

# MEDIA RELEASE



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## BUSINESS EXPECTING SOFT CHRISTMAS

*Retail profits, employment hit hardest*

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Australian businesses remain cautious about the outlook for Christmas amid expectations of slowing demand and greater economic uncertainty.

According to the *Dun & Bradstreet Business Expectations Survey* for the December quarter, firms are keeping expectations for the holiday period firmly in check with more than 50 per cent of firms anticipating demand to slow in the next 12 months.

Dun & Bradstreet CEO, Christine Christian, said the December projections are significantly below where they were at this time last year.

"It's clear that global economic uncertainty is affecting the confidence of business and consumers alike with knock-on effects for anticipated sales, profit and employment growth," Ms Christian said.

The *Business Expectations Survey* shows that for the upcoming December quarter:

- Sales Expectations over the last two months are at their lowest levels in over two years having fallen more than 23 points over the last four quarters. Expectations are particularly weak for durables manufacturing (down 9 points).
- Employment Expectations have recovered from the first negative index in two years but are still seven points below last year with significant staff reductions expected in the retail sector.
- Profit Expectations have also recovered from the first negative index in two years but remain more than 20 points below this time last year. Observed actual results remain in negative territory.
- Investment and Inventory Expectations appear to have arrested their recent rapid decline but remain more than 10 points below where they were a year ago.

Negative outlook among retailers is a reflection of the industry's actual performance in the June quarter. Significant declines were recorded in the second quarter across sales (-3) and profits (-10), forcing stores to shed employees (-2). This is anticipated to continue through December, with profits trending down and prompting retailers to slash staff numbers over what should be a period of peak productivity.

"Australian consumers are now saving at levels not seen since the 1980s. Retailers, not surprisingly, are experiencing one of their worst years. Retailers seem to have given up hope that conditions will improve this side of Christmas," Ms Christian said.

"There is an acute awareness in the industry that retailers cannot count on the usual flurry of Christmas spending to push them over the line, as they might have done in the past. This is a real

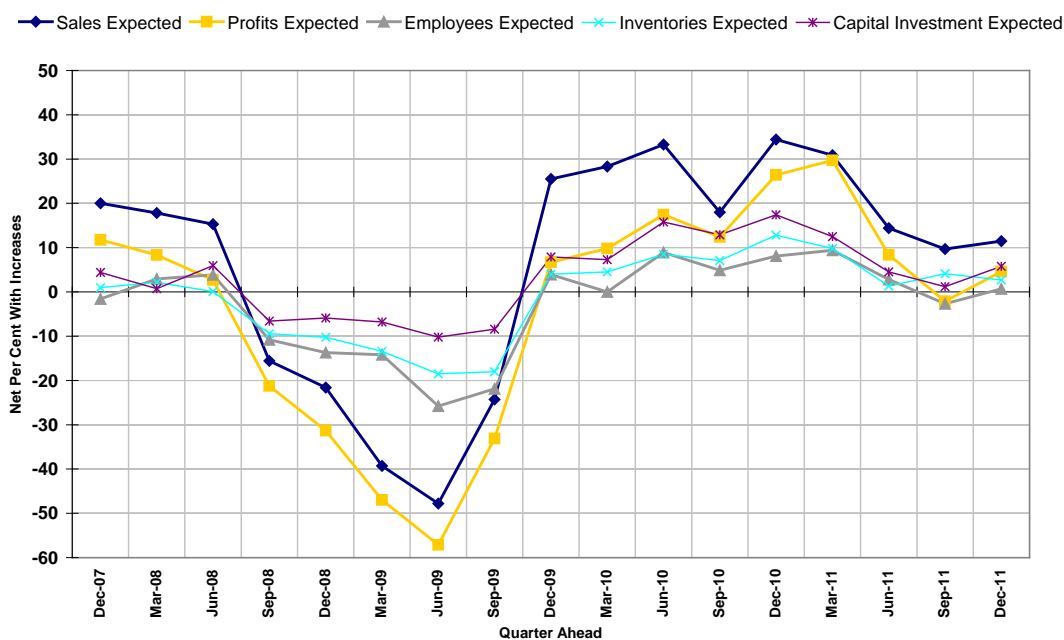
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concern for many businesses as Christmas is such a key time for discretionary spending and most rely on the period to kick start them into the New Year.”

## *Expected Sales, Profits, Employment, Inventories and Capital Investment Indices*



This uncertainty and lack of confidence is reflected in Survey findings that less than 20 per cent of firms plan to seek finance or credit to grow their business in the coming months.

“This result correlates strongly with official statistics showing that business credit has fallen over the past year, indicating that financial conditions are significantly tighter than normal. When businesses shun new credit in this way it is a sure sign they are worried about the future,” Ms Christian said.

According to Dr Duncan Ironmonger, Dun & Bradstreet’s economic consultant, in the last three years Australian households have reached a relatively high gross saving ratio of around 17 to 18 per cent of disposable income. This compares with a saving ratio of only 8 per cent in the years 2003 -2005.

“This recent higher saving level has been accompanied by a very flat trajectory in retail spending. The latest D&B survey shows that the retailing sector is in the greatest difficulty with negative expectations for both profits and employment for the December quarter,” Dr Ironmonger said.

Detailed results for the *Dun & Bradstreet Business Expectations Survey* are attached and below.

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## The latest D&B National Business Expectations Survey shows...

### *Outlook for the December quarter 2011*

- Sales expectations are up one point to an index of 11, the second lowest of the last nine quarters and two points below the 10-year average index of 13
- An increase of seven points has taken the profits expectations index to 5, just equal to the 10-year average index
- Employment expectations are up four points to an index of 1, now one point below the 10-year average index of 2
- The inventories index is down one point to an index of 3, one point above the 10-year average index of 2
- A rise of five points has taken the capital investment index to 6, a turn-around of the rapid decline of the previous three quarters and now just one point above the average index (5) of the last 10 years
- The selling prices index is up one point to 17, 14 points below the 10-year average of 31

### *Issues expected to influence operations in the December quarter 2011*

- 33 per cent of executives rank interest rates as the primary influence on their business – still higher than in the first six months of the year
- 21 per cent of firms expect wages growth to be the primary influence on operations – down four per cent from last month
- 19 per cent of firms believe fuel prices will be their main concern in the quarter ahead – a rise of three per cent in a month
- 12 per cent of firms believe access to credit will be the most important business influence in the quarter ahead – up four per cent in two months

### *Actual for the June quarter 2011*

- Capital investment has maintained a positive run of nine consecutive quarters, with a net index of six. 13 per cent of firms increased investment while 7 per cent cut spending
- 28 per cent of firms increased sales compared to the June quarter 2010, while 23 per cent experienced lower sales
- Thirteen per cent of firms increased staff while 11 per cent reduced employee numbers
- The profits index was up two points to an index of -1, 21 per cent of firms increased profits and 22 per cent recorded lower earnings
- The selling price index was down three points to an index of 12, 24 per cent of firms raised prices and 12 per cent decreased prices

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## **Sales Expectations**

Sales expectations are now at their second lowest level in over two years, up one point to a net index of 11. Expectations are particularly weak for durables manufacturing, the sector for which a high value of the Australian dollar has had a net negative impact. Sales expectations for durables manufacturing sit at a net index of 4, which is 97points below the overall index of 11.

