



Young Business Group



Business Trends' Survey 2015

Prepared for

Chamber of Commerce & Young Business Group

Prepared by

BWCI Consulting Limited

1 June 2015

Contents

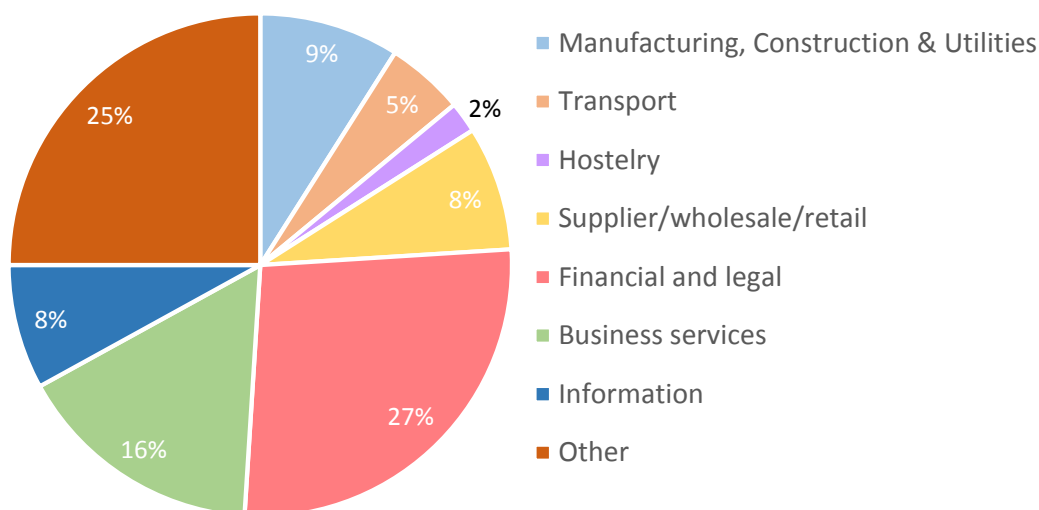
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1. Respondents' Profile

1.1 Economic Sector

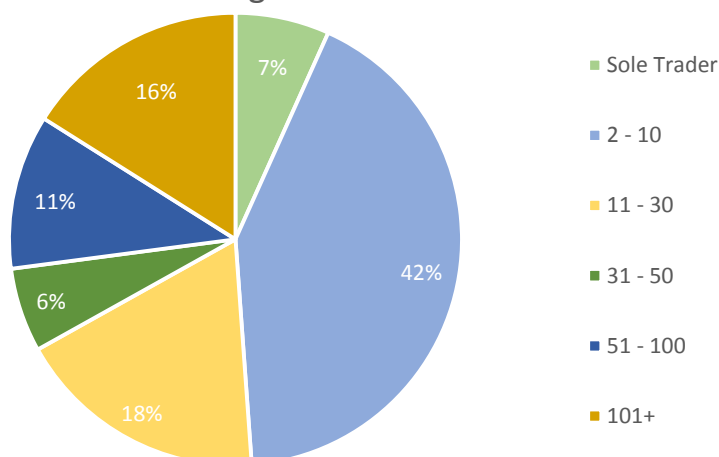
90 businesses responded to the 2015 Chamber of Commerce/YBG Business Trends' Survey. There was a good representation of businesses in terms of economic sectors covered and size, thereby ensuring that the survey is representative of the business community in Guernsey.

2015 survey respondents



1.2 Total Number of Employees

Total Number of Employees Including Management

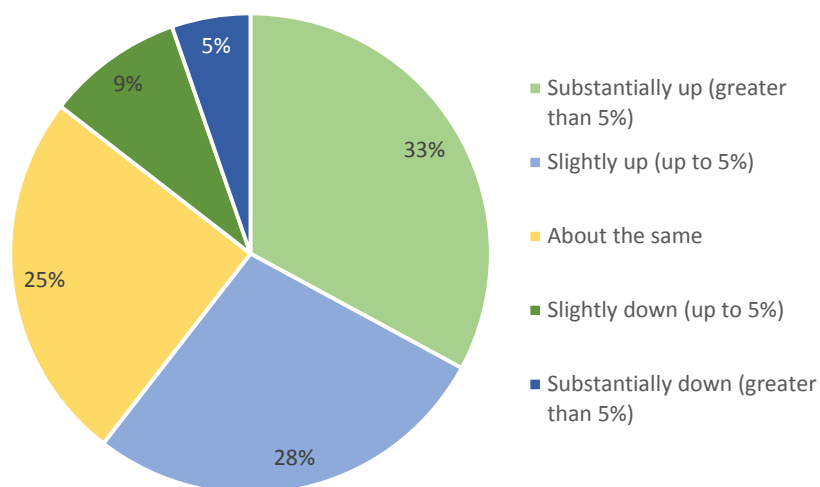


- Around half of respondents had 10 or fewer employees.
- 16% had more than 100 employees
- In general, the numbers employed by respondents were broadly in line with previous years

2. Business Findings – 2014 performance

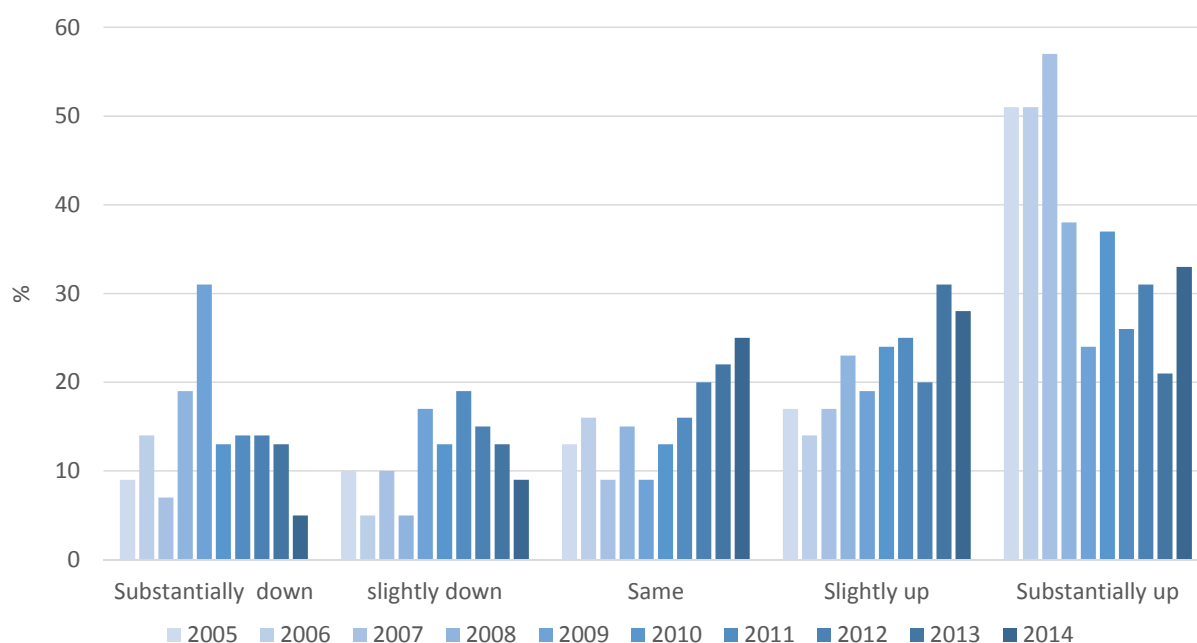
2.1 How did 2014 business turnover compare with 2013?

