



GM Quarterly Economic Survey Q4 2021

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Quarterly Economic Briefing

Welcome & Introduction

Chris Fletcher, *Director of Marketing & Campaigns*

QES Presentation

Subrahmaniam Krishnan-Harihara, *Head of Research*

GM Business, Employment, Skills & Training
Monitor (GM BEST) launch

Subrahmaniam Krishnan-Harihara

Q&A & Discussion

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Quarterly Economic Briefing

What is the QES?

- The UK's largest and most reliable business confidence survey, is the first to be published in each quarter and is used by key policy makers to determine economic decision-making

Does sample size matter?

- Yes. Better the response rate, more accurate the results. The Greater Manchester QES alone has the same sample size as other *national* business surveys.

How reliable?

- Very. It has accurately predicted the recessions of the 1990s and 2000s and can disprove some early releases of national statistics (the “double-dip” that never was in 2012).

Does being first matter?

- Yes. It allows us to help you to be ahead of the curve, often months ahead of official data.

Do policy makers use the QES?

- Lots of them do. It's routinely quoted by HM Treasury, the Bank of England, the European Union, the OECD and the International Monetary Fund. And, if we're getting it right, *you*.



We will cover QES data and GM BEST monitor phase 1

- The Greater Manchester Index™
- Domestic & overseas demand
- Business investment
- Business confidence
- Labour Market
- Recruitment Difficulties & Skills shortages

The Greater Manchester Index™ is a combination of seven key QES measures that best indicate the overall performance of the GM economy:

- Domestic Sales
- Domestic orders
- International sales
- International orders
- Confidence in turnover
- Confidence in profitability
- Capacity utilisation

Q4 results show overall stabilisation but varying performance on some indicators

GM INDEX
32.5



Domestic demand shows decreases in manufacturing and services.



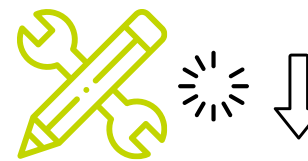
International trade activity show remarkable quarterly improvement



Cash positions weakened slightly



Employment prospects remain good; 95% of those recruiting are trying to fill full time vacancies

