



Lincolnshire Economic Briefing

www.research-lincs.org.uk

Headlines

National

Economic growth slows to 0.3 per cent (Q1 2015)

Main drivers of slowdown being construction falling by 1.6 per cent, production by 0.1 per cent, and agriculture by 0.2 per cent

Inflation returns to positive in May at 0.1 per cent

Local

Lincolnshire's employment rate currently 74.8 per cent, above the national rate (72.5 per cent)

Overall unemployment falling, but long term unemployment rises, now above the national rate

Bank lending to county SMEs on the increase

Quarterly Economic Survey Snapshot – Q2

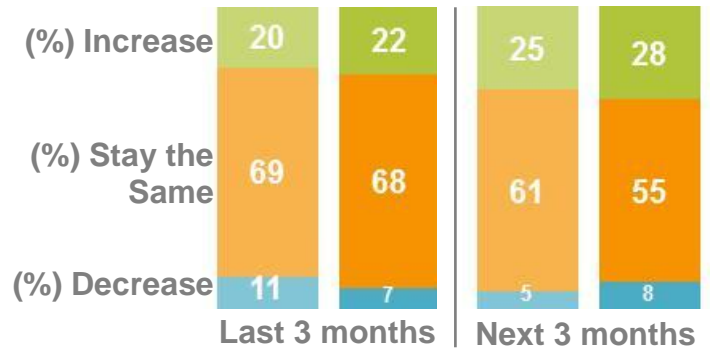


Domestic demand strong and stable

More businesses stating increased advanced orders/bookings

A new high (28 per cent) for businesses expecting to recruit over the next quarter

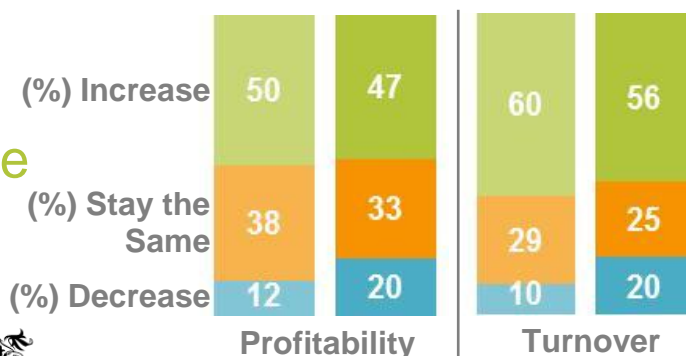
Workforce



Sales and Markets Last 3 Months



Performance Next 12 Months



More businesses now have negative expectations (in terms of profitability/turnover) for the year ahead

Polarisation of fortunes for services and production in export markets





Domestic Demand Strong in Face of Overseas Market Instability

Levels of domestic demand remain strong and stable for local businesses. This is the key finding from the latest set of results of the Lincolnshire Quarterly Economic Survey.

This should improve over the next quarter with an **increase in businesses stating improved advance orders and bookings.**

Turning to export markets, what we are seeing at present is a polarisation of fortunes for businesses in Services and Production.

Exporting businesses in the Service sector are experiencing stable conditions with over four in five stating that sales have either improved or stayed the same.

Compare this with Manufacturing where only two thirds are reporting a similar position, and a third now saying that conditions have worsened.

Looking further ahead, 95 per cent of Service sector businesses stated that export orders/bookings had either increased or stayed the same. For Manufacturing this figure was much less at just over two thirds.

Whilst the numbers are small for exporting businesses (bearing in mind that only around one in eight businesses operate in export markets), Manufacturing businesses do appear

to be more at the mercy to changes to the various factors at play in export markets.

One factor in this will be the Pounds continued and increasing strength against the Euro which has risen to around 1.4 Euros, a figure last seen back in 2007.

This will also be one of the factors driving the recent increase in uncertainty among local businesses. **One in five businesses now have negative expectations for the year ahead** (in terms of their levels of profitability and turnover), up from the one in ten which has been the consistent level for the last few quarters.

This negativity has also meant **an increase in businesses stating that they have revised downwards plans for investing** in capital and /or training.

Despite this increase in uncertainty amongst some businesses, strong demand and relatively stable markets have meant that **more businesses are looking to recruit over the next quarter** (28 per cent – the highest figure on record).