2014 business turnover compared to 2013



- 3 in 5 businesses reported an increase in turnover (compared with around half in 2013)
- 14% of businesses experienced a decrease in turnover (26% in 2014)

Historical trends - Turnover

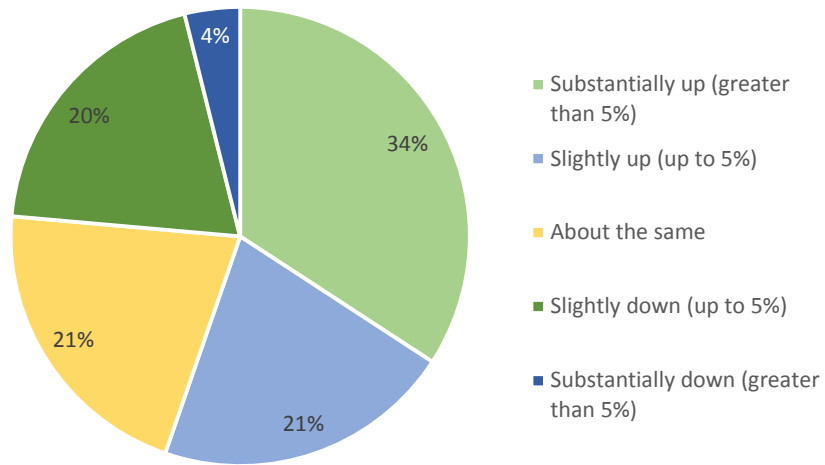


- The 60% of businesses reporting an increase in turnover is the highest proportion recorded since 2010
- The 14% of businesses reporting an decrease in turnover is the lowest proportion recorded since 2007

Business Findings – 2014 performance (continued)

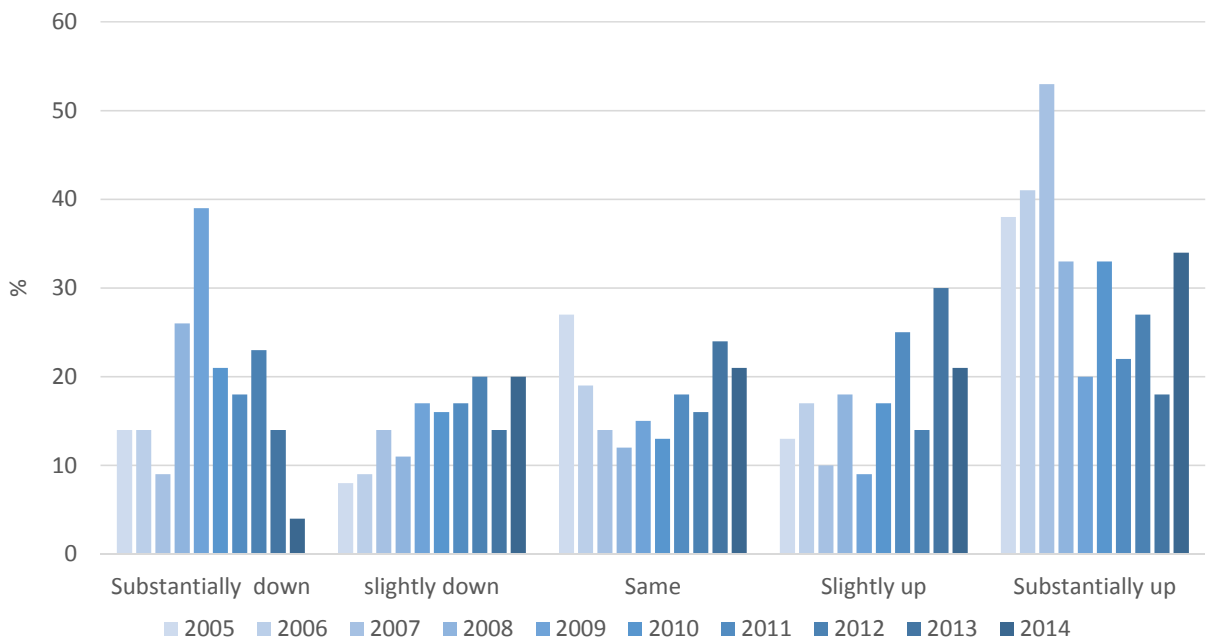
2.2 How did 2014 profitability compare with 2013?

2014 profitability compared to 2013



- 55% of businesses (as compared to 48% last year) indicated that they were more profitable in 2014 than in 2013
- 24% of businesses (as compared to 28% last year) were less profitable

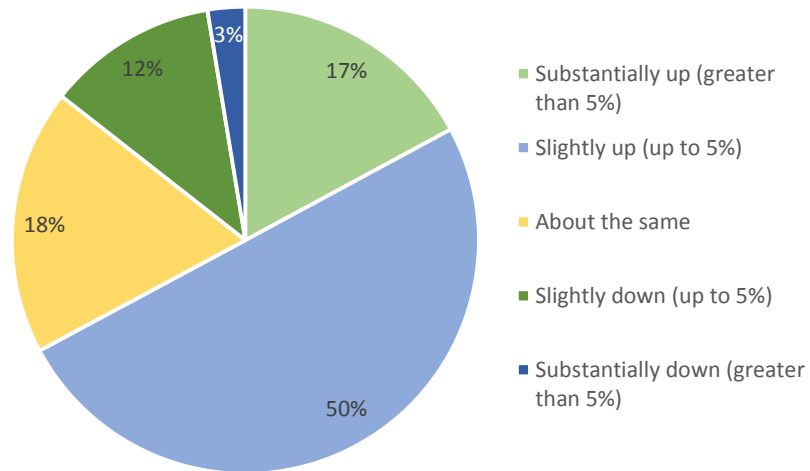
Historical trends - Profitability



- 55% of respondents reported profits being up and only 24% of respondents indicated that profitability was down. These are the best figures since 2007