## **Profits Expectations**

With stability in sales expectations the outlook for profits has improved with the overall profits index rising seven points to a net index of 5. The profits expectations index is now only equal to the 10-year average. Profit expectations for the retail sector, however, remain negative for the December quarter at a net index of -1.

## **Employment Expectations**

Employment expectations are no longer in negative territory. The negative expectations for the September quarter followed on from a net negative actual index for employment in the March quarter 2011. Expected reductions in staff numbers remain in the retailing sector for December quarter 2011.

## **Capital Investment Expectations**

The capital expectations index has risen 5 points to a net index of 6, a turn-around from the decline in the previous three quarters. This rise in investment expectations follows a rise of 6 points for actual capital expenditure during the June quarter of 2011. This includes the troubled retail sector, where executives expect to continue to build their businesses in anticipation of improved sales nearer the end of 2011.

## **Inventory Expectations**

Inventory expectations are down one point returning the index to one point above its 10 year average, with decreases expected only by durables manufacturing executives. The change in the inventories expectations index follows a small positive actual inventories growth in June quarter 2011.

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## About the survey

D&B Australasia conducted the latest Business Expectations Survey in September 2011. Each quarter 1,200 business owners and senior executives representing major industry sectors across Australia are asked if they expect increases, decreases or no changes in their upcoming quarterly Sales, Profits, Employment, Capital Investment, Inventories and Selling Prices. Since its introduction in Australia in 1988, the Survey has proven to be a highly reliable measure of economic performance.

NOTE: The index figures used in the Survey represent the net percentage of Survey respondents expecting higher sales, profits, etc., compared with the same quarter of the previous year. The indices are calculated by subtracting the percentage of respondents expecting decreases from the percentage expecting increases.

Copies of these results can be viewed and downloaded from the D&B website at: [www.dnb.com.au](http://www.dnb.com.au)

## Methodology

Each quarter D&B asks a sample of executives in manufacturing, wholesale and retail businesses across Australia if they expect an increase, decrease or no change in their quarter-ahead sales, profits, employees, capital investment, inventories and selling prices compared with the same quarter a year ago.

The executives are also asked for actual changes over the twelve months to the latest completed quarter.

The Australian survey began in March 1988 obtaining some 900 responses in the third month of each quarter. Since the middle of 1999, the survey has been conducted monthly, initially with about 300 responses each month. From September 2000, responses have been obtained from 400 executives each month.

From July 2005, to simplify the interpretation of the survey data, the results have been presented as a sequence of preliminary, interim and final indexes. The 400 responses from the first month of each quarter give preliminary estimates of the quarter-ahead expectations and the quarter behind actual indexes. The 400 responses from

the second month of the quarter are combined with those from the first month as interim estimates of the indexes based on 800 responses. The 400 responses from the third month are combined with those from the first two months to give the final expectations and actual indexes based on all 1,200 responses obtained during each quarter.

In this issue, the final indexes for the latest quarters are based on the 1,201 responses obtained in July-September 2011.

## Charts & Tables

Positive and Negative Component Responses. It is the common practice to present the results of business expectations surveys as indexes showing the net balance of the positive and negative responses. However, this method of aggregating responses loses relevant information about the relative proportions and rates of change of the two (positive and negative) groups.

Accordingly, the detailed charts at the top of pages 5 to 10 in the Dun & Bradstreet National Business Expectations Survey show separately the positive and negative components of each of the various indexes. These charts help provide a better insight into the expectations and performance of Australian business than that shown by movements in the simple aggregation of the positive and negative responses.

The aggregate net balance indexes are shown in the charts at the bottom of pages 5 to 10 and in the tables on pages 11 to 13.

## About D&B

Dun & Bradstreet is the world's leading provider of credit, marketing and purchasing information and receivables management services.

D&B manages the world's most valuable commercial database with information on more than 200 million companies, including 3 million in Australia, and millions of consumers. Information is gathered in 193 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than 1.5 million times daily as part of D&B's commitment to provide accurate, comprehensive information for its more than 150,000 customers.

D&B's data provides insights which improve business decision-making and outcomes.



## Sales Outlook

(Quarterly Net Index) (Up 1 to 11)

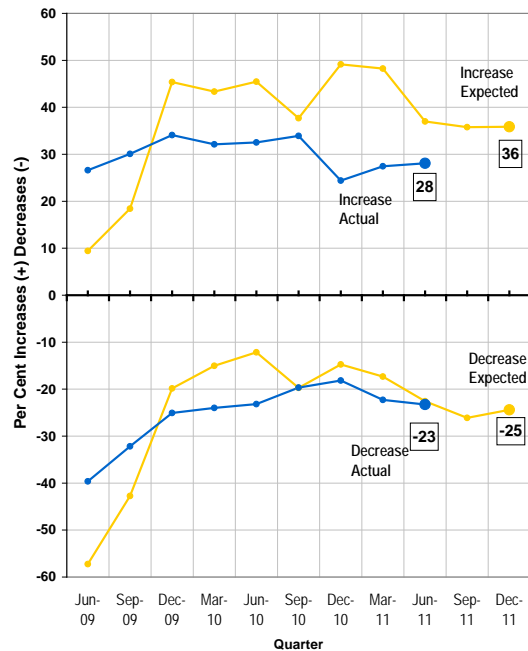
The positive and negative components of the D&B net indexes are shown in the adjacent chart.

The December quarter 2011 sales expectations final index is 11; up one point from September quarter 2011. **Sales expectations are the second lowest of the latest nine quarters and now 2 points below the 10-year average index of 13.**

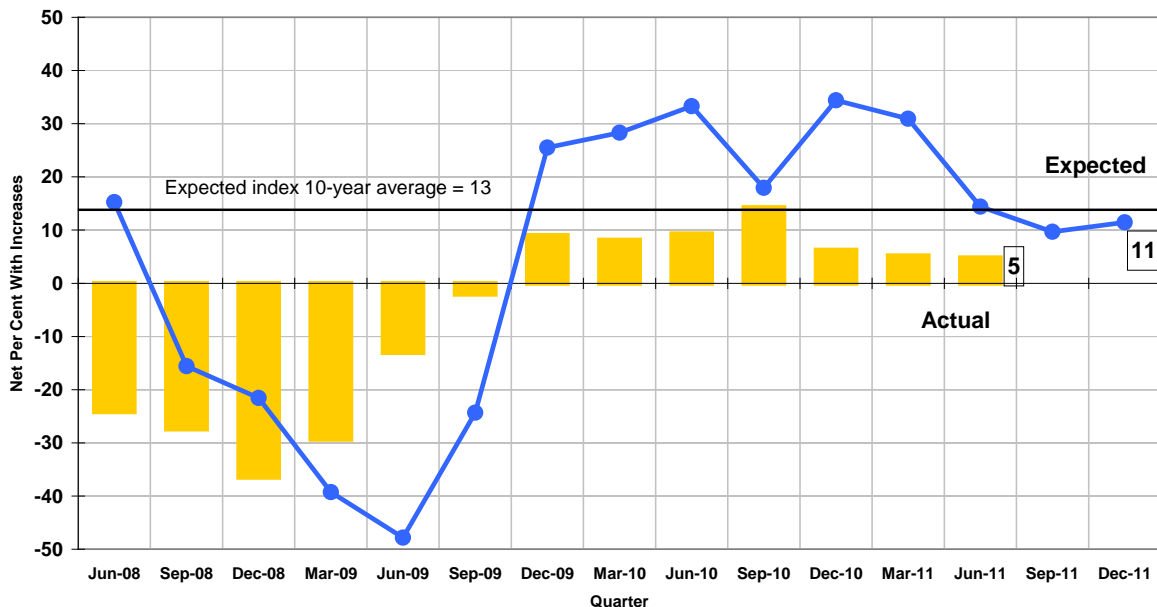
Thirty six per cent expect an increase and 25 per cent a decrease in sales compared with December quarter 2010

