



Shropshire – Quarterly Economic Update

Each quarter Shropshire Chamber takes part in the British Chambers of Commerce national economic survey. Below you will see the results for Shropshire, trending from as far back as 2009.

If you and your company would like to take part in these surveys please contact policy@shropshire-chamber.co.uk giving your name, company name and the e mail to which reminders should be sent. Please note this is only open to businesses in Shropshire and Telford & Wrekin, but Chamber Membership is not required to take part. Those in neighbouring counties should approach the [British Chambers of Commerce](#) to locate their nearest BCC accredited chamber. This survey is open to businesses from all sectors including public sector and third sector. The survey is open to any size of business from micro's, who employ no staff, to the very largest businesses.

The data is used both locally and nationally to lobby those in power on the main topics of concern. The national survey is highly respected and is used by Central Government to understand the economic situation and pressures facing businesses in the UK.

The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.

EXECUTIVE OVERVIEW

Executive Overview for Qtr.

Qtr. 4 - 2020

(Survey undertaken over three weeks in November 2020)

Headline

COVID CONTINUES TO DAMAGE THE ECONOMY

It is simply impossible to predict the future at this time, but during this survey the news of the extension of furlough to March 2021 and a vaccine that is proven to work lifted spirits but this was tempered by the second lock down, further redundancies and a rise in Covid cases.

The economy overall saw slight improvements in this quarter, over the previous. Sales both domestic and export recovered slightly but still not to pre Covid levels. Looking forward exporters foresee a better rate of sales than domestic suppliers, who predict a fall back in sales over the next three months.

Staff, very little movement on last quarter's results, however those saying decline reduced but replaced by those saying no change to staffing levels. Though recruitment was greatly down on 2019, those struggling to find suitable staff remained the same percentage wise.

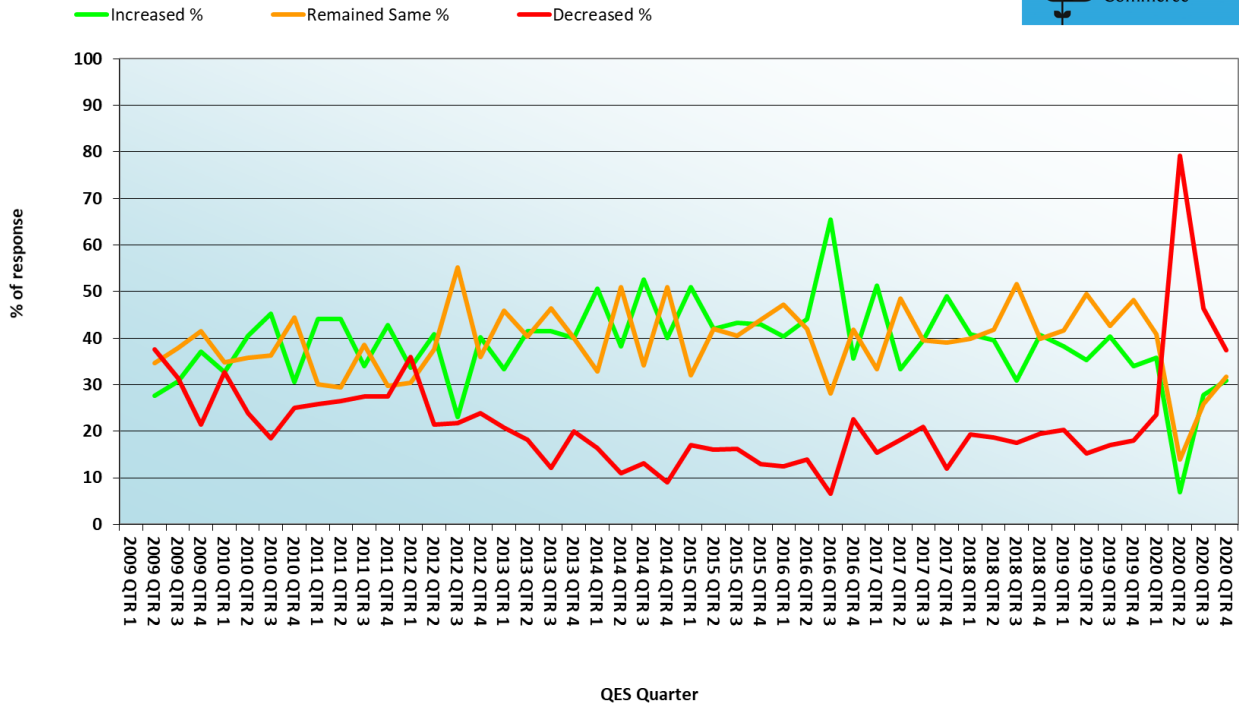
Cash flow had weakened but those working to capacity continued to recover. Bad debts have not risen but companies being asked to renegotiate terms with suppliers continues to rise, especially requested by medium sized suppliers, yet requests from small/micro suppliers reduced, perhaps driven by a fear of losing clients.

Investment plans for plant and machinery have stalled but there has been an increase in those investing in training. This rise may be in part related to the investment companies have had to make to allow for home working.