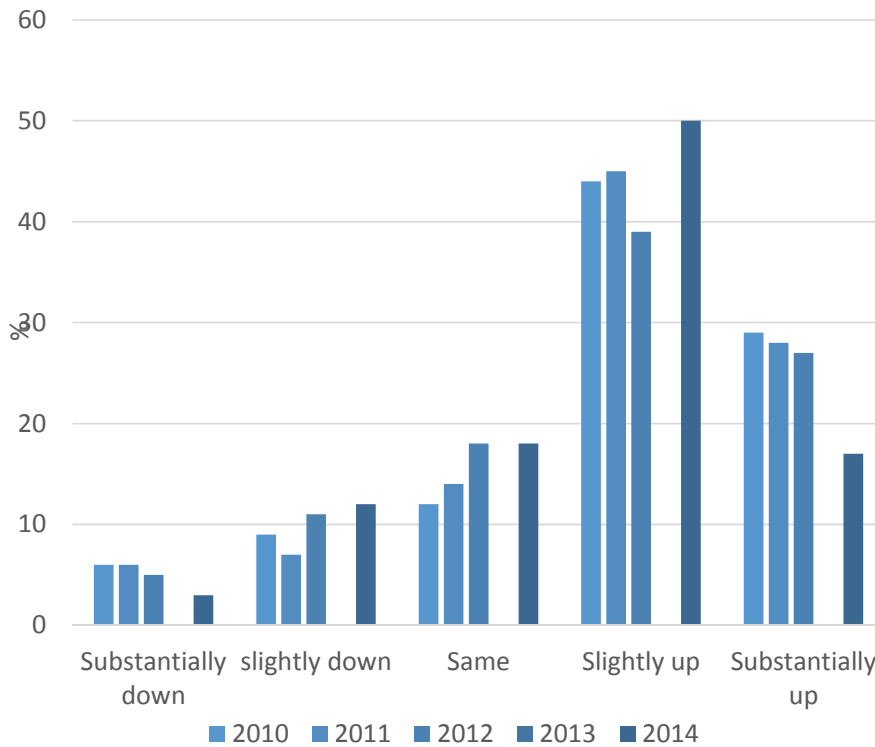
2.3 How did 2014 business costs compare with 2013?

2014 business costs compared with 2013



- Two out of three respondents saw business cost rise over 2014 compared with 2013

Historical trends – Business Costs

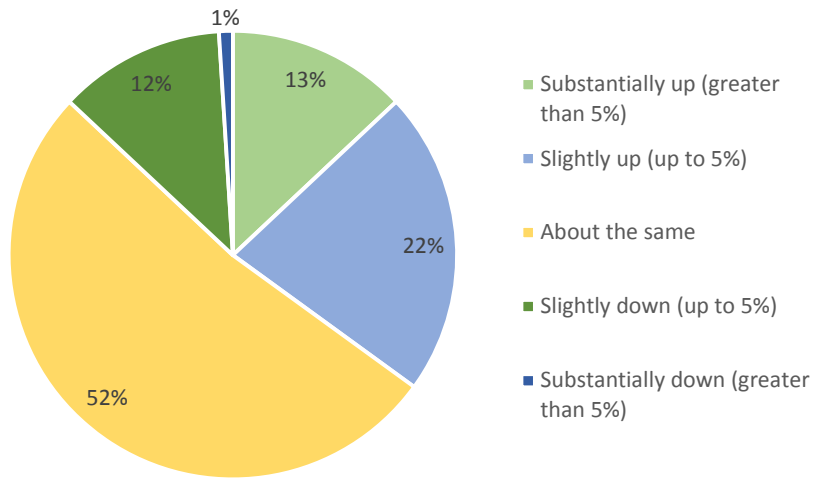


Note that this question was not asked in 2014

- The proportion of businesses reporting business costs being substantially up was the lowest on record.

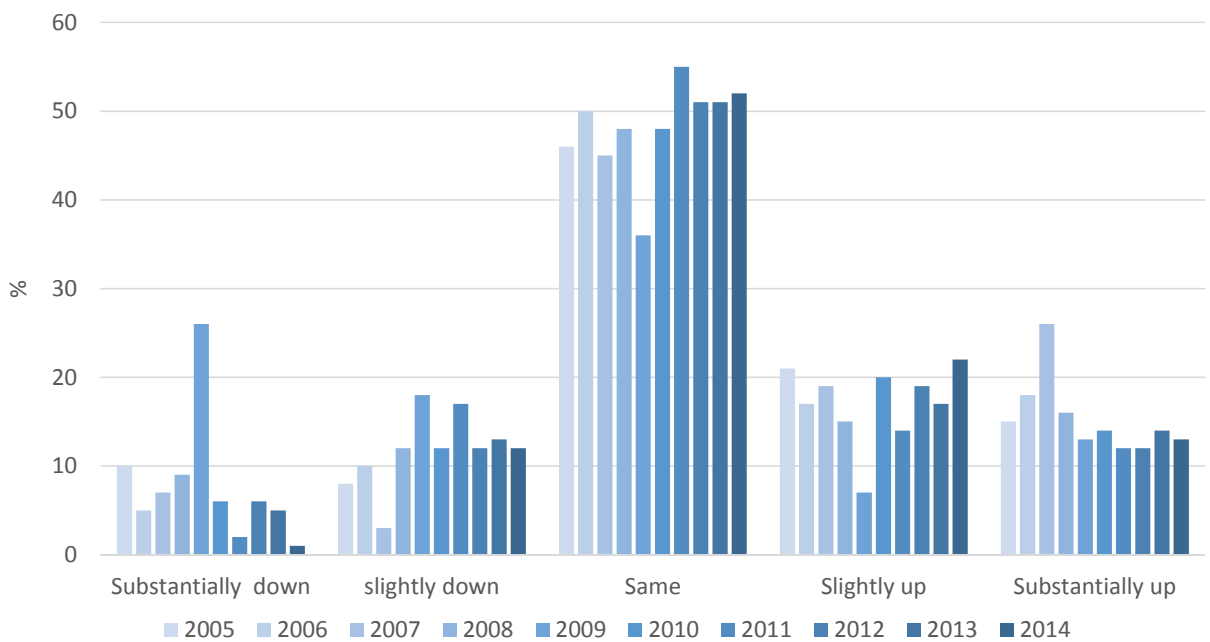
2.4 How did 2014 employee numbers compare with 2013?