**The actual sales index for June quarter 2011 is 5; unchanged on the March quarter.** Twenty eight per cent of firms had increased sales and 23 per cent had decreased sales compared with June quarter 2010.

Sales: D&B Indexes  
Component Responses



Sales: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011





## Profits Outlook

(Quarterly Net Index) (Up 7 to 5)

The positive and negative components of the D&B net indexes are shown in the adjacent chart.

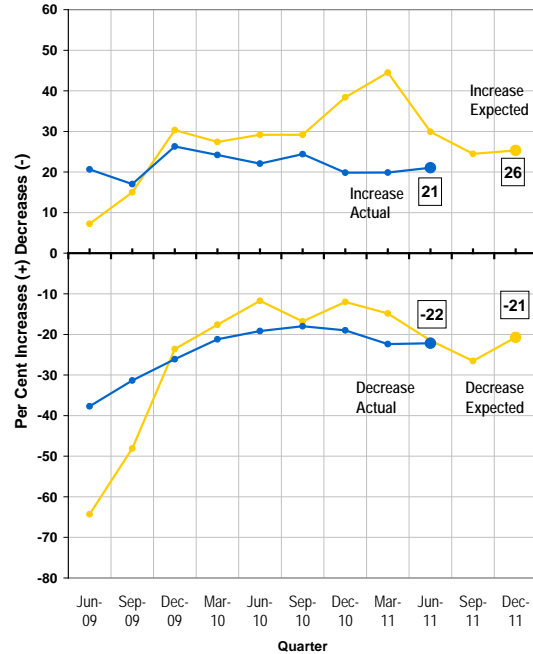
The final index for the net proportion of executives expecting an increase in profits in December quarter 2011 is 5; **up seven points on September quarter 2011.**

**The index has recovered from the first negative index in eight quarters and is now equal to the 10-year average index of 5.**

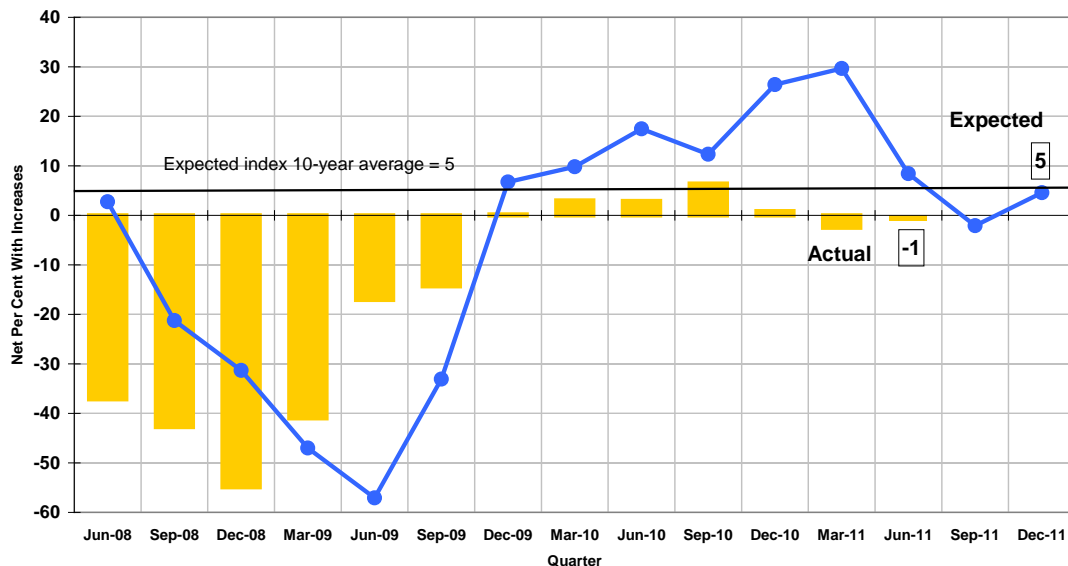
Twenty six per cent expect an increase and 21 per cent a decrease compared with December quarter 2010.

The actual net profits index for June quarter 2011 is minus one; **up two points on the previous quarter.** Twenty one per cent had an increase and 22 per cent a decrease in profits compared with June quarter 2010.

Profits: D&B Indexes  
Component Responses



Profits: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011





## Employment Outlook

(Quarterly Net Index) (Up 4 to 1)

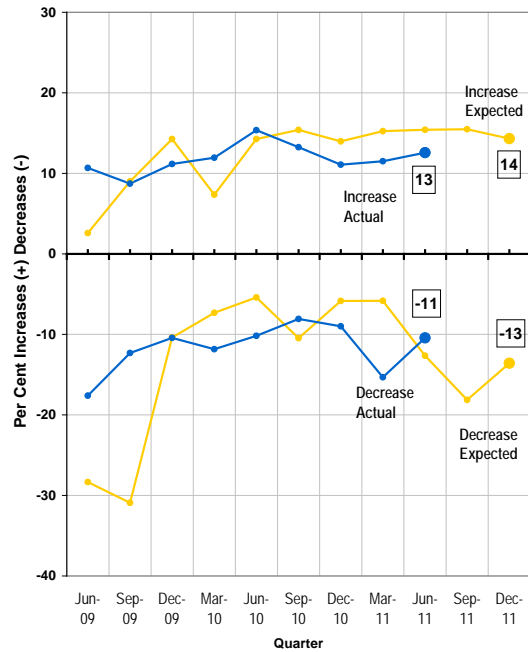
The positive and negative components of the D&B net indexes are shown in the adjacent chart.

