

Cornwall Quarterly Economic Survey

4th Quarter 2010

The Survey

- 4th Quarter Economic Survey of 2010
- On-line survey of CCCI members and non-membership organisations
- 14th survey for CCCI
- Member database provided by CCCI; non-member database provided by CCCI (original source – Cornwall Business Directory)
- Respondents recruited using Mail-Away email marketing system (incl. follow-up reminder email) and Chamber messaging system (Members only)
 - 60 responses received from CCCI members giving a response rate of 18%
 - 51 non-members provided responses giving a response rate of 10%
- The results from the survey were submitted electronically to the British Chambers of Commerce (BCC) within 48 hours of the survey deadline
- 9 non-members requested further information about CCCI
- Details of failed, bounced and unsubscribed emails were submitted to CCCI to allow them to cleanse their existing database

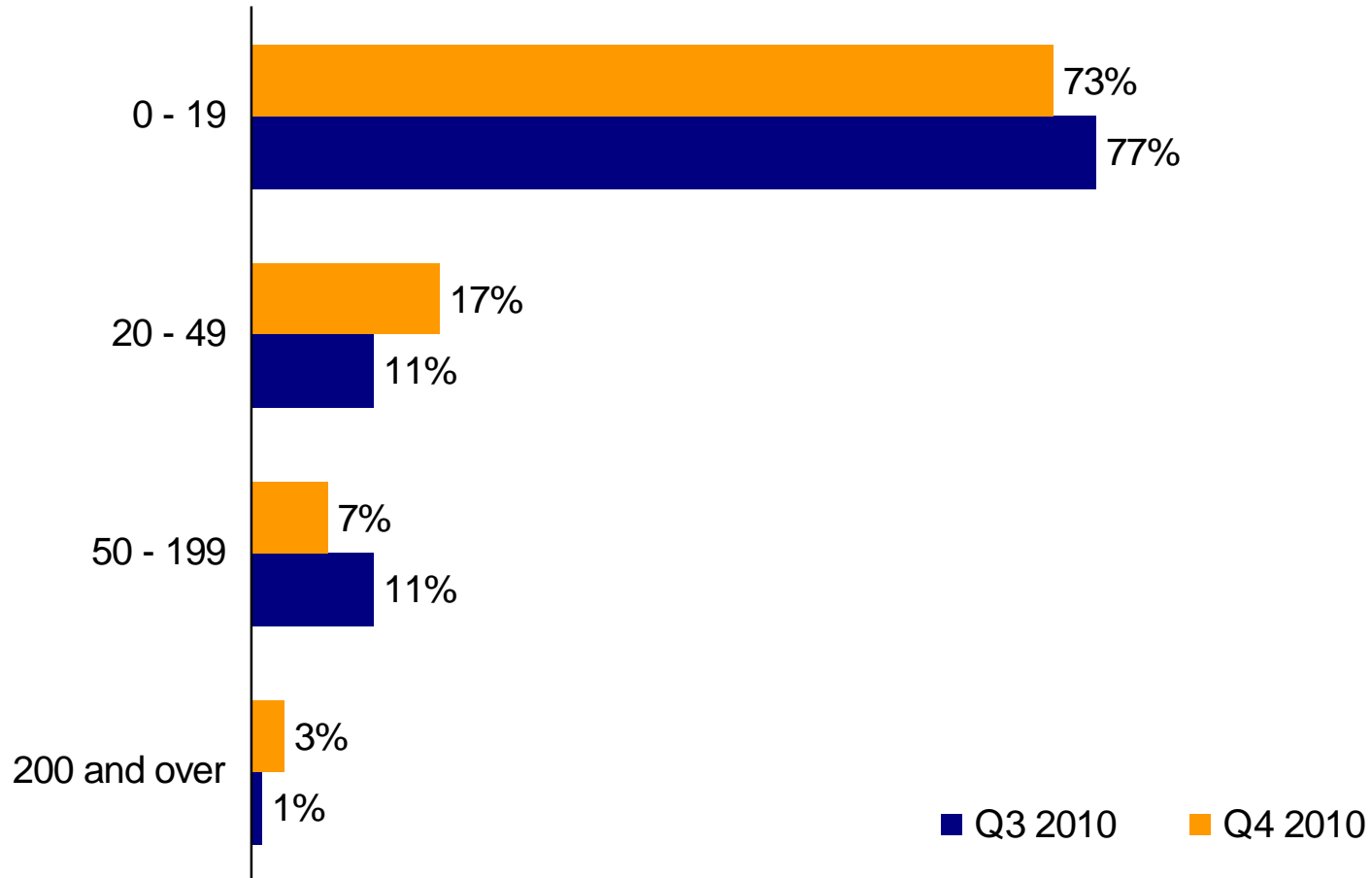
Key headlines for potential press releases

The key messages emerging from the CCCI Quarterly Economic Survey for the 4th Quarter of 2010 are:

- Despite signs of small declines in several indicators Business Confidence remains buoyant:
 - 74% of businesses report that **UK Sales** have remained the same or increased in Q4 (76% for Q3.)
 - 65% of businesses report that **UK Orders** have remained constant or increased over Q4 (68% for Q3.)
 - 85% of businesses had maintained or increased the **size of their workforce**; effectively the same as Q3 (84%.) 90% expect to maintain or grow their workforce over the next quarter (88% in Q3 2010.)
 - 73% of businesses intend to maintain or increase planned **investment on training** (71% in Q3.)
 - 60% intend to maintain or increase current levels of **investment in plant and equipment** (59% in Q3.)
 - 79% of businesses expect their **turnover** to remain the same or to increase over the next 12 months (81% for Q3.)
 - 72% expect to maintain or increase the **profitability** of their business over the next 12 months; up from Q3 at 67%.
- Overall concerns are down, most significantly on **interest rates** (24%, down from 43% in Q3.) However, some areas of concern for Cornish businesses remains:
 - 47% of businesses cite **inflation** as an area of concern for their business, though down from 52% for Q3;
 - 43% cited **tax** as a concern, up from 38% for Q3 and possibly linked to planned VAT increase in January;
 - 60% of businesses **looking to recruit** had experienced **recruitment difficulties**; up from 52% in Q3.

