

BRITISH CHAMBERS OF COMMERCE

QUARTERLY ECONOMIC SURVEY Q3 2017

The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain’s largest and most authoritative private sector business survey – based on more than 7,100 responses from firms across the UK in Q3 2017 – indicates that despite improvements in the manufacturing sector, the UK economy grew at a muted rate in the third quarter of 2017.

“The uninspiring results we see in our third quarter results reflect the fact that political uncertainty, currency fluctuations and the vagaries of the Brexit process are continuing to weigh on business growth prospects.

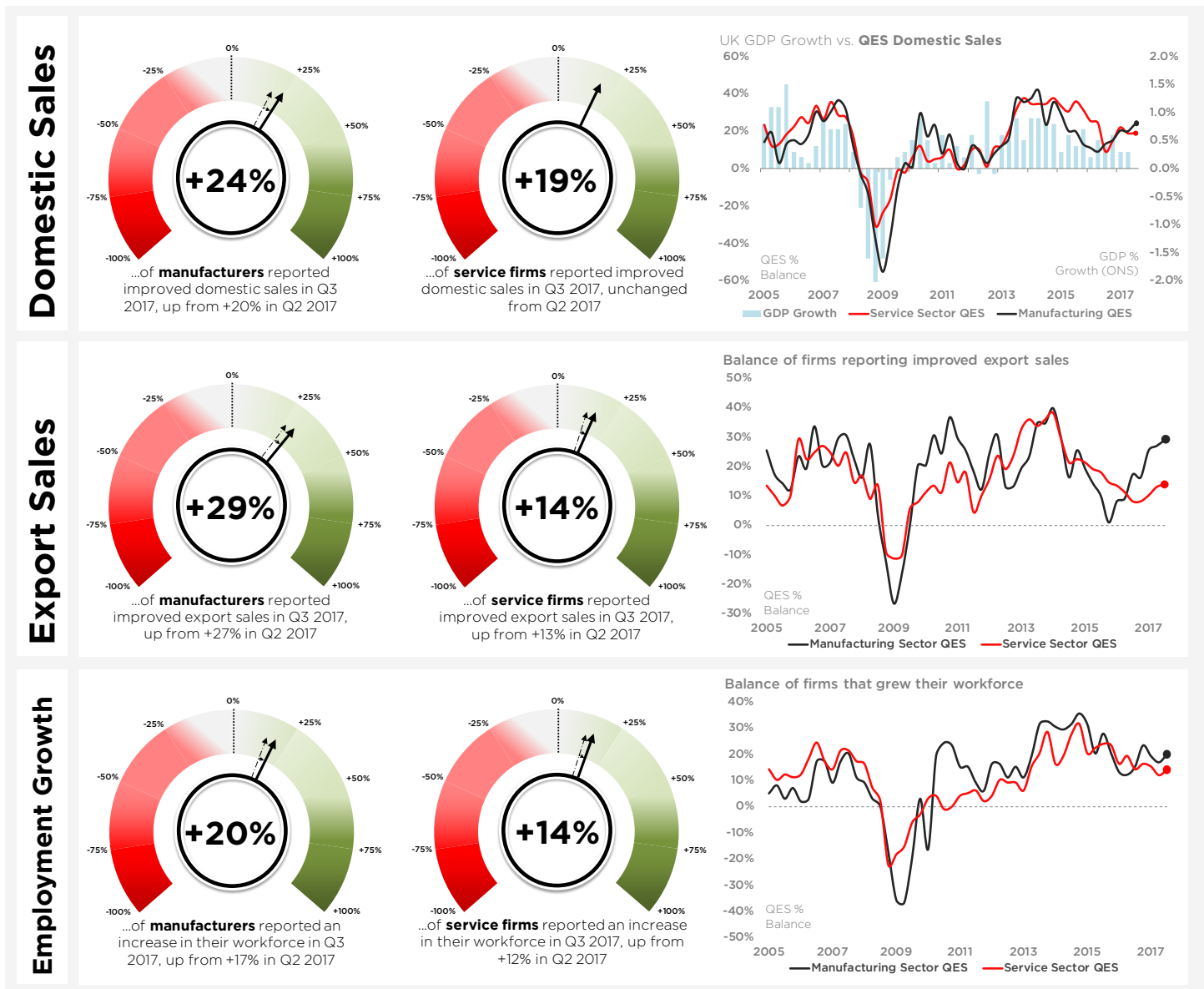
The Chancellor’s Autumn Budget is a critical opportunity to demonstrate that the government stands ready to incentivise investment and support growth here at home. A failure to act, or a conscious choice to provide a short-term sugar hit to the electorate rather than the protein boost the economy needs, would have significant consequences for the UK’s medium-term growth prospects.