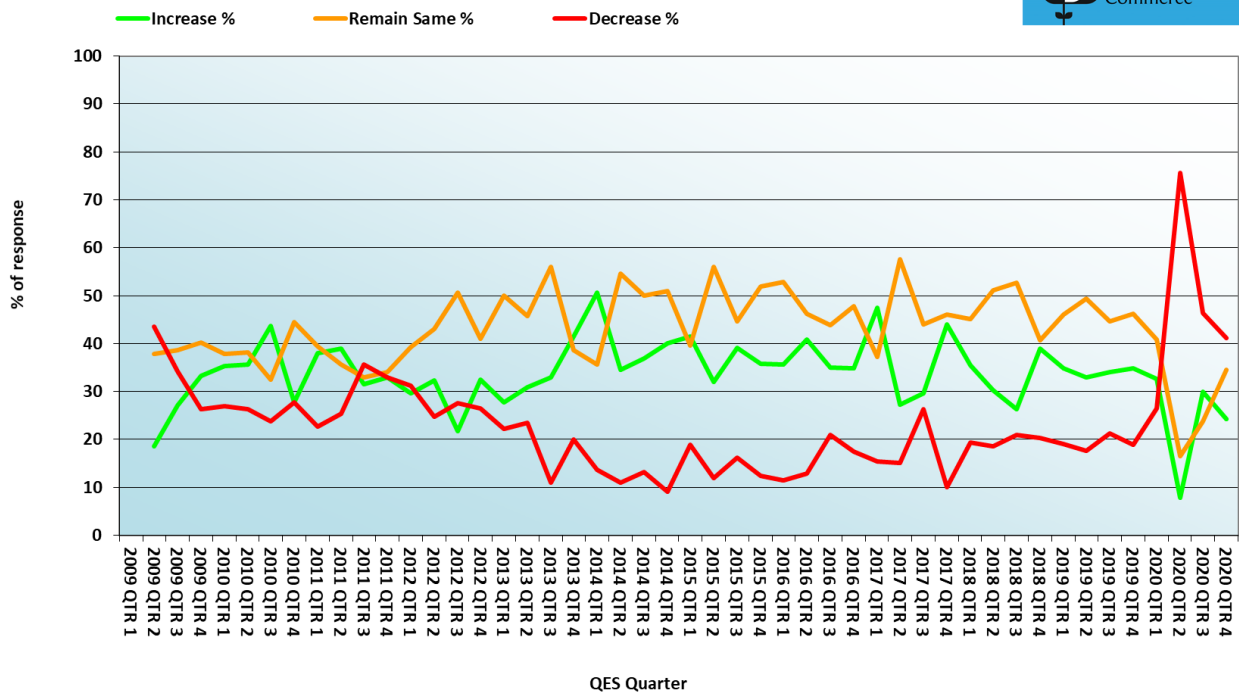
Both confidence in profitability and turnover dropped back again from the previous quarter. The second lockdown has reinforced the uncertainty of the future and with Brexit making news again it has taken its toll on confidence. Confidence is traditionally always higher than sales reality shows. Taxation is the greatest worry by far, followed by competition which is understandable in a shrinking marketplace.