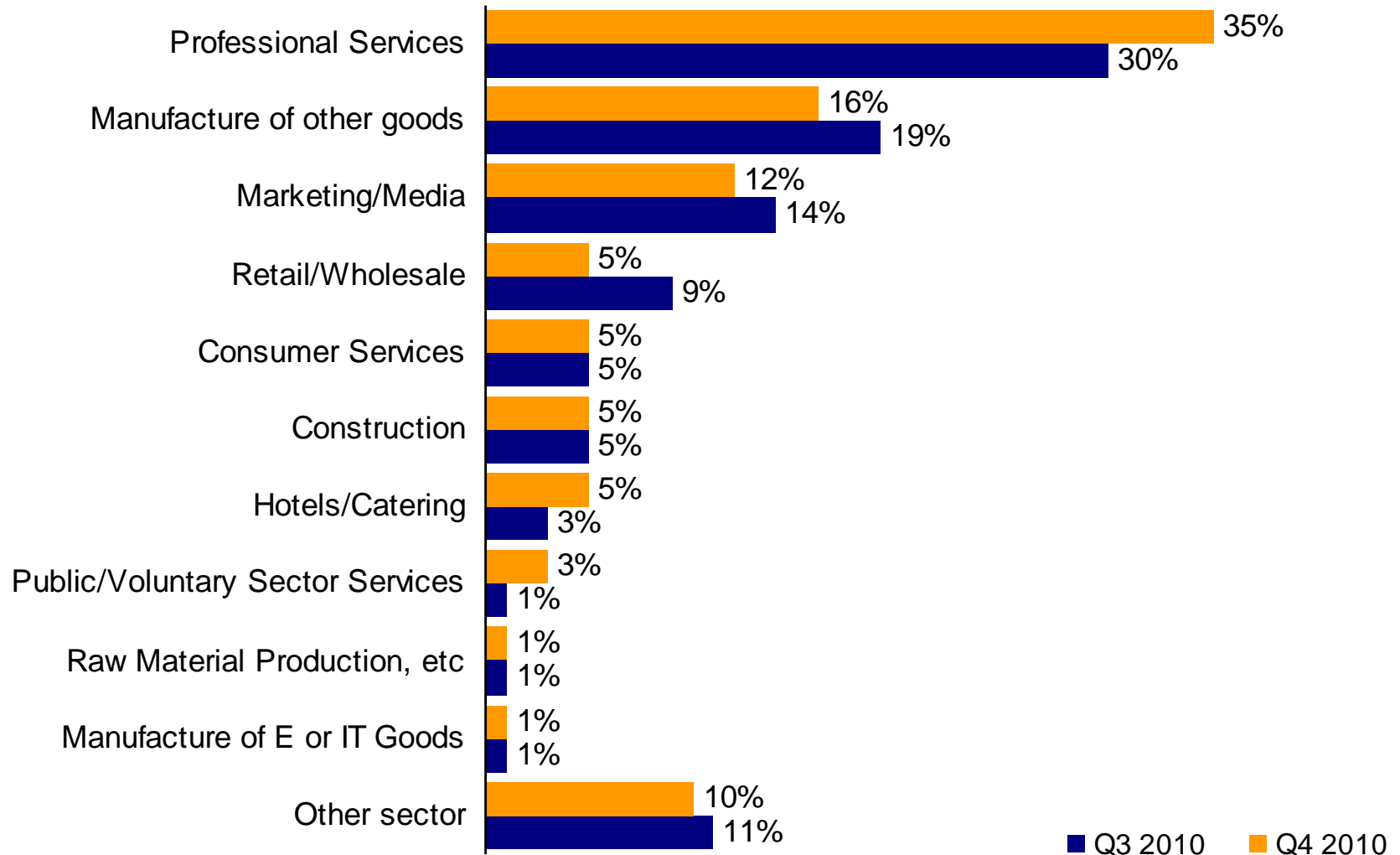
Company Size

Number of Employees



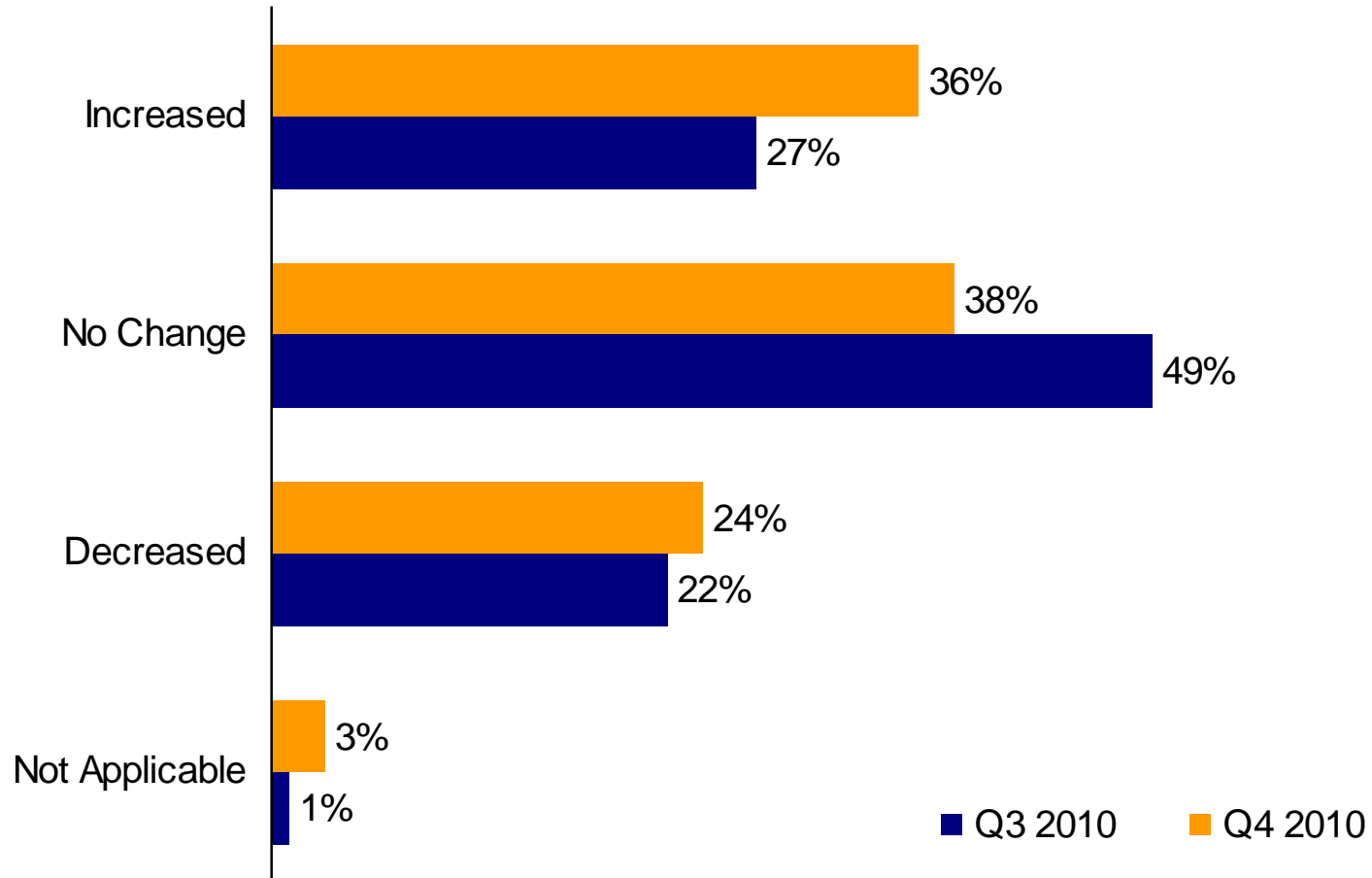
Sample Profile

Business Activity



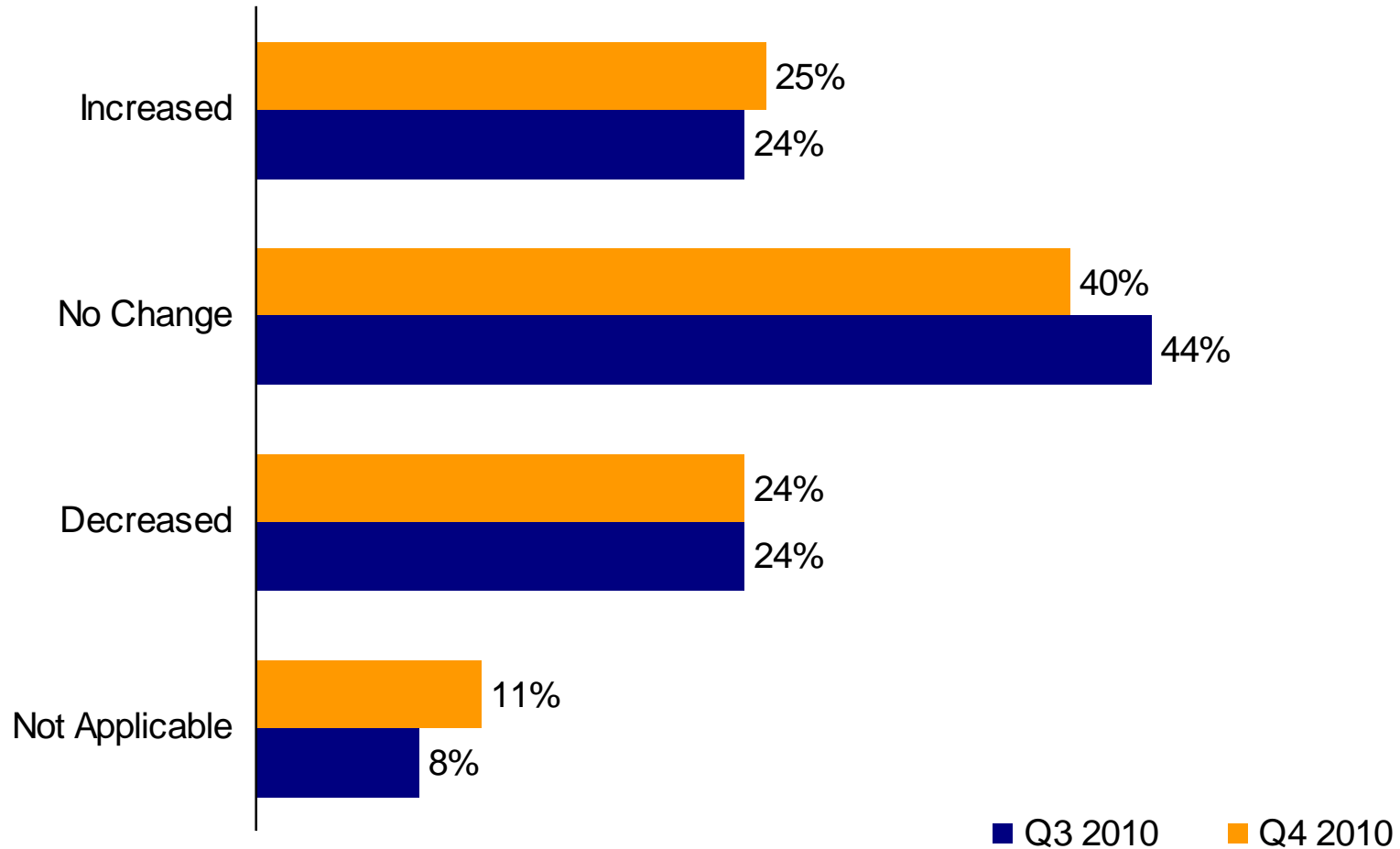
Quarterly Change in UK Sales

Overall UK Sales



