



# Scottish Chambers' Business Survey

September 2010  
Quarter 3

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**The Scottish Chambers' of Commerce  
Business Survey, conducted by  
Strathclyde University's Fraser of  
Allander Institute is the largest and most  
comprehensive regular survey of the  
Scottish Business Community.**

Almost 300 firms responded to the present  
survey, which was conducted during  
September 2010.

## BUSINESS PERFORMANCE

### Summary Points

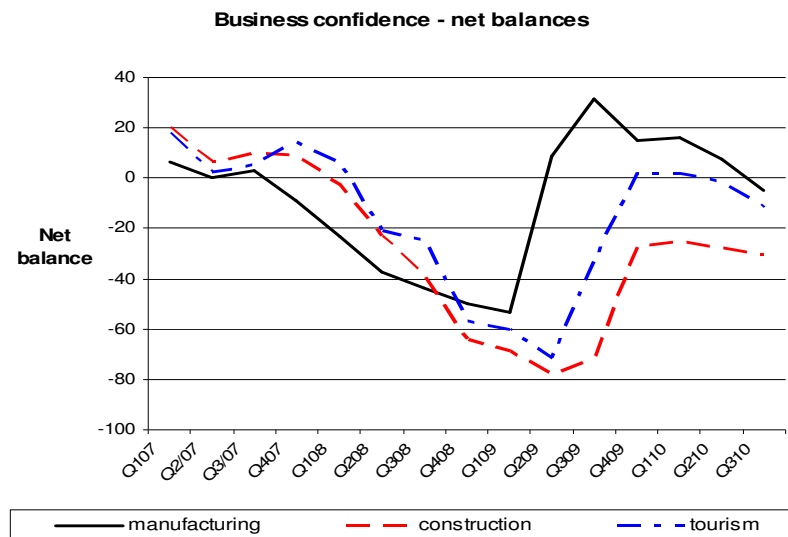
#### Overall

Confidence weakened amongst Scottish Chamber of Commerce members for the third quarter of 2010, the positive signs of recovery evident earlier in the year faded, and respondents in all sectors revised downwards their expectations for the fourth quarter and for the year ahead. Whilst it is still unclear whether or not the recovery stalled or ended in the third quarter, it is clear that firms are factoring in the forthcoming significant reductions in public sector expenditure and consequent reduced consumer demand are increasingly concerned these will adversely influence turnover, profitability and demand over the next year.

The optimism and sense of improving trading conditions evident in the first half of 2010 have been replaced with more concerns as to weakening trends in turnover and profitability over the next year.

#### Business confidence

Business optimism declined in all sectors during quarter 3. Manufacturing, construction retail and wholesale optimism were all at the lowest levels since the first quarter of 2009.

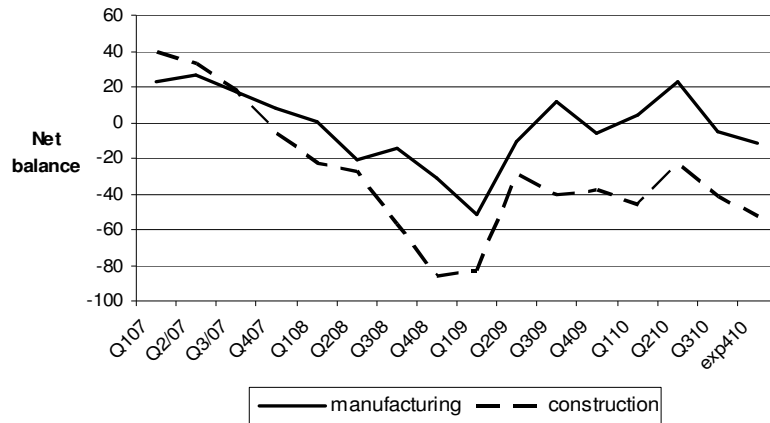


#### Demand/sales

In manufacturing, the trend in total orders declined sharply with orders from all areas declining (the net trend in exports is at the lowest level since quarter 4 2008). The declining trends in the levels of work in progress continued. In construction demand remained depressed with more than half of firms reporting downward trends in total new orders and two thirds reported declining levels of public sector contracts.

Retail sales trends were at their weakest since the first quarter of 2009, reflecting weak consumer confidence, although the major multiple retailers continued to report rising sales. In tourism the outturn for Q3 was worse than anticipated and the declining net trends in visitor numbers were worse than in Q3 2009; once again the trend in demand for accommodation and conference facilities remained weak.

### Trends in total orders - net balances



Capacity/work in progress

Average capacity used in manufacturing fell by 4.6 percentage points. Construction firms reported a small increase (2.4 percentage points) over the past quarter.

### Average capacity used



In construction the proportion reporting working below optimum levels increased from 62% in quarter 2 to 83%. In tourism occupancy declined in quarter 3, and was at a lower level than in quarter 3 2009. Discounting of room rates remained evident.

Cost pressures

Once again raw material/suppliers prices and transport costs were widely reported. More than 80% of manufacturing, 94% of wholesale and 78% of retail respondents reported pressures to raise prices due to rising raw material/suppliers' prices. 94% of wholesale, 42% of manufacturing and 42% of retail respondents reported rising transport costs.

Pay and employment

Labour market activity remained subdued, recruitment activity and recruitment difficulties likewise remained at much lower levels. Pay increases ranged from 1.5% in construction to 6.5% in retail (this figure was skewed as fewer than 10% increased wages/salaries in this sector and one large increase was reported). Generally wage increases remain at historically low levels.

## Outlook

The underlying weaknesses in demand and consumer spending are more evident now than at the end of the second quarter. The uncertainty surrounding the pace and impact of the public sector spending cuts is both sapping business confidence and leading firms to expect a further weakening in demand and activity. At present the decline in capacity utilisation and trends in work in progress is slight but respondents fear, in the current uncertain climate, a further deterioration in the fourth quarter and in 2011. Activity in construction is set to remain weak, but the expectations for the year ahead are more depressed than in previous quarters. In the service sector consumer confidence continues to remain weak and retail sales trends remain flat. Activity and occupancy in tourism was only slight down on the averages for the third quarters of previous years, but there are some signs of weakening demand for conference/function as well as bar/restaurant facilities. The trends for the fourth quarter of 2010 and for the next two to three years will be shaped by the reductions in public sector expenditure and employment, likely tax changes and the extent to the 'age of austerity and exchange rate cutting' across Europe weaken economic recovery.

## MANUFACTURING

### Optimism

Respondents reported being less confident than a year ago and also less optimistic compared to the third quarter of last year.

### Orders and Sales

Average capacity utilisation declined by almost 5 percentage points, previous positive trends in work in progress and rising trends in orders and sales were reversed in quarter three with a net balance of firms reporting a decline (firms in the second quarter survey had expected a weakening in these trends).

Respondents anticipate some further weakening in these trends in the fourth quarter, with the net trend in total orders and sales remaining negative.

Cost pressures, especially raw material and to a lesser extent transport costs, continued to cause most concern to firms during quarter three. Nevertheless, the net trend in turnover is expected to remain positive over the coming twelve months whereas profitability is now being forecast to decline.

### Investment

Trends in investment of equipment declined with remaining investment mainly directed towards replacement. Investment for R & D and introducing new products/developing new markets remained low.

### Employment

Declining trends in employment and hours worked were reported, and expenditure on training continued to ease. Recruitment activity remained subdued and few recruitment difficulties were reported.

	Up	Q3 2010		Net Balances		
		Level	Down	Q3/10	Q2/10	Q1/10
<b>Business Optimism</b>	16.9	61.0	22.1	-5.2	7.7	15.9
<b>Trends in actual orders</b>						
Total new orders	23.4	48.1	28.6	-5.2	22.7	4.3
Scottish orders	16.4	56.2	27.4	-11.0	-3.3	-7.5
Rest of UK orders	13.6	62.1	24.2	-10.6	7.0	-8.3
Export orders [35% = N/A]	13.2	31.6	14.5	-1.3	18.2	8.7
<b>Trends in expected orders</b>						
Total new orders	15.8	56.6	27.6	-11.8	-3.1	20.9
Scottish orders	14.1	54.9	31.0	-16.9	-16.9	7.8
Rest of UK orders	15.6	54.7	29.7	-14.1	-5.5	6.9
Export orders (36% = N/A)	11.8	34.2	13.2	-1.3	1.6	19.1
Av Capacity used	76.8			76.8	81.4	75.1
Invest in plant/equip.	17.8	58.9	23.3	-5.5	4.9	-6.3
Cash flow past 3 moths	19.5	58.4	22.1	-2.6	15.2	0
Turnover next 12 moths	32.5	46.8	20.8	-11.7	22.7	22.9
Profitability next 12 moths	24.7	40.3	35.1	-10.4	7.6	-5.8
Price change next 3 moths	33.8	59.7	6.5	27.3	37.9	28.6
<b>Pressures to raise prices from</b>						
Pay settlements	28.6			28.6	22.7	27.1
Raw material costs	84.4			84.4	80.3	64.3
Finance costs	11.7			11.7	12.1	14.3
Other overheads	28.6			28.6	39.4	41.4
Transport costs	41.6			41.6	51.5	37.1
<b>Employment trends</b>						
Total actual employment	10.5	69.7	19.7	-9.2	4.5	-8.6
Total expected next 3 months	8.1	68.9	23.0	-14.9	0	-6.1
Average pay increase	3.2			3.2	2.7	2.9

## CONSTRUCTION

### *Optimism*

Business confidence declined sharply among chamber of commerce construction respondents in the three months to the end of September (the lowest net balance since Q1 2009).