2014 employee numbers compared to 2013



- Over a third of respondents employed more staff in 2014 compared with 2013
- Around a half have seen employment numbers remain the same

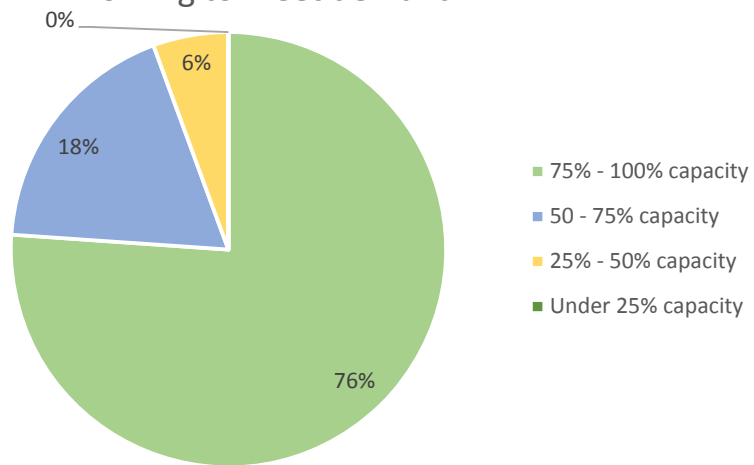
Historical trends – Employee numbers



- Apart from 2009, the responses to this question have remained broadly stable
- The proportion showing employee numbers down by greater than 5% is the lowest on record

2.5 What percentage are your resources working at to meet current demand?

Estimated percentage for resources to be working to meet demand

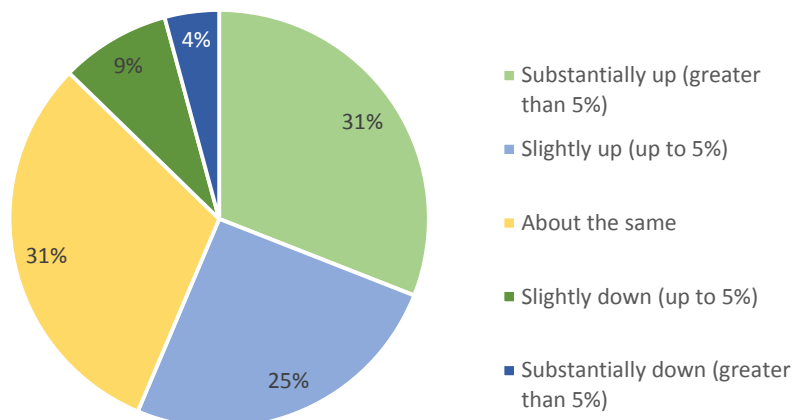


- Over three quarters of businesses are working at between 75% and 100% of capacity

3. Business Findings – 2015 projected performance

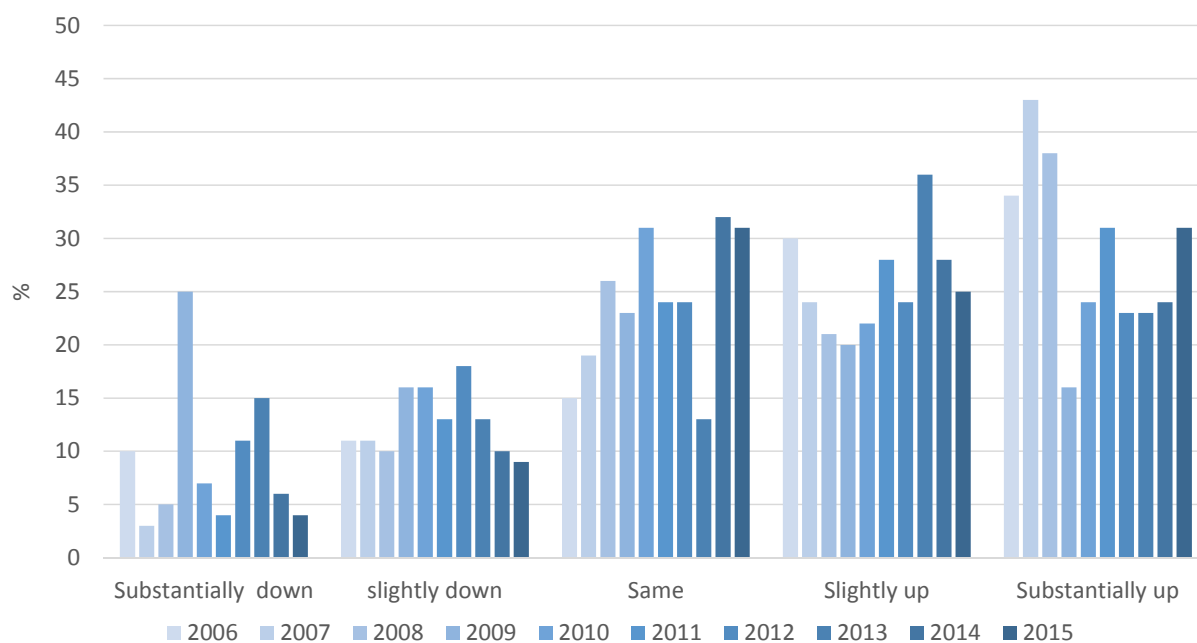
3.1 How do your 2015 business turnover projections compare with 2014?

2015 business turnover projections compared to 2014



- 56% of business predict that turnover will increase over 2015 (one in three businesses by in excess of 5%)
- 13% expect turnover to decrease

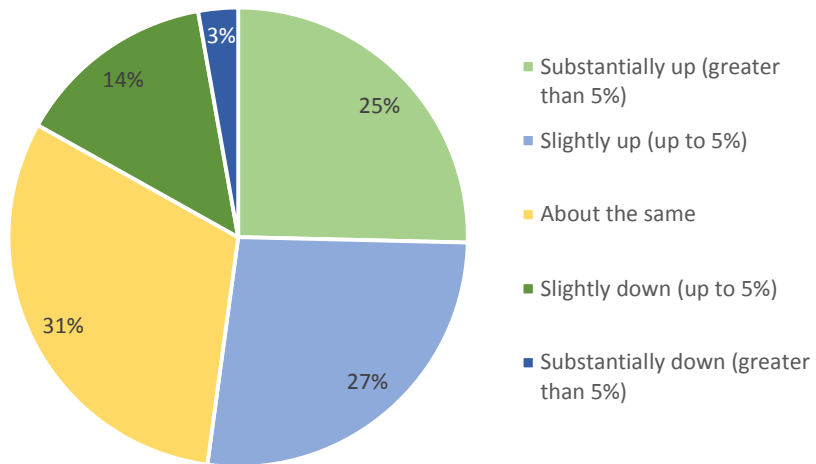
Historical trends – Turnover projections



- The 13% of respondents expecting a decrease in turnover is the lowest on record