The final index of the employment outlook for December quarter 2011 is plus one, up four points from the negative index for September quarter **and now only one point below the 10-year average index of 2.**

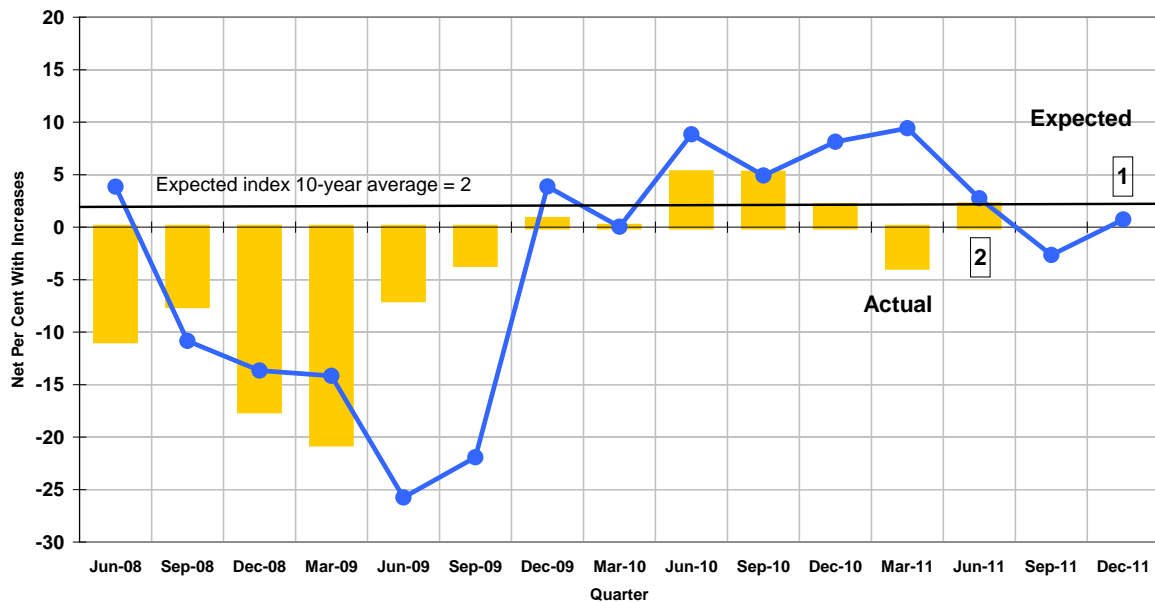
Fourteen per cent of executives now expect to employ more staff than a year ago and 13 per cent expect a decrease in staff numbers.

The D&B employees final actual index for June quarter 2011 is two, **up six points on the previous quarter.** Thirteen per cent of firms had more staff in June quarter 2011 than a year earlier and 11 per cent of firms had fewer.

Employees: D&B Indexes  
Component Responses



Employees: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011







## Capital Investment Outlook

(Quarterly Net Index) (Up 5 to 6)

The positive and negative components of the D&B indexes are shown in the adjacent chart.

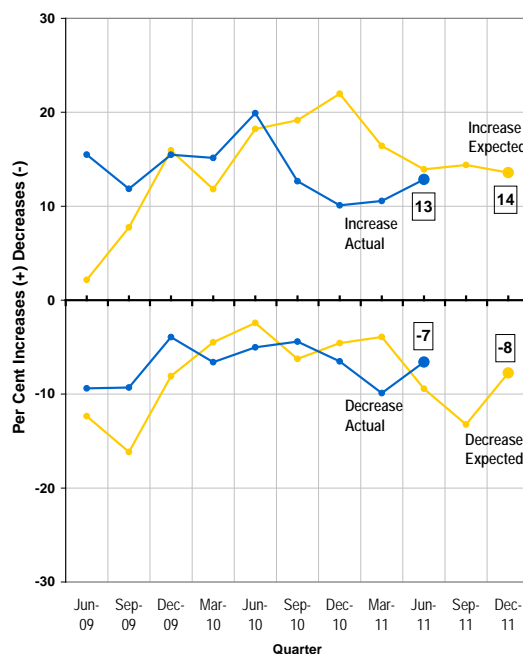
The capital investment outlook for December quarter 2011 is up five points to an final index of 6.

**The rapid decline in the investment outlook in the previous three quarters has ceased and recovered to just one point above the ten year average index of 5.** Fourteen per cent expect an increase and eight per cent a decrease in capital investment compared with a year earlier.

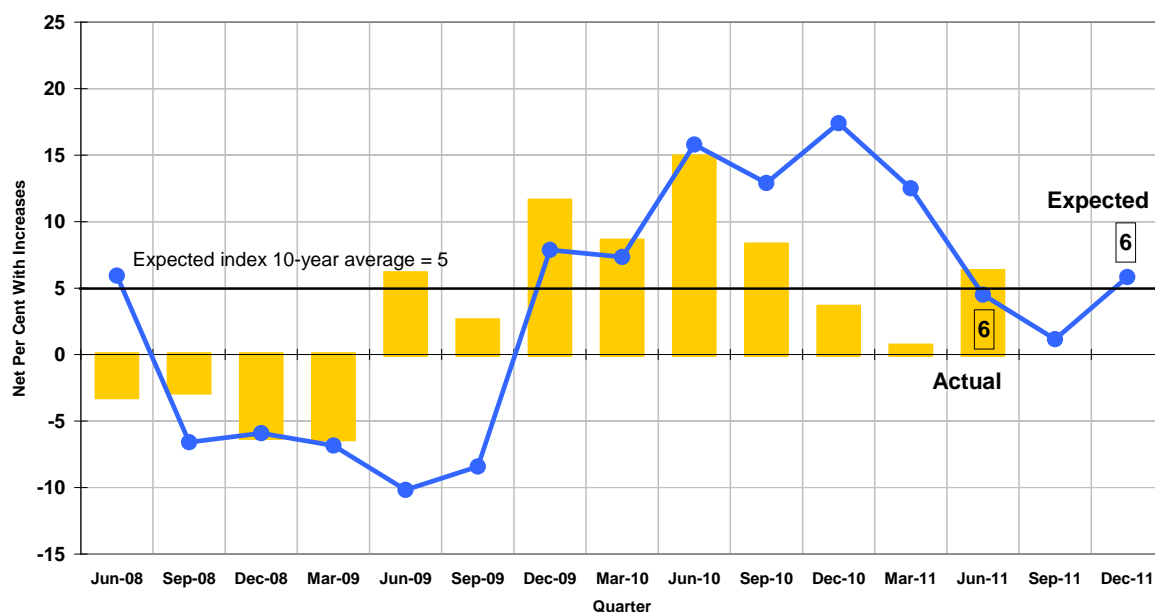
For June quarter 2011 the final index for actual investment is six, a rise of five points from the previous quarter.

Thirteen per cent of firms had more capital investment and 7 per cent had less than in June quarter 2010.