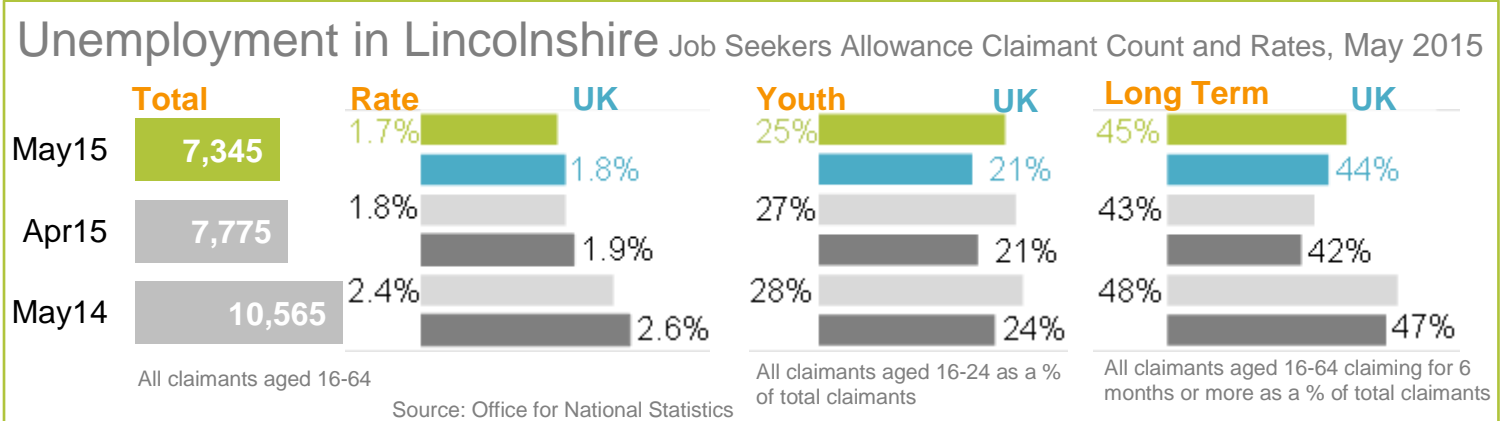
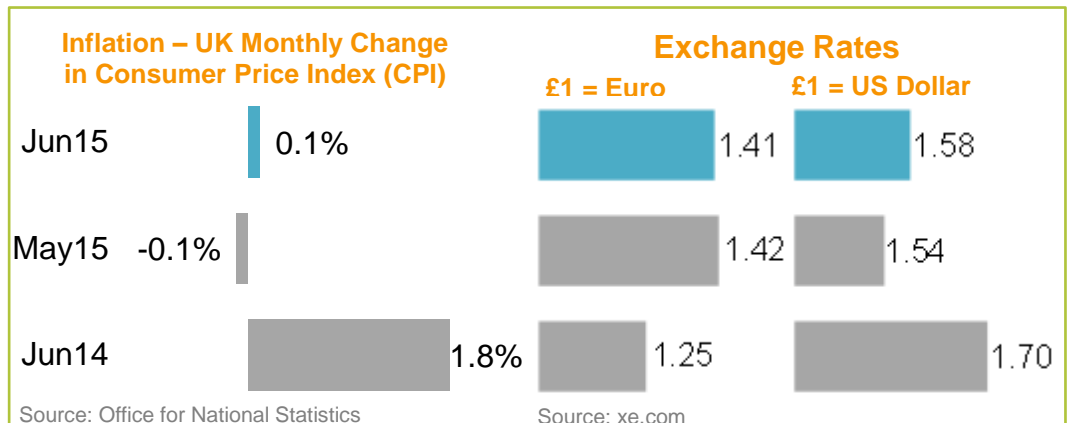
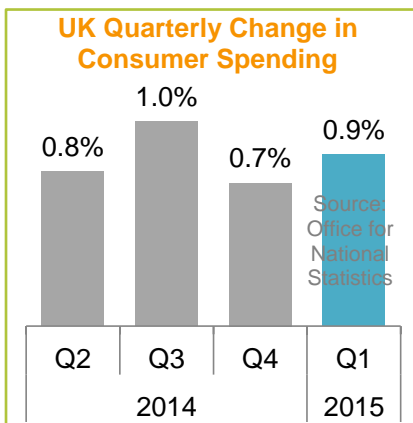
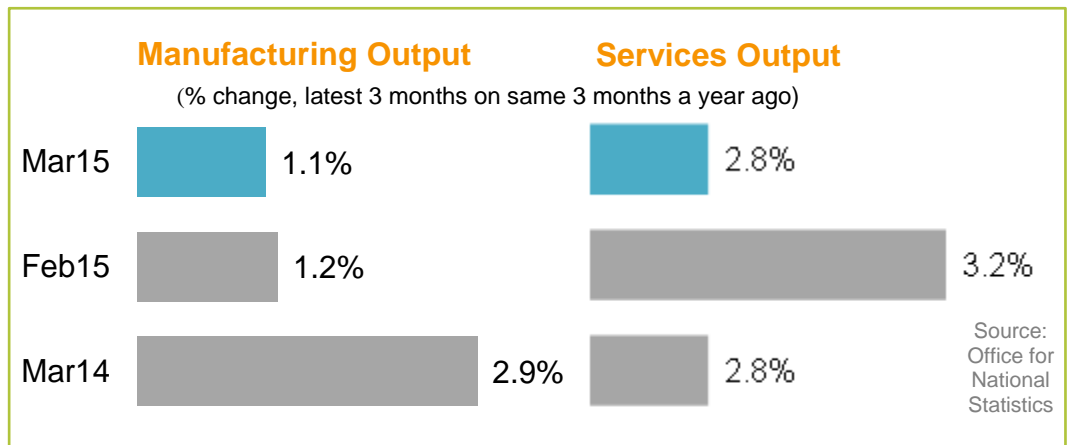
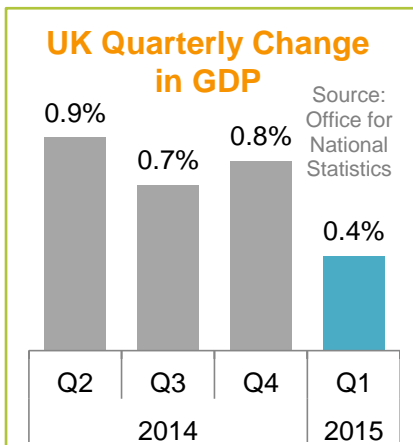