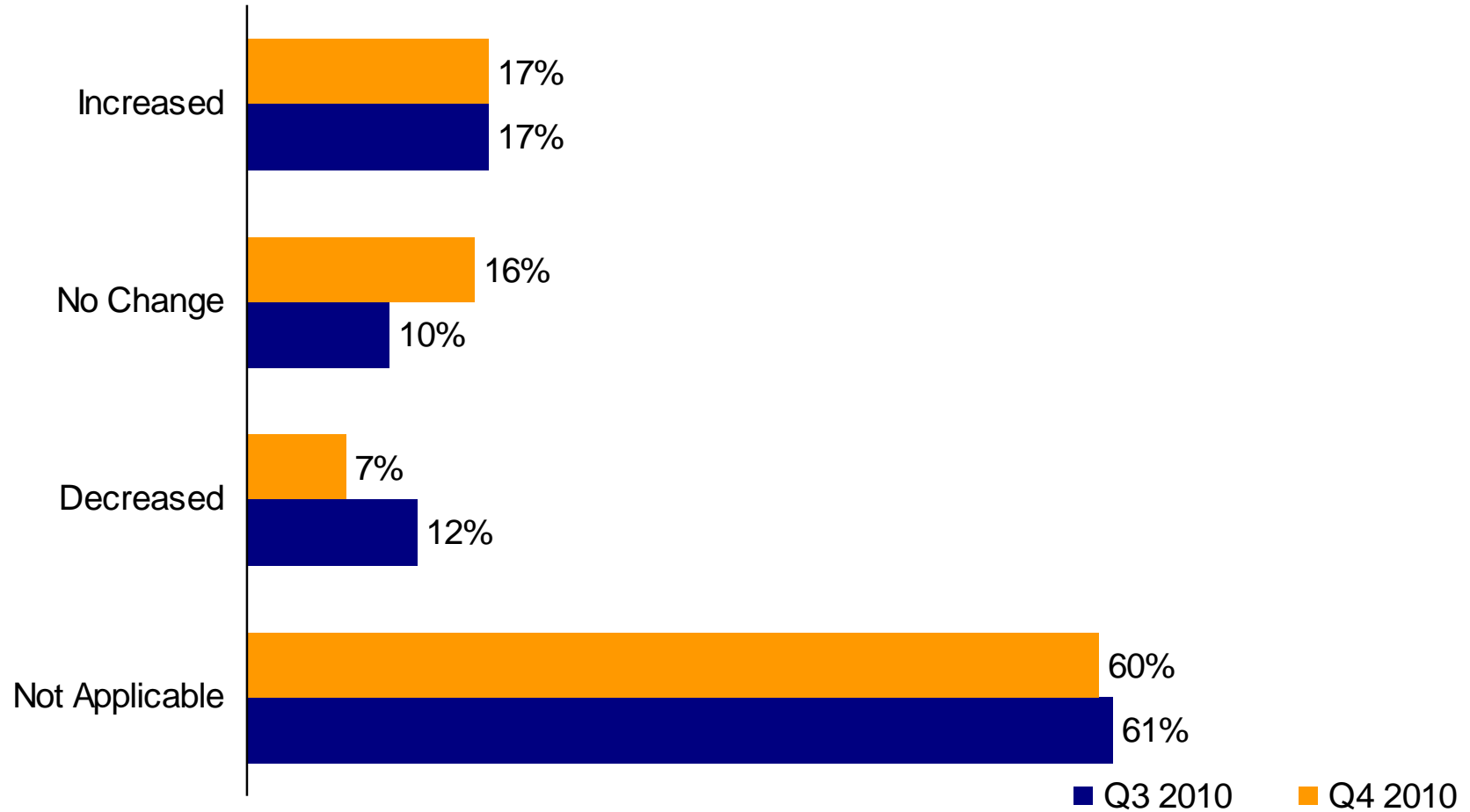
Quarterly Change in UK Orders

Overall UK Orders



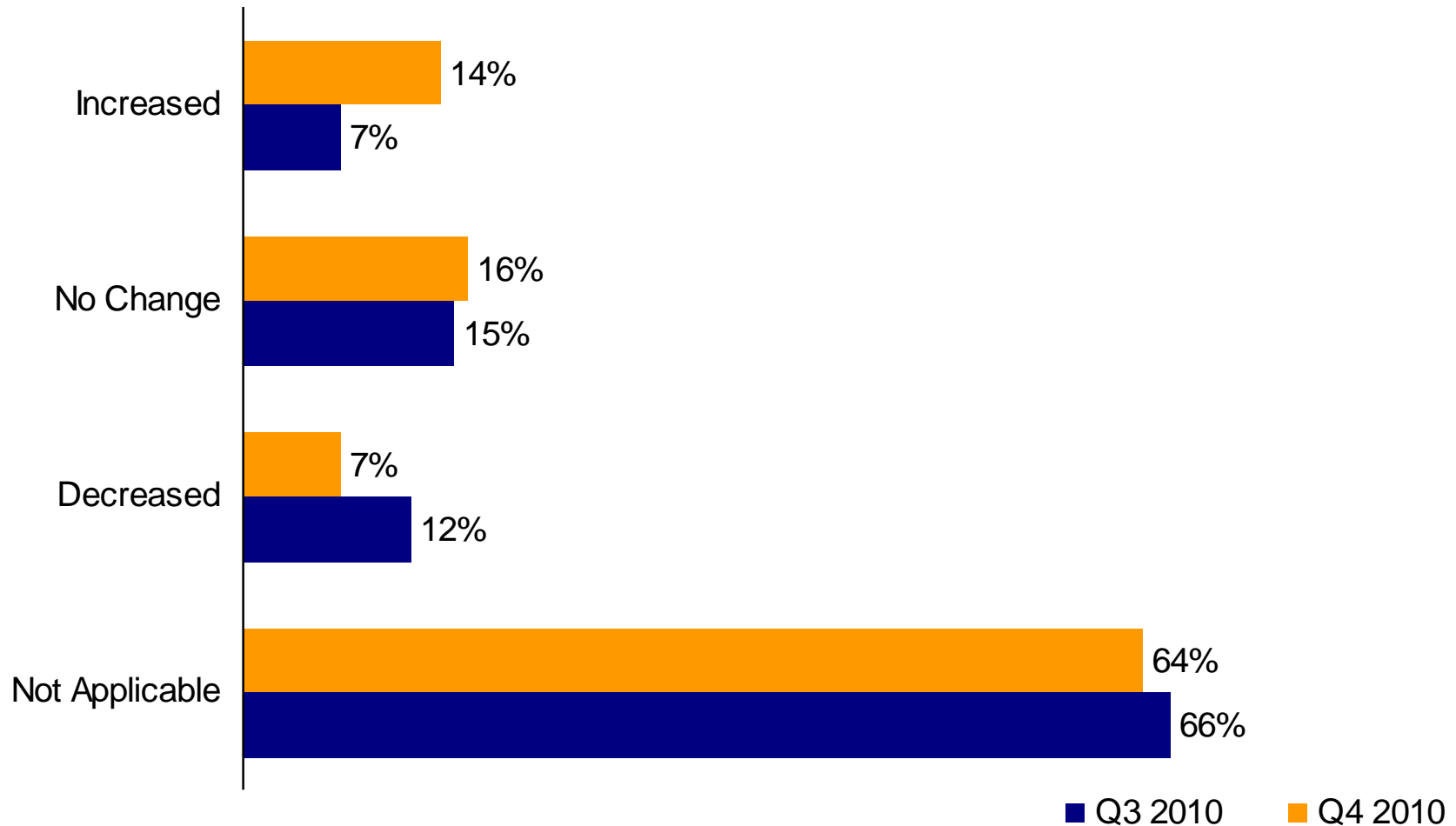
Quarterly Change in Export Sales

Overall Export Sales



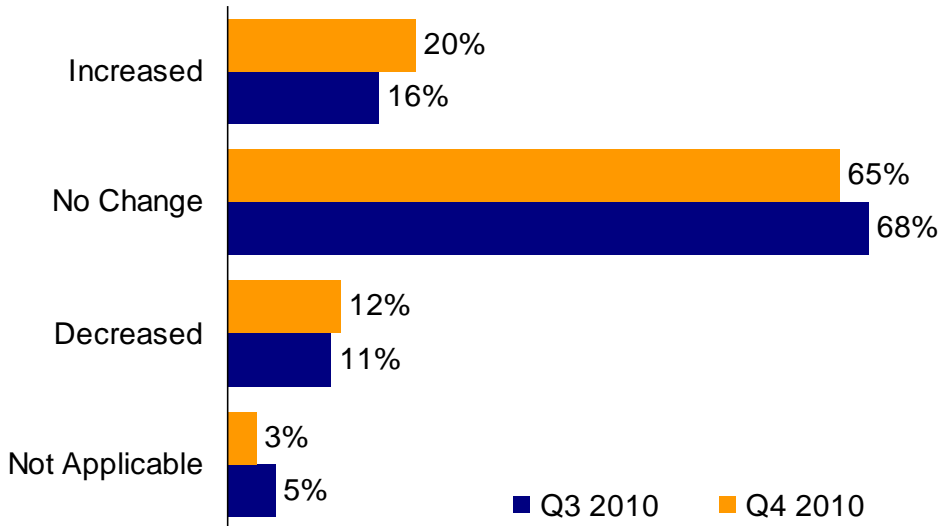