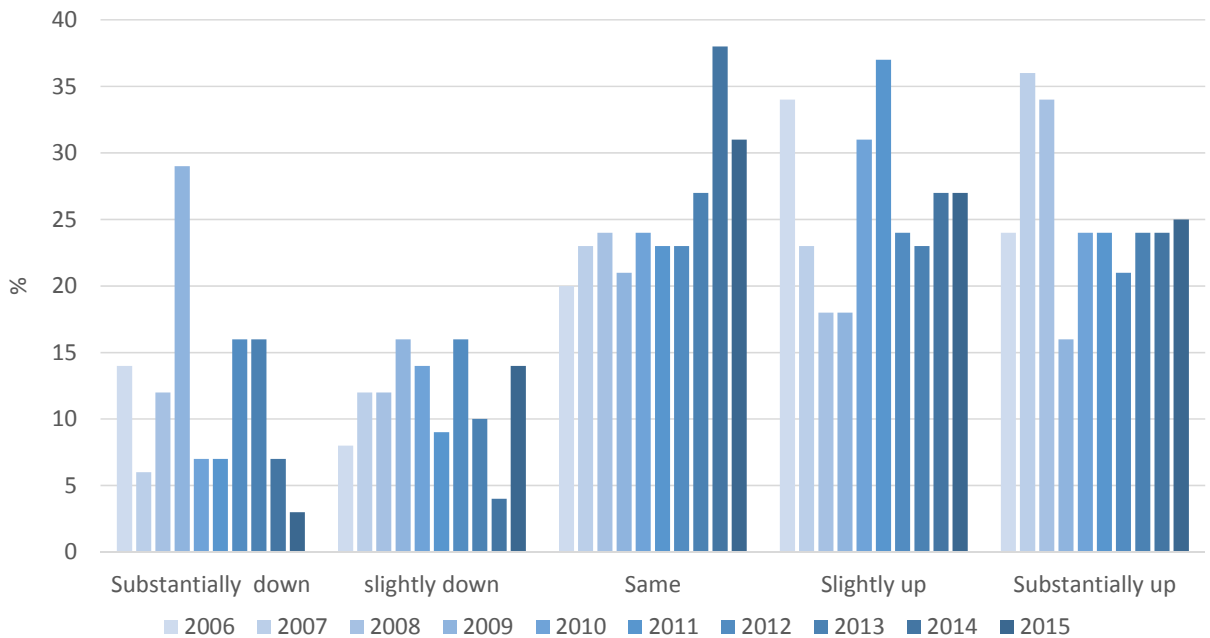
3.2 How do your 2015 profitability projections compare with 2014?

2015 profitability projections compared to 2014



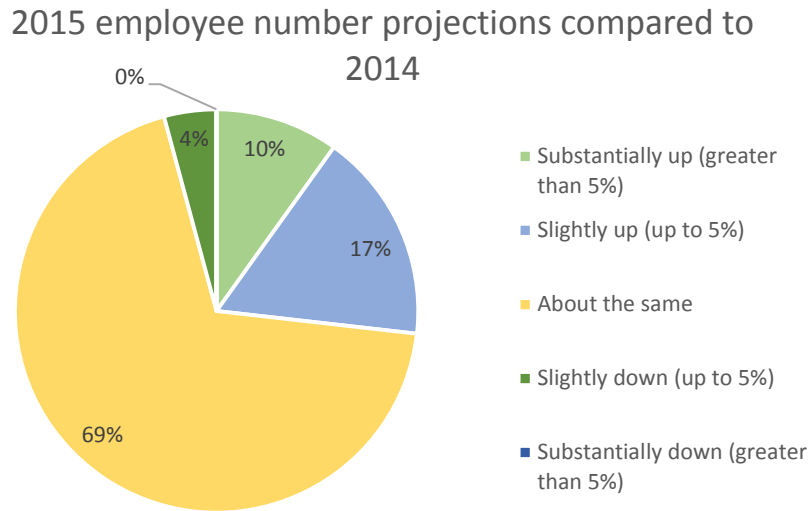
- Over half of respondents expect profits to increase in 2015
- Around one in three expect profit to remain the same, with 17% expecting a fall in profits

Historical trends – Profitability projections



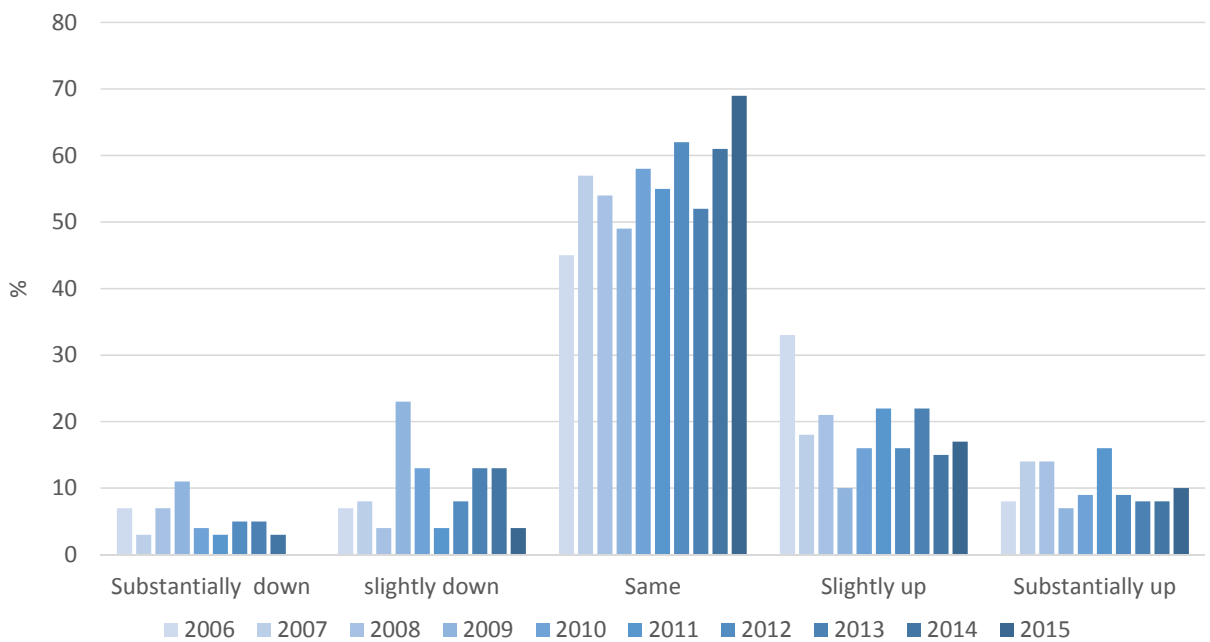
- The proportion of businesses expecting an increase in profits has increased slightly each year from 2011
- While the proportion expecting a substantial fall in profits has fallen compared with last year's survey, the proportion expecting a fall of less than 5% has increased

3.3 How do your 2015 employee number projections compare with 2014?



- Around two in three businesses are expecting to keep staff numbers unchanged
- Around one in four are expecting an increase in staff numbers

