

BRITISH CHAMBERS OF COMMERCE

QUARTERLY ECONOMIC SURVEY Q2 2019

The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain's largest and most authoritative private sector business survey – based on more than 6,800 responses from firms across the UK – finds that underlying economic conditions remained stagnant in the second quarter of 2019.

“Over the last three months, the Brexit ‘pressure valve’ has loosened a little for some firms, but the overall picture is still one of an economy in stasis. Many businesses and investors will continue to put off major decisions through the summer, hoping for a breakthrough in the Westminster impasse before the Brexit deadline on October 31st.

The next Prime Minister must take swift and tangible steps to inject momentum and confidence into the UK economy. Businesses want to see concrete and deliverable plans to tackle barriers to growth here at home, avoid a messy and disorderly Brexit, and restore the UK's global reputation as a place to invest and trade.

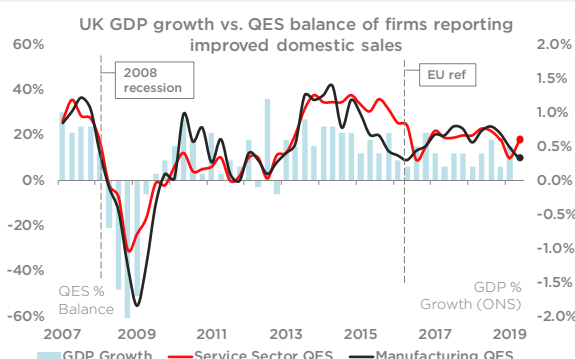
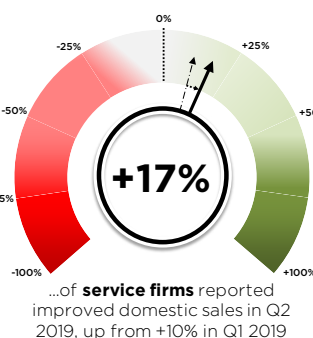
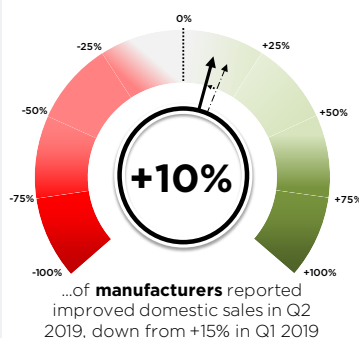
To boost and incentivise investment, our business communities are looking for a bold growth agenda here at home. The next government must hit the ground running and introduce measures to reduce the upfront cost of doing business, deliver major infrastructure projects, and unblock the arteries of Britain's skills and immigration systems.”

Dr Adam Marshall Director General, British Chambers of Commerce

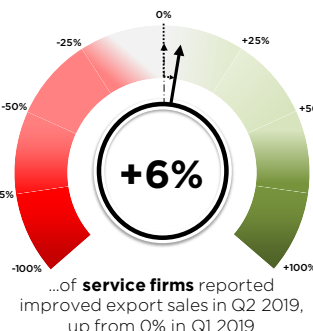
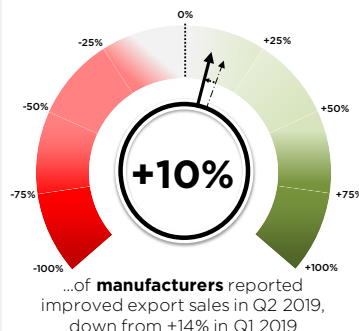
AT A GLANCE

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

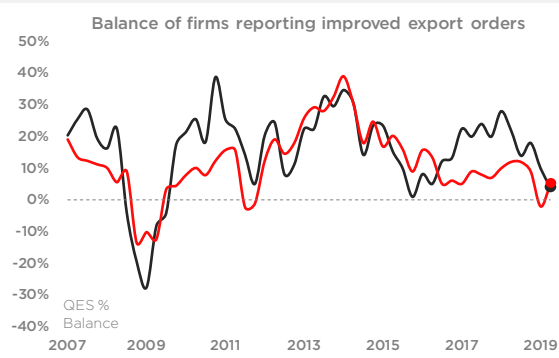
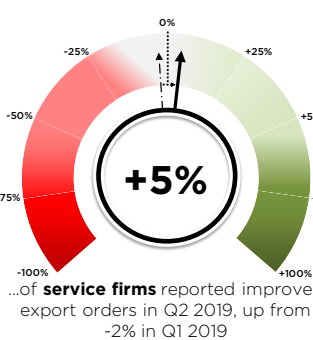
Domestic Sales