UK SALES

UK Sales - for the past three month

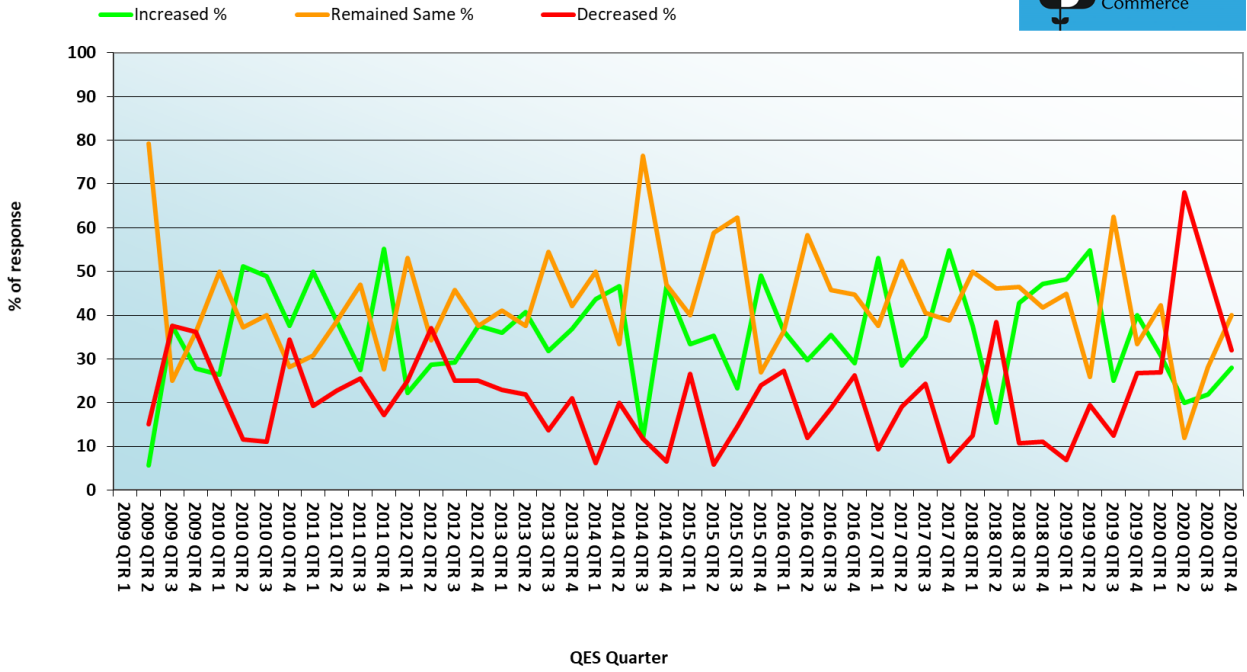


UK Orders - anticipated for the next three months

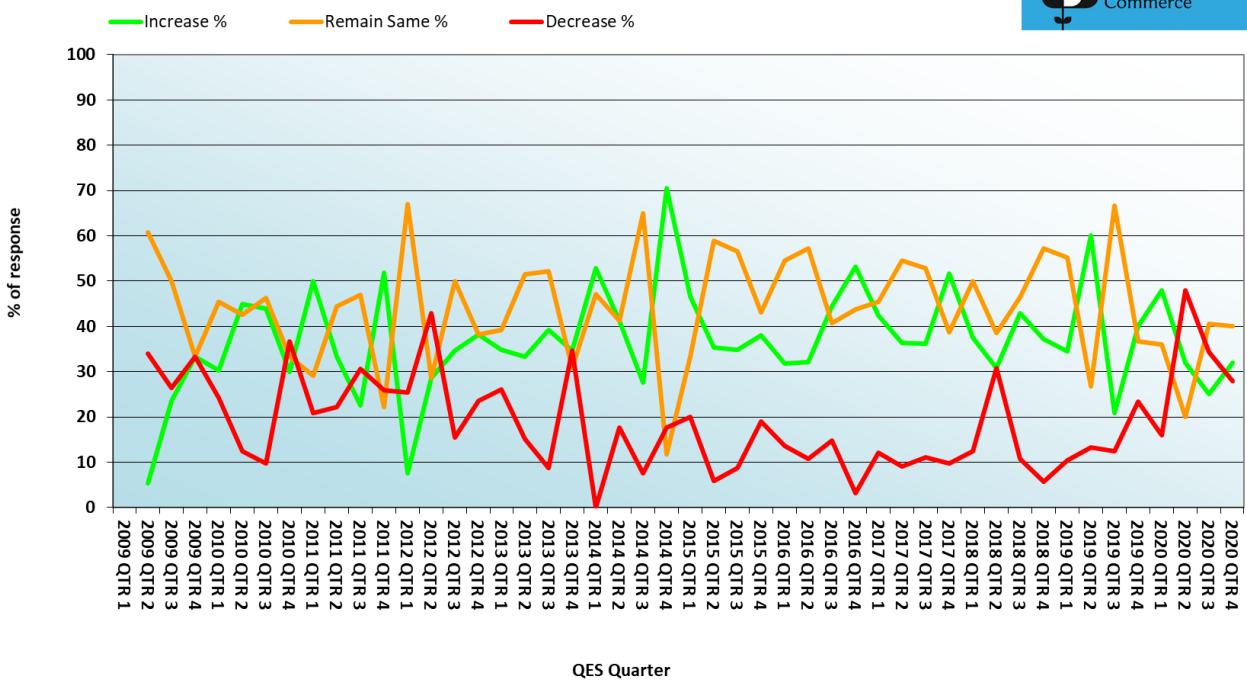


EXPORTS

Export Sales - for the past three months

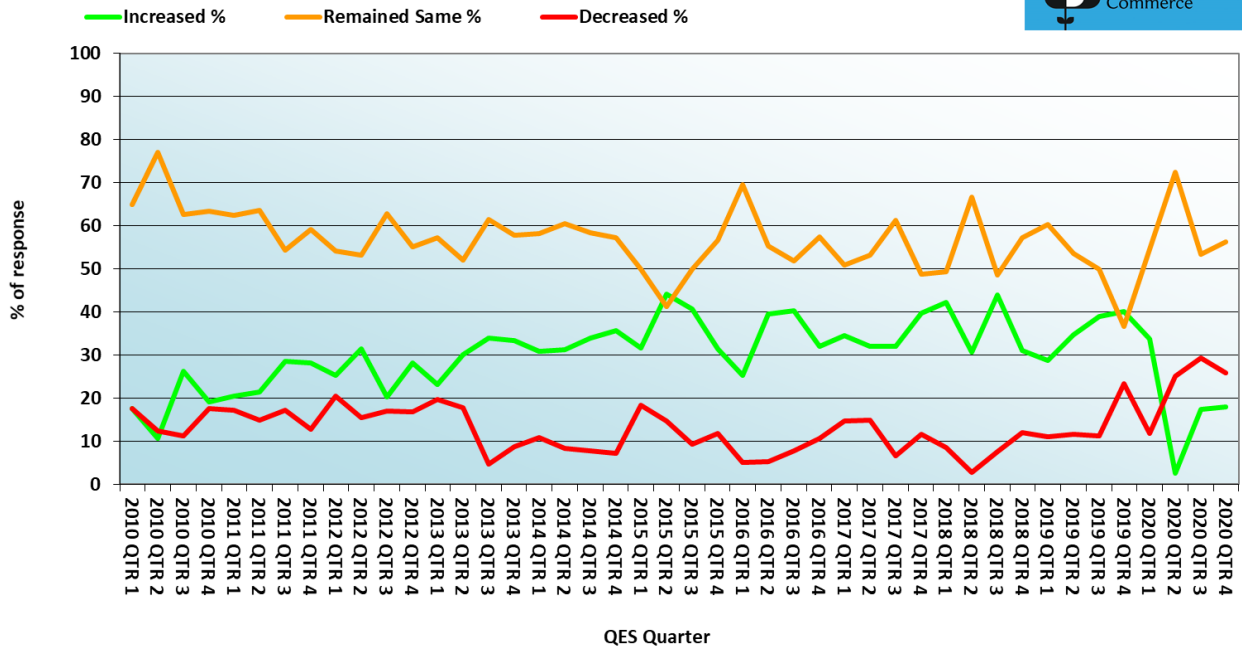


Export Orders - anticipated for the next three months

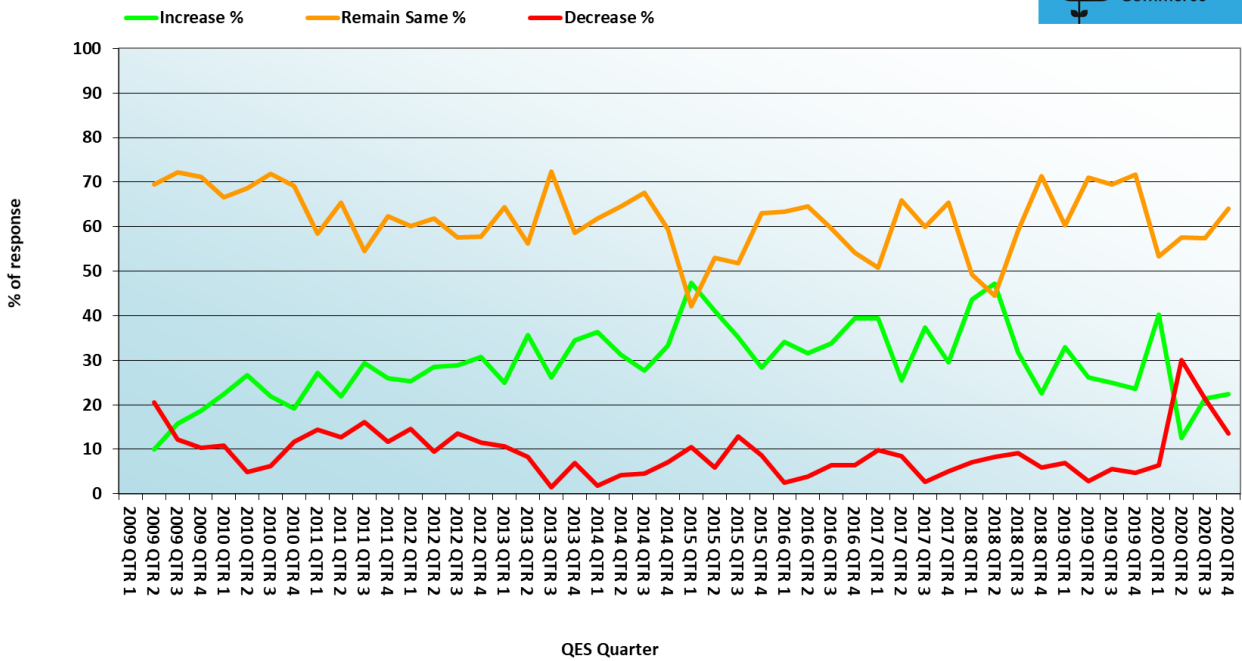


STAFF

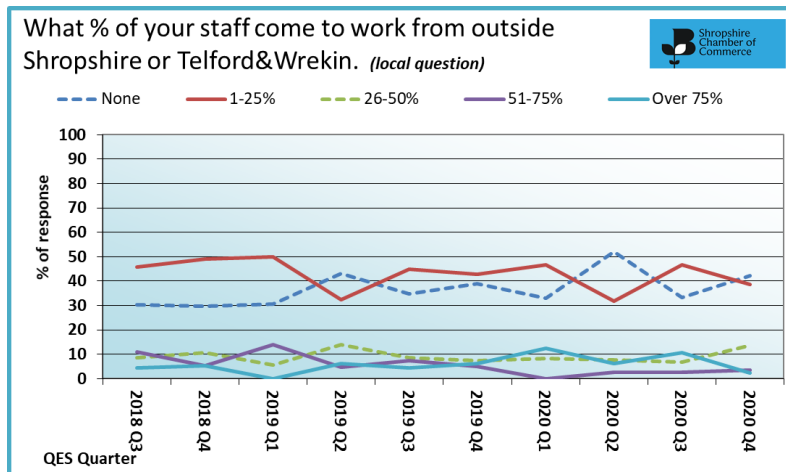
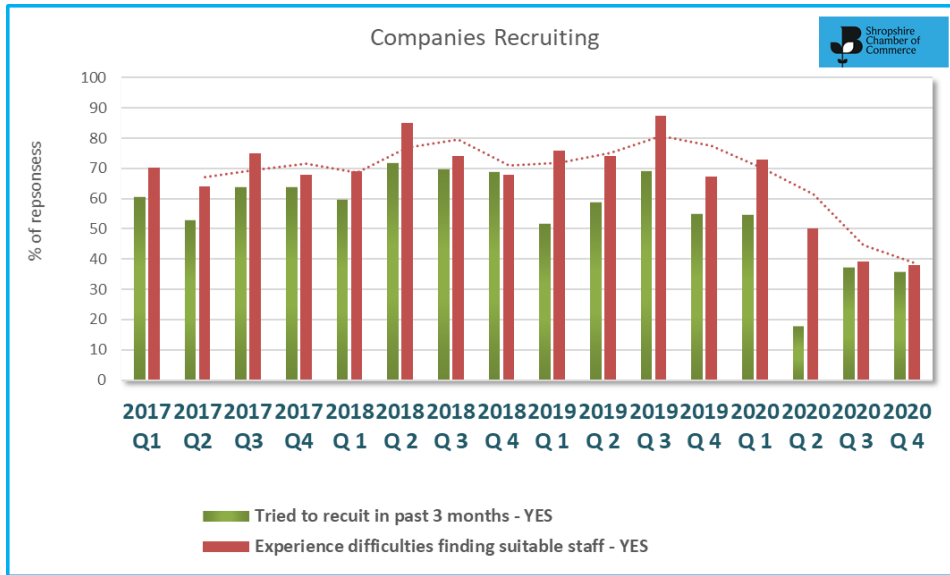