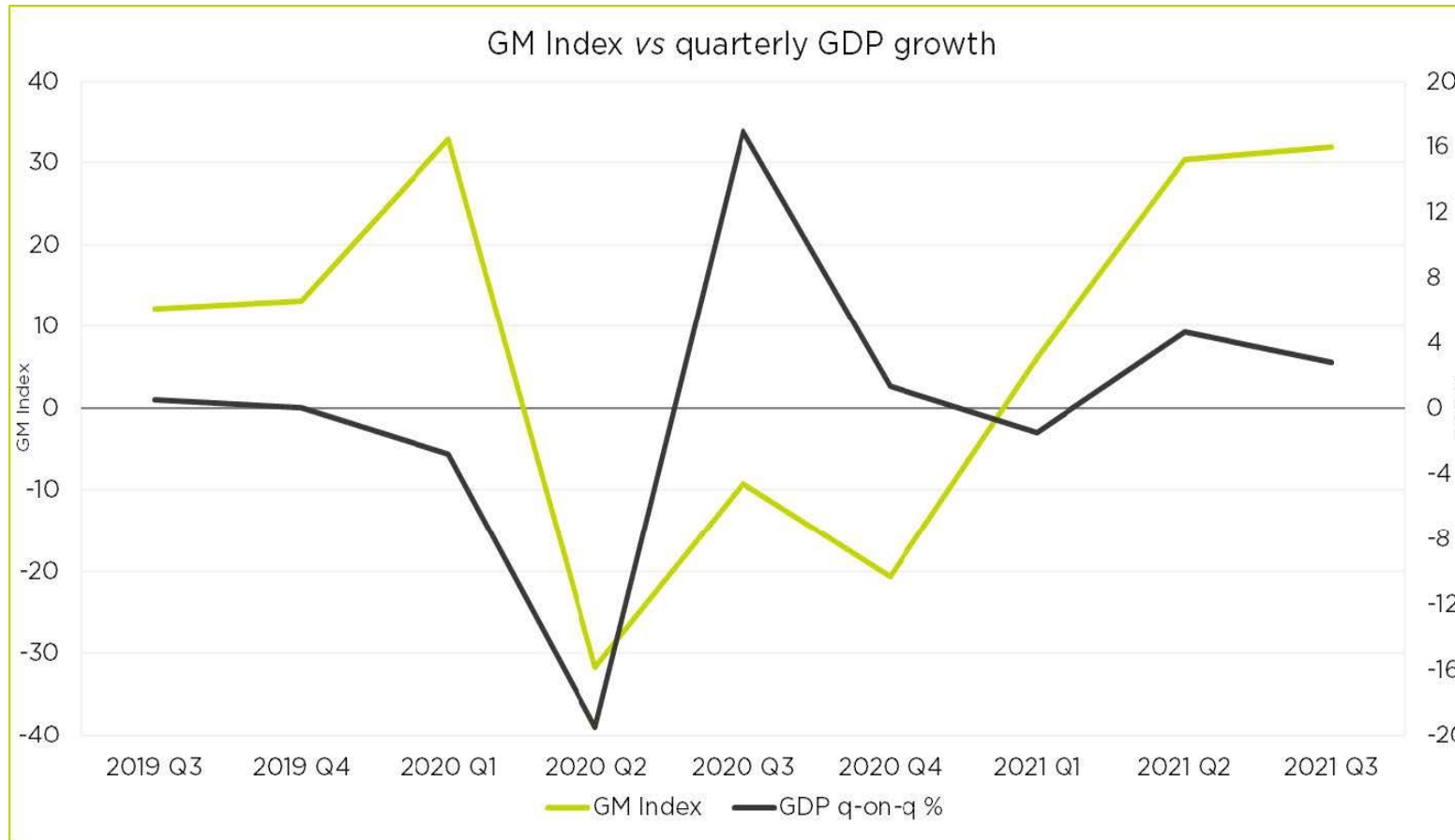


Recruitment difficulties have worsened. Competition for skilled workers has gone up.



Business investment in equipment and training remain well below pre-pandemic levels.

Where were we in Q3?



- GM Index™ for Q3 2021: **31.9**
- Growth driven by consumer demand
- Anticipated softening in rates of growth

Source: GMCC QES, ONS GDP Quarter on Quarter growth: CVM SA % | Q3 2021 GDP based on forecasts