Quarterly Change in Export Orders

Overall Export Orders

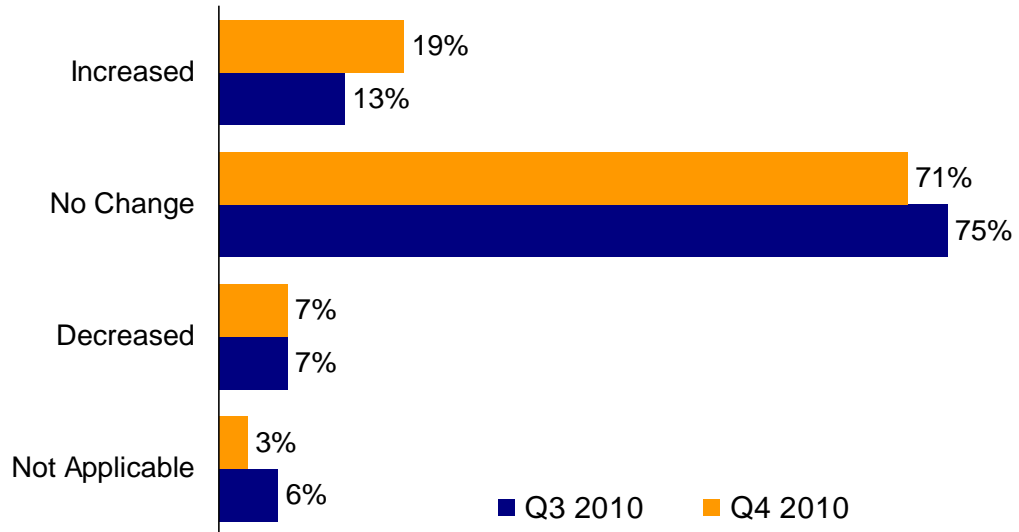


Workforce Changes and Expectations

Quarterly Change in Workforce

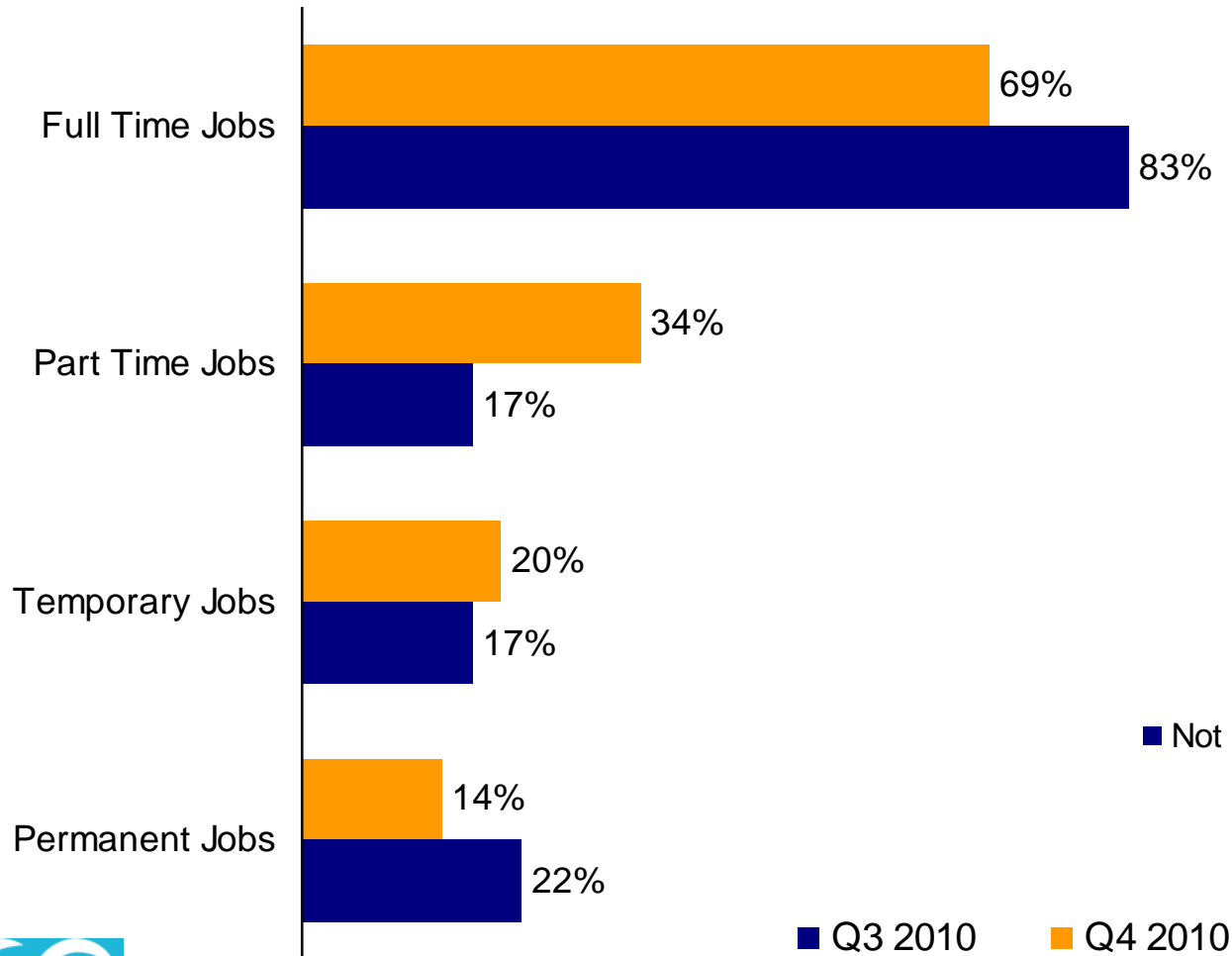


Expected Quarterly Workforce Change