### *Contracts*

Demand remained weak among construction firms with orders from all areas declining further during the third quarter. 83% of firms reported working below optimum levels.

Expectations as to contracts over the next three months and turnover, tender margins and profitability over the next twelve months remain weak. There is much to suggest that expectations continue to be influenced by continued speculation concerning announcements as to reductions in public sector capital projects expected in the Comprehensive Spending Review.

Average capacity rose marginally to 75%, similar to levels one year ago, but remains some 14 percentage points lower than in 2007.

### *Employment*

Employment levels continued to decline and further declines are anticipated during quarter four. Recruitment activity and average pay increases remain at historically low levels, few recruitment difficulties are reported.

	Q3 2010			Net Balances		
	Up	Level	Down	Q3/10	Q2/10	Q1/10
<b>Business Optimism</b>	12.5	33.3	54.2	-41.7	-24.1	-30.8
<b>Trends in actual contracts</b>						
Total new contracts	12.5	33.3	54.2	-41.7	-24.1	-46.2
Public sector orders	0.0	33.3	66.7	-66.7	-34.8	-70.0
Private commercial	9.5	47.6	42.9	-33.3	-33.3	-47.8
Domestic/house build	10.0	25.0	65.0	-55	-45.0	-54.2
<b>Trends in expected contracts</b>						
Total new orders	8.7	30.4	60.9	-52.2	-31.0	-38.5
Public sector orders	7.1	21.4	71.4	-64.3	-56.5	-38.1
Private commercial	10.0	40.0	50.0	-40	-29.2	-47.8
Domestic/house build	5.3	36.8	57.9	-52.6	-45.0	-37.5
<b>Trends in work in progress</b>						
Actual	16.7	62.5	20.8	-4.2	-29.6	-20.0
Expected	8.7	17.4	73.9	-65.2	-42.9	-41.6
<b>Capacity used</b>	75.0			75	72.6	65.3
<b>Invest in plant/equip.</b>	0.0	29.2	70.8	-70.8		-41.7
<b>Leasing in plant/equipment.</b>	0.0	41.7	58.3	-58.3		-33.3
<b>Employment trends</b>						
Total actual employment	8.3	62.5	29.2	-20.8	-31	-44.0
Total expected next 3 months	0.0	50.0	50.0	-50	-27.6	-32.0
<b>Average pay increase</b>	1.5			1.5	2.7	4.0
Percent recruiting staff	20.8			20.8	17.9	20.0
Recruitment difficulties increasing	11.1			11.1	6.3	0.0

## WHOLESALE DISTRIBUTION

### Optimism

Business confidence amongst Scottish wholesale respondents remained weak, with no respondents reporting a rise in business confidence.

### Sales

Sales trends weakened during the three months to September although more than half of firms reported increasing or level sales; however almost two thirds anticipated a decline during quarter four.

Almost all firms reported pressures to raise prices, as respondents report rising transport costs and supplier prices.

Wholesalers have revised their expectations downwards for both turnover and profitability over the coming year; more than half of respondents now expect both to decline.

### Finance

Most firms reported that their investment intentions remained unchanged, nevertheless there was a net decline.

### Employment

Fewer than 20% sought to recruit staff, compared to more than 50% in the previous quarter. No responding firms increased pay during quarter three.

	Q2 2010			Net Balances		
	Up	Level	Down	Q3/10	Q2/10	Q1/10
<b>Business Optimism</b>	0	62.5	37.5	-37.5	-12.5	-7.7
<b>Trend in actual sales</b>	18.8	43.8	37.5	-18.8	-6.8	7.7
<b>Trend in expected sales</b>	15.4	46.2	38.5	-23.1	0.0	12.5
<b>Investment plans</b>	6.3	62.5	31.3	-25	18.75	-42
<b>Cash flow past 3 months</b>	18.8	43.8	37.5	-18.8	-12.5	0.0
Turnover next 12 months	12.5	25.0	62.5	-50	0	0.0
Profitability next 12 months	18.8	25.0	56.3	-37.5	6.2	-7.7
Price change next 3 months	75.0	25.0	0.0	75	75	38.5
<b>Pressures to raise prices from</b>						
<b>Pay settlements</b>	12.5			12.5	32.0	30.8
<b>Raw material costs</b>	93.8			93.8	68.8	61.5
<b>Finance costs</b>	25.0			25	25	7.7
<b>Other overheads</b>	12.5			12.5	56.3	38.5
<b>Transport costs</b>	93.8			93.8	75.0	76.9
<b>Employment trends</b>						
Total actual employment	12.5	62.5	25.0	-12.5	0.0	-9.1
Expected next 3 months	0.0	57.1	42.9	-42.9	-31.3	-9.1
<b>Average pay increase</b>	0			0	3.62	3.5
Percent recruiting staff	18.8			18.8	56.3	36.4
Recruitment difficulties inc	0			0	7.7	9.1

## RETAIL DISTRIBUTION

### Optimism

The net trends in retail confidence in the third quarter were the weakest since the onset of the recession. Weak consumer demand, consumer uncertainty, the continued growth of the major multiples and rising price pressures underpin the weak trends in business optimism.

### Sales

The trend in sales remained weak with more than 60% reporting and expecting a decline in the total value of sales. Only 12% reported increased sales, and once again continued concerns over consumer confidence are moderating sales expectations for the fourth quarter.

### Finance

Cost pressures, especially suppliers' prices remain significant and pressures to increase prices remain high. Pressures on margins look set to increase with two-thirds of firms anticipating weakening trends in both turnover and profitability over the next year.

### Employment

Labour market activity remains at low levels with 70% of retailers reporting and almost 90% expecting no change to overall employment levels. Recruitment activity in the third quarter, whilst just as strong as a year ago, remains at historically low levels.

Fewer than 10% reported increasing pay, and the average increase in for quarter 3 2010 was 6.5%.

	Q3 2010			Net Balances		
	Up	Level	Down		Q2/10	Q1/10
<b>Business Optimism</b>	4.9	34.1	61.0	-56.1	-46.5	-54.5
<b>Trend in actual sales</b>	12.2	22.0	65.9	-53.7	-46.5	-48.5
<b>Trend in expected sales</b>	10.5	28.9	60.5	-50	-43.9	-45.5
<b>Cash flow past 3 months</b>	7.3	65.9	26.8	-19.5	-14.3	-9.1
Turnover next 12 months	7.3	26.8	65.9	-58.3	-37.2	-15.2
Profitability next 12 months	10.0	25.0	65.0	-55	-46.5	-40.6
Price change next 3 months	73.2	24.4	2.4	70.7	67.4	69.7
<b>Pressures to raise prices from</b>						
<b>Pay settlements</b>	24.4			24.4	20.9	18.2
<b>Raw material costs</b>	78.0			78	65.1	63.6
<b>Finance costs</b>	26.8			26.8	25.6	24.2
<b>Other overheads</b>	19.5			19.5	16.3	33.3
<b>Transport costs</b>	41.5			41.5	46.5	45.5
<b>Utility costs</b>	36.6			36.6	32.6	48.5
<b>Regulation costs</b>	34.1			34.1	37.2	39.4
<b>Employment trends</b>						
Total actual employment	5.1	71.8	23.1	-17.9	-11.6	-25.0
Expected next 3 months	5.4	89.2	5.4	0	-20.0	-13.3
<b>Average pay increase</b>	6.5			6.5	2.56	2.5
Percent recruiting staff	23.1			23.1	23.3	28.1
Recruitment difficulties inc	35.3			35.3	14.3	23.1

## TOURISM

### Optimism

Overall business confidence weakened, whilst occupancy figures remained little changed from previous years average daily spend eased and demand from abroad remained flat.

### Demand

Average occupancy declined marginally to 70.3%, slightly lower than a year ago. Visitors from all areas declined and are expected to decline further in quarter four. Trends in bar/restaurant trade and most notably in conference/function facilities remained weak. The trends in visitor numbers were significantly worse than in q3 2009. Overall local and business demand accounted for 47% of total demand and tourist demand accounted for 53% of total demand in the third quarter.

More than a third reported reducing average room rates and the discounting of rates is set to continue for 40% of hotels in the three months to the end of December.

### Business constraints

More than 80% reported that the lack of tourist demand remained the primary business constraint but once again almost a third felt that their area had suffered due to poor marketing.

### Employment

Fewer than half (compared to two thirds in quarter two) sought to recruit staff. Net declining trends in employment continued and are expected to accelerate in quarter four. Once again, notwithstanding the weak demand for staff difficulties in recruiting suitable chefs were evident.