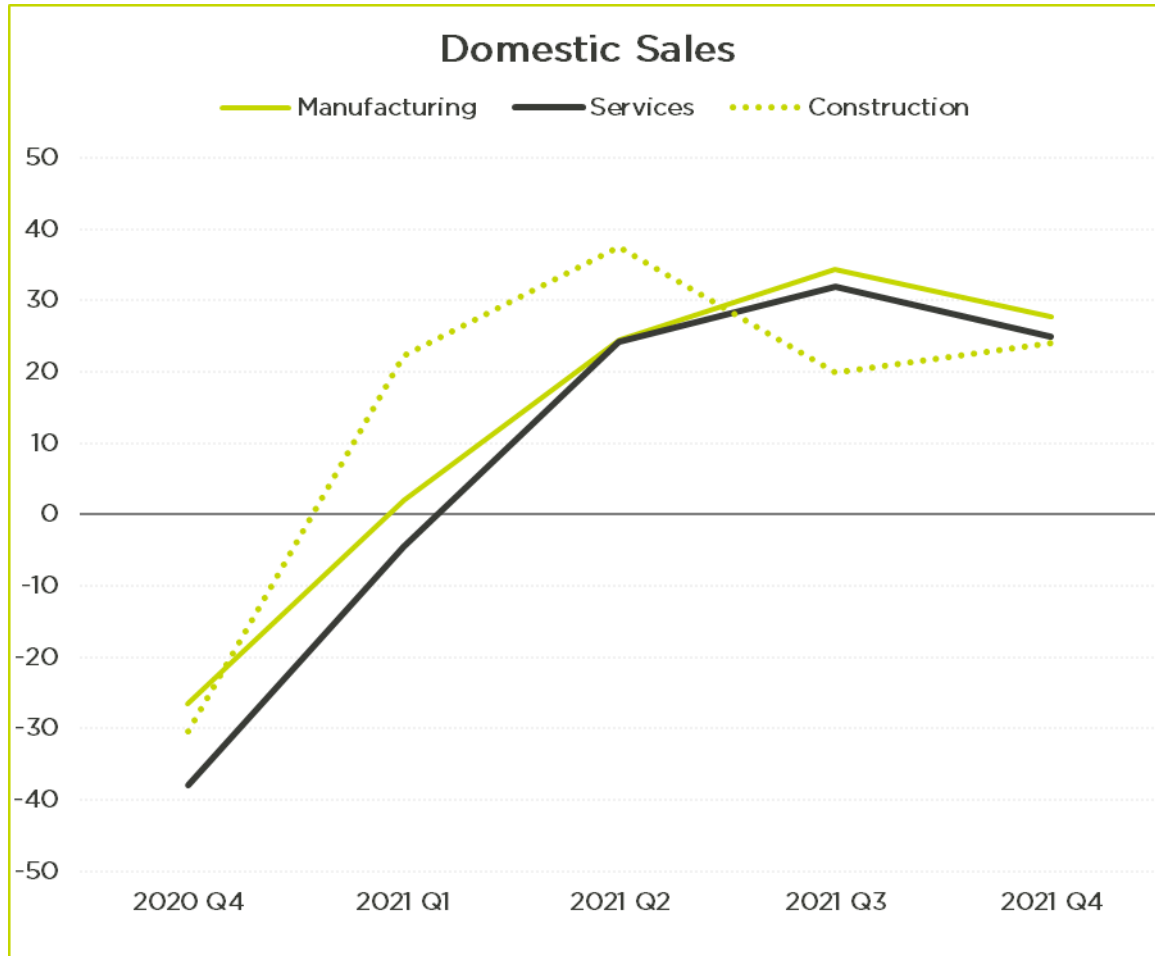
Where are we now?



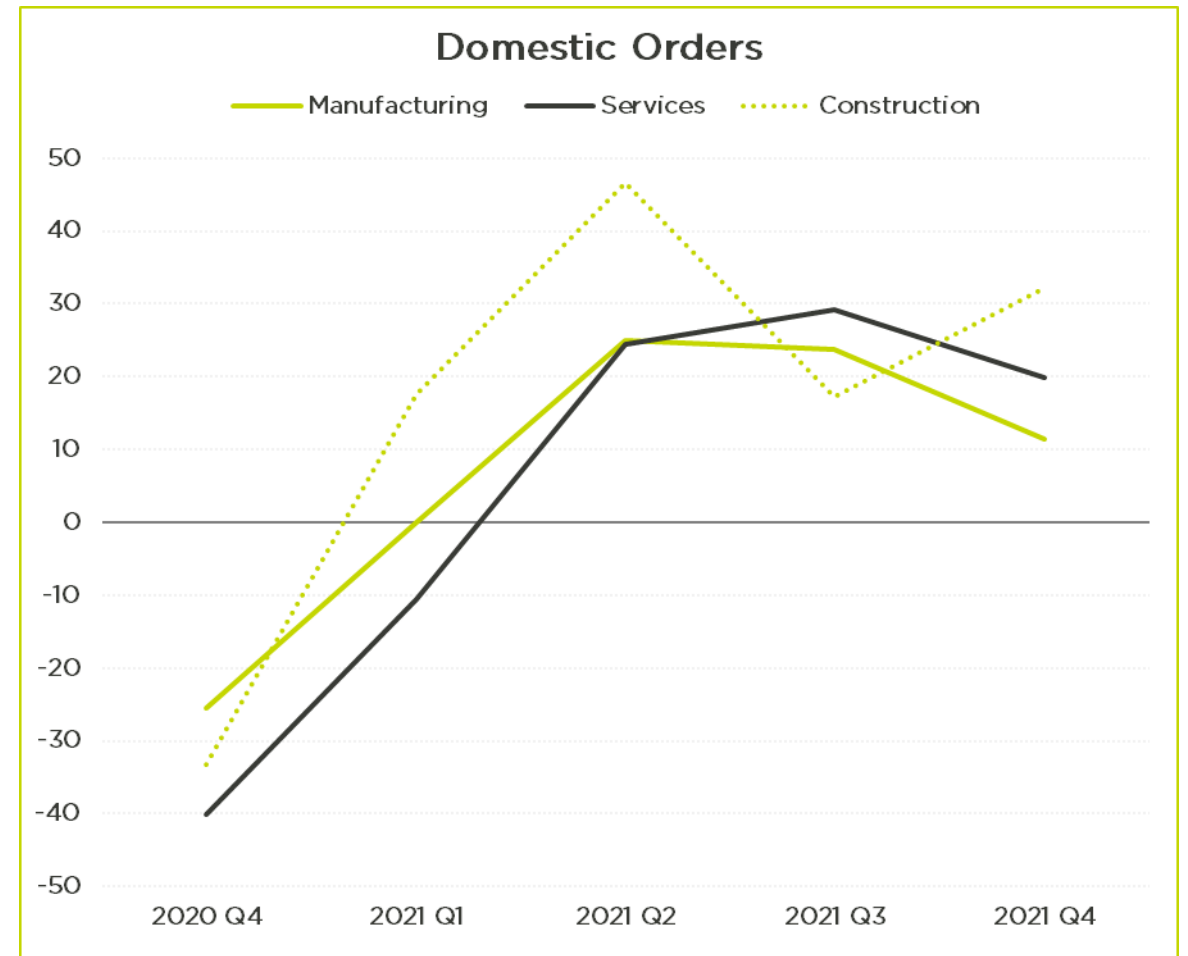
- GM Index™ for Q4 2021: **32.5**
- Q3 GDP growth of 1.3% was below forecast. GDP forecast to grow by 0.5% in Q4.
- Business investment is still weak, and an annual decline is expected
- Nationally:
 - Services index improved between Sep & Oct
 - Manufacturing index declined slightly in Oct
 - Construction output fell 1.8% in Oct 2021