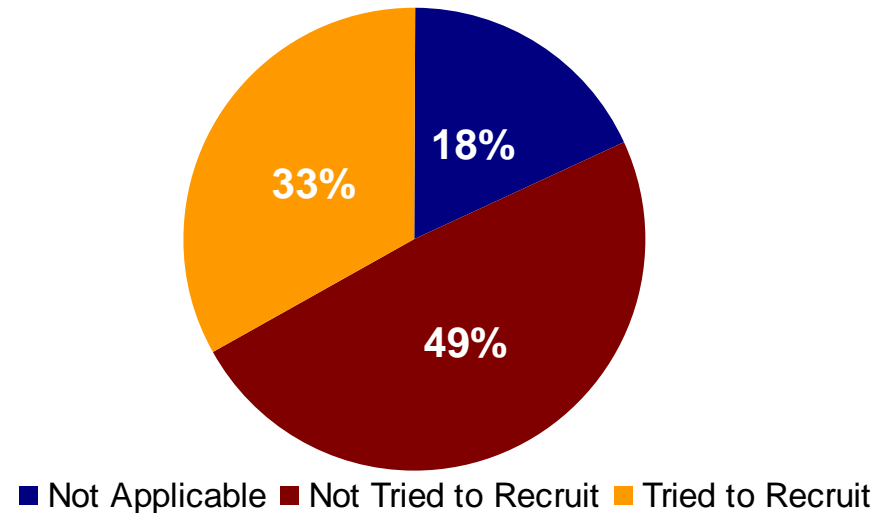


Staff Recruitment (1)

Types of Staff Attempted to Recruit

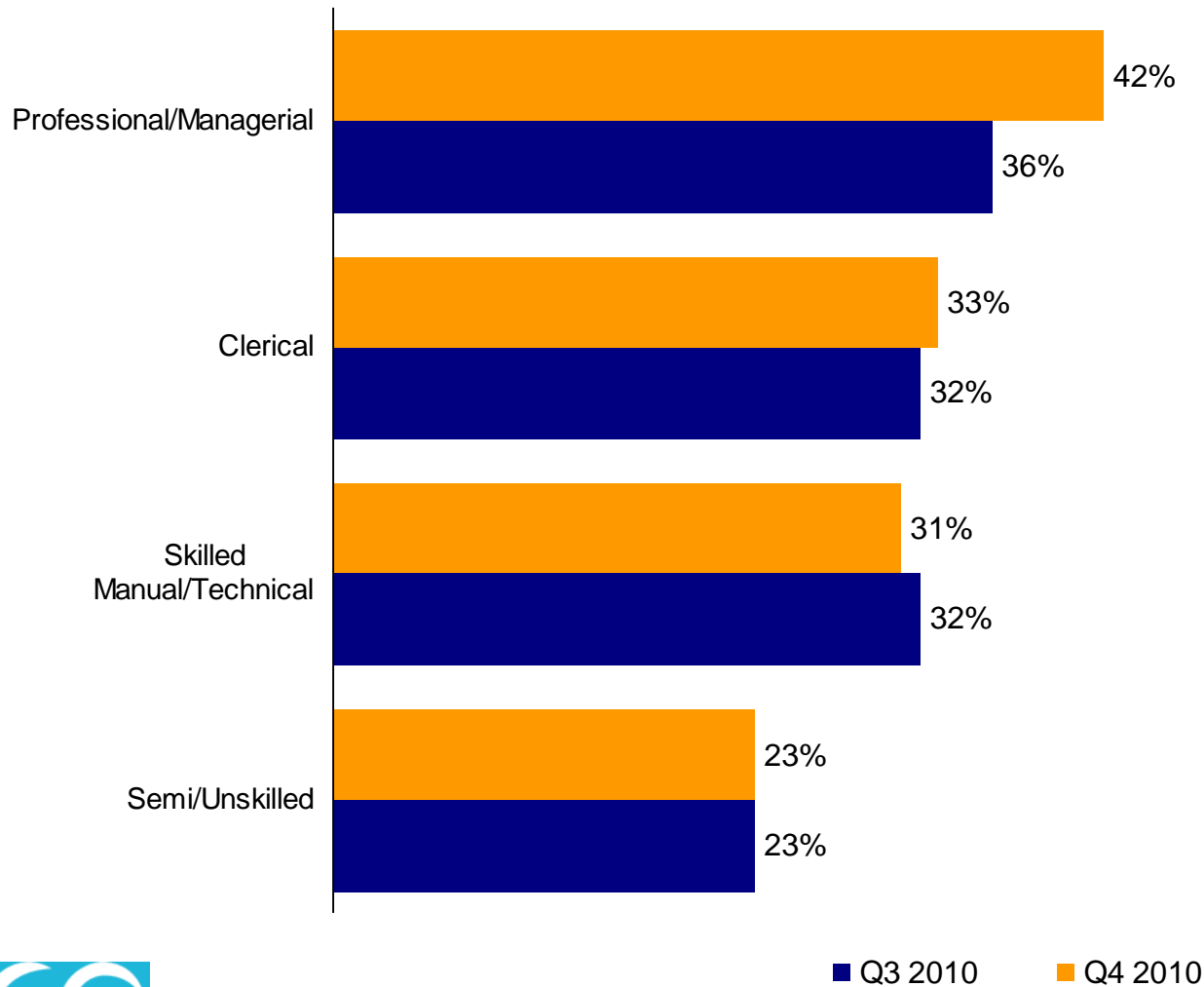


Attempted to Recruit Staff

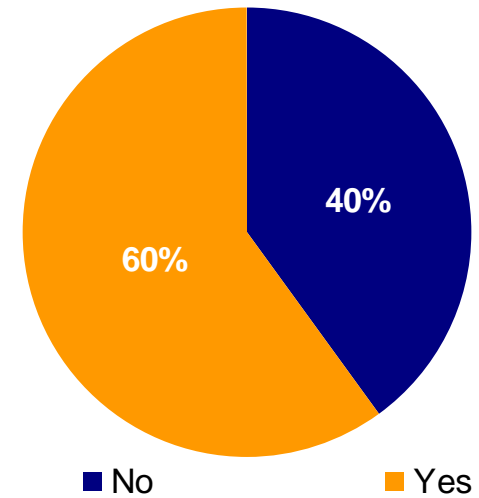


Staff Recruitment (2)