Now is the time to take bold action, and create the conditions to help the economy rebound from a period of anaemic growth. Government must demonstrate competence, coherence, and above all a clear plan to support the economy through a period of change.”

Dr Adam Marshall Director General, British Chambers of Commerce

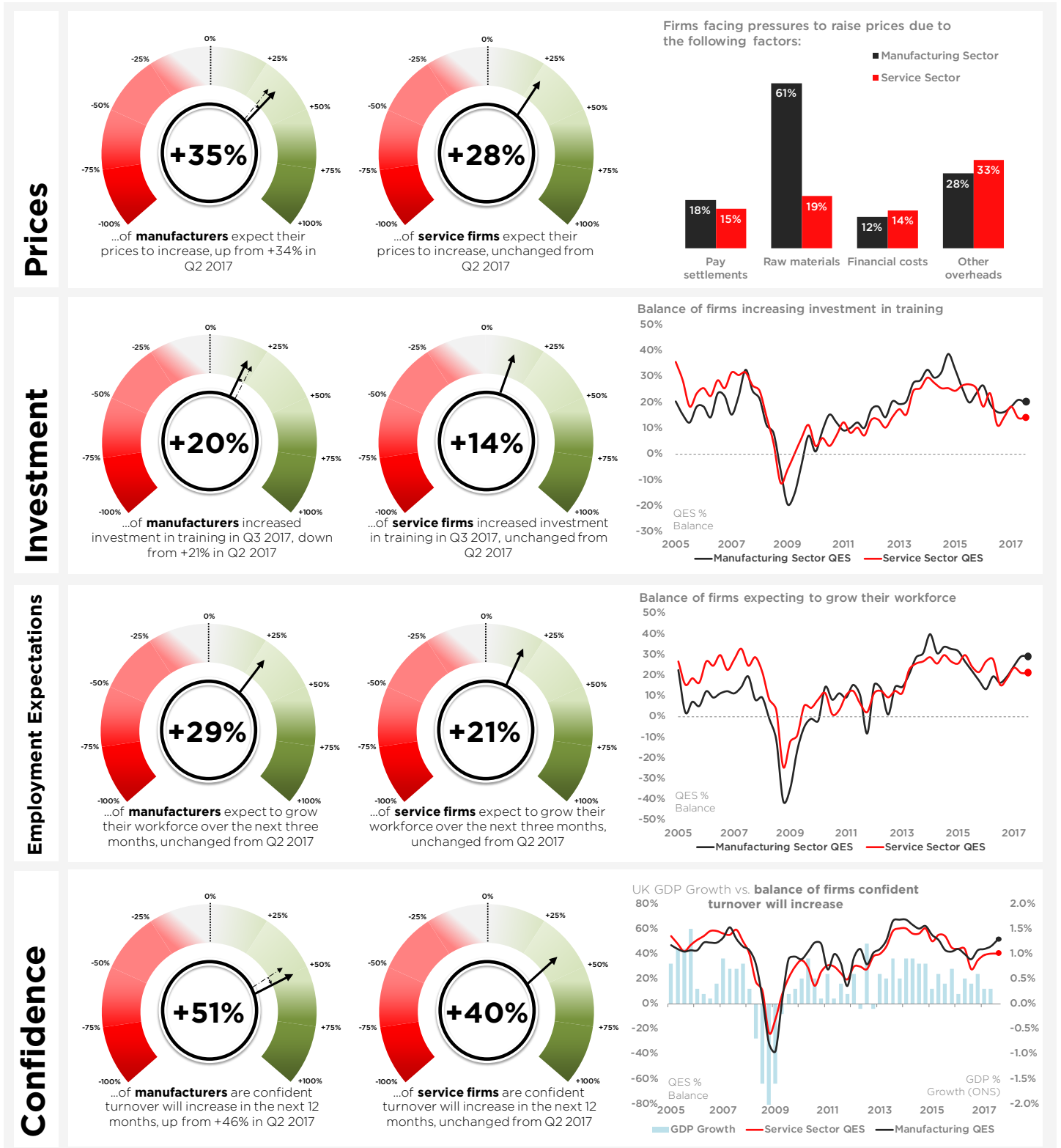
AT A GLANCE

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



BRITISH CHAMBERS OF COMMERCE LOOKING AHEAD