Workforce - past 3 months



Workforce - anticipated in the next three months



STAFF...continued



What barriers do you feel stop people coming to work in Shropshire?

Perceived backwater

The proximity to Birmingham and Manchester

Rates are higher than the rent on industrial units!

Shropshire does not sell itself

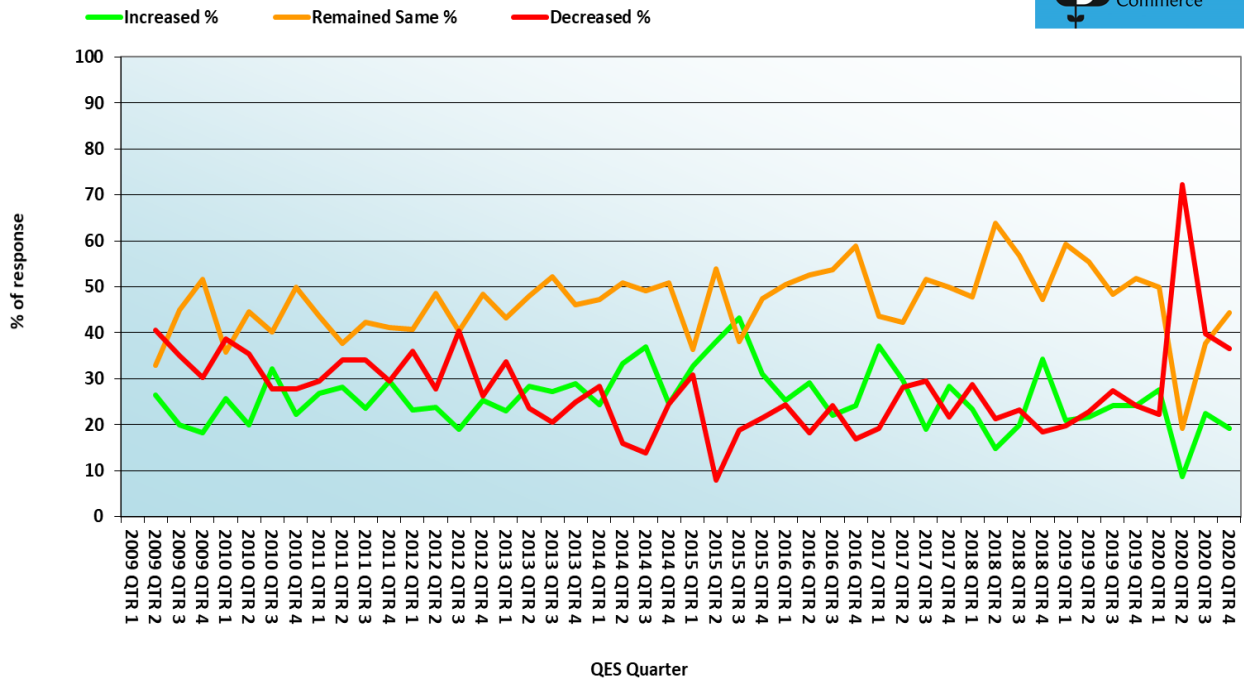
Not one enterprise park in the whole of Shropshire yet there are 15 in the Midlands?