	Q3 2010			Net Balances		
	Up	Level	Down	Q3/10	Q2/10	Q1/10
<b>Business Optimism</b>	22.7	50.0	27.3	-4.5	10.7	-11.6
<b>Trends in demand/visitors</b>						
Total demand/visitors	18.2	38.6	43.2	-25	-10.5	-39.5
Demand from Scotland	18.2	50.0	31.8	-13.6	-10.7	-34.9
Demand from Rest of UK	22.2	40.0	37.8	-15.6	-7.3	-34.9
Demand from abroad	24.4	28.9	46.7	-22.2	-17.9	-58.1
Business Trade	20.5	43.2	36.4	-15.9	-18.5	-46.5
<b>Trends in expected demand</b>						
Total demand/visitors	12.2	36.6	51.2	-39	9.6	-13.2
Demand from Scotland	10.0	47.5	42.5	-32.5	20.0	-13.5
Demand from Rest of UK	7.3	46.3	46.3	-39	13.7	-8.1
Demand from abroad	7.3	29.3	63.4	-56.1	-2.0	-19.4
Business Trade	10.0	37.5	52.5	-42.5	-16.3	-25.0
<b>Occupancy</b>	70.3			70.3	71.4	46.6
Average daily rate	20.5	43.2	36.4	-15.9	-21.4	-48.8
Expected average daily rate	16.3	44.2	39.5	-23.3	-5.8	-9.7
<b>Employment trends</b>						
Total actual employment	16.7	54.8	28.6	-11.9	-14.8	-15.0
Expected next 3 months	7.1	50.0	42.9	-35.7	-2.0	5.0
<b>Average pay increase</b>	6.3			6.3	3.0	5.5
Percent recruiting staff	48.9			48.9	66.1	50.0
Recruitment difficulties	11.8			11.8	29.4	15.4

**MANUFACTURING ALL CHAMBERS**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	<b>%</b>	<b>%</b>	<b>%</b>	
Optimism compared to 3 months ago	16.9	61.0	22.1	
Optimism compared to year ago	36.4	37.7	26.0	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	23.4	48.1	28.6	
Expected trend next 3 months in total value of new orders	15.8	56.6	27.6	
Actual trend in value of Scottish orders	16.4	56.2	27.4	
Expected trend next 3 months in total value of Scottish orders	14.1	54.9	31.0	
Actual trend in value of RUK orders	13.6	62.1	24.2	
Expected trend next 3 months in total value of RUK orders	15.6	54.7	29.7	
Actual trend in value of export orders	13.2	31.6	14.5	40.8
Expected trend next 3 months in total value of export orders	11.8	34.2	13.2	40.8
<b>Trend in</b>				
Actual trend in value of total sales	26.0	50.6	23.4	
Expected trend next 3 months in total value of new sales	14.5	59.2	26.3	
Actual trend in value of Scottish sales	17.8	54.8	27.4	
Expected trend next 3 months in value of Scottish sales	13.9	54.2	31.9	
Actual trend in value of RUK sales	16.9	61.5	21.5	
Expected trend next 3 months in value of RUK sales	13.8	58.5	27.7	
Actual trend in value of export sales	16.9	28.6	14.3	40.3
Expected trend next 3 months in value of Export sales	11.7	29.9	18.2	40.3
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Actual trend of work in progress	20.8	53.2	26.0	
Expected trend next 3 months of work in progress	10.7	61.3	28.0	
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Stocks of raw materials/components	16.9	67.5	15.6	
Stocks of finished goods	13.5	67.6	18.9	
Average capacity utilisation	76.8			
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Is capacity used above/below preferred levels	5.3	36.8	57.9	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Investment in plant/equipment next 12 months	17.8	58.9	23.3	
Leasing of plant/equipment next 12 months	6.1	66.7	27.3	
<b>Reason for investment</b>				
Replacement	36.4			
Expand capacity	13.0			
Increase efficiency	27.3			
R & D new products/processes	2.6			
Introduce new products/develop new markets	11.7			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	19.5	58.4	22.1	
Turnover expected trend next 12 months	32.5	46.8	20.8	
Profits expected trend next 12 months	24.7	40.3	35.1	
Total orders expected trend next 12 months	25.3	44.0	30.7	
Scottish/Rest of UK orders expected trend next 12 months	16.7	48.6	34.7	
Export orders expected trend next 12 months	18.2	32.5	13.0	36.4
Prices over next 3 months	33.8	59.7	6.5	

**Pressure to raise prices from**

Pay settlements	28.6
Raw material costs	84.4
Finance costs	11.7
Other costs	28.6
Transport costs	41.6

**More of a concern than 3 months ago**

Interest rates	22.1
Exchange rates	16.9
Business rates	22.1
Inflation	20.8
Competition	26.0
Taxation	20.8
Orders and sales	50.6
Labour shortages	10.4
Capacity	16.9

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	10.5	69.7	19.7
Expected trend in total employment	8.1	68.9	23.0
Actual trend in full time	11.8	71.1	17.1
Expected trend in full time	5.5	76.7	17.8
Actual trend in temporary employment	11.1	69.8	19.0
Expected trend in temporary employment	8.3	68.3	23.3
Actual trend in total hours worked	18.7	58.7	22.7
Expected trend in total hours worked	10.8	67.6	21.6
Actual expenditure on training	10.6	69.7	19.7
Expected expenditure on training	9.2	72.3	18.5

	<b>YES</b>	<b>NO</b>	
Increased pay last 3 months	22.1	77.9	
Average increase	3.2		

	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Attempted to recruit last 3 months	29.9	70.1	

**Difficulties recruiting**

Professional and managerial	3.9	11.7	84.4
Technical	2.6	11.7	85.7
Clerical	1.3	16.9	81.8
Skilled manual	7.8	11.7	80.5
Other manual	1.3	15.6	83.1
Young workers	3.9	11.7	84.4

	<b>YES</b>	<b>NO</b>
Difficulties in recruiting employees in particular occupations	18.8	81.2

Difficulties in retaining employees in particular occupations	8.3	91.7
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## CONSTRUCTION ALL CHAMBERS

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in:</b>	<b>%</b>	<b>%</b>	<b>%</b>
Optimism three months ago	12.5	33.3	54.2
Optimism in the same period a year ago	4.2	37.5	58.3
<b>Trend in:</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Total value new contracts	12.5	33.3	54.2
Expected value new contracts	8.7	30.4	60.9
Actual public sector work	0.0	33.3	66.7
Expected public sector work	7.1	21.4	71.4
Actual private commercial work	9.5	47.6	42.9
Expected private commercial work	10.0	40.0	50.0
Actual domestic/house build	10.0	25.0	65.0
Expected domestic/house build	5.3	36.8	57.9
<b>Trend in:</b>			
Actual work in progress	16.7	62.5	20.8
Expected work in progress next 6 months	8.7	17.4	73.9
Working at optimum levels	0.0	16.7	83.3
Average Capacity Utilisation	75.0		
<b>Investment/leasing plans</b>			
Plant/equipment investment	0.0	29.2	70.8
Hiring/leasing plant & equip	0.0	41.7	58.3
<b>Investment reasons</b>			
Replacement	37.5		
Expand capacity	0.0		
Increase efficiency	4.2		
Compete in new areas	20.8		
Complete new contracts	0.0		
Training for employees	4.2		
<b>Trend in</b>	<b>IMPROVED</b>	<b>LEVEL</b>	<b>EASED</b>
cash flow past 3 months	16.7	54.2	29.2
turnover next 12 months	8.3	41.7	50.0
profitability next 12 months	4.2	16.7	79.2
tender margins next 12 months	4.2	16.7	79.2
Building costs	58.3	20.8	20.8
<b>Other costs</b>	34.8	56.5	8.7
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	8.3	62.5	29.2
Expected total employment	0.0	50.0	50.0
Actual full time	8.7	60.9	30.4
Expected full time	0.0	52.4	47.6
Actual temporary	8.3	66.7	25.0
Expected temporary	0.0	45.5	54.5
Actual sub contract	5.0	60.0	35.0
Expected sub contract	10.5	47.4	42.1
Actual self employed	0.0	65.0	35.0
Expected self employed	5.6	50.0	44.4
Actual overtime	10.0	35.0	55.0
Expected overtime	0.0	50.0	50.0

Firms increasing wages	4.3	95.7	
Average increase	1.5		
	<b>YES</b>	<b>NO</b>	
recruited past 3 months	20.8	79.2	
<b>Experienced difficulties</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruiting professional/managerial	0.0	8.3	91.7
Recruiting technical	0.0	4.2	95.8
Recruiting skilled	4.2	8.3	87.5
Recruiting other manual	0.0	12.5	87.5
Recruiting young workers & trainees	0.0	8.7	91.3
	<b>INCREASED</b>	<b>NO CHANGE</b>	<b>EASED</b>
Recruitment difficulties	11.1	88.9	0.0
	<b>YES</b>	<b>NO</b>	
Retention difficulties	8.7	91.3	

**WHOLESALE DISTRIBUTION ALL CHAMBERS**

<b>Trend in</b>	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
Optimism (last 3 months)	0	62.5	37.5
Optimism a year ago	12.5	50.0	37.5
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	18.8	43.8	37.5
Expected trend in sales	15.4	46.2	38.5
<b>Trend in</b>	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Investment intentions	6.3	62.5	31.3
<b>Trend in</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Cash flow trend past 3 months	18.8	43.8	37.5
Turnover trend next 12 months	12.5	25.0	62.5
Profitability next 12 months	18.8	25.0	56.3
<b>During next 3 months</b>	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Anticipate prices to	75.0	25.0	0.0
<b>Pressure from</b>			
Pay settlements	12.5		
Raw material costs	93.8		
Finance costs	25.0		
Other overheads	12.5		
Transport costs	93.8		
<b>Business concerns</b>			
Interest rates	37.5		
Exchange rates	43.8		
Business rates	12.5		
Inflation	43.8		
Competition	68.8		
Corporate taxation	12.5		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Actual total employment	12.5	62.5	25.0
Expected total employment	0.0	57.1	42.9
Actual full time employment	13.3	66.7	20.0
Expected full time employment	0.0	61.5	38.5
Actual part time employment	0.0	80.0	20.0
Expected part time employment	0.0	69.2	30.8
Actual temporary employment	0.0	72.7	27.3
Expected temporary employment	0.0	70.0	30.0
Actual permanent employment	15.4	69.2	15.4
Expected permanent	0.0	72.7	27.3
Actual overtime	0.0	57.1	42.9
Expected overtime working	0.0	58.3	41.7
<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	0.0	100.0	
Average increase	n/a		