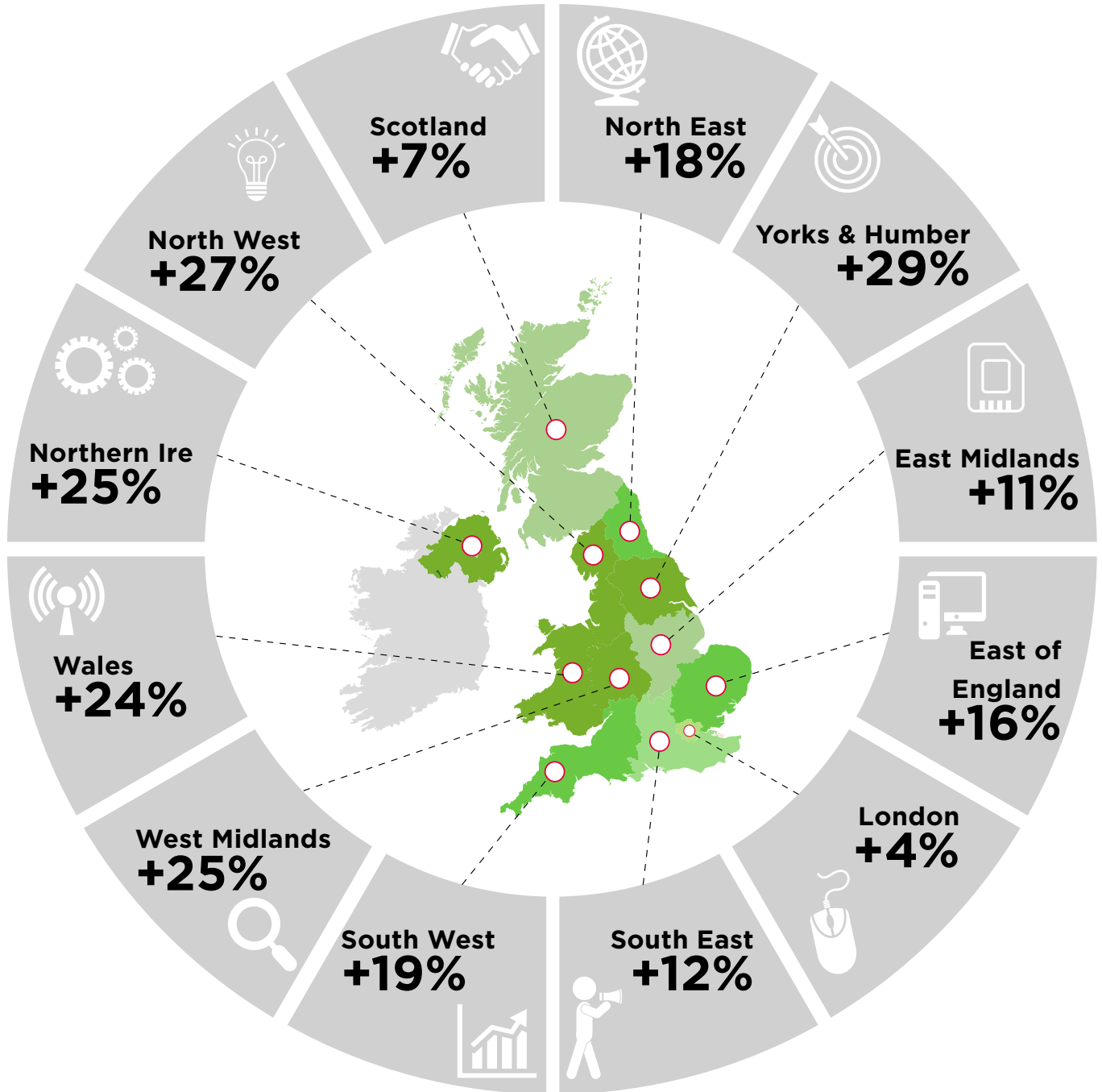
The Quarterly Economic Survey (QES) examines business sentiment on a range of forward looking indicators, including investment intentions, turnover confidence, and prices. In Q3 2017, the forward looking indicators show that while the service sector expects a continuation of the slow growth seen in Q2, a greater proportion of manufacturers are confident that their turnover will increase over the next 12 months.



