

Business Monitor for November (97 responses, 70% exporters)

Comments on November Monitor Data

With different data sources generally recording different results because they are measuring different things, it's important to keep in mind that the Monitor records only the number of companies, not the size of orders or number of jobs etc.

- After the basically poor returns in the second and third quarters, the expectations riding on the fourth quarter results were only partially met in October and November, because while UK business seemed to be moving forward in October, it fell back in November, which was when exporters reported some useful gains
- In November firms reported UK activity flat (enquiries) and down (orders) compared with a month earlier.
- The current three month running averages for enquiries now compare favourably with a year ago: UK business is now positive at +11 (+12 a year ago) and for exports +3 compares with 0 a year earlier.
- UK orders were weaker in November. After a big October increase in the number of firms reporting increased UK orders, the order level balance of fallers over gainers fell to -19 after +15 a month earlier.
- Exporters enjoyed the best performance since March with 35% of firms reporting increased orders, so that the balance turned positive for the first time since the first quarter 2012.
- The UK and export order balances as three-month running averages are -4 (UK) and -9 (exports) compared with +13 and 0 respectively a year earlier.
- Comparisons between October and November performance underscore the erratic nature of the economic recovery but also the nature of volatility which at the same time can see UK activity ebbing, while export orders flow in.
- Companies remain positive about their employment plans with a balance of +6 (+6 last month) reflecting the number of firms expecting to take on more workers. This is as low as the balance has been all year.
- This lagging indicator is now clearly reflecting companies broader uncertainties about the direction of the economy as approximately one in five companies (19%) say they require fewer workers. That's the largest proportion since November last year.
- Investment activity remained flat again this month with 56% of firms saying they weren't investing (albeit they might be developing projects they weren't prepared to commit to them).
- However, 29% of firms say they are investing in all areas.
- There was little or no change in overall access to finance.
- This month, one association reported members' confidence levels improved on the up/down balance recording an overall positive balance of +11. That's three months of positive balances averaging +11.
- Although companies split fairly evenly when reporting their performance (as better, the same or worse than last year) this month EAMA members found balances on enquiry levels and orders both better than a year ago, +6 on enquiries and +5 on orders.
- So the questions for January have to be can exporters ginger up demand so that foreign buyers sustain their orders while UK activity improves.
- The Chancellor's Autumn Statement offers support in this direction with the big increase in the Annual Investment Allowance to £250,000 (from £25,000) available from 1st January 2013.

The Monitor

1 Prospects/enquiries

Month	SAME		UP/DOWN Difference	
	UK	Export	UK	Export
January 2009	24	47	-46	-27
February	38	54	-- 18	0
March	33	50	-- 11	-- 6
April	26	28	-- 12	-- 16
May	47	50	-- 1	-- 26
June	44	54	+10	-8
July	48	55	+14	-- 17
August	36	51	-- 8	-- 23
September	38	55	+30	+21
October	42	42	+24	+16
November	37	50	+41	+16
January 2010	33	49	+49	+33
February	41	37	+41	+41
March	38	55	+54	+31
April	46	52	+34	+24
May	44	66	+30	+18
June	37	55	+35	+21
July	47	57	+15	+13
August	42	53	+4	+15
September	40	40	+26	+22
October	47	60	+27	+22
November	46	52	+34	+34
January 2011	38	50	+36	+36
February	39	49	+39	+33
March	47	48	+23	+28
April	43	52	+31	+22
May	56	46	+17	+18
June	41	56	+28	+24
July	43	51	+11	+7
August	37	36	-19	-24
September	43	54	+5	-8
October	49	59	+17	+1
November	55	64	+13	+8
January 2012	49	55	+15	+7
February	48	56	+34	+26
March	50	68	+34	+12
April	46	51	+12	+1
May	47	43	+13	-9
June	45	54	-5	-6
July	52	52	0	-14
August	41	43	-1	-23
September	45	50	+7	+2
October	45	56	+23	+2
November	42	48	+4	+4

2 Order intake

Month	SAME		UP/DOWN Difference	
	UK	Export	UK	Export
January 2009	20	32	-44	-28
February	31	29	-- 33	-- 29
March	28	42	-- 50	-- 22
April	23	33	-- 37	-- 7
May	35	46	-- 25	-- 44
June	28	49	+6	-13
July	26	42	0	-- 14
August	23	41	-- 11	-- 15
September	26	43	+28	+11
October	43	56	+23	+2
November	39	44	+7	-12
January 2010	30	39	+24	+33
February	35	44	+25	+28
March	29	41	+37	+23
April	30	49	+28	+11
May	32	55	+10	+1
June	33	48	+25	+6
July	39	40	+7	+20
August	44	48	-12	-2
September	38	39	+14	+9
October	34	54	+10	+10
November	31	46	+17	+14
January 2011	22	42	+36	+32
February	29	32	+21	+26
March	43	43	+25	+19
April	35	45	+13	+17
May	46	46	+26	+16
June	38	46	+16	+22
July	26	44	+16	+2
August	29	32	-19	-20
September	24	40	+22	+2
October	32	43	+4	+1
November	23	36	+13	-4
January 2012	34	44	+18	+24
February	35	39	+15	+9
March	35	42	+23	+12
April	43	43	-9	-15
May	37	34	+21	-14
June	24	43	-28	-9
July	39	38	-1	0
August	33	43	-21	-37
September	32	29	-7	-13
October	47	50	+15	-20
November	26	37	-19	+7

3 Jobs in the UK

Month	SAME	UP – DOWN
January 2009	59	-23
February	67	-33
March	74	-26
April	65	-31
May	66	-18
June	71	-13
July	61	-15
August	70	-14
September	75	-3
October	56	-6
November	80	-2
January 2010	75	+5
February	65	+1
March	75	+11
April	73	+11
May	73	+14
June	72	+12
July	67	+17
August	65	+21
September	68	+10
October	71	+13
November	69	+11
January 2011	64	+19
February	64	+28
March	61	+23
April	48	+48
May	69	+25
June	60	+34
July	66	+22
August	57	+15
September	58	+22
October	68	+16
November	56	+4
January 2012	63	+21
February	68	+4
March	62	+30
April	61	+31
May	69	+9
June	64	+10
July	61	+29
August	60	+22
September	71	+9
October	62	+6
November	56	+6

4 Investment Activity

Month	Developing projects	Investing in all areas
January 2009	40	6
February	17	4
March	25	10
April	32	5
May	35	6
June	22	9
July	35	6
August	26	11
September	30	20
October	29	8
November	30	3
January 2010	32	17
February	26	13
March	32	13
April	31	7
May	31	17
June	35	22
July	21	51
August	36	34
September	39	26
October	37	27
November	31	34
January 2011	29	43
February	41	32
March	26	33
April	26	46
May	23	36
June	26	48
July	26	39
August	25	40
September	27	36
October	31	29
<i>November</i>	29	36
January 2012	26	42
February	32	45
March	39	32
April	37	31
May	36	30
June	29	27
July	27	39
August	41	23
September	46	25
October	40	24
November	31	29

Notes:

- choice of statements in full:
 1. Developing projects but not committing to them
 2. Investing in all areas of the business