<b>During next 3 months</b>	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
Trend in training provision	12.5	87.5	0.0
<b>Over last 3 months</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
recruited staff past 3 months	18.8	81.3	
<b>Difficulties recruiting</b>			
Professional and managerial	0.0	18.8	81.3
Technical	12.5	6.3	81.3
Clerical workers	0.0	12.5	87.5
Skilled manual	0.0	12.5	87.5
Other manual	6.3	6.3	87.5
Part time	0.0	12.5	87.5
Temporary	0.0	6.3	93.8
16 - 24 year olds	0.0	12.5	87.5
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	0.0	88.9	11.1
	<b>YES</b>	<b>NO</b>	
Recruitment problems	18.2	81.8	
Retention problems	0.0	100.0	
	<b>YES</b>	<b>NO</b>	
<b>Do you have</b>	<b>%</b>	<b>%</b>	
E mail address	87.5	12.5	
Web site	75.0	25.0	
	<b>YES</b>	<b>NO</b>	
<b>Do you use them for</b>			
Communication	100.0	0.0	
Publicity	71.4	28.6	
Ordering goods/services	71.4	28.6	
Receive payment	35.7	64.3	

**RETAIL DISTRIBUTION ALL CHAMBERS**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	<b>%</b>	<b>%</b>	<b>%</b>
Optimism (last 3 months)	4.9	34.1	61.0
Optimism a year ago	14.6	19.5	65.9
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	12.2	22.0	65.9
Expected trend in sales	10.5	28.9	60.5
Actual value of sales	12.8	23.1	64.1
Expected value of sales	16.7	19.4	63.9
<b>Trend in investment intentions for:</b>	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Premises	7.3	68.3	24.4
I.T.	16.2	62.2	21.6
Vehicles	2.6	71.8	25.6
<b>Trend in</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Cash flow trend past 3 months	7.3	65.9	26.8
Turnover trend next 12 months	7.3	26.8	65.9
Profitability next 12 months	10.0	25.0	65.0
During next 3 months	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Anticipate prices to	73.2	24.4	2.4
<b>Pressure from</b>			
Pay settlements	24.4		
Raw material/supplier prices	78.0		
Finance costs	26.8		
Other overheads	19.5		
Transport costs	41.5		
Utility (gas, electricity, water) charges	36.6		
Regulation	34.1		
<b>Business concerns</b>			
Interest rates	29.3		
Exchange rates	14.6		
Business rates	26.8		
Inflation	29.3		
Competition	51.2		
Corporate taxation	12.2		
Legislation/regulation	19.5		
Planning/building regulations	4.9		
Transport infrastructure	31.7		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Actual total employment	5.1	71.8	23.1
Expected total employment	5.4	89.2	5.4
Actual full time employment	6.1	69.7	24.2
Expected full time employment	6.1	87.9	6.1
Actual part time employment	2.9	82.9	14.3
Expected part time employment	3.0	90.9	6.1
Actual temporary employment	0.0	82.6	17.4
Expected temporary employment	4.5	72.7	22.7
Actual permanent employment	3.8	80.8	15.4
Expected permanent	7.7	88.5	3.8
Actual overtime	4.2	75.0	20.8
Expected overtime working	4.2	58.3	37.5

<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	7.5	92.5	
Average increase	6.5		
<b>During next 3 months</b>	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
Trend in training provision	5.1	92.3	2.6
Over last 3 months recruited staff past 3 months	<b>YES</b>	<b>NO</b>	<b>N/A</b>
	23.1	76.9	
<b>Difficulties recruiting</b>			
Professional and managerial	10.3	5.1	84.6
Skilled	12.8	7.7	79.5
Full time	7.7	10.3	82.1
Part time	5.1	15.4	79.5
16 - 24 year olds	2.6	12.8	84.6
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	14.3	57.1	28.6
	<b>YES</b>	<b>NO</b>	
Recruitment problems	35.3	64.7	
Retention problems	8.3	91.7	
<b>Is the business</b>	<b>Yes</b>		
An independent store	94.6		
Part of a national/international group	5.4		
<b>Type of shopping area</b>			
Shopping centre	0.0		
High/main street	0.0		
Other	74.3		
Retail park	22.9		
<b>Location</b>			
Out of town shopping centre			
City/town centre	2.6		
City/town suburbs	63.2		
Village/rural	13.2		

**TOURISM LEISURE ALL CHAMBERS**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>			
Optimism	22.7	50.0	27.3
Optimism now compared to current season	18.6	51.2	30.2

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
<b>Trend in</b>			
Total number of guests	18.2	38.6	43.2
Expected total number of guests	12.2	36.6	51.2
Guests from Scotland	18.2	50.0	31.8
Expected guests from Scotland	10.0	47.5	42.5
Guests from the rest of the UK	22.2	40.0	37.8
Expected guests from the rest of the UK	7.3	46.3	46.3
Guests from abroad	24.4	28.9	46.7
Expected guests from abroad	7.3	29.3	63.4
Business trade	20.5	43.2	36.4
Expected business trade	10.0	37.5	52.5
Actual demand for accommodation	20.0	35.0	45.0
Expected demand for accommodation	13.5	29.7	56.8
Actual use of bar/restaurant staff	25.0	36.1	38.9
Expected use of bar/restaurant staff	17.1	37.1	45.7
Actual use of function/conference facilities	15.2	27.3	57.6
Expected use of function/conference facilities	21.9	21.9	56.3

**Limits to sales**

Lack of demand	82.2
Insufficient space	2.2
Lack of local amenities	15.6
Shortage of labour	4.4
Poor transport infrastructure	22.2
Competition	26.7
Poor internet service	2.2
High exchange rate	15.6
Weak marketing of area	31.1
Problems with booking service	0
Average occupancy	70.3

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
<b>Trend in</b>			
Actual in turnover	27.3	29.5	43.2
Expected turnover	14.0	39.5	46.5
Actual margins	20.5	47.7	31.8
Expected margins	16.3	39.5	44.2
Average room rate	20.5	43.2	36.4
Expected room rate	16.3	44.2	39.5

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
<b>Trend in</b>			
Actual total employment	16.7	54.8	28.6
Expected total employment	7.1	50.0	42.9
Actual full time employment	8.1	67.6	24.3
Expected full time employment	2.8	63.9	33.3
Actual part time	13.9	58.3	27.8
Expected part time	2.8	63.9	33.3
Actual seasonal	17.1	54.3	28.6
Expected seasonal	2.9	50.0	47.1
Actual overtime	7.1	46.4	46.4
Expected overtime	0.0	42.9	57.1

	<b>YES</b>	<b>NO</b>	
Increased pay	8.9	91.1	
Average increase	6.3		
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruited staff past 3 months	48.9	51.1	
<b>Difficulties recruiting</b>			
Managerial, clerical & front of house staffs	13.3	20.0	66.7
Skilled e.g. Chefs/cooks	24.4	13.3	62.2
Bar, waiting & cleaning staff	15.6	24.4	60.0
Part time staff	13.3	31.1	55.6
Temporary staffs	15.6	13.3	71.1
	<b>YES</b>	<b>YES &amp; INC</b>	<b>NO</b>
Recruitment difficulties	11.8	23.5	64.7
Staff retention difficulties	3.2	9.7	87.1
	<b>YES</b>	<b>NO</b>	
Email address	97.7	2.3	
Web site	97.6	2.4	
Communications within company	88.4	11.6	
Publicity/marketing	79.1	20.9	
Ordering	86.0	14.0	
Payments	39.5	60.5	

# **ABERDEEN, GRAMPIAN & HIGHLAND**



**MANUFACTURING ABERDEEN, GRAMPIAN & HIGHLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	<b>%</b>	<b>%</b>	<b>%</b>	
Optimism compared to 3 months ago	27	47	27	
Optimism compared to year ago	40	40	20	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	33	47	20	
Expected trend next 3 months in total value of new orders	13	60	27	
Actual trend in value of Scottish orders	27	60	13	
Expected trend next 3 months in total value of Scottish orders	13	60	27	
Actual trend in value of RUK orders	29	57	14	
Expected trend next 3 months in total value of RUK orders	21	57	21	
Actual trend in value of export orders	13	53	7	27
Expected trend next 3 months in total value of export orders	20	40	13	27
<b>Trend in</b>				
Actual trend in value of total sales	33	47	20	
Expected trend next 3 months in total value of new sales	13	67	20	
Actual trend in value of Scottish sales	27	53	20	
Expected trend next 3 months in value of Scottish sales	13	60	27	
Actual trend in value of RUK sales	29	57	14	
Expected trend next 3 months in value of RUK sales	21	64	14	
Actual trend in value of export sales	13	53	7	27
Expected trend next 3 months in value of Export sales	20	40	13	27
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Actual trend of work in progress	33	53	13	
Expected trend next 3 months of work in progress	20	53	27	
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Stocks of raw materials/components	13	73	13	
Stocks of finished goods	7	80	13	
Average capacity utilisation	75.9			
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Is capacity used above/below preferred levels	0	40	60	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Investment in plant/equipment next 12 months	29	43	29	
Leasing of plant/equipment next 12 months	17	50	33	
<b>Reason for investment</b>				
Replacement	20			
Expand capacity	20			
Increase efficiency	33			
R & D new products/processes	7			
Introduce new products/develop new markets	13			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	7	60	33	
Turnover expected trend next 12 months	33	53	13	
Profits expected trend next 12 months	20	47	33	
Total orders expected trend next 12 months	27	47	27	
Scottish/Rest of UK orders expected trend next 12 months	20	47	33	
Export orders expected trend next 12 months	20	47	7	27
Prices over next 3 months	40	53	7	