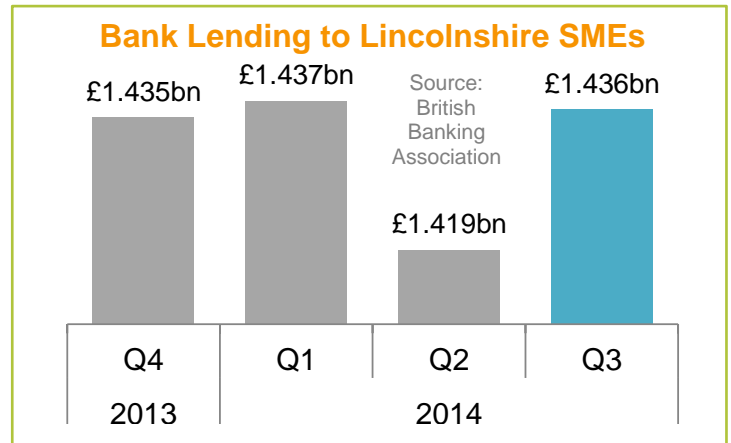
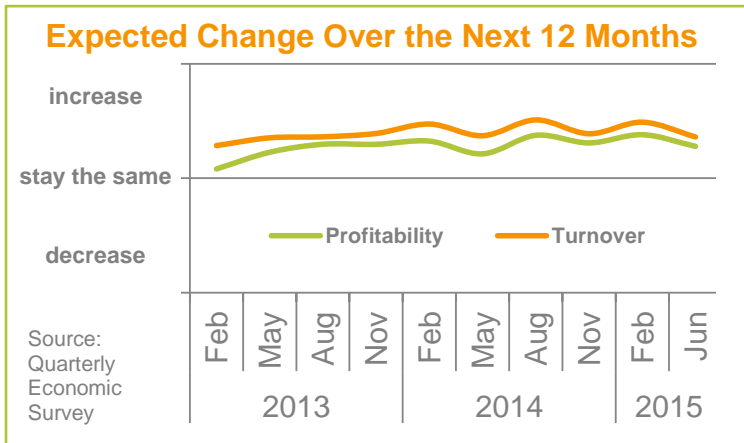
Finally, and on a more positive note, there has been a noticeable increase in businesses stating that cash flow has improved since Q1.