Historical trends – Employment projections

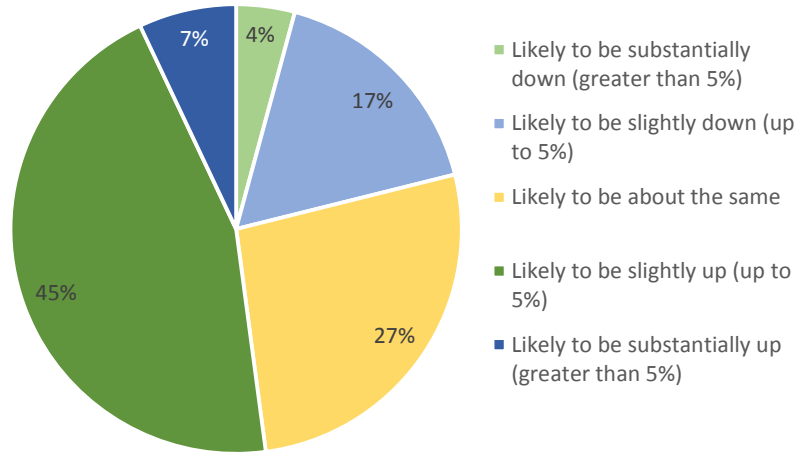


- The proportion of businesses expecting an increase in employee numbers has remained broadly unchanged in recent years
- The proportion of businesses expecting an decrease in employee numbers is lower this year than in recent years

Business Findings – 2015 projected performance (continued)

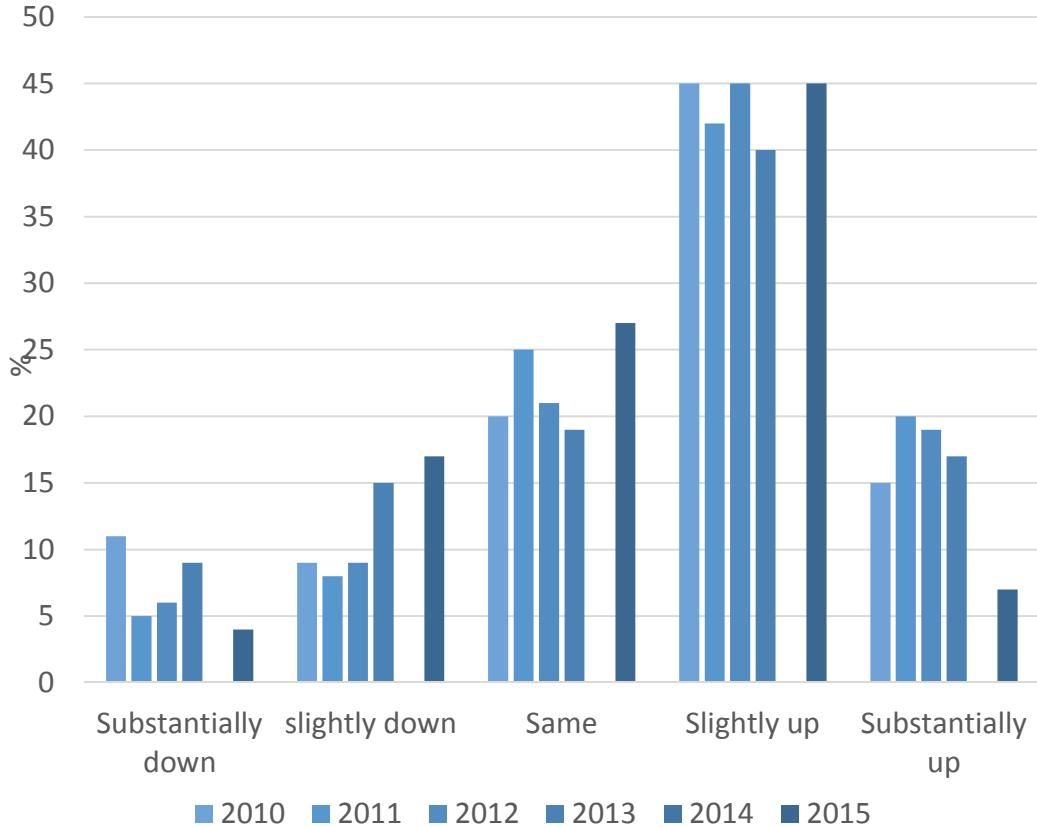
3.4 What are your business costs' projections for this year (2015) as compared to 2014?

2015 business costs compared to 2014



- Around half of respondents expect an increase in business costs
- Around one in five businesses expect a fall in business costs

Historical trends – Employment projections



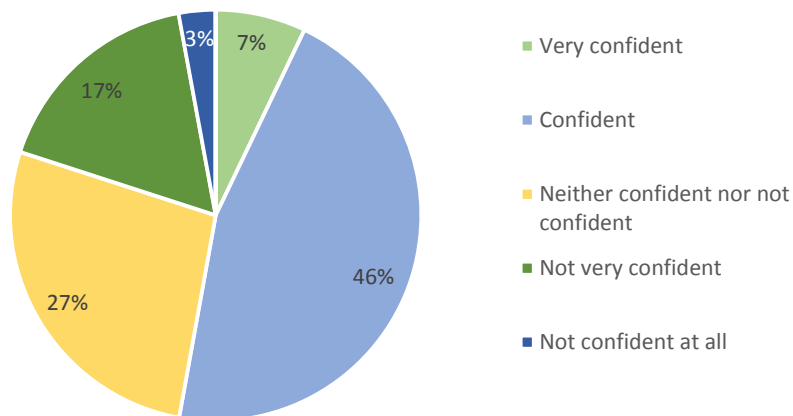
Note: this question was not asked in 2014

- There has been a significant decrease in the proportion of businesses expecting an increase in business costs of greater than 5%

4. Island Confidence

4.1 How do you feel about the economic prospects within your own business sector for the next twelve months?

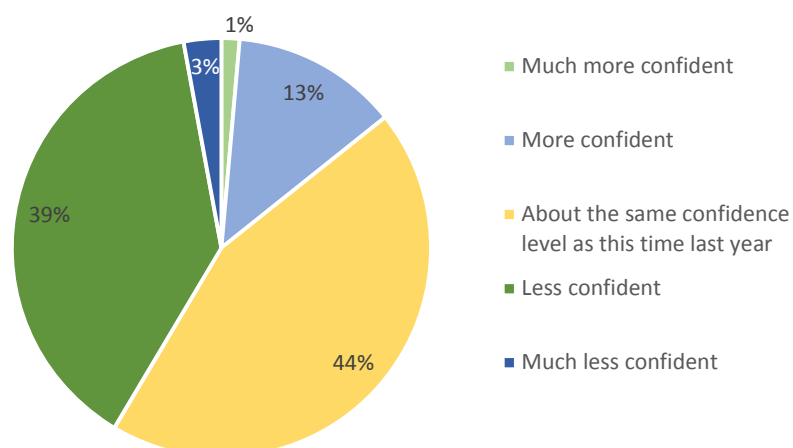
Confidence about the economic prospects of own economic sector for next twelve months



- Over half of respondents are either confident or very confident about the economic prospects within their own sector
- One in five are either not very confident or not confident at all

