increase or remain constant over the next three months

## TOP EXTERNAL FACTORS FACING MANUFACTURERS



Competition **(29%)**



Business Rates **(29%)**



Exchange Rates **(19%)**

The background of the entire page is a photograph of a large, ancient stone castle with multiple towers and battlements. A flag with a cross, likely the flag of the United Kingdom, is flying from a tall pole in front of the castle. The image is overlaid with a semi-transparent purple filter.

“We need the government to continue to assist us financially as the productivity has been reduced by the prevalence of COVID-19 to production levels akin to 20 years ago. We need support to being working safely and clear guidance on how we can uphold social distancing, maintaining production and keeping our staff safe.”

Manufacturing firm in Dudley.

“The pandemic has made us think about our business practices, how we operate and how we keep our workers safe. We would welcome government support for the construction sector, stimulating projects in the pipeline and a softening of planning regulations.”

Construction sector firm in Wolverhampton.

“There is too much information and guidance circulating, which means there is still confusion and varied information between government, construction guidance, and HSE guidance. We appreciate that this is all new to us however there will be many differing safety standards operated between highly regulated businesses such as manufacturing and construction.”

Manufacturing firm in West Bromwich.

## SERVICE SECTOR OVERVIEW:



**39%** increased or constant domestic sales



**45%** increased or constant domestic orders



**40%** increased or constant export sales



**40%** increased or constant export orders



**9%** working at full capacity



**48%** increased or constant cashflow



**36%** of service sector firms attempted recruiting in the last three months with **50%** reporting recruitment difficulties



**57%** of respondents reported increased or constant forecasts for Training Investment



**50%** increased or constant forecasts for Capital Expenditure



**51%** increased or constant forecasts for turnover



**54%** increased or constant forecasts for profitability

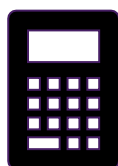


**88%** of respondent said they expected prices to increase or remain constant over the next three months

## TOP EXTERNAL FACTORS FACING SERVICE SECTOR FIRMS



Competition **(28%)**




Taxation **(28%)**



Business Rates **(19%)**



The background image is a purple-tinted photograph of a canal scene. In the foreground, a narrowboat is docked on the left bank. A bridge with a decorative metal railing spans the canal in the middle ground. In the background, a tall, dark chimney rises above a line of trees. The overall mood is quiet and somewhat somber due to the monochromatic color scheme.

“This pandemic has forced us to close down our retail premises and cease trading. We’ve had to adapt to new ways of working and moved most of our sales online.”

Retailer in Wolverhampton.

“While the business rates holidays and grants have been welcome, we are still anticipating that we will struggle to recoup the loss in earnings due to COVID. We would welcome additional grants and funding to support the sector.”

Hospitality sector firm in Dudley.

“We need our business rates reduced. This pandemic has shown that the business rates system is not fit for purpose. We need to expand to survive and business rates are dampening that necessity.”

Services sector firm in Sandwell

## CHAMBER COMMENT

These figures show that the road to recovery is a long one and is paved with uncertainty. Although expected, there is no denying that the arrival of COVID-19 has led to a dramatic fall in domestic and international demand for local businesses, along with a drop in recruitment and levels of investment in capex and training.

What is clear is that businesses here in the Black Country need support and clear guidance from the Government to get the economy back on its feet and avoid a prolonged recession.

Business optimism has clearly been damaged and systemic issues which had long impacted the output of the Black Country economy (issues relating to levels of cash flow and business rates for example) have become further deep-rooted by the fallout of Covid-19.

This report and survey have revealed that firms are facing greater cost pressures and this burden is likely to intensify as businesses attempt to become 'Covid-19 secure' in the coming weeks and months.

We would welcome Government interventions that partner with our regional political bodies and business support organisations to tackle long standing structural issues within our economy which have long hampered output.

## About the Quarterly Economic Report (QER)

The Black Country Chamber of Commerce's Quarterly Economic Report offers an up to date snapshot of the performance of the Black Country business community. It is the most comprehensive regular report of its kind in the sub-region. Underpinning our report is data gathered from Chamber's Quarterly Economic Survey (QES) which surveys firms on key indicators such as sales, exports, investment, and recruitment.

## About the Black Country Chamber of Commerce

The Black Country Chamber of Commerce is the leading regional business support agency for firms based within or doing business across Dudley, Sandwell, Walsall, and Wolverhampton.

We operate in a not-for-profit capacity and work hard for our members across the region's business community.

Through our services and initiatives, we provide platforms and opportunities for businesses to grow, connect and become part of a thriving network, shining a spotlight on the amazing work local companies are doing and helping to make the region a great place to do business.

## Contact the Policy Team:

If you have any further questions about the QES or QER please contact the Chamber's Policy Team on 0330 024 0820 or by email at [policy@blackcountrychamber.co.uk](mailto:policy@blackcountrychamber.co.uk)

Pictured (Front): Wolverhampton Train Station courtesy of Tim Spiers