**Pressure to raise prices from**

Pay settlements	20
Raw material costs	93
Finance costs	7
Other costs	27
Transport costs	33

**More of a concern than 3 months ago**

Interest rates	20
Exchange rates	7
Business rates	33
Inflation	20
Competition	20
Taxation	7
Orders and sales	60
Labour shortages	7
Capacity	7

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	13	80	7
Expected trend in total employment	7	73	20
Actual trend in full time	13	67	20
Expected trend in full time	7	80	13
Actual trend in temporary employment	0	83	17
Expected trend in temporary employment	8	58	33
Actual trend in total hours worked	15	54	31
Expected trend in total hours worked	8	54	38
Actual expenditure on training	8	69	23
Expected expenditure on training	8	77	15

**YES NO**

Increased pay last 3 months	33	67
Average increase	5.4	

**YES NO N/A**

Attempted to recruit last 3 months	33	67	
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**Difficulties recruiting**

Professional and managerial	13	20	67
Technical	13	13	73
Clerical	7	20	73
Skilled manual	7	20	73
Other manual	0	20	80
Young workers	0	20	80

**YES NO**

Difficulties in recruiting employees in particular occupations	29	71
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Difficulties in retaining employees in particular occupations	0	100
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**CONSTRUCTION ABERDEEN, GRAMPIAN & HIGHLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in:</b>	<b>%</b>	<b>%</b>	<b>%</b>
Optimism three months ago	20	80	0
Optimism in the same period a year ago	0	60	40
<b>Trend in:</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Total value new contracts	0	80	20
Expected value new contracts	0	75	25
Actual public sector work	0	25	75
Expected public sector work	0	33	67
Actual private commercial work	0	80	20
Expected private commercial work	0	75	25
Actual domestic/house build	20	40	40
Expected domestic/house build	25	50	25
<b>Trend in:</b>			
Actual work in progress	0	80	20
Expected work in progress next 6 months	0	50	50
Working at optimum levels	0	20	80
Average Capacity Utilisation	76.2		
<b>Investment/leasing plans</b>			
Plant/equipment investment	0	40	60
Hiring/leasing plant & equip	0	40	60
<b>Investment reasons</b>			
Replacement	0		
Expand capacity	0		
Increase efficiency	0		
Compete in new areas	0		
Complete new contracts	0		
Training for employees	0		
<b>Trend in</b>	<b>IMPROVED</b>	<b>LEVEL</b>	<b>EASED</b>
cash flow past 3 months	0	80	20
turnover next 12 months	0	80	20
profitability next 12 months	0	20	80
tender margins next 12 months	0	20	80
Building costs	80	20	0
<b>Other costs</b>	40	60	0
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	0	80	20
Expected total employment	0	75	25
Actual full time	0	80	20
Expected full time	0	75	25
Actual temporary	0	67	33
Expected temporary	0	50	50
Actual sub contract	0	80	20
Expected sub contract	0	75	25
Actual self employed	0	80	20
Expected self employed	0	75	25
Actual overtime	0	50	50
Expected overtime	0	33	67

Firms increasing wages	0	100	
Average increase	n/a		
	<b>YES</b>	<b>NO</b>	
recruited past 3 months	20	80	
<b>Experienced difficulties</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruiting professional/managerial	0	0	100
Recruiting technical	0	0	100
Recruiting skilled	20	0	80
Recruiting other manual	0	0	100
Recruiting young workers & trainees	0	0	100
	<b>INCREASED</b>	<b>NO CHANGE</b>	<b>EASED</b>
Recruitment difficulties	33	67	0
	<b>YES</b>	<b>NO</b>	
Retention difficulties	20	80	

**RETAIL DISTRIBUTION ABERDEEN, GRAMPIAN & HIGHLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	%	%	%
Optimism (last 3 months)	6	41	53
Optimism a year ago	18	24	59
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	18	24	59
Expected trend in sales	13	27	60
Actual value of sales	13	25	63
Expected value of sales	21	21	57
<b>Trend in investment intentions for:</b>	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Premises	12	24	65
I.T.	15	8	77
Vehicles	7	13	80
<b>Trend in</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Cash flow trend past 3 months	6	65	29
Turnover trend next 12 months	6	29	65
Profitability next 12 months	0	31	69
During next 3 months	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Anticipate prices to	76	24	0
<b>Pressure from</b>			
Pay settlements	29		
Raw material/supplier prices	82		
Finance costs	35		
Other overheads	24		
Transport costs	65		
Utility (gas, electricity, water) charges	35		
Regulation	41		
<b>Business concerns</b>			
Interest rates	24		
Exchange rates	24		
Business rates	29		
Inflation	41		
Competition	53		
Corporate taxation	18		
Legislation/regulation	29		
Planning/building regulations	6		
Transport infrastructure	29		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
	%	%	%
Actual total employment	7	93	0
Expected total employment	0	100	0
Actual full time employment	8	85	8
Expected full time employment	0	100	0
Actual part time employment	0	100	0
Expected part time employment	0	100	0
Actual temporary employment	0	100	0
Expected temporary employment	0	86	14
Actual permanent employment	0	100	0
Expected permanent	0	100	0
Actual overtime	0	75	25
Expected overtime working	0	63	38

<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	6	94	
Average increase	3.5		
<b>During next 3 months</b>	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
Trend in training provision	0	93	7
Over last 3 months recruited staff past 3 months	<b>YES</b>	<b>NO</b>	<b>N/A</b>
	0	100	
<b>Difficulties recruiting</b>			
Professional and managerial	0	7	93
Skilled	0	7	93
Full time	0	7	93
Part time	0	7	93
16 - 24 year olds	0	7	93
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	0	100	0
	<b>YES</b>	<b>NO</b>	
Recruitment problems	0	100	
Retention problems	0	100	
<b>Is the business</b>	<b>Yes</b>		
An independent store	100		
Part of a national/international group	0		
<b>Type of shopping area</b>			
Shopping centre	0		
High/main street	58		
Other	33		
Retail park	8		
<b>Location</b>			
Out of town shopping centre	7		
City/town centre	47		
City/town suburbs	13		
Village/rural	33		

**TOURISM LEISURE ABERDEEN, GRAMPIAN & HIGHLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>			
Optimism	17	50	33
Optimism now compared to current season	11	61	28
<b>Trend in</b>			
	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Total number of guests	6	59	35
Expected total number of guests	0	44	56
Guests from Scotland	18	47	35
Expected guests from Scotland	6	50	44
Guests from the rest of the UK	11	50	39
Expected guests from the rest of the UK	0	53	47
Guests from abroad	22	39	39
Expected guests from abroad	0	35	65
Business trade	12	53	35
Expected business trade	0	38	63
Actual demand for accommodation	12	53	35
Expected demand for accommodation	7	33	60
Actual use of bar/restaurant staff	8	42	50
Expected use of bar/restaurant staff	0	55	45
Actual use of function/conference facilities	10	20	70
Expected use of function/conference facilities	11	22	67
<b>Limits to sales</b>			
Lack of demand	72		
Insufficient space	0		
Lack of local amenities	22		
Shortage of labour	0		
Poor transport infrastructure	28		
Competition	22		
Poor internet service	6		
High exchange rate	17		
Weak marketing of area	28		
Problems with booking service	0		
Average occupancy	71.5		
<b>Trend in</b>			
	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual in turnover	28	33	39
Expected turnover	0	59	41
Actual margins	22	44	33
Expected margins	12	41	47
Average room rate	11	56	33
Expected room rate	0	53	47
<b>Trend in</b>			
	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	6	71	24
Expected total employment	0	65	35
Actual full time employment	0	71	29
Expected full time employment	0	71	29
Actual part time	7	79	14
Expected part time	0	86	14
Actual seasonal	17	58	25
Expected seasonal	0	45	55
Actual overtime	0	57	43
Expected overtime	0	29	71

	<b>YES</b>	<b>NO</b>	
Increased pay	17	83	
Average increase	4.5		
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruited staff past 3 months	44	56	
<b>Difficulties recruiting</b>			
Managerial, clerical & front of house staffs	17	22	61
Skilled e.g. Chefs/cooks	28	11	61
Bar, waiting & cleaning staff	22	22	56
Part time staff	17	28	56
Temporary staffs	17	17	67
	<b>YES</b>	<b>YES &amp; INC</b>	<b>NO</b>
Recruitment difficulties	14	21	64
Staff retention difficulties	7	14	79
	<b>YES</b>	<b>NO</b>	
Email address	94	6	
Web site	94	6	
Communications within company	94	6	
Publicity/marketing	78	22	
Ordering	78	22	
Payments	44	56	