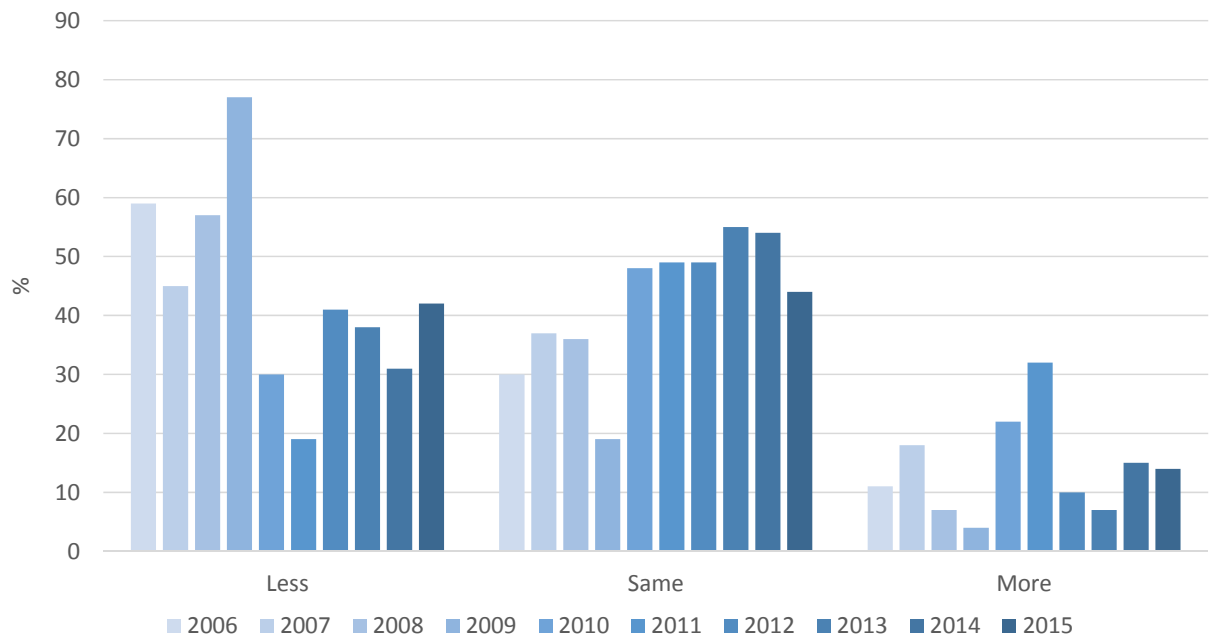
4.2 Overall, how do you feel about the Island's economic prospects over the next six months compared with this time last year?

Confidence about Island's economic prospects over next twelve months



- 14% are confident about the island's short term economic prospects
- 42% are less confident about the island's economic prospects in the short term

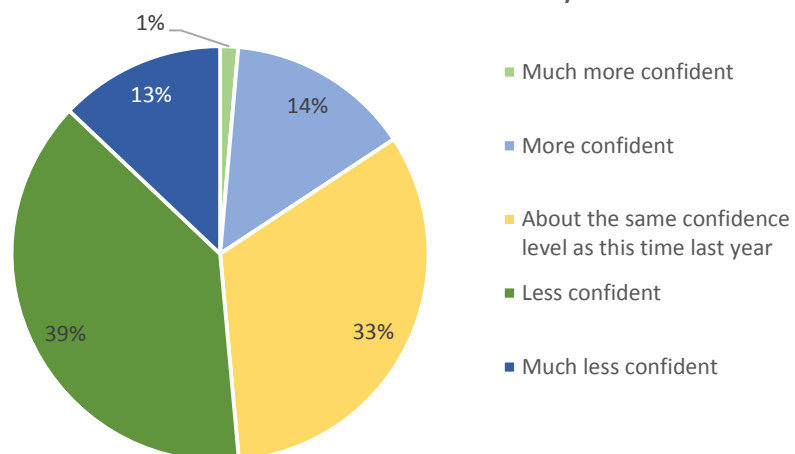
Historical trends – Short term island confidence



- A higher proportion of respondents have less confidence in the island's economic prospects over the next year than in recent years

4.3 Overall, how do you feel about the Island's economic prospects over the medium term (next 3-5 years) compared to this time last year?

Confidence about the economic prospects for the Island in the next three to five years



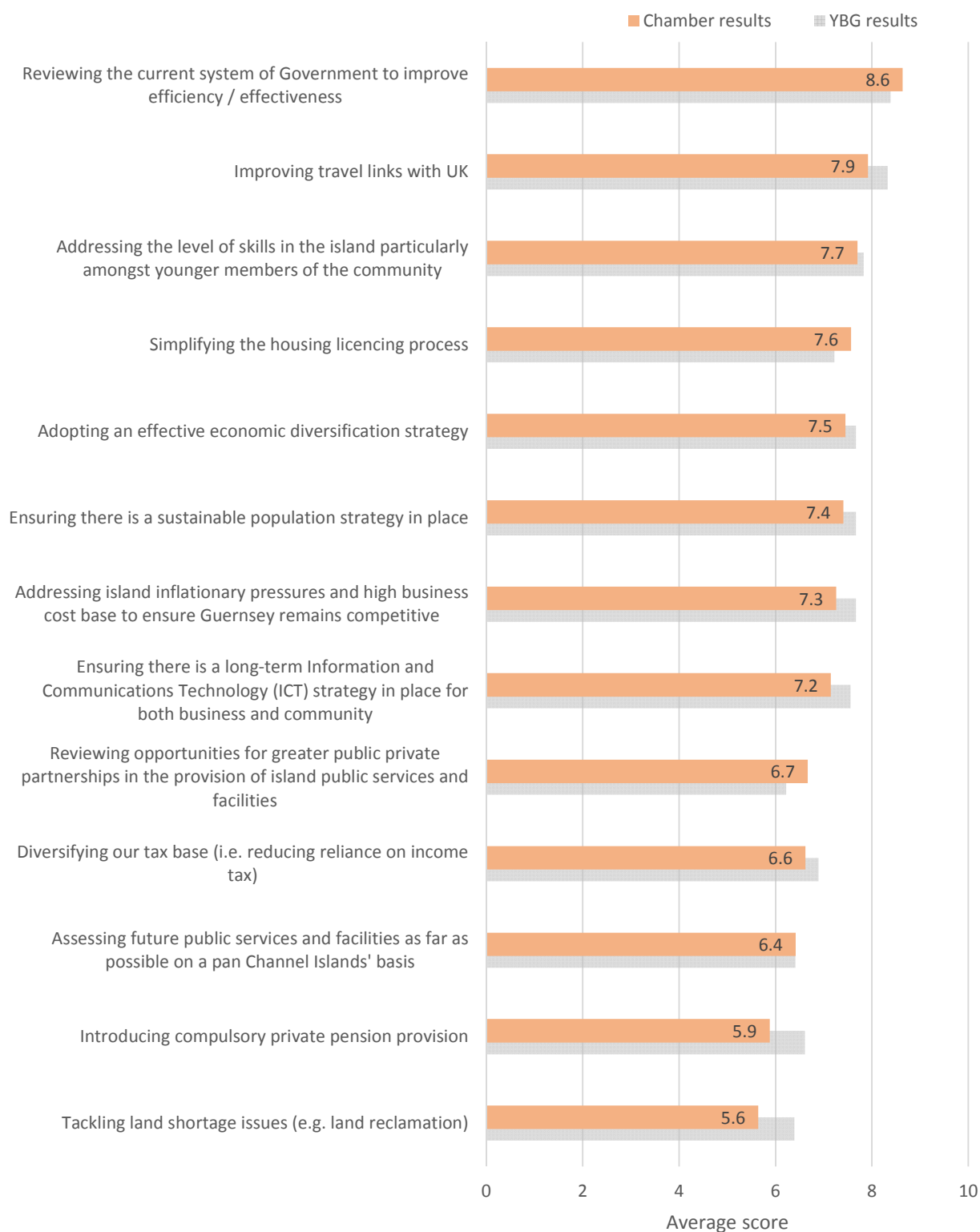
- Over half of respondents are less confident about the islands medium term economic prospects than last year