Source: GMCC QES, ONS GDP Quarter on Quarter growth: CVM SA % | Q4 2021 GDP based on forecasts

QES Domestic Demand - Sectors

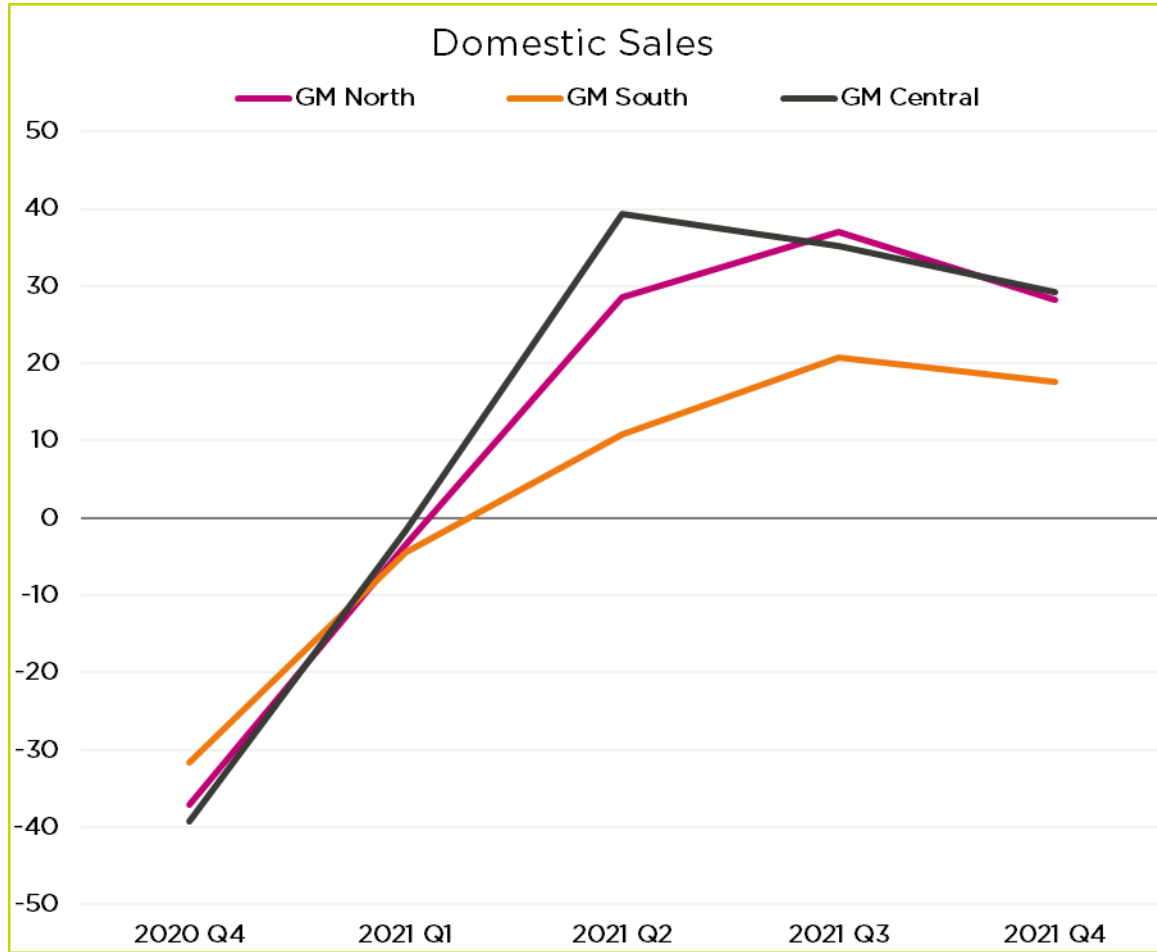


Source: GMCC QES

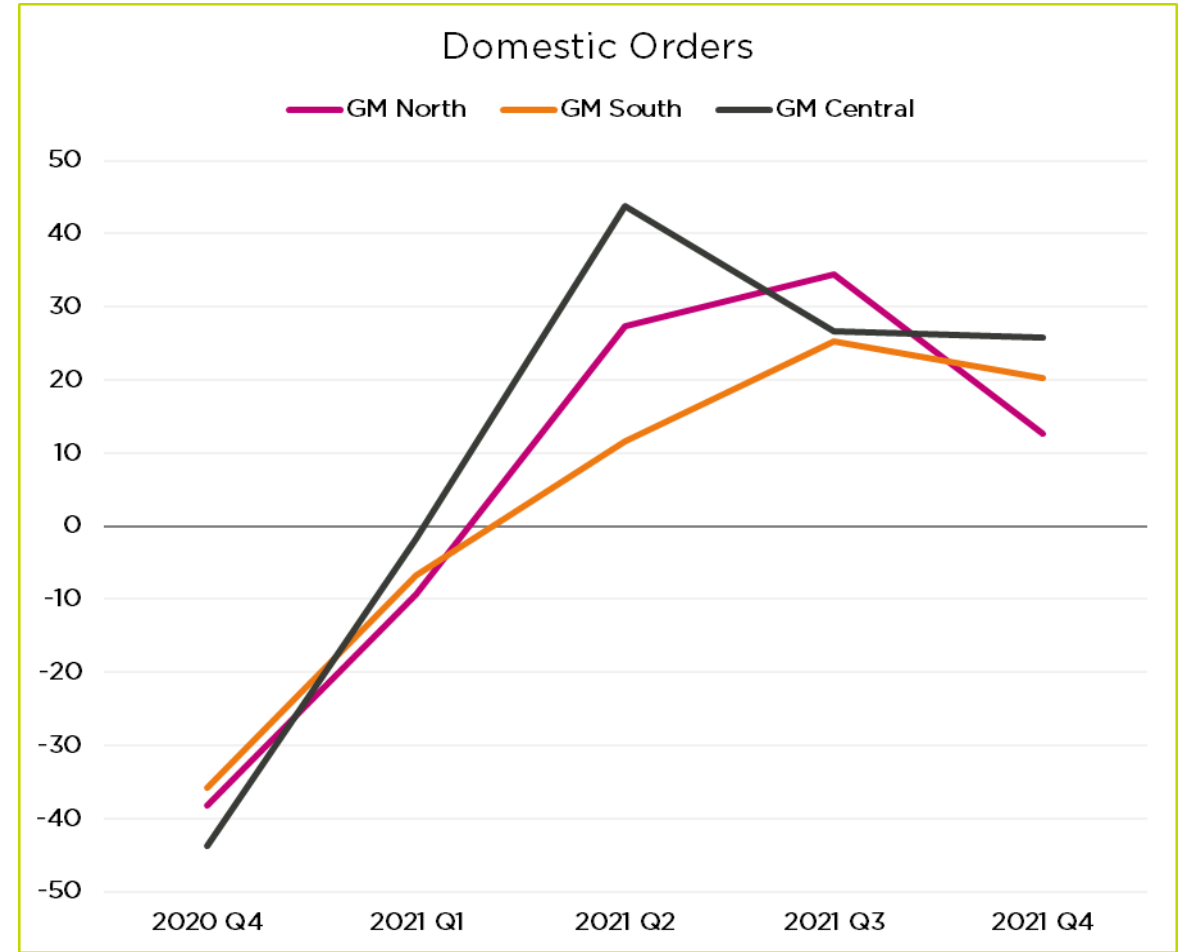


Source: GMCC QES

QES Domestic Demand - Regional