Capital Investment: D&B Indexes  
Component Responses



Capital Investment: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011





## Inventory Outlook

(Quarterly Net Index) (Down 1 to 3)

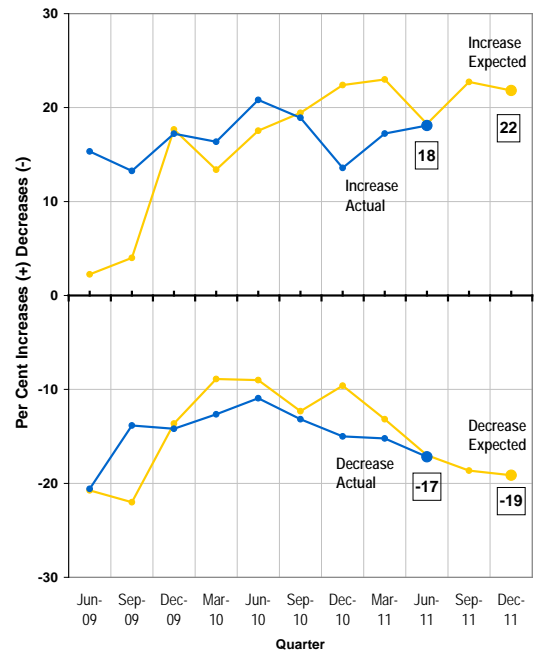
The positive and negative components of the D&B net indexes are shown in the adjacent chart.

The final outlook for growth in inventories in December quarter 2011 is for an index of three, down one point on the September quarter.

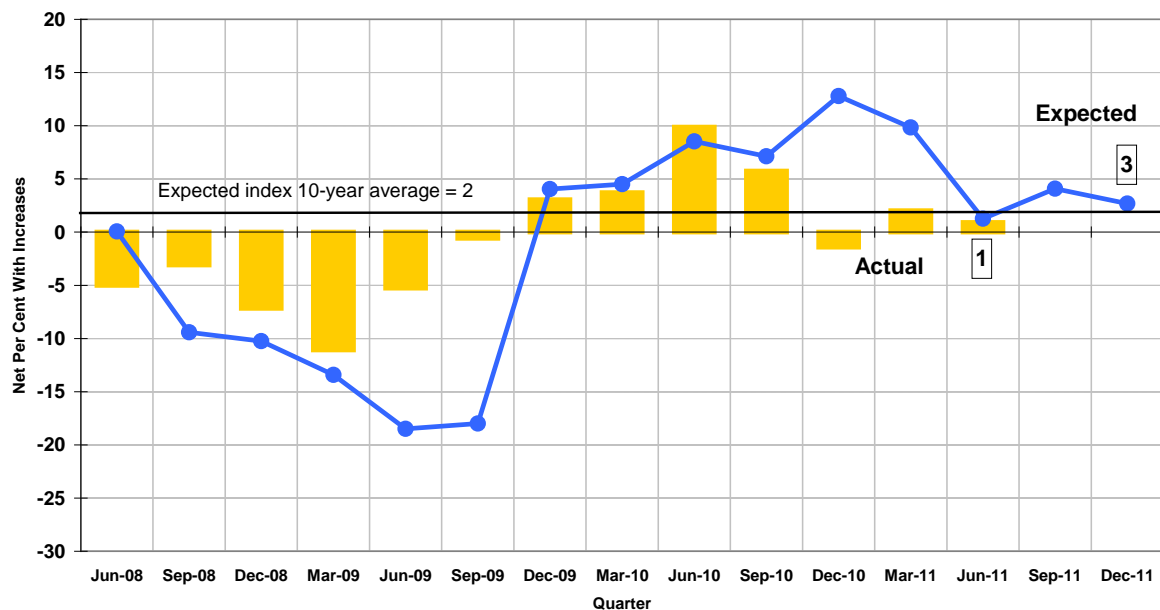
**The latest index is one point above the 10-year average index of 2.** Twenty two per cent expect to increase and 19 per cent to decrease inventories in December quarter compared with a year earlier.

The final index of the net proportion of firms with actual increases in inventories for June quarter 2011 is one, down one point on the March quarter. Eighteen per cent had an increase in inventories and 17 per cent a decrease compared with June quarter 2010.

Inventories: D&B Indexes  
Component Responses



Inventories: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011





## Selling Prices Outlook

(Quarterly Net Index) (Up 1 to 17)

The positive and negative components of the D&B net indexes are shown in the adjacent chart.

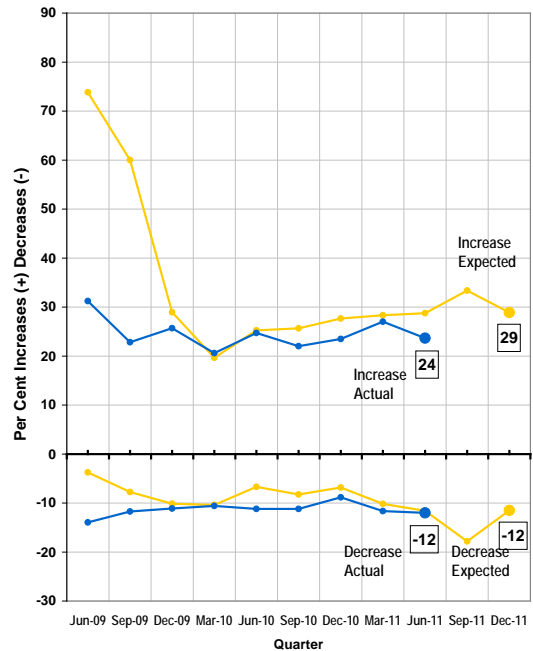
The final selling prices outlook for December quarter 2011 is up one point to a net index of 17.

**Price expectations have remained subdued and much the same for the latest seven quarters, some 10 to 15 points below the 10-year average index of 31.**

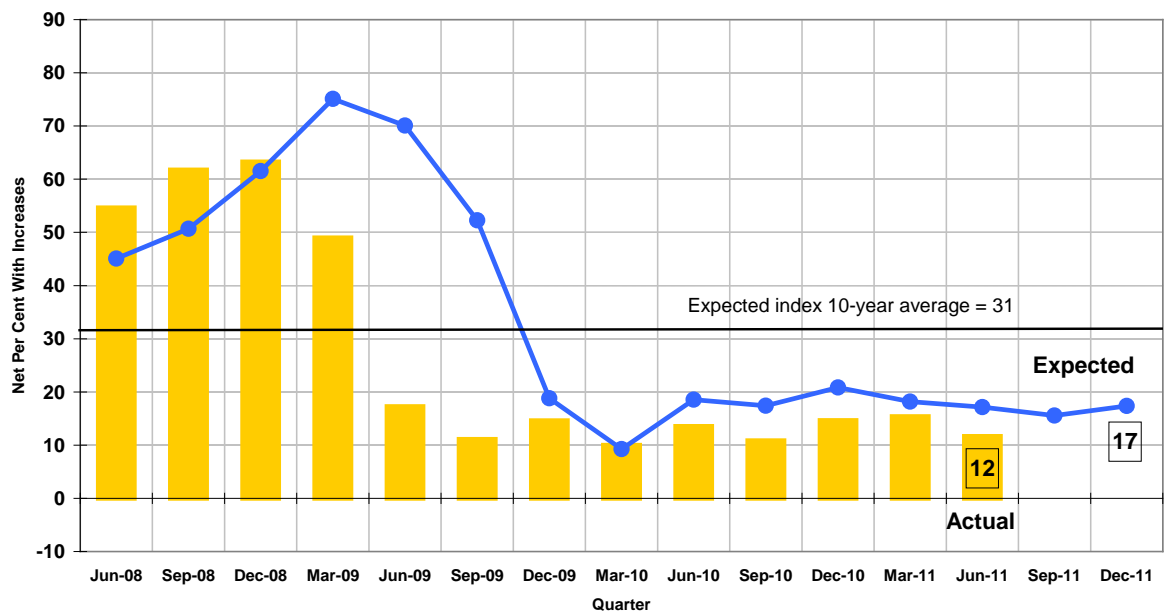
The proportion of firms expecting to have higher selling prices in December quarter 2011 than a year earlier is 29 per cent with 12 per cent expecting to have lower prices.