5. Island Issues

5.1 General Issues

Businesses were asked to rank a variety of issues on what they thought were the most pressing (out of 10 where 10 = very pressing indeed). The average scores for each issue are shown below:

This question was also put to the Young Business Group membership. The results of the YBG survey are shown by the grey shadow bars.

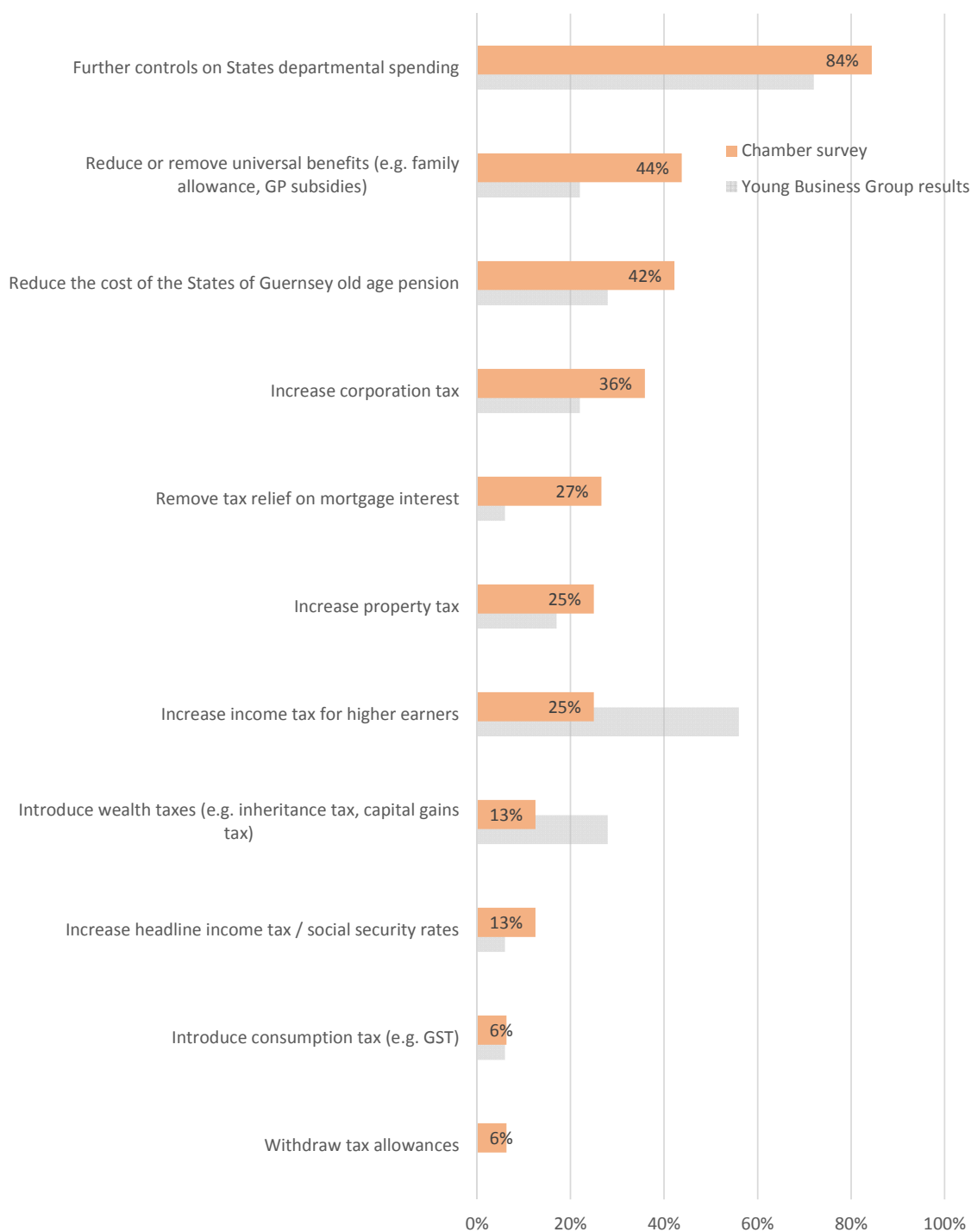


6. Tax, Pensions and Benefits

6.1 States of Guernsey budget deficit

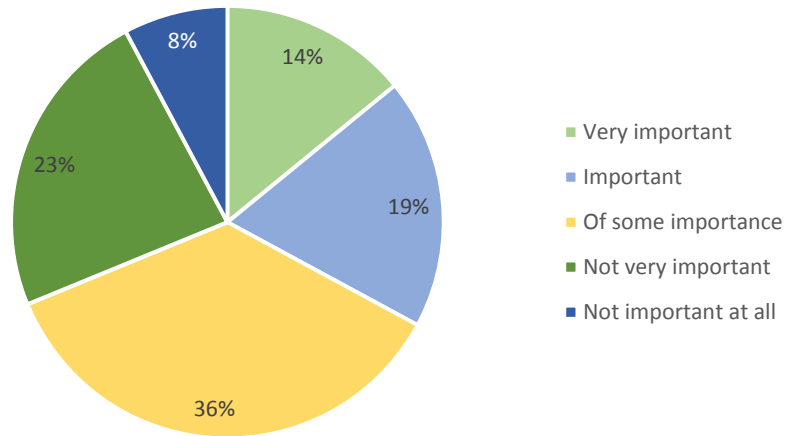
Businesses were asked how they think the States of Guernsey should deal with the budget deficit, from a variety of options given (each employer could select more than one). The percentage response is shown below:

This question was also put to the Young Business Group membership. The results of the YBG survey are shown by the grey shadow bars.



6.2 How important are pensions issues for you as an employer?

Importance of pensions for employer



- Around a third of businesses currently rate pensions as an important issue