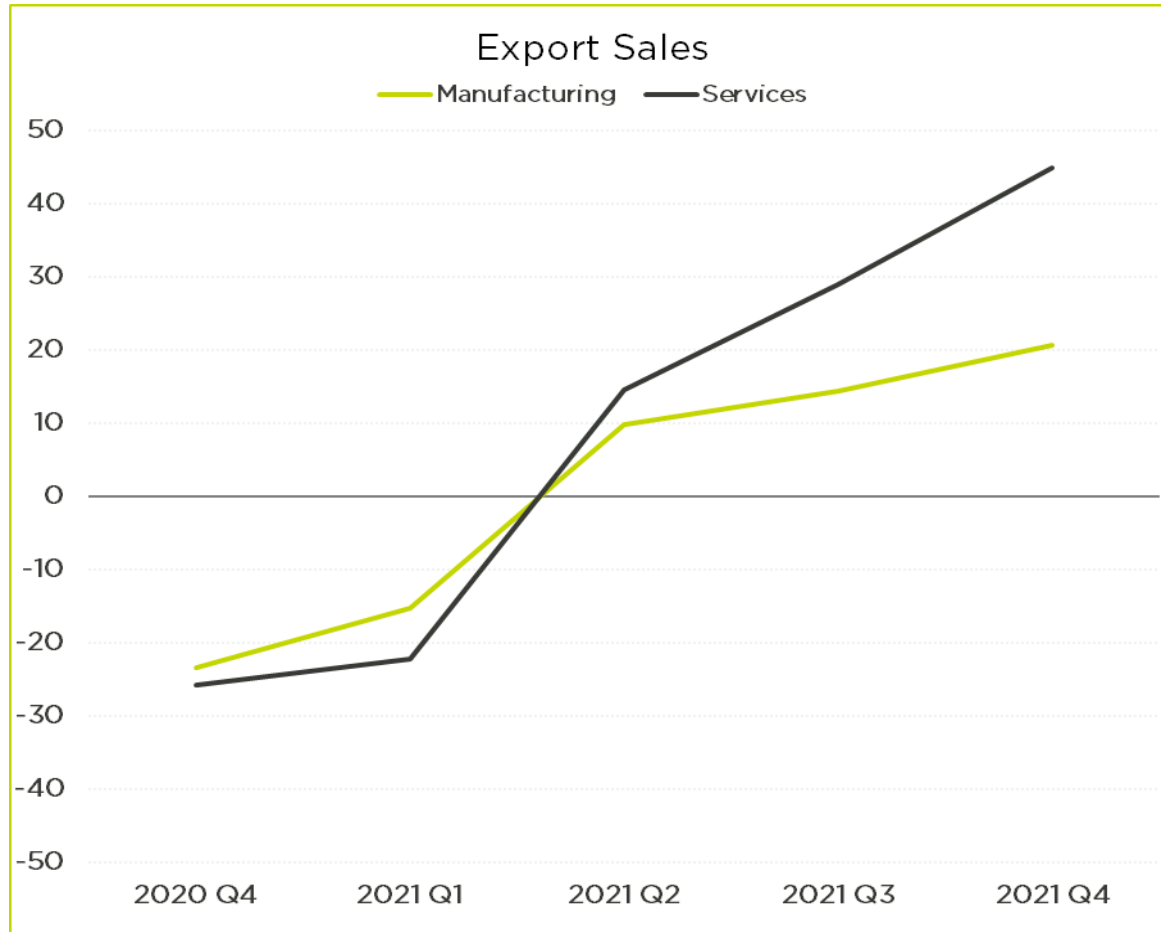


Source: GMCC QES



Source: GMCC QES

QES International Demand

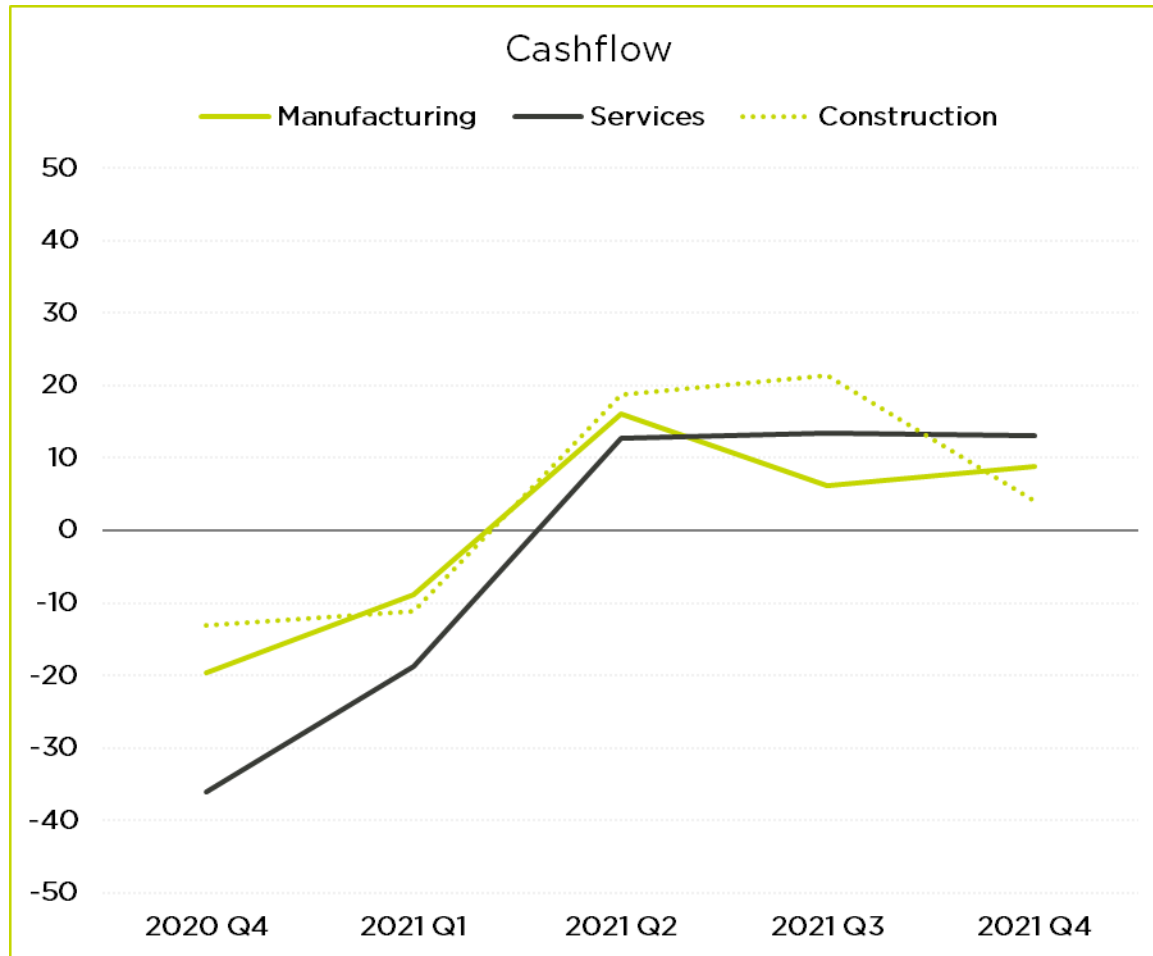