Previous Quarter Comparison with National Results

	Manufacturing		Services	
	Lincolnshire	UK	Lincolnshire	UK
Their UK sales increased	↓	↓	↓	↓
Their UK orders increased	↑	↓	↓	↓
Their export sales increased	↑	↓	↓	↓
Their export orders increased	↑	—	↓	↓
They expect turnover to improve*	↑	↓	↑	↓
They expect their workforce to increase**	↑	↓	↑	↓

*in the next 12 months **in the next three months

National and Local Economic Indicators





Need Some Support?

BusinessLincolnshire



The place to go for business growth

The Business Lincolnshire Growth Hub is a one-stop advice shop for Greater Lincolnshire businesses seeking support, particularly those wishing to increase their competitiveness and grow.

The Growth Hub provides a single access point to a package of information diagnostics, advisory support and business development programmes, making it easier for businesses to access the support they need.

We have a team of experienced business growth and skills advisers on hand to provide free impartial advice and a growth diagnostic, helping businesses to formulate and implement their growth plans.

Talk to our advisers today; build a relationship and work together to successfully grow your business.



Visit the website: www.businesslincolnshire.com for more information.

Free Tourism Business Listing

All tourism businesses within the county are entitled to a free business listing on the new www.visitlincolnshire.com website, which was launched in April.

Businesses are encouraged to get in touch with Loryn Good, the Website Executive, to ensure their details are up to date and to provide details of any upcoming events.

Contact Loryn on loryn.good@lincschamber.co.uk or on 01522 782332

Useful Contacts

Business Lincolnshire - The local website linking you to schemes and services to help you start or grow your business: www.businesslincolnshire.com
www.gov.uk

Lincolnshire & Rutland Employment and Skills Board - Giving employers opportunities to lead and influence local training provision to have access to skills needed to grow their business.
www.lincsrutlandesb.com tel: 01522 550545
email: clare.hughes@lincolnshire.gov.uk

Greater Lincolnshire Local Enterprise Partnership - Supporting business in the region; aiming to improve infrastructure and conditions for doing business from the Humber to the Wash.
www.greaterlincolnshirelep.co.uk
email: GLLEPsecretariat@lincolnshire.gov.uk

Jobcentre Plus - Providing services that support people of working age from welfare into work, helping employers fill their vacancies
www.gov.uk/jobs-jobsearch www.gov.uk/advertise-job

Select Lincolnshire - Raising the profile of Lincolnshire, promoting and attracting investment into the county, signposting to local produce within the County and promoting food and drink across the UK. www.selectlincolnshire.com tel: 01522 550618
email: select@lincolnshire.gov.uk

Lincolnshire Chamber of Commerce
A membership organisation providing business - support advice and benefits. www.lincs-chamber.co.uk tel: 01522 523333 email: enquiries@lincs-chamber.co.uk

Trading Standards business advice
Giving support and encouragement to businesses by giving advice and information to help them get it right first time. www.lincolnshire.gov.uk tel: 01522 782341
email: TradingStandards@lincolnshire.gov.uk

Federation of Small Businesses
A non-profit making membership group promoting the interests of the self-employed and owners of small businesses www.fsb.org.uk email: david.thorpe@fsb.org.uk tel: 01522 790806 (Direct)
m: 07917 628927 tel: 01522 688070 (Lincoln Office)

All information contained in this briefing is the most up-to-date available at time of publication (July 2015). This briefing has been produced by the Economic Research Team at Lincolnshire County Council, and published on the Lincolnshire Research Observatory (LRO) website. Visit the Economy theme page on the website for more information www.research-lincs.org.uk/Economy