Export Sales

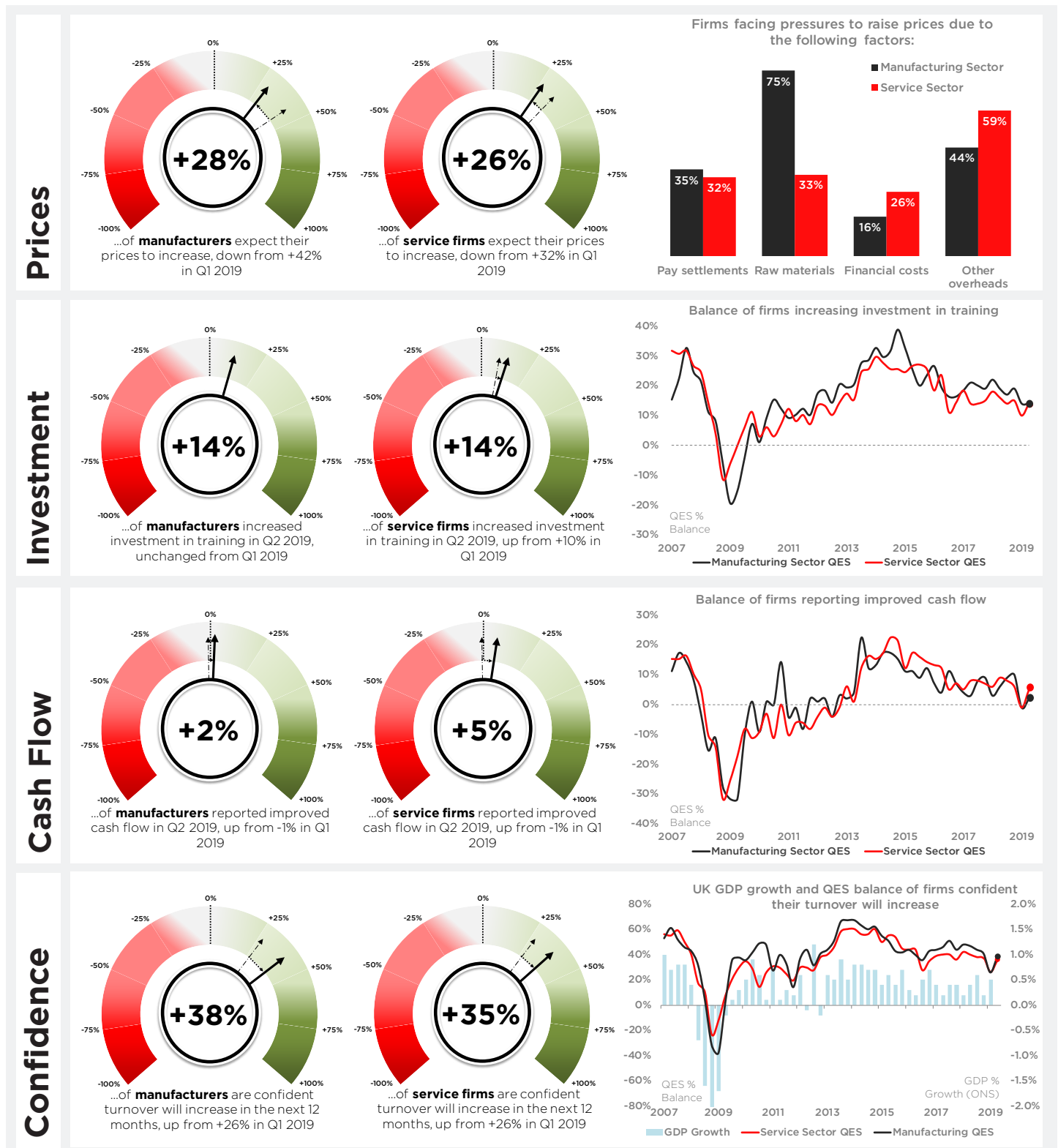


Export Orders



BRITISH CHAMBERS OF COMMERCE LOOKING AHEAD

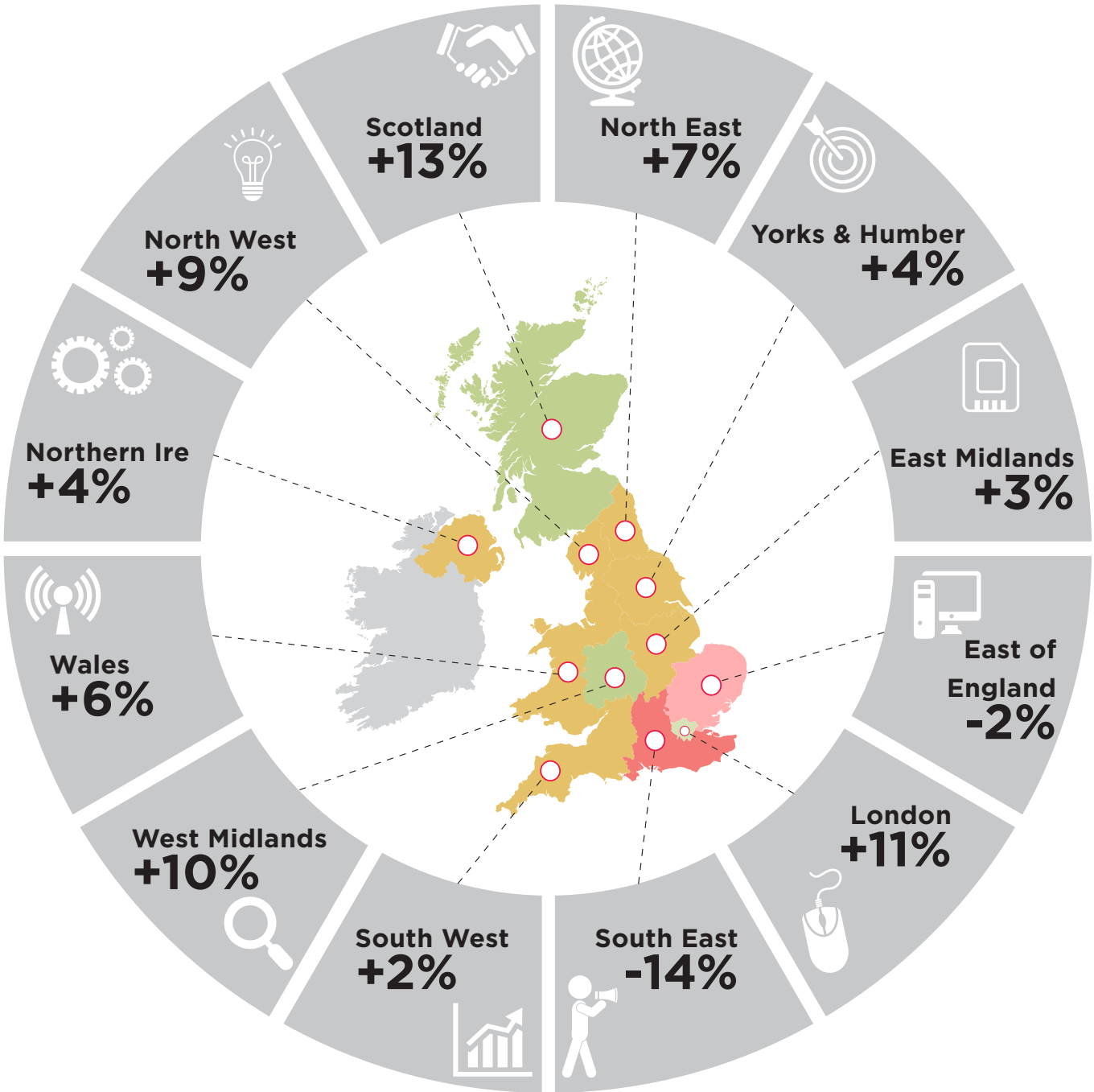
The Quarterly Economic Survey (QES) examines business sentiment on a range of forward looking indicators, including investment intentions, turnover confidence, and prices. In Q2 2019, these indicators point to the impact that relentless Brexit uncertainty, rising business costs and tougher global trading conditions are having on the UK economy, with continued weakness in the QES investment, cash flow, and domestic and export orders balances.



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EXPORT ORDERS

In Q2 2019, the percentage balance of firms reporting increased export orders remained weak following a large fall in Q1, ahead of the then-planned March 29 EU Exit date. The balance stood at +4% and +5% for the manufacturing sector and service sector, respectively. The below chart shows the geographical breakdown of the balance of firms reporting increased export orders.



“The continued weakness in the balance of firms reporting improved orders - both domestic and export - highlight the downward pressure firms face from the running down of excess stock, deteriorating global trading conditions and rising cost pressures.”

Suren Thiru Head of Economics, British Chambers of Commerce

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ABOUT THE QES

The Quarterly Economic Survey is the flagship economic survey from 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 Q2 2019 QES is made up of responses from more than 6,800 businesses across the UK. Firms were questioned between 20 May and 10 June 2019. In the manufacturing sector, 1,662 firms responded, employing approximately 220,000 people. 69% (1,146) of manufacturing respondents were exporters. In the services sector, 5,184 businesses responded, employing approximately 1m people. Of the services sector participants, 42% (2,199) were exporters.

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).

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:

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