

Q2 2019

Black Country Quarterly
Economic Survey Q2 2019:
Headline Statistics



Black Country
Chamber of
Commerce

blackcountrychamber.co.uk

ONE OF THE LARGEST ECONOMIC SURVEYS OF UK BUSINESS

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), helps to create a regional West Midland view and, then forms part of the national picture with data from the 50 strong-network of British Chambers of Commerce.

As the most authoritative national business survey and the first to be published each quarter, these results are watched closely by policy-makers, influencers and decision-makers across a variety of organisations and government departments including HM Treasury, the Bank of England, the Department for Business, Energy and Industrial Strategy and the European Commission. This report is also distributed to all local media organisations, Black Country MPs,

MEPs, local authority leaders, cabinet members and officers as well as other businesses across the region. 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.

At a national level, the survey covered more than 6,000 businesses employing approximately 874,000 individuals.

The Quarter 2 2019 survey was conducted between 20th May and 10th June 2019 and businesses from across the Black Country, including all members of the Black Country Chamber of Commerce, were invited to respond. The survey was completed by 107 businesses: 36 from the manufacturing sector and 71 from the services sector.

NATIONAL LEVEL



6,000
businesses



874,000
individuals

THE BLACK COUNTRY



107
businesses



36
manufacturing



71 services

FOREWORD CORIN CRANE



"In the face of continued Brexit indecision and general political uncertainty in Westminster; Black Country businesses continue to demonstrate their resolve. The 2019 Black Country Business Festival was further testament to the creativity, innovation, resilience and flexibility of the businesses operating across the region.

"Based on our daily conversations with members, we know that Black Country businesses want an end to ongoing Brexit uncertainty and a renewed focus on domestic policy.

There is certainly a feeling that crucially important policy issues are being ignored with clarity urgently needed on the future of large infrastructure projects such as HS2. As a Chamber we are supportive of the project, the investment in the West Midlands and the supply chain opportunities which follow."

"In terms of domestic policies, we will ensure that the new Prime Minister and likely new Cabinet, understand the needs of local businesses. From clarity over HS2 and the M6 toll, to fresh engagement



on the T Level and apprenticeship system, there is plenty for the government to do, to ensure domestic policies remain in full focus."

Corin Crane, Chief Executive
Black Country Chamber of
Commerce



FOREWORD

DAN TURNER



“Our latest data suggests that recruitment difficulties have eased for Black Country manufacturers, down from 58% struggling to find the right staff in Q1 2019, to 48% in Q2. However, we have seen an increase in recruitment difficulties for the service sector, up from 33% in Q1 2019, to 52% in Q2. This is a worrying statistic, particularly as only 44% of respondents across sectors are operating at full capacity. In terms of cashflow, 84% of respondents across sectors report either increased or constant cashflow

for Q2 2019, that’s up 4% from the 80% reporting increased or constant cashflow in Q1 2019. Domestic sales are noticeably down across sectors, from 92% increased or constant sales in Q1 2019, to 81% in Q2 2019. Domestic orders sit at 76% increased or constant for Q2 2019, down dramatically from 91% increased or constant domestic orders for Q1 2019.

Finally, in terms of exporting, 88% of respondents across sectors report either increased or constant overseas sales, that’s up 7% from the 81%



reported in Q1 2019. Overseas orders however, are way down, from 92% in Q1 2019, to 76% in Q2 2019. This could be a result of stockpiling in preparation for the UK’s planned March 29th departure from the EU.”

Dan Turner, Lobbying and Representation Officer at the Black Country Chamber of Commerce

REGIONAL OVERVIEW

With respondents from over 100 local companies employing a combined workforce of nearly 10k individuals, key findings were as follow:



81% improved or constant domestic sales



84% improved or constant export orders



83% increased or constant capital expenditure over the past 3-months



76% improved or constant domestic orders



92% expect their labour force to increase over the next 3-months



89% increased or constant training expenditure over the past 3-months



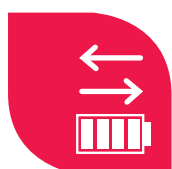
88% improved or constant export sales



49% had recruitment difficulties in the last 3-months. Of those, **39%** struggled to find skilled/technical workers and **32%** struggled to find management level staff



84% increased or constant cashflow for 3-months previous



44% operating at full capacity

MANUFACTURING SECTOR:

Top External Factors Facing Manufacturers:



Competition **(21%)**



Business Rates **(17%)**



Interest Rates **(17%)**

Nearly 40 manufacturing businesses employing 1.3k individuals reported:



83% improved or constant domestic sales



83% improved or constant domestic orders



83% improved or constant export sales



83% improved or constant export orders



37% operating at full capacity



97% expect their labour force to increase over the next quarter



48% had recruitment difficulties in the last three months (with almost a half struggling to find skilled or technical workers and **19%** struggling to recruit at management levels)



86% increased or constant capital expenditure over the past quarter



91% increased or constant training expenditure



91% forecasted increased or constant turnover projections



91% forecasted increased or constant profitability projections



94% of respondents reported increased or constant cashflow for the previous three months

Is your voice being heard? The quarterly economic survey provides a regular snapshot of the most relevant issues faced by businesses. Have your say, visit blackcountrychamber.co.uk for more information or email policy@blackcountrychamber.co.uk

SERVICE SECTOR:

Top External Factors Facing Manufacturers:



Competition **(38%)**



Business Rates **(18%)**



Interest Rates **(17%)**

Over 70 businesses employing nearly 1k individuals reported:



82% improved or constant domestic sales



75% improved or constant domestic orders



91% improved or constant export sales



75% improved or constant export orders



46% operating at full capacity



89% expect their labour force to increase over the next three months



52% had recruitment difficulties in the last quarter with **37%** of those struggling to find skilled or technical workers and **35%** struggling to recruit at management levels



85% increased or constant capital expenditure



90% increased or constant training expenditure



89% forecasted increased or constant profitability projections



80% increased or constant cashflow for the previous three months



90% forecasted increased or constant turnover projections

96% expect their prices to rise over the next quarter

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