Bigger organisations now giving work to India instead of hiring locally

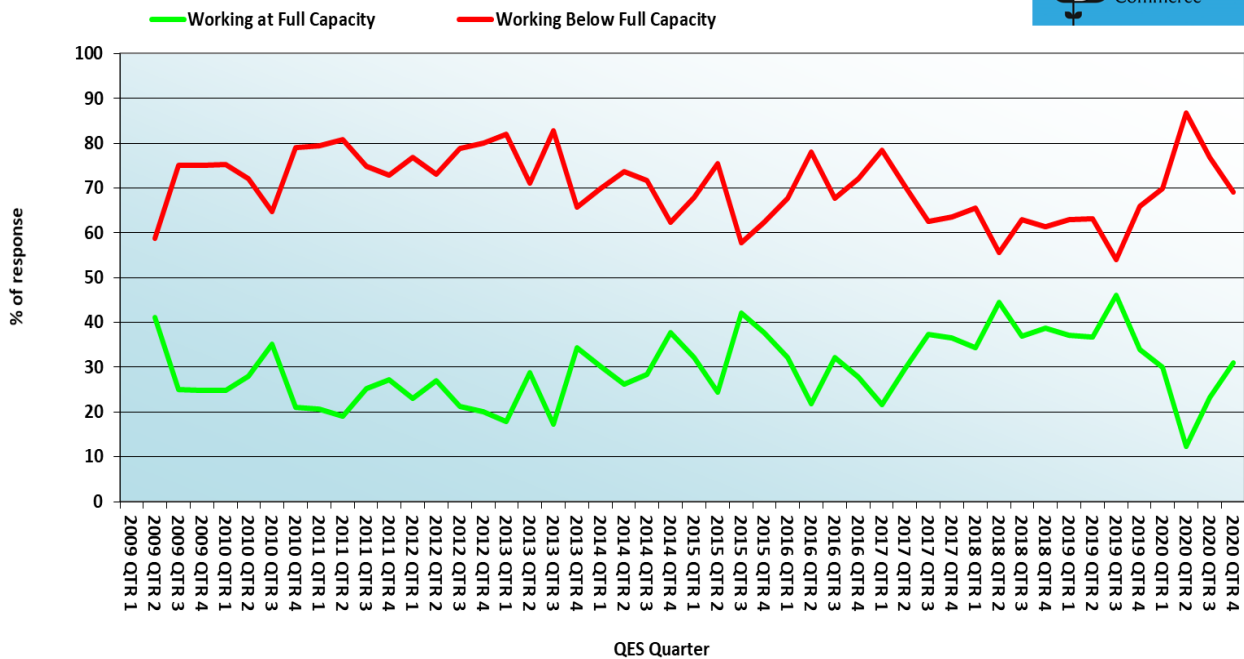
Salaries low, not worth paying transport, travel, parking.

CASH & CAPACITY

Cash Flow - how has it performed in the past three months



Capacity - working at full or below capacity

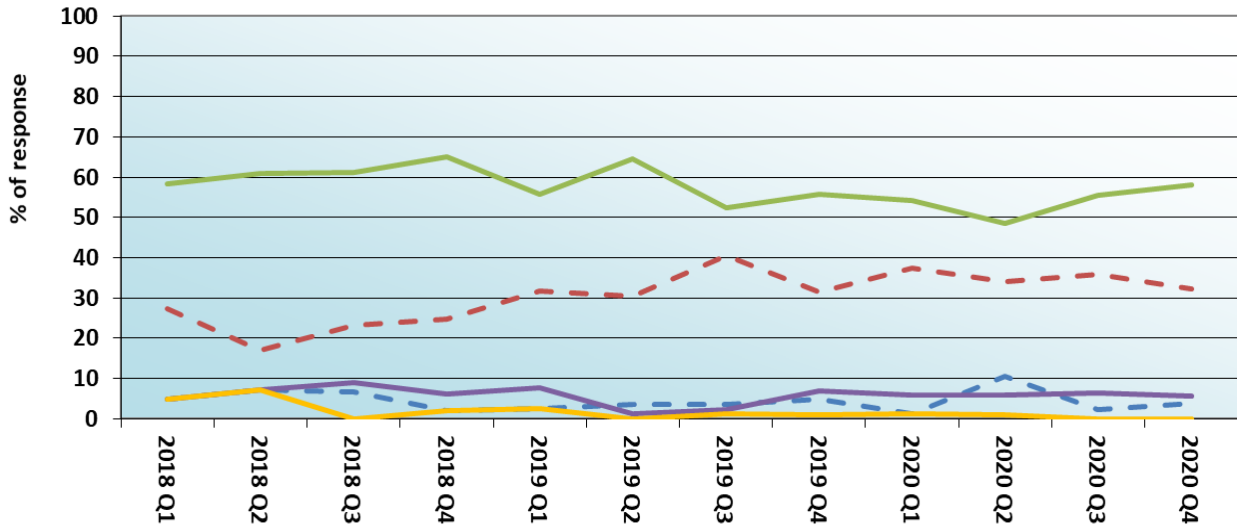


CASH & CAPACITY...continued

Have the number of outstanding payments due to your business got better or worse, generally? (local question)



- Yes - got much worse
- Yes - got slightly worse
- No change
- No - got slightly better
- No - got much better