BRITISH CHAMBERS OF COMMERCE

INVESTMENT IN PLANT & MACHINERY

The percentage balance of manufacturers reporting increased investment in plant, machinery and/or equipment in Q3 2017 (+19%) currently stands at a slightly lower level than the average for the past three years (+21%). The below heat map shows the breakdown of this indicator by UK region:



In the manufacturing sector, the regions which saw the largest percentage balance of firms reporting increased investment in plant, machinery and/or equipment were Yorkshire & the Humber at +29%, followed by the North West at +27%, and the West Midlands and Northern Ireland, both at +25%. The regions and nations which saw the lowest percentage balance of manufacturers reporting increased investment in plant, machinery and/or equipment were London at +4%, Scotland at +7%, and the East Midlands at +11%.

BRITISH CHAMBERS OF COMMERCE 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, including the Bank of England, HM Treasury, and European Commission.

The BCC Q3 2017 QES is made up of responses from more than 7,100 businesses across the UK. Firms were questioned between 21 August and 11 September 2017. In the manufacturing sector, 1,710 firms responded, employing approximately 195,000 people. 68% (1,170) of manufacturing respondents were exporters. In the services sector, 5,414 businesses responded, employing approximately 683,000 people. Of the services sector participants, 40% (2,141) 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:

National

Coordinator: David Bharier
d.bharier@britishchambers.org.uk
British Chambers of Commerce,
65 Petty France, London SW1H 9EU
(020 7654 5800)

Scotland

Coordinator: Shane Taylor
staylor@scottishchambers.org.uk
Scottish Chambers of Commerce
(0141 204 8337)

North East

Coordinator: Ross Smith
Ross.Smith@necc.co.uk
North East Chamber of Commerce
(0191 3861133)

North West

Coordinator: Christian Spence
Christian.Spence@gmchamber.co.uk
Greater Manchester Chamber
of Commerce (0161 237 4045):
Contributing Chambers: St Helens,
Liverpool, North & West Lancashire,
East Lancashire, Greater Manchester,
Cumbria, South Cheshire, Wirral

Yorkshire & the Humber

Coordinator: David Bharier (BCC);
Contributing Chambers: Barnsley &
Rotherham, Doncaster, Sheffield, Hull &
Humber, West & North Yorkshire, and
Mid Yorkshire

East Midlands

Coordinator: Chris Hobson
Chris.Hobson@emc-dnl.co.uk
Derbyshire, Nottinghamshire &
Leicestershire Chamber of Commerce,
(0116 204 6606):
Contributing Chambers: Derbyshire,
Nottinghamshire & Leicestershire,
Northamptonshire, Lincolnshire,

West Midlands

Coordinator: Thomas Byrne
thomasbyrne@blackcountrychamber.co.uk
Black Country Chamber of Commerce
(01902 912319):
Contributing Chambers: Coventry &
Warwickshire, Birmingham, Black
Country, Staffordshire, Shropshire,
Herefordshire & Worcestershire

Wales

Coordinator: Elgan Morgan
Elgan.Morgan@southwaleschamber.co.uk
South Wales Chamber of Commerce
(01633 242721);
Contributing Chambers: South Wales,
West Cheshire and North Wales

East of England

Coordinator: David Bharier (BCC);
Contributing Chambers: Bedfordshire,
Cambridgeshire, Essex, Hertfordshire,
Norfolk and Suffolk

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 would be +32% (an expansion).

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

South East

Coordinator: David Bharier (BCC);
Contributing Chambers:
Kent Invicta, Hampshire, Surrey, Sussex,
Isle of Wight, Milton Keynes and
Thames Valley

South West

Coordinator: David Bharier (BCC);
Contributing Chambers:
Business West, Dorset, Cornwall,
Somerset, and Devon

London

Coordinator: Thomas Wagemakers
twagemakers@londonchamber.co.uk
London Chamber Of Commerce and
Industry, (020 7248 4444)

Northern Ireland

Coordinator: Christopher Morrow
Christopher.Morrow@northernirelandchamber.com
Northern Ireland Chamber of
Commerce (028 9024 4113)