# FORTH VALLEY



**MANUFACTURING FORTH VALLEY**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	%	%	%	
Optimism compared to 3 months ago	0	80	20	
Optimism compared to year ago	20	60	20	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	40	60	0	
Expected trend next 3 months in total value of new orders	0	100	0	
Actual trend in value of Scottish orders	0	100	0	
Expected trend next 3 months in total value of Scottish orders	0	100	0	
Actual trend in value of RUK orders	0	100	0	
Expected trend next 3 months in total value of RUK orders	0	100	0	
Actual trend in value of export orders	20	20	0	60
Expected trend next 3 months in total value of export orders	0	40	0	60
<b>Trend in</b>				
Actual trend in value of total sales	40	60	0	
Expected trend next 3 months in total value of new sales	0	100	0	
Actual trend in value of Scottish sales	0	100	0	
Expected trend next 3 months in value of Scottish sales	0	100	0	
Actual trend in value of RUK sales	0	100	0	
Expected trend next 3 months in value of RUK sales	0	100	0	
Actual trend in value of export sales	20	20	0	60
Expected trend next 3 months in value of Export sales	0	40	0	60
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Actual trend of work in progress	20	80	0	
Expected trend next 3 months of work in progress	0	80	20	
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Stocks of raw materials/components	40	40	20	
Stocks of finished goods	25	50	25	
Average capacity utilisation	83.8			
	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Is capacity used above/below preferred levels	0	60	40	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Investment in plant/equipment next 12 months	20	60	20	
Leasing of plant/equipment next 12 months	0	80	20	
<b>Reason for investment</b>				
Replacement	20			
Expand capacity	20			
Increase efficiency	40			
R & D new products/processes	0			
Introduce new products/develop new markets	0			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	0	100	0	
Turnover expected trend next 12 months	40	60	0	
Profits expected trend next 12 months	20	80	0	
Total orders expected trend next 12 months	20	60	20	
Scottish/Rest of UK orders expected trend next 12 months	0	75	25	
Export orders expected trend next 12 months	20	40	0	40
Prices over next 3 months	20	80	0	

**Pressure to raise prices from**

Pay settlements	40
Raw material costs	80
Finance costs	0
Other costs	20
Transport costs	20

**More of a concern than 3 months ago**

Interest rates	20
Exchange rates	0
Business rates	20
Inflation	40
Competition	40
Taxation	40
Orders and sales	60
Labour shortages	0
Capacity	60

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	20	80	0
Expected trend in total employment	0	100	0
Actual trend in full time	20	80	0
Expected trend in full time	0	100	0
Actual trend in temporary employment	0	100	0
Expected trend in temporary employment	0	100	0
Actual trend in total hours worked	20	60	20
Expected trend in total hours worked	0	80	20
Actual expenditure on training	25	50	25
Expected expenditure on training	0	75	25

**YES NO**

Increased pay last 3 months	20	80
Average increase	3.0	

**YES NO N/A**

Attempted to recruit last 3 months	60	40	
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**Difficulties recruiting**

Professional and managerial	0	20	80
Technical	0	20	80
Clerical	0	40	60
Skilled manual	20	20	60
Other manual	0	20	80
Young workers	0	20	80

**YES NO**

Difficulties in recruiting employees in particular occupations	20	80
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Difficulties in retaining employees in particular occupations	20	80
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# DUNDEE & TAYSIDE



**MANUFACTURING DUNDEE & TAYSIDE**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	%	%	%	
Optimism compared to 3 months ago	0	82	18	
Optimism compared to year ago	18	64	18	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	9	55	36	
Expected trend next 3 months in total value of new orders	0	50	50	
Actual trend in value of Scottish orders	0	70	30	
Expected trend next 3 months in total value of Scottish orders	0	56	44	
Actual trend in value of RUK orders	0	70	30	
Expected trend next 3 months in total value of RUK orders	0	56	44	
Actual trend in value of export orders	9	27	9	55
Expected trend next 3 months in total value of export orders	0	36	9	55
<b>Trend in</b>				
Actual trend in value of total sales	18	55	27	
Expected trend next 3 months in total value of new sales	0	50	50	
Actual trend in value of Scottish sales	10	70	20	
Expected trend next 3 months in value of Scottish sales	0	56	44	
Actual trend in value of RUK sales	11	67	22	
Expected trend next 3 months in value of RUK sales	0	67	33	
Actual trend in value of export sales	9	27	9	55
Expected trend next 3 months in value of Export sales	0	36	9	55
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Actual trend of work in progress	9	55	36	
Expected trend next 3 months of work in progress	0	50	50	
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Stocks of raw materials/components	9	64	27	
Stocks of finished goods	9	64	27	
Average capacity utilisation	74.0			
<b>Is capacity used above/below preferred levels</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
	0	40	60	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Investment in plant/equipment next 12 months	10	60	30	
Leasing of plant/equipment next 12 months	0	70	30	
<b>Reason for investment</b>				
Replacement	55			
Expand capacity	0			
Increase efficiency	18			
R & D new products/processes	0			
Introduce new products/develop new markets	9			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	27	55	18	
Turnover expected trend next 12 months	0	64	36	
Profits expected trend next 12 months	9	55	36	
Total orders expected trend next 12 months	0	55	45	
Scottish/Rest of UK orders expected trend next 12 months	0	45	55	
Export orders expected trend next 12 months	0	36	9	55
Prices over next 3 months	45	55	0	

**Pressure to raise prices from**

Pay settlements	45
Raw material costs	82
Finance costs	18
Other costs	36
Transport costs	36

**More of a concern than 3 months ago**

Interest rates	27
Exchange rates	0
Business rates	36
Inflation	9
Competition	9
Taxation	27
Orders and sales	55
Labour shortages	18
Capacity	18

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	0	73	27
Expected trend in total employment	9	73	18
Actual trend in full time	0	82	18
Expected trend in full time	9	82	9
Actual trend in temporary employment	0	73	27
Expected trend in temporary employment	0	73	27
Actual trend in total hours worked	9	64	27
Expected trend in total hours worked	0	73	27
Actual expenditure on training	0	67	33
Expected expenditure on training	0	67	33

	<b>YES</b>	<b>NO</b>	
Increased pay last 3 months	27	73	
Average increase	2.5		

	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Attempted to recruit last 3 months	18	82	

**Difficulties recruiting**

Professional and managerial	9	0	91
Technical	0	0	100
Clerical	0	0	100
Skilled manual	9	0	91
Other manual	0	9	91
Young workers	0	9	91

	<b>YES</b>	<b>NO</b>
Difficulties in recruiting employees in particular occupations	20	80

Difficulties in retaining employees in particular occupations	9	91
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**RETAIL DISTRIBUTION DUNDEE & TAYSIDE**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	<b>%</b>	<b>%</b>	<b>%</b>
Optimism (last 3 months)	0	36	64
Optimism a year ago	0	18	82
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	9	0	91
Expected trend in sales	9	27	64
	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Actual value of sales	10	0	90
Expected value of sales	10	10	80
<b>Trend in investment intentions for:</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Premises	0	9	91
I.T.	27	9	64
Vehicles	0	18	82
<b>Trend in</b>	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Cash flow trend past 3 months	0	73	27
Turnover trend next 12 months	0	18	82
Profitability next 12 months	0	27	73
During next 3 months			
Anticipate prices to	73	27	0
<b>Pressure from</b>			
Pay settlements	18		
Raw material/supplier prices	73		
Finance costs	18		
Other overheads	9		
Transport costs	36		
Utility (gas, electricity, water) charges	36		
Regulation	18		
<b>Business concerns</b>			
Interest rates	36		
Exchange rates	0		
Business rates	27		
Inflation	0		
Competition	55		
Corporate taxation	9		
Legislation/regulation	18		
Planning/building regulations	9		
Transport infrastructure	18		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	0	82	18
Expected total employment	0	100	0
Actual full time employment	0	100	0
Expected full time employment	0	100	0
Actual part time employment	0	78	22
Expected part time employment	0	100	0
Actual temporary employment	0	83	17
Expected temporary employment	0	100	0
Actual permanent employment	0	100	0
Expected permanent	0	100	0
Actual overtime	0	86	14
Expected overtime working	0	86	14

<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	9	91	
Average increase	6.0		
	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
<b>During next 3 months</b>	9	91	0
Trend in training provision			
Over last 3 months	<b>YES</b>	<b>NO</b>	<b>N/A</b>
recruited staff past 3 months	9	91	
<b>Difficulties recruiting</b>			
Professional and managerial	9	0	91
Skilled	9	0	91
Full time	0	9	91
Part time	0	9	91
16 - 24 year olds	0	9	91
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	33	0	67
	<b>YES</b>	<b>NO</b>	
Recruitment problems	33	67	
Retention problems	11	89	
	<b>Yes</b>		
<b>Is the business</b>	90		
An independent store	10		
Part of a national/international group			
<b>Type of shopping area</b>			
Shopping centre	0		
High/main street	100		
Other	0		
Retail park	0		
<b>Location</b>			
Out of town shopping centre	0		
City/town centre	90		
City/town suburbs	0		
Village/rural	10		

**TOURISM LEISURE DUNDEE & TAYSIDE**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	0	57	43
Optimism	0	50	50
Optimism now compared to current season			
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Total number of guests	0	43	57
Expected total number of guests	0	50	50
Guests from Scotland	0	71	29
Expected guests from Scotland	17	50	33
Guests from the rest of the UK	0	71	29
Expected guests from the rest of the UK	0	50	50
Guests from abroad	14	29	57
Expected guests from abroad	0	0	100
Business trade	14	43	43
Expected business trade	0	67	33
Actual demand for accommodation	0	80	20
Expected demand for accommodation	0	60	40
Actual use of bar/restaurant staff	20	80	0
Expected use of bar/restaurant staff	33	33	33
Actual use of function/conference facilities	0	60	40
Expected use of function/conference facilities	17	33	50
<b>Limits to sales</b>			
Lack of demand	100		
Insufficient space	0		
Lack of local amenities	14		
Shortage of labour	14		
Poor transport infrastructure	0		
Competition	29		
Poor internet service	0		
High exchange rate	0		
Weak marketing of area	14		
Problems with booking service	0		
Average occupancy	72.4		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual in turnover	14	57	29
Expected turnover	14	43	43
Actual margins	14	71	14
Expected margins	14	43	43
Average room rate	14	57	29
Expected room rate	14	57	29
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	0	50	50
Expected total employment	0	50	50
Actual full time employment	0	83	17
Expected full time employment	0	67	33
Actual part time	0	50	50
Expected part time	0	50	50
Actual seasonal	0	50	50
Expected seasonal	0	50	50
Actual overtime	17	50	33
Expected overtime	0	67	33