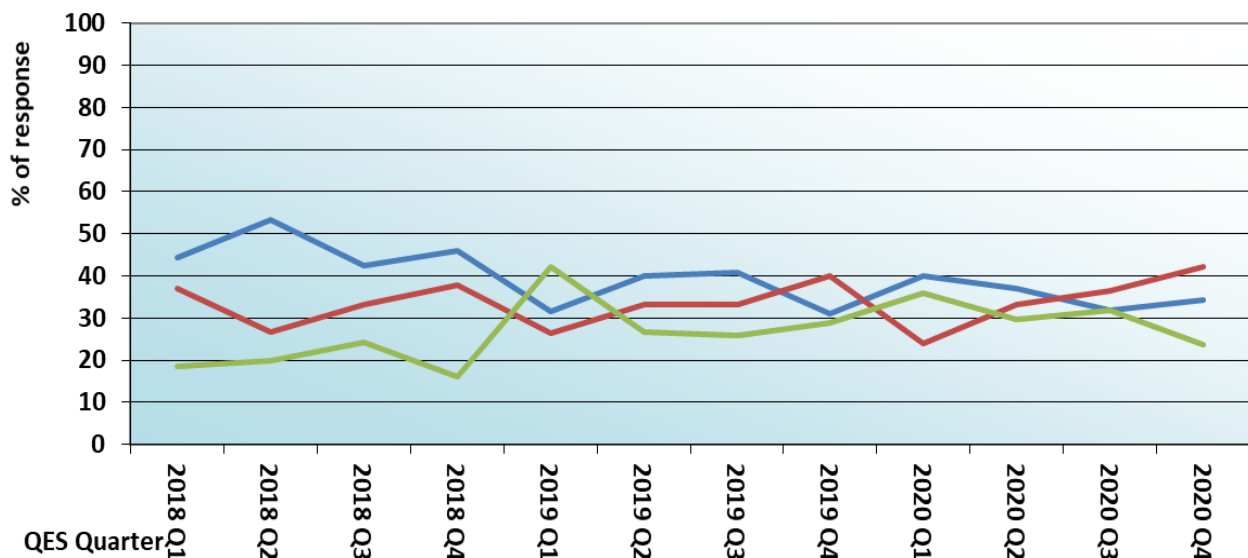


QES Quarter - not including those stating non applicable

Are your suppliers asking you to renegotiate your payment contracts with them to less favorable terms? If so which types of companies are asking you to accept new contract terms? (multi choice - local question - not including those stating non applicable)

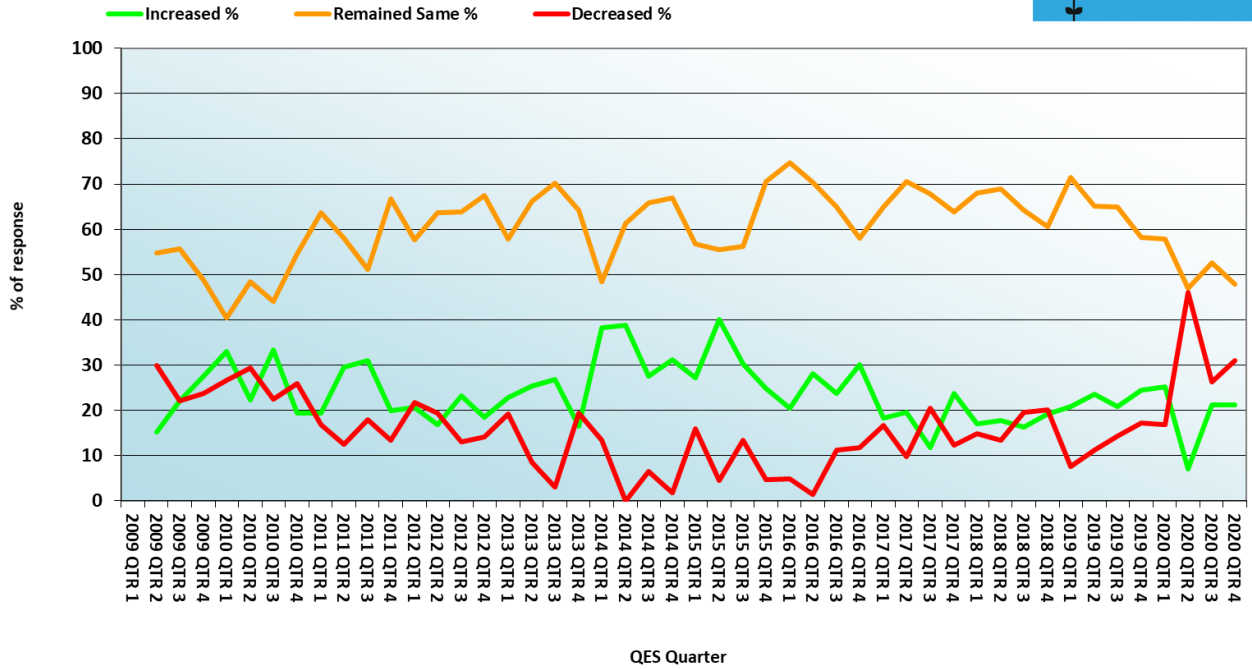


- Yes being asked to renegotiate by larger companies / national or multinationals
- Yes being asked to renegotiate by medium sized companies / regional companies
- Yes being asked to renegotiate by small or micro companies / local companies