Types of Staff Tried to Recruit

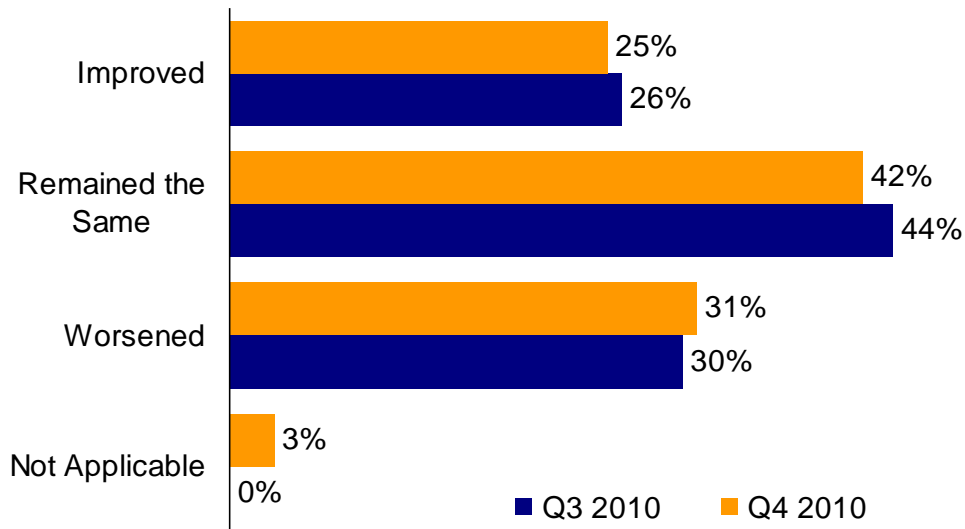


Difficulties Recruiting

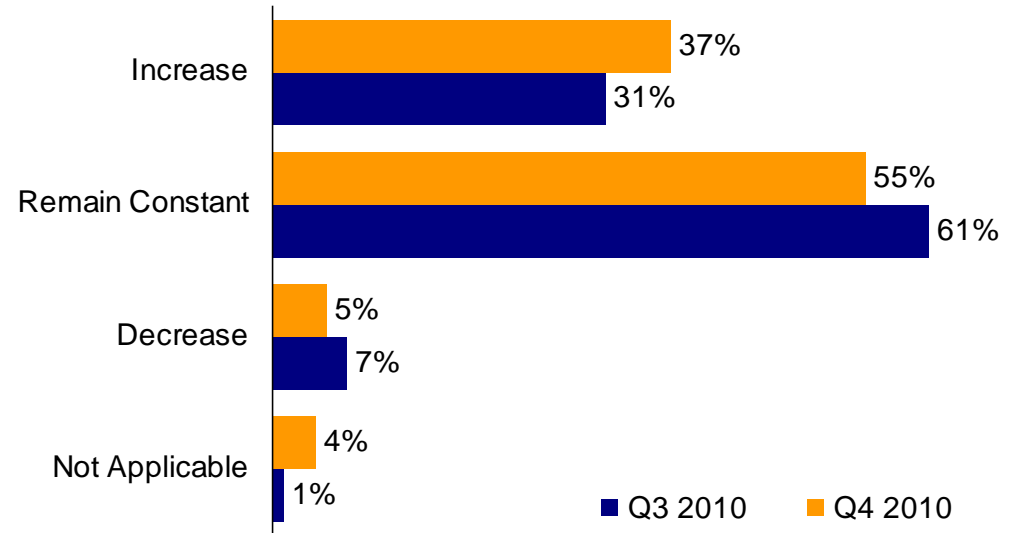


Cashflow Change and Price Expectations

Quarterly Cashflow Changes

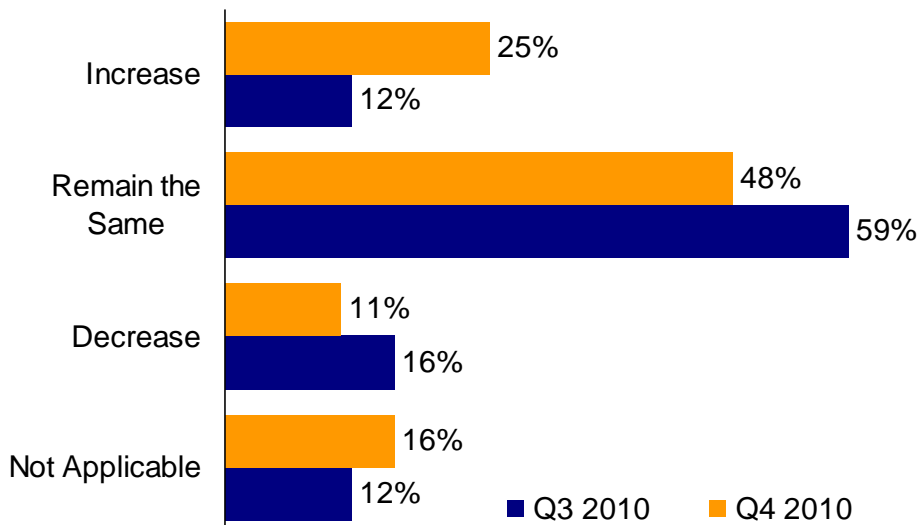


Expected Quarterly Price Trends

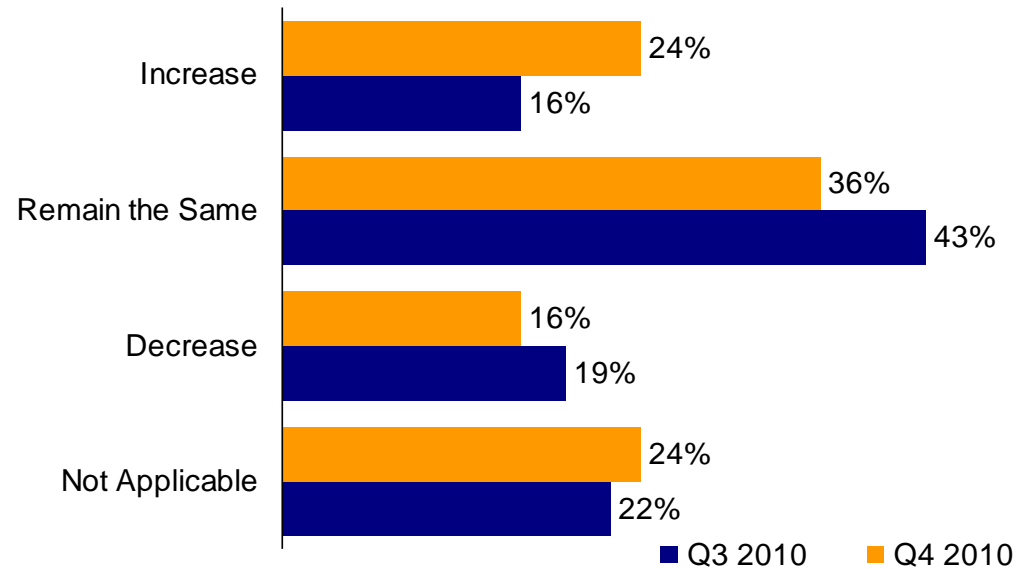