**At 12, the final actual prices index for June quarter 2011 is five points below the net expectations index for the quarter.** Twenty four per cent had increased and 12 per cent had decreased prices compared with June quarter 2010.

Selling Prices: D&B Indexes Component Responses



Selling Prices: D&B Indexes Jun Qtr 2008 to Dec Qtr 2011





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D&B Survey New Quarterly Indexes

Expected: Quarter Ahead: Net per cent with increases

QUARTER	Sep 2010	Dec 2010	Mar 2011	Jun 2011	Sep 2011	Dec 2011 Final	Change One Quarter	In Four Quarters
Sales	18	34	31	14	10	11 r	+ 1	- 23
Profits	12	26	30	8	- 2	5 r	+ 7	- 21
Employees	5	8	9	3	- 3	1 r	+ 4	- 7
Capital Investment	13	17	13	5	1	6 r	+ 5	- 11
Inventories	7	13	10	1	4	3 r	- 1	- 10
Selling Prices	17	21	18	17	16	17 r	+ 1	- 4

Actual: Quarter Behind: Net per cent with increases

QUARTER	Mar 2010	Jun 2010	Sep 2010	Dec 2010	Mar 2011	Jun 2011 Final	Change One Quarter	In Four Quarters
Sales	8	9	14	6	5	5 r	0	- 4
Profits	3	3	6	1	- 3	- 1	+ 2	- 4
Employees	0	5	5	2	- 4	2 r	+ 6	- 3
Capital Investment	9	15	8	4	1	6	+ 5	- 9
Inventories	4	10	6	- 1	2	1 r	- 1	- 9
Selling Prices	10	14	11	15	15	12 r	- 3	- 2

r - revised

Survey Months	April- Jun 2010	July- Sep 2010	Oct- Dec 2010	Jan- Mar 2011	Apr- June 2011	July- Sep 2011
Number of Responses	1,200	1,201	1,200	1,200	1,202	1,201

Quarterly Indexes: Each batch of monthly responses is given an equal weight in the calculation of the new quarterly indexes. Final indexes for December quarter 2011 (Expected) and June quarter 2011 (Actual) are now issued based on the 1,201 responses obtained in July-September 2011.



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**D&B New Quarterly Expectation Indexes for Industry Sectors**

QUARTER	(Survey Months)	Durables Manufacturers	Non-Durables Manufacturers	Wholesalers	Retailers	All Firms
<b>Sales Expectations</b>						
Sep 2010	(04-06/10)	12	21	30	9	18
Dec 2010	(07-09/10)	38	31	32	37	34
Mar 2011	(10-12/10)	32	24	32	35	31
Jun 2011	(01-03/11)	12	29	11	6	14
Sep 2011	(04-06/11)	13	7	19	- 1	10
Dec 2011 R	(07-09/11)	4 r	19 r	18 r	5 r	11 r
<b>Profits Expectations</b>						
Sep 2010	(04-06/10)	7	13	21	8	12
Dec 2010	(07-09/10)	29	24	24	30	26
Mar 2011	(10-12/10)	35	27	22	35	30
Jun 2011	(01-03/11)	13	18	6	- 3	8
Sep 2011	(04-06/11)	- 2	- 6	2	- 3	- 2
Dec 2011 R	(07-09/11)	8	6 r	5 r	- 1 r	5 r
<b>Employees Expectations</b>						
Jun 2010	(01-03/10)	8	8	9	10	9
Sep 2010	(04-06/10)	3	4	11	2	5
Dec 2010	(07-09/10)	13	3	8	8	8
Mar 2011	(10-12/10)	14	4	10	10	9
Jun 2011	(01-03/11)	0	5	6	- 1	3
Sep 2011	(04-06/11)	- 4	- 4	6	- 8	- 3
Dec 2011 R	(07-09/11)	3 r	1 r	4	- 5 r	1 r
<b>Capital Investment Expectations</b>						
Sep 2010	(04-06/10)	6	18	20	8	13
Dec 2010	(07-09/10)	18	18	13	22	17
Mar 2011	(10-12/10)	13	15	12	10	13
Jun 2011	(01-03/11)	1	8	6	3	5
Sep 2011	(04-06/11)	- 3	- 2	7	2	1
Dec 2011 R	(07-09/11)	3 r	9 r	3 r	9 r	6 r
<b>Inventories Expectations</b>						
Sep 2010	(04-06/10)	4	8	16	0	7
Dec 2010	(07-09/10)	13	15	15	8	13
Mar 2011	(10-12/10)	12	7	14	7	10
Jun 2011	(01-03/11)	- 3	7	5	- 3	1
Sep 2011	(04-06/11)	- 2	2	9	7	4
Dec 2011 R	(07-09/11)	- 4 r	0 r	8	6 r	3 r
<b>Selling Prices Expectations</b>						
Sep 2010	(04-06/10)	22	19	19	9	17
Dec 2010	(07-09/10)	21	18	14	30	21
Mar 2011	(10-12/10)	19	23	14	17	18
Jun 2011	(01-03/11)	20	26	9	14	17
Sep 2011	(04-06/11)	15	18	15	14	16
Dec 2011 R	(07-09/11)	16 r	20 r	16 r	17 r	17 r

R – revised

This table now shows the Final expectation indexes for December quarter 2011.



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**D&B New Quarterly Actual Indexes for Industry Sectors**