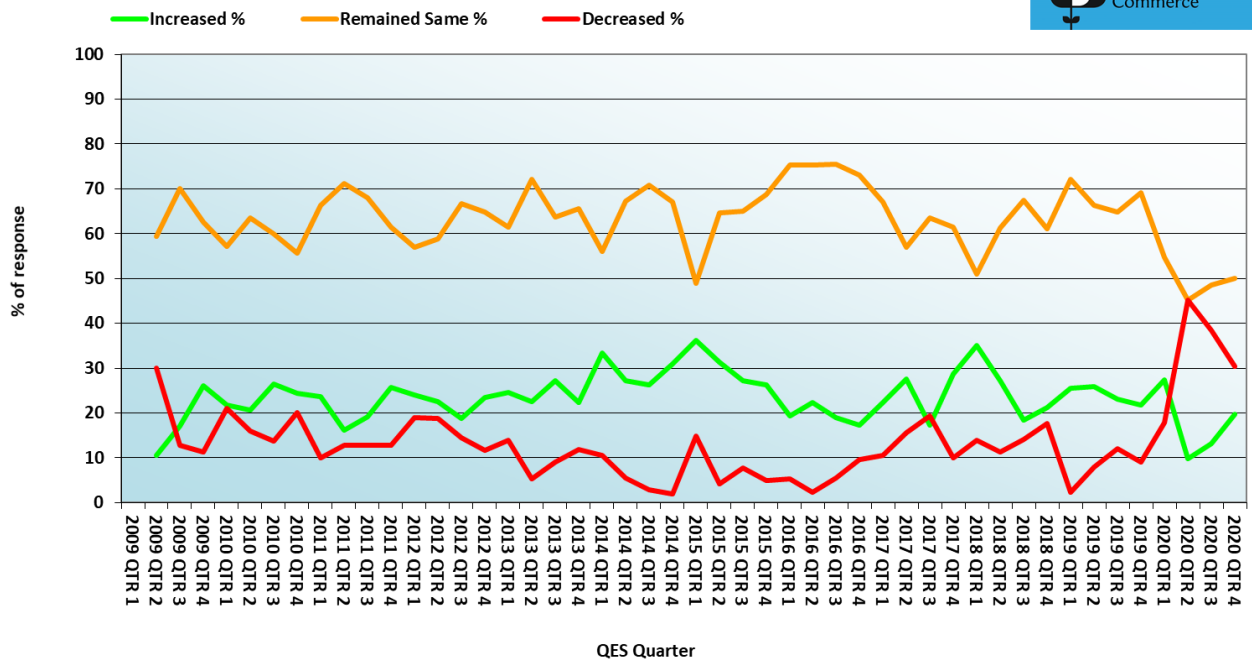


INVESTMENT

Investment Plans - Plant & Machinery

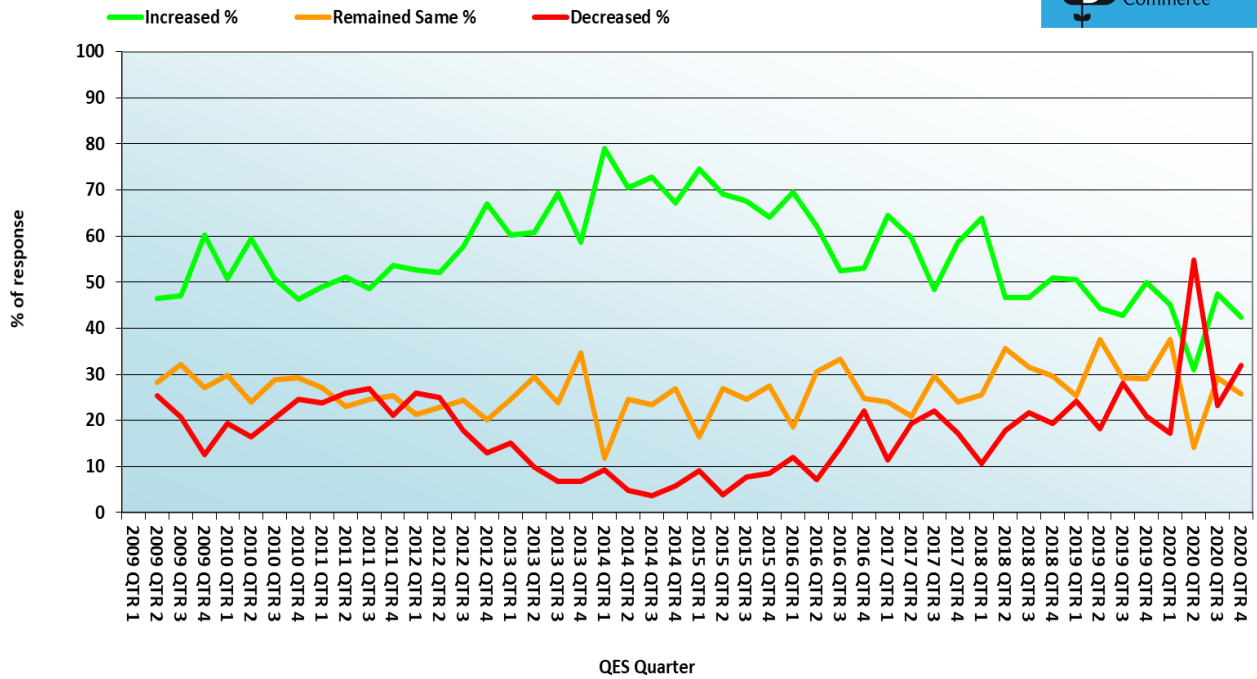


Investment Plans - Training

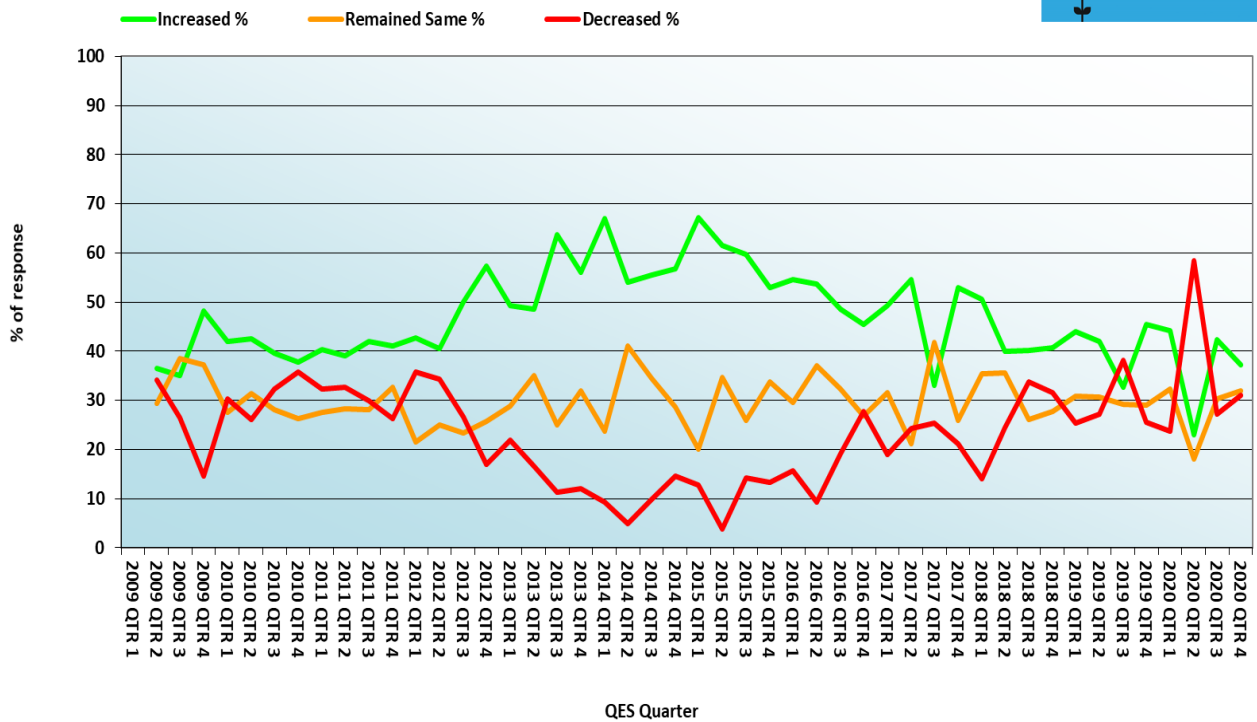


CONFIDENCE

Turnover Confidence - view of the next 12 months



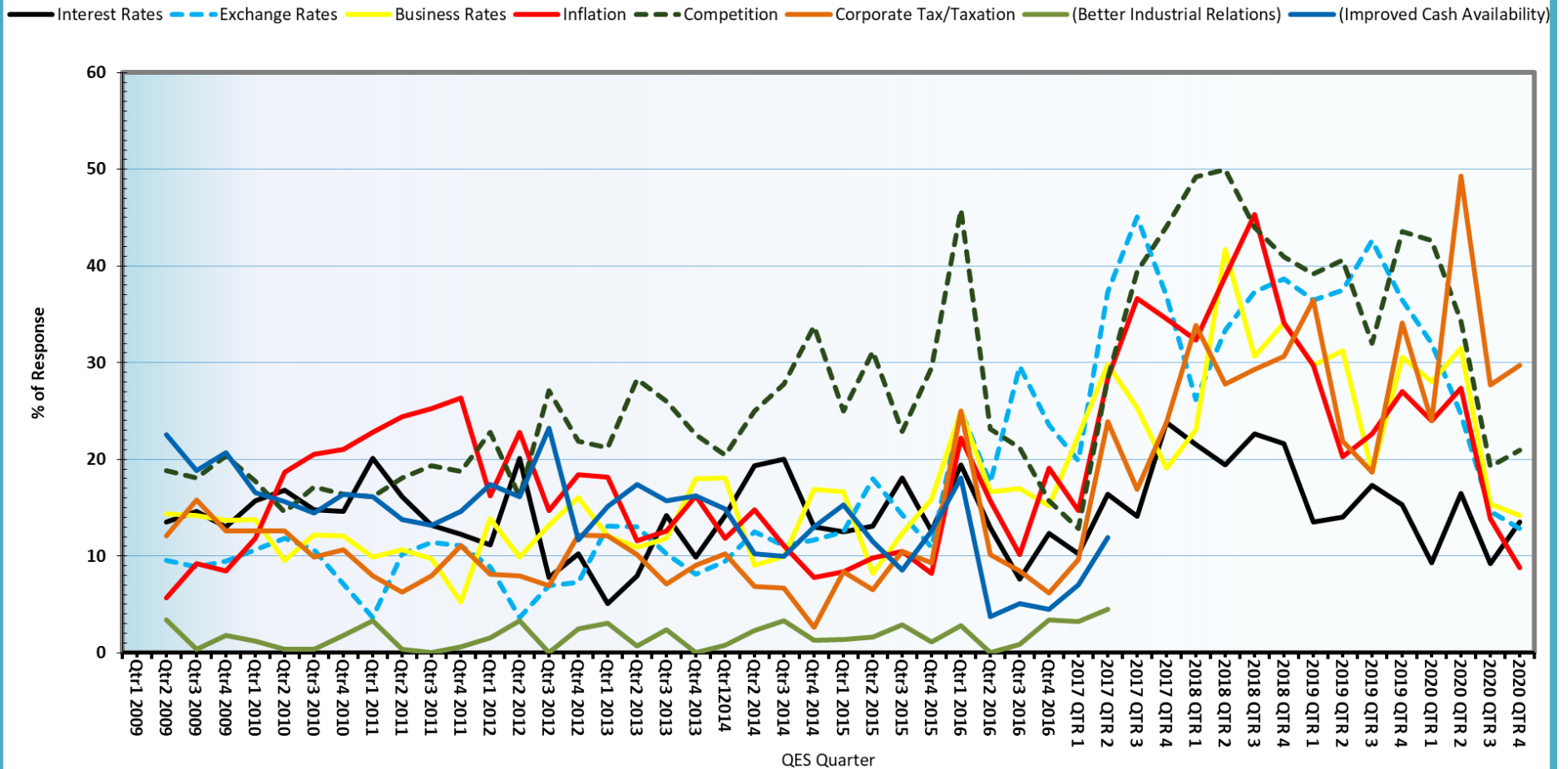
Profitability Confidence - view of the next 12 months



FEAR FACTORS

External Factors - Fear Factors - NB. due to the large number of factors measured the scale is 0-60, not 100, to allow for ease of reading

This chart depicts the most feared external factors that are felt may affect the respondents business. (Factors in