	<b>YES</b>	<b>NO</b>	
Increased pay	0	100	
Average increase	n/a		
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruited staff past 3 months	29	71	
<b>Difficulties recruiting</b>			
Managerial, clerical & front of house staffs	0	0	100
Skilled e.g. Chefs/cooks	14	0	86
Bar, waiting & cleaning staff	14	0	86
Part time staff	0	29	71
Temporary staffs	0	0	100
	<b>YES</b>	<b>YES &amp; INC</b>	<b>NO</b>
Recruitment difficulties	0	33	67
Staff retention difficulties	0	0	100
	<b>YES</b>	<b>NO</b>	
Email address	100	0	
Web site	100	0	
Communications within company	57	43	
Publicity/marketing	57	43	
Ordering	86	14	
Payments	29	71	

# **EDINBURGH & THE BORDERS**



**MANUFACTURING EDINBURGH & THE BORDERS**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	%	%	%	
Optimism compared to 3 months ago	13	63	25	
Optimism compared to year ago	50	38	13	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	25	50	25	
Expected trend next 3 months in total value of new orders	13	75	13	
Actual trend in value of Scottish orders	25	75	0	
Expected trend next 3 months in total value of Scottish orders	25	50	25	
Actual trend in value of RUK orders	13	75	13	
Expected trend next 3 months in total value of RUK orders	13	63	25	
Actual trend in value of export orders	13	63	0	25
Expected trend next 3 months in total value of export orders	13	63	0	25
<b>Trend in</b>				
Actual trend in value of total sales	38	50	13	
Expected trend next 3 months in total value of new sales	13	75	13	
Actual trend in value of Scottish sales	38	50	13	
Expected trend next 3 months in value of Scottish sales	25	63	13	
Actual trend in value of RUK sales	13	63	25	
Expected trend next 3 months in value of RUK sales	13	63	25	
Actual trend in value of export sales	13	50	13	25
Expected trend next 3 months in value of Export sales	13	50	13	25
<b>Trend in</b>				
Actual trend of work in progress	0	75	25	
Expected trend next 3 months of work in progress	0	88	13	
<b>Trend in</b>				
Stocks of raw materials/components	13	88	0	
Stocks of finished goods	13	88	0	
Average capacity utilisation	77.9			
Is capacity used above/below preferred levels	13	25	63	
<b>Trend in</b>				
Investment in plant/equipment next 12 months	0	88	13	
Leasing of plant/equipment next 12 months	0	88	13	
<b>Reason for investment</b>				
Replacement	50			
Expand capacity	13			
Increase efficiency	50			
R & D new products/processes	0			
Introduce new products/develop new markets	25			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	25	50	25	
Turnover expected trend next 12 months	38	38	25	
Profits expected trend next 12 months	38	25	38	
Total orders expected trend next 12 months	38	38	25	
Scottish/Rest of UK orders expected trend next 12 months	38	38	25	
Export orders expected trend next 12 months	13	63	13	13
Prices over next 3 months	13	88	0	

**Pressure to raise prices from**

Pay settlements	38
Raw material costs	75
Finance costs	0
Other costs	13
Transport costs	50

**More of a concern than 3 months ago**

Interest rates	25
Exchange rates	13
Business rates	0
Inflation	25
Competition	25
Taxation	13
Orders and sales	38
Labour shortages	0
Capacity	25

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	13	88	0
Expected trend in total employment	0	86	14
Actual trend in full time	13	88	0
Expected trend in full time	0	86	14
Actual trend in temporary employment	33	67	0
Expected trend in temporary employment	20	80	0
Actual trend in total hours worked	13	75	13
Expected trend in total hours worked	0	100	0
Actual expenditure on training	13	63	25
Expected expenditure on training	0	86	14

Increased pay last 3 months	50	50
Average increase	2.0	

Attempted to recruit last 3 months	25	75
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**Difficulties recruiting**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Professional and managerial	0	25	75
Technical	0	25	75
Clerical	0	25	75
Skilled manual	0	25	75
Other manual	0	25	75
Young workers	0	0	100

	<b>YES</b>	<b>NO</b>
Difficulties in recruiting employees in particular occupations	0	100

Difficulties in retaining employees in particular occupations	0	100
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**RETAIL DISTRIBUTION EDINBURGH & THE BORDERS**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	%	%	%
Optimism (last 3 months)	13	13	75
Optimism a year ago	25	0	75
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	13	38	50
Expected trend in sales	13	25	63
Actual value of sales	25	25	50
Expected value of sales	25	13	63
<b>Trend in investment intentions for:</b>	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Premises	13	50	38
I.T.	0	63	38
Vehicles	0	50	50
<b>Trend in</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Cash flow trend past 3 months	25	38	38
Turnover trend next 12 months	25	13	63
Profitability next 12 months	38	13	50
<b>During next 3 months</b>	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Anticipate prices to	75	25	0
<b>Pressure from</b>			
Pay settlements	38		
Raw material/supplier prices	63		
Finance costs	13		
Other overheads	13		
Transport costs	25		
Utility (gas, electricity, water) charges	50		
Regulation	38		
<b>Business concerns</b>			
Interest rates	25		
Exchange rates	25		
Business rates	25		
Inflation	50		
Competition	50		
Corporate taxation	0		
Legislation/regulation	13		
Planning/building regulations	0		
Transport infrastructure	63		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
	%	%	%
Actual total employment	13	25	63
Expected total employment	25	50	25
Actual full time employment	14	14	71
Expected full time employment	29	43	29
Actual part time employment	14	57	29
Expected part time employment	14	57	29
Actual temporary employment	0	67	33
Expected temporary employment	17	33	50
Actual permanent employment	17	33	50
Expected permanent	33	50	17
Actual overtime	0	80	20
Expected overtime working	0	60	40

<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	13	88	
Average increase	10.0		
<b>During next 3 months</b>	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
Trend in training provision	13	88	0
Over last 3 months recruited staff past 3 months	<b>YES</b> 88	<b>NO</b> 13	<b>N/A</b>
<b>Difficulties recruiting</b>			
Professional and managerial	38	13	50
Skilled	38	25	38
Full time	25	25	50
Part time	25	50	25
16 - 24 year olds	13	38	50
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	17	67	17
	<b>YES</b>	<b>NO</b>	
Recruitment problems	50	50	
Retention problems	25	75	
<b>Is the business</b>	<b>Yes</b>		
An independent store	88		
Part of a national/international group	12		
<b>Type of shopping area</b>			
Shopping centre	0		
High/main street	75		
Other	25		
Retail park	0		
<b>Location</b>			
Out of town shopping centre	0		
City/town centre	75		
City/town suburbs	25		
Village/rural	0		

# **GLASGOW & THE WEST OF SCOTLAND**



**MANUFACTURING GLASGOW & THE WEST OF SCOTLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>	
<b>Trend in</b>	%	%	%	
Optimism compared to 3 months ago	23	52	26	
Optimism compared to year ago	35	29	35	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	<b>N/A</b>
Actual trend in total value of new orders	23	42	35	
Expected trend next 3 months in total value of new orders	19	52	29	
Actual trend in value of Scottish orders	20	37	43	
Expected trend next 3 months in total value of Scottish orders	14	48	38	
Actual trend in value of RUK orders	16	48	36	
Expected trend next 3 months in total value of RUK orders	17	46	38	
Actual trend in value of export orders	13	13	27	47
Expected trend next 3 months in total value of export orders	10	30	13	47
<b>Trend in</b>				
Actual trend in value of total sales	19	48	32	
Expected trend next 3 months in total value of new sales	19	52	29	
Actual trend in value of Scottish sales	17	40	43	
Expected trend next 3 months in value of Scottish sales	17	43	40	
Actual trend in value of RUK sales	16	52	32	
Expected trend next 3 months in value of RUK sales	16	48	36	
Actual trend in value of export sales	16	16	23	45
Expected trend next 3 months in value of Export sales	10	23	23	45
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Actual trend of work in progress	26	42	32	
Expected trend next 3 months of work in progress	17	50	33	
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Stocks of raw materials/components	13	71	16	
Stocks of finished goods	17	60	23	
Average capacity utilisation	75.5			
<b>Trend in</b>	<b>ABOVE</b>	<b>LEVEL</b>	<b>BELOW</b>	
Is capacity used above/below preferred levels	6	35	58	
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>	
Investment in plant/equipment next 12 months	17	60	23	
Leasing of plant/equipment next 12 months	4	64	32	
<b>Reason for investment</b>				
Replacement	35			
Expand capacity	16			
Increase efficiency	23			
R & D new products/processes	0			
Introduce new products/develop new markets	6			
<b>Trend in</b>	<b>IMPROVE</b>	<b>REMAIN LEVEL</b>	<b>WORSEN</b>	<b>N/A</b>
Trend in cash flow last 3 months	50	50	0	
Turnover expected trend next 12 months	50	50	0	
Profits expected trend next 12 months	50	0	50	
Total orders expected trend next 12 months	50	50	0	
Scottish/Rest of UK orders expected trend next 12 months	100	0	0	
Export orders expected trend next 12 months	0	0	50	50
Prices over next 3 months	0	100	0	