QUARTER	(Survey Months)	Durables Manufacturers	Non-Durables Manufacturers	Wholesalers	Retailers	All Firms
<b>Sales Actual</b>						
Mar 2010	(04-06/10)	5	9	17	2	8
Jun 2010	(07-09/10)	20	8	4	6	9
Sep 2010	(10-12/10)	14	16	18	8	14
Dec 2010	(01-03/11)	6	11	3	4	6
Mar 2011	(04-06/11)	8	1	12	- 1	5
Jun 2011 R	(07-09/11)	- 1 r	13 r	10 r	- 3	5 r
<b>Profits Actual</b>						
Mar 2010	(04-06/10)	2	0	12	- 2	3
Jun 2010	(07-09/10)	8	4	- 4	4	3
Sep 2010	(10-12/10)	11	9	7	- 1	6
Dec 2010	(01-03/11)	5	9	- 4	- 6	1
Mar 2011	(04-06/11)	- 2	- 8	4	- 5	- 3
Jun 2011 R	(07-09/11)	3	2 r	1 r	- 10 r	- 1
<b>Employees Actual</b>						
Mar 2010	(04-06/10)	- 2	1	3	- 2	0
Jun 2010	(07-09/10)	11	5	1	5	5
Sep 2010	(10-12/10)	4	4	7	5	5
Dec 2010	(01-03/11)	5	2	0	1	2
Mar 2011	(04-06/11)	0	- 6	0	- 9	- 4
Jun 2011 R	(07-09/11)	9 r	1 r	1 r	- 2 r	2 r
<b>Capital Investment Actual</b>						
Mar 2010	(04-06/10)	6	8	15	6	9
Jun 2010	(07-09/10)	18	15	12	15	15
Sep 2010	(10-12/10)	12	5	9	7	8
Dec 2010	(01-03/11)	2	2	6	4	4
Mar 2011	(04-06/11)	0	- 1	4	1	1
Jun 2011 R	(07-09/11)	3	10 r	6 r	6 r	6
<b>Inventories Actual</b>						
Mar 2010	(04-06/10)	2	3	3	7	4
Jun 2010	(07-09/10)	17	10	8	4	10
Sep 2010	(10-12/10)	9	- 2	5	11	6
Dec 2010	(01-03/11)	- 2	- 2	- 1	- 1	- 1
Mar 2011	(04-06/11)	- 1	0	5	4	2
Jun 2011 R	(07-09/11)	- 3 r	- 5 r	10 r	1 r	1 r
<b>Selling Prices Actual</b>						
Mar 2010	(04-06/10)	10	11	14	6	10
Jun 2010	(07-09/10)	16	16	10	12	14
Sep 2010	(10-12/10)	10	11	9	14	11
Dec 2010	(01-03/11)	17	13	13	16	15
Mar 2011	(04-06/11)	17	18	14	13	15
Jun 2011 R	(07-09/11)	12 r	17 r	11 r	6 r	12 r

R - revised

This table now shows the Final actual indexes for June quarter 2011



**D&B Supplementary Questions – September 2011**

Includes comparisons with responses to these questions in recent previous surveys.

**1. Do you plan to increase your cash reserves (available liquid assets) in the next three months?**

<i>Question 1 (September 2011)</i>	September 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, increase cash reserves significantly	57	14	13	12	20	12
Yes, increase cash reserves moderately	78	20	18	23	21	16
No, plan to maintain current cash reserves	235	59	65	53	52	65
No, plan to decrease cash reserves	17	4	2	7	3	5
Not sure/don't know	13	3	2	5	4	2
<b>Total</b>	<b>400</b>	<b>100</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 1 (August 2011)</i>	August 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, increase cash reserves significantly	38	9	14	8	7	9
Yes, increase cash reserves moderately	112	28	22	26	28	35
No, plan to maintain current cash reserves	228	57	55	65	59	48
No, plan to decrease cash reserves	19	5	8	1	4	6
Not sure/don't know	5	1	1	-	2	2
<b>Total</b>	<b>402</b>	<b>100</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 1 (July 2011)</i>	July 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, increase cash reserves significantly	44	11	10	10	12	12
Yes, increase cash reserves moderately	102	26	31	27	24	20
No, plan to maintain current cash reserves	238	60	55	60	61	63
No, plan to decrease cash reserves	10	2	2	2	2	4
Not sure/don't know	5	1	2	1	1	1
<b>Total</b>	<b>399</b>	<b>100</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 1 All Firms (July 2011 – February 2011)</i>	July 2011	June 2011	May 2011	April 2011	March 2011	Feb 2011
Yes, increase cash reserves significantly	11	14	12	8	9	13
Yes, increase cash reserves moderately	26	27	25	29	16	29
No, plan to maintain current cash reserves	60	50	55	54	69	52
No, plan to decrease cash reserves	2	4	6	5	3	5
Not sure/don't know	1	4	2	4	2	<2
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 1 All Firms (January 2011 – August 2010)</i>	January 2011	December 2010	November 2010	October 2010	Sep 2010	Aug 2010
Yes, increase cash reserves significantly	12	8	13	13	13	11
Yes, increase cash reserves moderately	31	25	24	30	22	20
No, plan to maintain current cash reserves	52	61	58	51	58	64
No, plan to decrease cash reserves	4	5	3	4	5	3
Not sure/don't know	1	<2	2	2	2	<2
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



Decide with Confidence

2. Thinking about **the quarter ahead**, which issue do you think will influence the operations of your business the most?

<i>Question 2 (September 2011)</i>	September 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Interest rates	132	33	43	28	28	33
Fuel prices	76	19	13	17	24	22
Wages & salary growth	82	21	17	27	23	15
Access to credit	49	12	13	16	10	10
Not sure/don't know	61	15	14	12	15	20
<b>Total</b>	<b>400</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 2 (August 2011)</i>	August 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Interest rates	135	34	36	34	35	29
Fuel prices	66	16	14	17	19	16
Wages & salary growth	101	25	28	27	21	24
Access to credit	41	10	10	11	8	12
Not sure/don't know	59	15	12	11	17	19
<b>Total</b>	<b>402</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 2 (July 2011)</i>	July 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Interest rates	129	32	36	28	31	35
Fuel prices	81	20	17	25	22	17
Wages & salary growth	97	24	28	24	20	25
Access to credit	33	8	7	9	11	6
Not sure/don't know	59	15	12	14	16	17
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 2 All Firms (June 2011 - January 2011)</i>	June 2011	May 2011	April 2011	March 2011	February 2011	January 2011
Interest rates	27	29	25	23	29	27
Fuel prices	18	20	23	26	15	18
Wages & salary growth	23	23	20	21	23	27
Access to credit	17	19	18	17	16	18
Not sure/don't know	15	9	14	13	17	11
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 2 All Firms (December 2010 - July 2010)</i>	December 2010	November 2010	October 2010	September 2010	August 2010	July 2010
Interest rates	40	34	26	28	31	36
Wages & salary growth	25	30	32	32	29	25
Access to credit	15	15	14	17	15	12
Not sure/don't know	13	11	10	13	11	11
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





<b>Question 2 All Firms (June 2010 - January 2010)</b>	<b>June 2010</b>	<b>May 2010</b>	<b>April 2010</b>	<b>March 2010</b>	<b>February 2010</b>	<b>January 2010</b>
Interest rates	33	35	33	31	38	37
Fuel prices	14	11	17	17	11	23
Wages & salary growth	28	24	23	39	37	34
Access to credit	8	19	17	na	na	na
Not sure/don't know	17	11	9	13	14	6
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*na – not asked until April 2010*

**3. Thinking about your business for the quarter ahead, are you likely to seek finance or credit to help your business grow?**