Investment Intentions

Planned Training Investment for Next Quarter

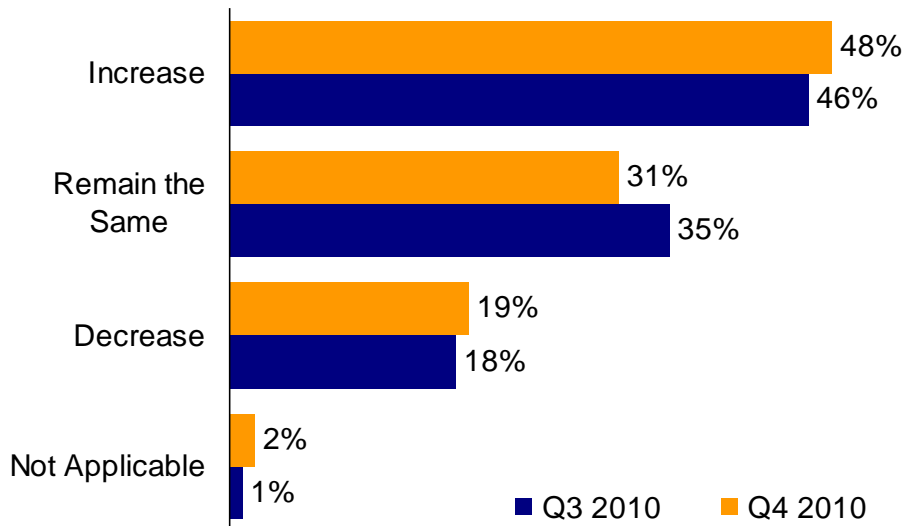


Planned Investment in Plant and Equipment for Next Quarter

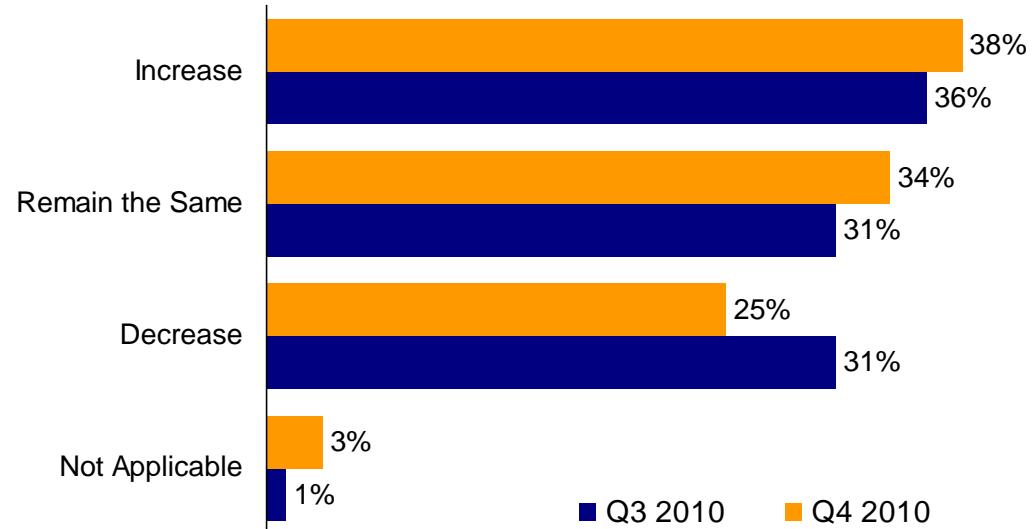


Business Confidence

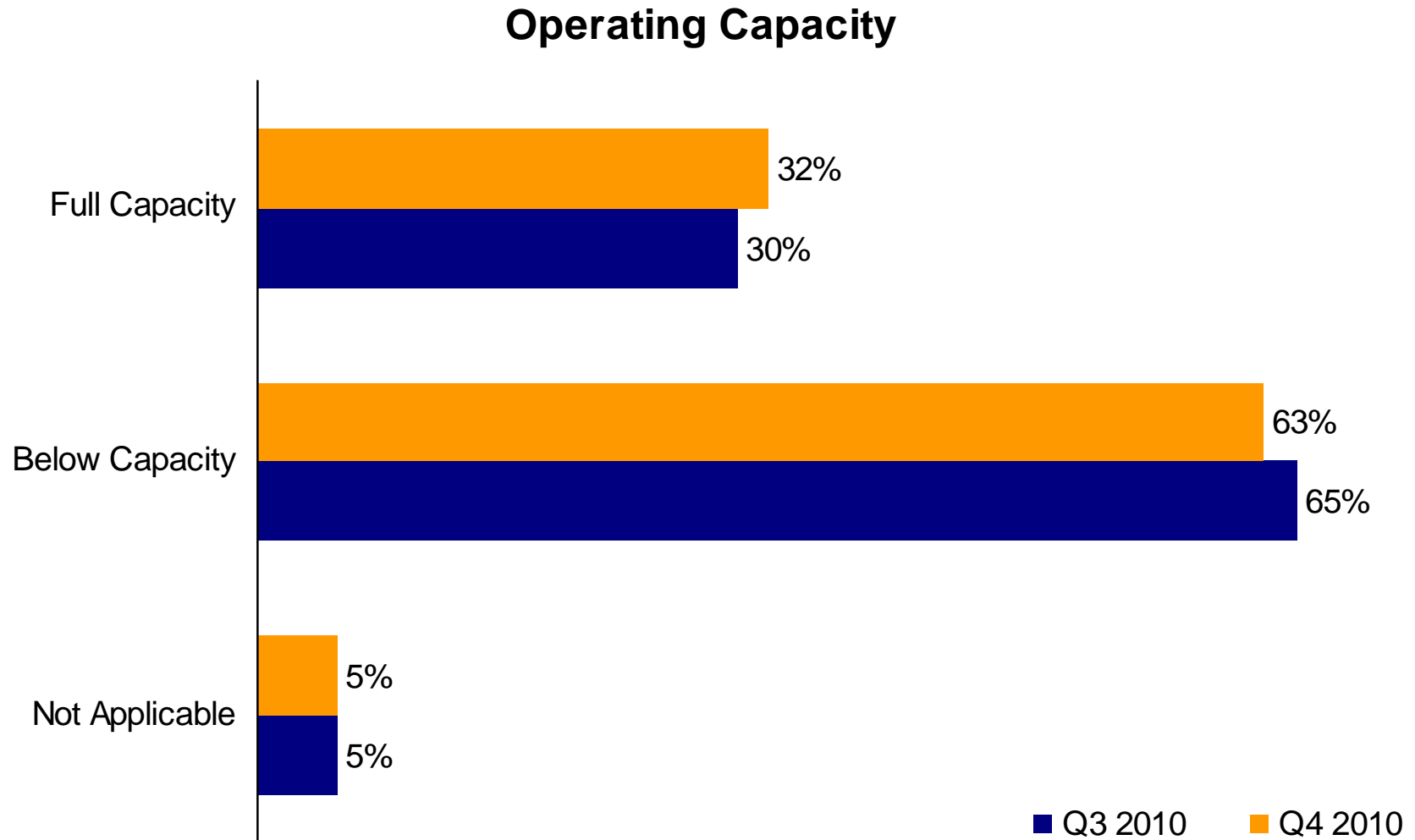
Turnover - Expectations for Next 12 Months