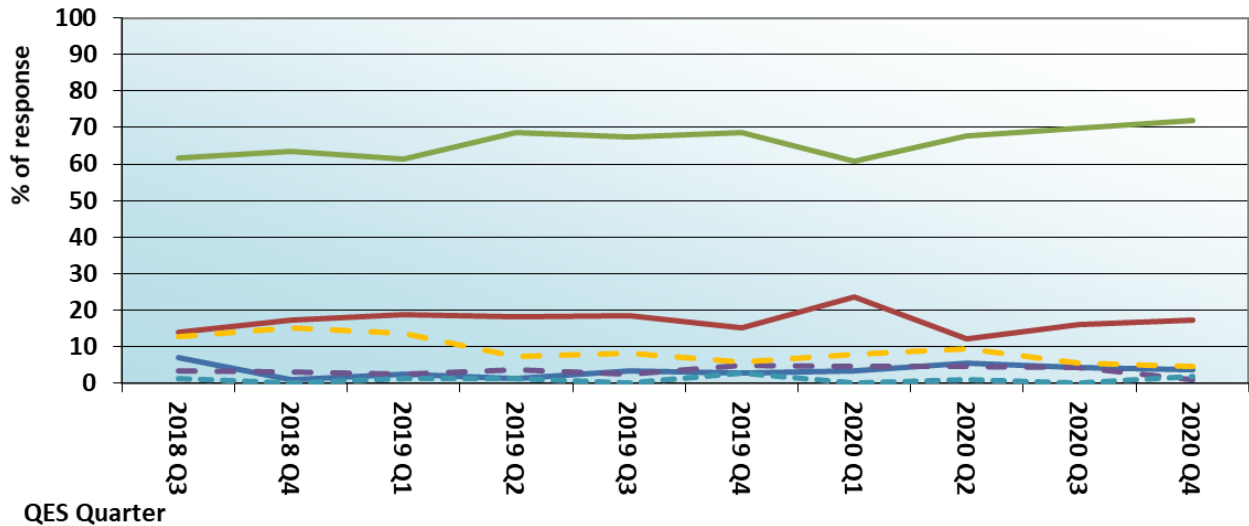
ADDITIONAL TOPICS

GDPR - have the steps you had to take or were advised to take had any impact on your ability to market or sell your product or services?



(local question)

- Very negative effect
- Somewhat negative effect
- No change
- Somewhat improved effect
- Greatly improved effect
- Too early to tell



What effect is Brexit having on your business?

(local question) - Asked from Qtr.2 2019 onward



- Very negative effect
- Somewhat negative effect
- No change
- Somewhat improved effect
- Greatly improved effect
- Too early to tell