<b>Question 3 (September 2011)</b>	<b>September 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Yes	71	18	20	26	12	13
No	303	76	75	66	82	80
Not sure/don't know	26	6	5	8	6	7
<b>Total</b>	<b>400</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 3 (August 2011)</b>	<b>August 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Yes	66	16	20	12	22	12
No	324	81	73	86	77	86
Not sure/don't know	12	3	7	2	1	2
<b>Total</b>	<b>402</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 3 (July 2011)</b>	<b>July 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Yes	65	16	27	18	10	10
No	318	80	71	75	89	84
Not sure/don't know	16	4	2	7	1	6
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 3 All Firms (June 2011 – January 2011)</b>	<b>June 2011</b>	<b>May 2011</b>	<b>April 2011</b>	<b>March 2011</b>	<b>February 2011</b>	<b>January 2011</b>
Yes	16	17	18	14	18	14
No	78	68	75	82	76	76
Not sure/don't know	6	15	7	4	6	10
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



**4. What do you see as the biggest barrier to growing your business in the year ahead?**

<i>Question 4 (September 2011)</i>	September 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Access to or a shortage of skilled labour	59	15	16	18	15	10
Access to or a shortage of funding	47	12	14	12	9	12
A slow growth in demand for our products	205	51	51	46	56	52
Don't see any major barrier	74	18	17	19	16	22
Not sure/don't know	15	4	2	5	4	4
<b>Total</b>	<b>400</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 4 (August 2011)</i>	August 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Access to or a shortage of skilled labour	69	17	21	14	18	16
Access to or a shortage of funding	50	12	6	12	18	13
A slow growth in demand for our products	201	50	55	54	46	45
Don't see any major barrier	74	18	17	18	17	22
Not sure/don't know	8	2	1	2	1	4
<b>Total</b>	<b>402</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 4 (July 2011)</i>	July 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Access to or a shortage of skilled labour	66	17	20	23	11	12
Access to or a shortage of funding	34	8	8	10	9	7
A slow growth in demand for our products	224	56	54	56	50	65
Don't see any major barrier	62	16	17	8	23	14
Not sure/don't know	13	3	1	3	7	2
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<i>Question 4 (June 2011)</i>	June 2011 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Access to or a shortage of skilled labour	77	19	20	17	20	20
Access to or a shortage of funding	40	10	8	16	8	8
A slow growth in demand for our products	213	53	55	60	49	49
Don't see any major barrier	58	15	14	6	22	16
Not sure/don't know	12	3	3	1	1	7
<b>Total</b>	<b>400</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



Decide with Confidence

<b>Question 4 All Firms (May 2011 – December 2010)</b>	<b>May 2011</b>	<b>April 2011</b>	<b>March 2011</b>	<b>February 2011</b>	<b>January 2011</b>	<b>December 2010</b>
Access to or a shortage of skilled labour	21	15	17	19	20	19
Access to or a shortage of funding	11	12	12	14	16	12
A slow growth in demand for our products	48	48	46	43	36	41
Don't see any major barrier	17	21	23	22	26	24
Not sure/don't know	3	3	2	2	2	4
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 4 All Firms (November 2010- June 2010)</b>	<b>November 2010</b>	<b>October 2010</b>	<b>September 2010</b>	<b>August 2010</b>	<b>July 2010</b>	<b>June 2010</b>
Access to or a shortage of skilled labour	21	22	19	20	16	13
Access to or a shortage of funding	10	12	8	9	16	8
A slow growth in demand for our products	42	45	47	49	49	38
Don't see any major barrier	24	19	25	20	18	34
Not sure/don't know	3	<2	<2	<2	<1	7
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**5. In terms of the number of people working in your business, how would you categorize it?**

<b>Question 5 (September 2011)</b>	<b>September 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Very small (1 to 5 workers)	214	54	48	44	57	65
Small (6 to 20 workers)	139	35	36	39	37	27
Medium (21 to 50 workers)	26	6	10	9	3	4
Large (51 to 100 workers)	13	3	4	3	2	4
Very large (more than 100)	7	2	1	5	1	-
Not sure/don't know	1	<1	1	-	-	-
<b>Total</b>	<b>400</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 (August 2011)</b>	<b>August 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Very small (1 to 5 workers)	240	60	55	50	68	66
Small (6 to 20 workers)	126	31	31	35	28	32
Medium (21 to 50 workers)	23	6	7	11	4	1
Large (51 to 100 workers)	6	<2	6	-	-	-
Very large (more than 100)	5	<2	1	2	1	1
Not sure/don't know	2	<1	-	2	-	-
<b>Total</b>	<b>402</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 (July 2011)</b>	<b>July 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
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Decide with Confidence

Very small (1 to 5 workers)	237	59	61	55	60	62
Small (6 to 20 workers)	112	28	26	28	31	27
Medium (21 to 50 workers)	36	9	13	10	7	6
Large (51 to 100 workers)	5	<2	-	3	-	2
Very large (more than 100)	7	<2	-	4	1	2
Not sure/don't know	2	<1	-	-	1	1
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 (June 2011)</b>	<b>June 2011 All Firms</b>		<b>Durables Manufacture</b>	<b>Non-Durables Manufacture</b>	<b>Wholesale</b>	<b>Retail</b>
Very small (1 to 5 workers)	191	48	43	46	41	62
Small (6 to 20 workers)	149	37	40	41	38	30
Medium (21 to 50 workers)	35	9	10	8	11	6
Large (51 to 100 workers)	18	5	3	5	8	2
Very large (more than 100)	6	<2	4	-	2	-
Not sure/don't know	-	-	-	-	-	-
<b>Total</b>	<b>399</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 All Firms (June 2011 – January 2011)</b>	<b>June 2011</b>	<b>May 2011</b>	<b>April 2011</b>	<b>March 2011</b>	<b>February 2011</b>	<b>January 2011</b>
Very small (1 to 5 workers)	48	47	49	50	56	48
Small (6 to 20 workers)	37	39	37	37	30	41
Medium (21 to 50 workers)	9	10	9	9	12	9
Large (51 to 100 workers)	5	2	2	2	1	2
Very large (more than 100)	<2	2	2	2	1	-
Not sure/don't know	-	<1	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 All Firms (December 2010 – July 2010)</b>	<b>December 2010</b>	<b>November 2010</b>	<b>October 2010</b>	<b>September 2010</b>	<b>August 2010</b>	<b>July 2010</b>
Very small (1 to 5 workers)	47	43	50	40	46	47
Small (6 to 20 workers)	38	40	39	39	35	31
Medium (21 to 50 workers)	10	11	8	13	12	12
Large (51 to 100 workers)	3	3	2	5	4	5
Very large (more than 100)	2	3	<1	3	3	5
Not sure/don't know	-	-	<1	-	<1	<1
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Question 5 All Firms (June 2010 – January 2010)</b>	<b>June 2010</b>	<b>May 2010</b>	<b>April 2010</b>	<b>March 2010</b>	<b>February 2010</b>	<b>January 2010</b>
Very small (1 to 5 workers)	30	39	37	41	45	48
Small (6 to 20 workers)	34	37	37	38	37	34
Medium (21 to 50 workers)	19	12	14	12	11	11
Large (51 to 100 workers)	7	6	7	6	4	3
Very large (more than 100)	9	6	4	3	3	4
Not sure/don't know	1	<1	1	<1	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>