

Business Confidence Quarter 4 2017

The British Chambers of Commerce Quarterly Economic Survey (QES) showed subdued growth continuing in the wider economy. Over the coming year, forward looking indicators suggest manufacturers nationally showed less confidence that turnover would improve, but confidence in profitability remained steady. In the service sector, confidence in both turnover and profitability fell.

Dorset¹ employers remain positive about the economy with the domestic market performing well. Employment grew, as did recruitment difficulties, and the employment outlook for the coming quarter looks steady. Cashflow and investment intentions showed improvement. Confidence in turnover and profitability for the next 12 months continued steadily.

Big Numbers

Fieldwork
6th November to
27th November

Q4 2017

7,000 UK respondents

73%

of Dorset respondents attempted to recruit in the quarter (down)

57%

of Dorset respondents describe economic climate as good or strong

68

Dorset respondents

Box 1: Home Market



Home sales improved over the quarter in Dorset².

Orders also remained positive in Dorset.

Nationally, domestic sales and orders continued to see some growth.

Employment improved again over the quarter.

The **employment outlook** was little changed on Q3.

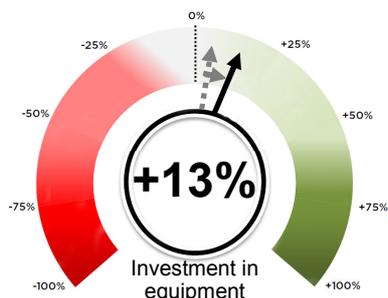
Recruitment difficulties rose over the quarter, particularly for professional/managerial positions.



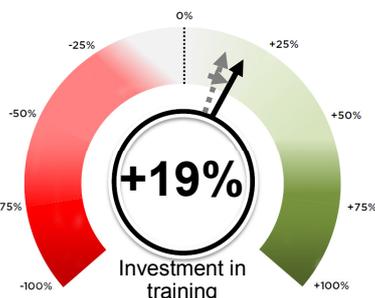
UK employment growth improved over the quarter and expectations remain positive, but fell back.

* All images in this bulletin are adapted from the British Chambers of Commerce (BCC) Quarterly Economic Survey Summary

Box 2: Investment and cashflow

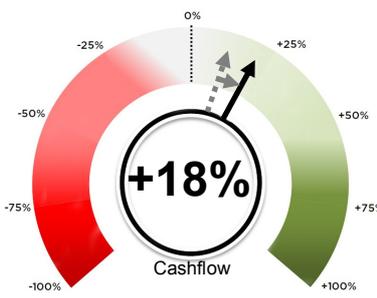


Investment plans for plant/machinery/equipment rose over the quarter, although most firms remained static.



Investment plans for training continued positive and improved over the quarter.

Nationally, intentions to invest in training were little changed over the quarter



Cashflow remained positive and improved in Dorset. Two-thirds remained stable.

Box 3: Looking ahead



More Dorset respondents expect **prices** to rise than fall. Pressure is largely from 'other overheads', but with further pressure from raw materials prices.

Nationally, firms continue to expect prices to go up with the cost of raw materials the main pressure for manufacturers



Business confidence for the coming year remained positive in Dorset, but little changed. *National confidence in turnover fell slightly.*

Local issues & concerns



Why does it matter?

Nationally, the QES is used to lobby government about the need for action over issues affecting UK economic growth such as skills gaps, high upfront costs, ageing infrastructure and overarching uncertainty around Brexit. This quarterly barometer of economic optimism in Dorset provides a tool for policy makers ahead of the release of official statistics.

What are we doing about it?

Dorset's economy is a focus for the county's local authorities and for the Dorset Local Enterprise Partnership (DLEP). DLEP's Economic Vision focuses on raising productivity and skills for a sustainable, competitive and innovative economy. This is reflected in local authority economic strategies across the county.

Sources:

¹ Survey by Dorset Chamber of Commerce and Industry across Bournemouth, Dorset and Poole
² QES results are mostly shown as balance figures – the percentage of firms reporting an increase less those reporting a decrease. A plus balance indicates growth or improvement. A negative balance indicates contraction or worsening. Eg: 30% said 'improved' but 50% said 'worsened' gives a balance of -20%.