Profitability - Expectations for Next 12 Months

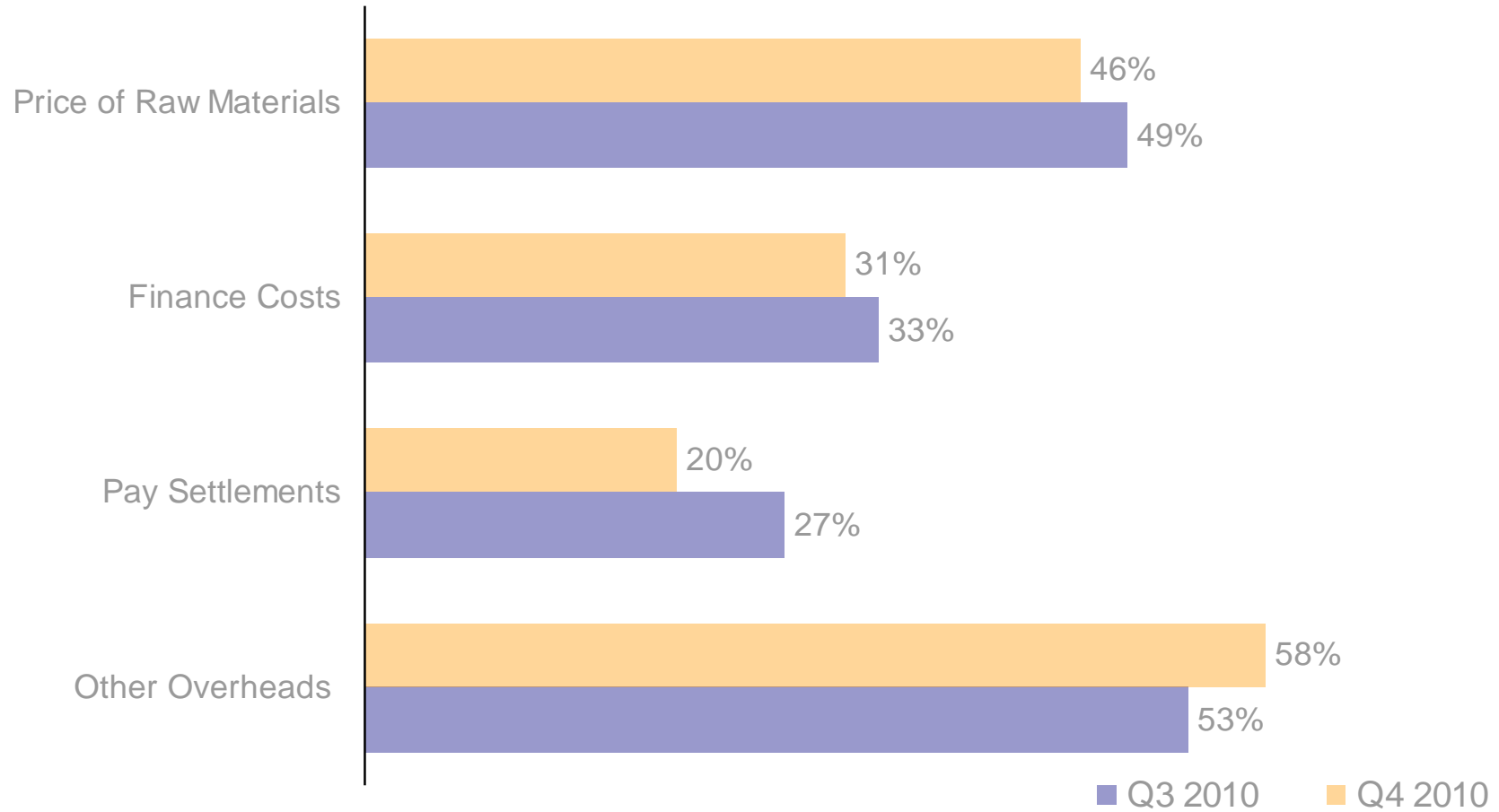


Operating Capacity



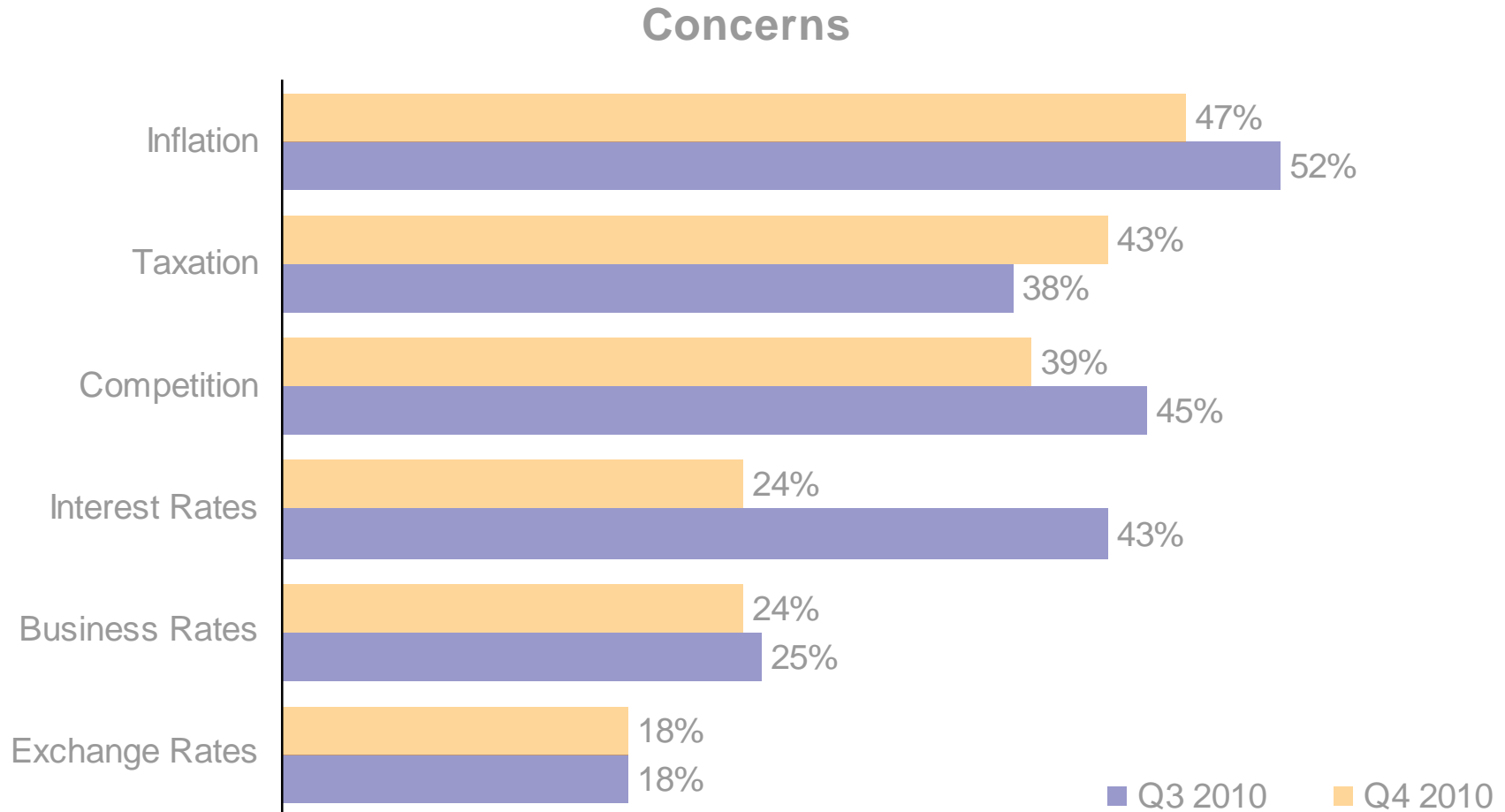
Pressures To Raise Prices

Pressures Experienced



67% of Q4 2010 respondents had experienced pressures to raise prices compared to 74% for Q42010

External Business Concerns



85% of Q4 2010 respondents identified one or more of the above as issues of concern compared to 81% for Q3 2010

Comments (1)

“As we are a new company we cannot make comparative statements re this quarter compared with last.”

“New business so growth is probably greater than it would be normally.”

“I am concerned about a future collapse of the euro. From my personal political and philosophical point of view that would be a great thing, but it would not be good for my business. Ah, well! Never mind. You ask for the numbers that I employ - I can't answer that question without going into complex detail about part-time and occasional issues. Please ask a better question.”

“I say cash-flow has improved because it has, slightly. However, cash-flow remains a big issue for my business due to late payments by customers. I regularly have to borrow money (from my personal account; I don't have a business overdraft) to make salary payments etc., which would absolutely not happen if clients paid promptly. It is my number 1 frustration as a small business owner.”

Comments (2)

“There is more pressure on our income (selling prices) because everyone is trying to reduce their costs.”

“The one 'external factor' you do not mention is that of the amount of taxation on the fuel we use in our vans. It's outrageous!”

“The main identified threats to the business currently come from the public sector in Cornwall.”

“RAW materials set to increase 5 - 20%.”

“Inappropriate local and national legislation, competition from the public sector and other tax payer funded agencies.”

“Most of my consultancy work in the past has come from the public sector, which is now cutting back on management costs and consultancy. Work has been steadily drying up over the last year.”

Comments (3)

“External Factors – Government spending review will probably have the most significant impact. Not sure how yet!”

“I think the knock on effect from Public sector worker will not hit the economy until early next year.”

“Planning permission delays are our biggest current problem.”

“Poor support from government / councils.”

“As neither a necessity nor a luxury, sales of our products are dependant on the availability of discretionary cash in customers’ pockets. Retail shopkeepers have no confidence at the moment, so our sales are very low.”

“It’s dog eat dog out there!”

The 4th Cornwall Quarterly Economic Survey of 2010 has been managed on behalf of Cornwall Chamber of Commerce and Industry by PFA Research Ltd

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