**Pressure to raise prices from**

Pay settlements	0
Raw material costs	100
Finance costs	0
Other costs	0
Transport costs	50

**More of a concern than 3 months ago**

Interest rates	0
Exchange rates	50
Business rates	0
Inflation	50
Competition	50
Taxation	0
Orders and sales	50
Labour shortages	0
Capacity	0

**Trend in**

	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in total employment	0	100	0
Expected trend in total employment	0	100	0
Actual trend in full time	0	100	0
Expected trend in full time	0	100	0
Actual trend in temporary employment	0	100	0
Expected trend in temporary employment	0	100	0
Actual trend in total hours worked	0	50	50
Expected trend in total hours worked	0	50	50
Actual expenditure on training	0	0	100
Expected expenditure on training	0	0	100

	<b>YES</b>	<b>NO</b>	
Increased pay last 3 months	0	100	
Average increase	1.8		

	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Attempted to recruit last 3 months	35	65	

**Difficulties recruiting**

Professional and managerial	0	6	94
Technical	0	10	90
Clerical	0	16	84
Skilled manual	10	6	84
Other manual	3	13	84
Young workers	10	10	81

	<b>YES</b>	<b>NO</b>	
Difficulties in recruiting employees in particular occupations	21	79	

Difficulties in retaining employees in particular occupations	14	86	
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**CONSTRUCTION GLASGOW & THE WEST OF SCOTLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in:</b>	<b>%</b>	<b>%</b>	<b>%</b>
Optimism three months ago	0	38	63
Optimism in the same period a year ago	0	50	50
<b>Trend in:</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Total value new contracts	38	13	50
Expected value new contracts	13	25	63
Actual public sector work	0	25	75
Expected public sector work	0	25	75
Actual private commercial work	33	33	33
Expected private commercial work	33	33	33
Actual domestic/house build	14	29	57
Expected domestic/house build	0	43	57
<b>Trend in:</b>			
Actual work in progress	38	50	13
Expected work in progress next 6 months	0	13	88
Working at optimum levels	0	25	75
Average Capacity Utilisation	67.9		
<b>Investment/leasing plans</b>			
Plant/equipment investment	0	50	50
Hiring/leasing plant & equip	0	50	50
<b>Investment reasons</b>			
Replacement	38		
Expand capacity	0		
Increase efficiency	13		
Compete in new areas	25		
Complete new contracts	0		
Training for employees	13		
<b>Trend in</b>	<b>IMPROVED</b>	<b>LEVEL</b>	<b>EASED</b>
cash flow past 3 months	25	38	38
turnover next 12 months	13	38	50
profitability next 12 months	13	25	63
tender margins next 12 months	13	25	63
Building costs	63	38	0
<b>Other costs</b>	50	50	0
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	25	75	0
Expected total employment	0	57	43
Actual full time	29	71	0
Expected full time	0	67	33
Actual temporary	33	67	0
Expected temporary	0	67	33
Actual sub contract	20	60	20
Expected sub contract	0	80	20
Actual self employed	0	80	20
Expected self employed	0	75	25
Actual overtime	17	50	33
Expected overtime	0	60	40

Firms increasing wages	0	100	
Average increase	n/a		
	<b>YES</b>	<b>NO</b>	
recruited past 3 months	38	62	
<b>Experienced difficulties</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruiting professional/managerial	0	13	88
Recruiting technical	0	13	88
Recruiting skilled	0	25	75
Recruiting other manual	0	38	63
Recruiting young workers & trainees	0	29	71
	<b>INCREASED</b>	<b>NO CHANGE</b>	<b>EASED</b>
Recruitment difficulties	0	100	0
	<b>YES</b>	<b>NO</b>	
Retention difficulties	0	100	

**WHOLESALE DISTRIBUTION GLASGOW & THE WEST OF SCOTLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>	%	%	%
Optimism (last 3 months)	0	56	44
Optimism a year ago	11	44	44
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual trend in sales	11	44	44
Expected trend in sales	0	57	43
<b>Trend in</b>	<b>UP</b>	<b>DOWN</b>	<b>UNCHANGED</b>
Investment intentions	0	33	67
<b>Trend in</b>	<b>IMPROVE</b>	<b>NOT CHANGE</b>	<b>WORSEN</b>
Cash flow trend past 3 months	11	33	56
Turnover trend next 12 months	0	22	78
Profitability next 12 months	11	22	67
<b>During next 3 months</b>	<b>INCREASE</b>	<b>NOT CHANGE</b>	<b>DECREASE</b>
Anticipate prices to	78	22	0
<b>Pressure from</b>			
Pay settlements	0		
Raw material costs	100		
Finance costs	33		
Other overheads	11		
Transport costs	100		
<b>Business concerns</b>			
Interest rates	44		
Exchange rates	44		
Business rates	0		
Inflation	44		
Competition	67		
Corporate taxation	11		
<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
	%	%	%
Actual total employment	22	56	22
Expected total employment	0	63	38
Actual full time employment	22	67	11
Expected full time employment	0	75	25
Actual part time employment	0	89	11
Expected part time employment	0	75	25
Actual temporary employment	0	83	17
Expected temporary employment	0	80	20
Actual permanent employment	29	57	14
Expected permanent	0	83	17
Actual overtime	0	63	38
Expected overtime working	0	43	57
<b>During last 3 months</b>	<b>YES</b>	<b>NO</b>	
Increased pay	0	100	
Average increase	n/a		

<b>During next 3 months</b>	<b>INCREASE</b>	<b>EASED</b>	<b>DECREASE</b>
Trend in training provision	11	89	0
<b>Over last 3 months</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
recruited staff past 3 months	22	78	
<b>Difficulties recruiting</b>			
Professional and managerial	0	22	78
Technical	11	11	78
Clerical workers	0	22	78
Skilled manual	0	22	78
Other manual	0	11	89
Part time	0	11	89
Temporary	0	11	89
16 - 24 year olds	0	11	89
	<b>INCREASED</b>	<b>NOT CHANGED</b>	<b>EASED</b>
Recruitment difficulties	0	83	17
	<b>YES</b>	<b>NO</b>	
Recruitment problems	17	83	
Retention problems	0	100	
<b>Do you have</b>	<b>YES</b>	<b>NO</b>	
E mail address	78	22	
Web site	78	22	
<b>Do you use them for</b>	<b>YES</b>	<b>NO</b>	
Communication	100	0	
Publicity	71	29	
Ordering goods/services	71	29	
Receive payment	57	43	

**TOURISM LEISURE GLASGOW & THE WEST OF SCOTLAND**

	<b>MORE</b>	<b>SAME</b>	<b>LESS</b>
<b>Trend in</b>			
Optimism	36	55	9
Optimism now compared to current season	27	45	27
	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
<b>Trend in</b>			
Total number of guests	17	25	58
Expected total number of guests	17	25	58
Guests from Scotland	8	58	33
Expected guests from Scotland	9	45	45
Guests from the rest of the UK	33	17	50
Expected guests from the rest of the UK	18	27	55
Guests from abroad	25	17	58
Expected guests from abroad	18	18	64
Business trade	17	42	42
Expected business trade	18	18	64
Actual demand for accommodation	18		82
Expected demand for accommodation	18	9	73
Actual use of bar/restaurant staff	27	36	36
Expected use of bar/restaurant staff	27	27	45
Actual use of function/conference facilities	20	30	50
Expected use of function/conference facilities	20	20	60
<b>Limits to sales</b>			
Lack of demand	92		
Insufficient space	8		
Lack of local amenities	17		
Shortage of labour	8		
Poor transport infrastructure	25		
Competition	33		
Poor internet service	0		
High exchange rate	8		
Weak marketing of area	67		
Problems with booking service	0		
Average occupancy	63.2		
	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
<b>Trend in</b>			
Actual in turnover	18	9	73
Expected turnover	9	27	64
Actual margins	9	45	45
Expected margins	9	45	45
Average room rate	9	45	45
Expected room rate	9	45	45

<b>Trend in</b>	<b>UP</b>	<b>LEVEL</b>	<b>DOWN</b>
Actual total employment	9	64	27
Expected total employment	9	45	45
Actual full time employment	0	78	22
Expected full time employment	0	75	25
Actual part time	0	63	38
Expected part time	0	63	38
Actual seasonal	10	70	20
Expected seasonal	10	70	20
Actual overtime	0	50	50
Expected overtime	0	38	63
	<b>YES</b>	<b>NO</b>	
Increased pay	8	92	
Average increase	10.0		
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Recruited staff past 3 months	42	58	
<b>Difficulties recruiting</b>			
Managerial, clerical & front of house staffs	8	8	83
Skilled e.g. Chefs/cooks	17	8	75
Bar, waiting & cleaning staff	0	17	83
Part time staff	8	25	67
Temporary staffs	17		83
	<b>YES</b>	<b>YES &amp; INC</b>	<b>NO</b>
Recruitment difficulties	13	13	75
Staff retention difficulties	0	0	100
	<b>YES</b>	<b>NO</b>	
Email address	100	0	
Web site	100	0	
Communications within company	90	10	
Publicity/marketing	80	20	
Ordering	90	10	
Payments	30	70	