Source: GMCC QES

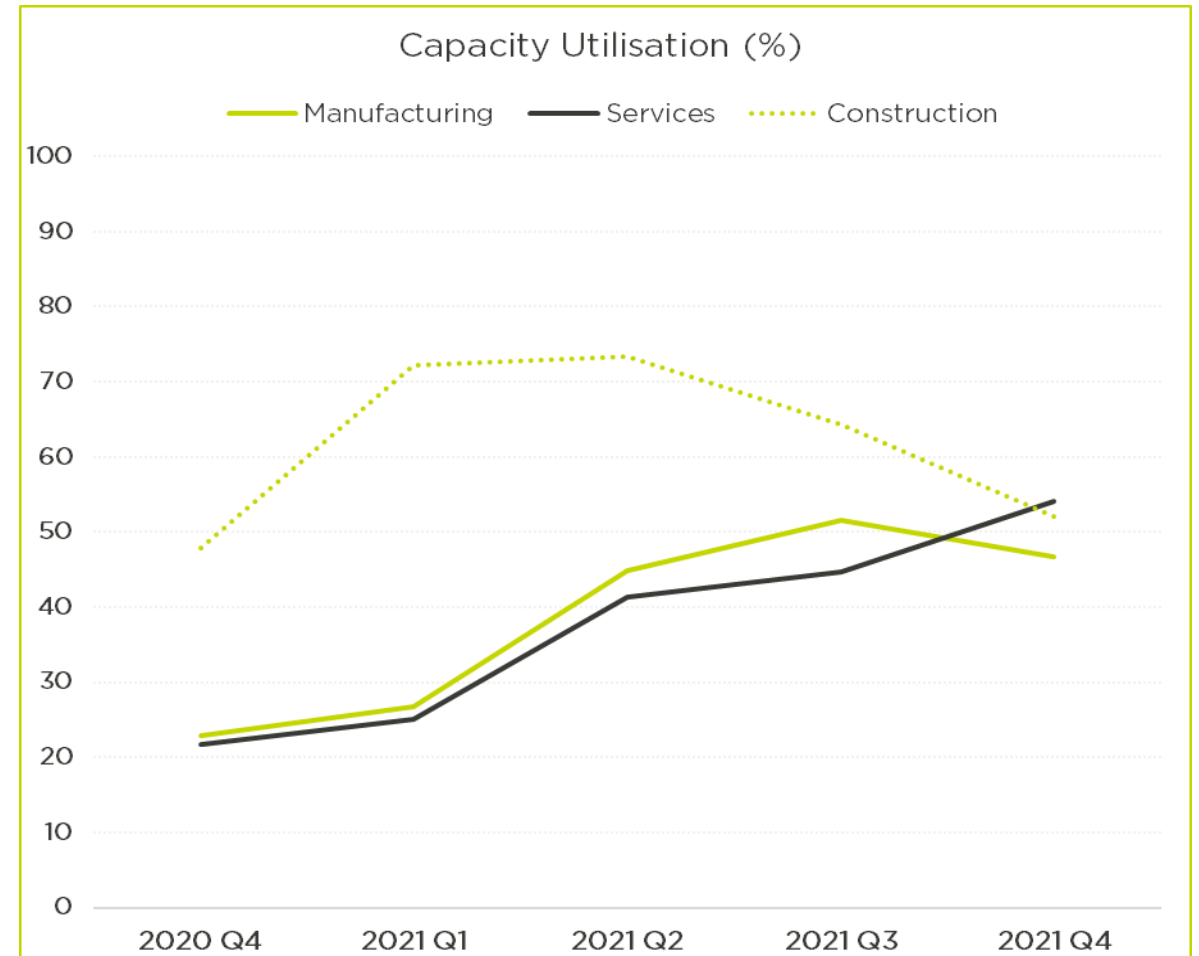


Source: GMCC QES

QES Cashflow & Capacity Utilisation

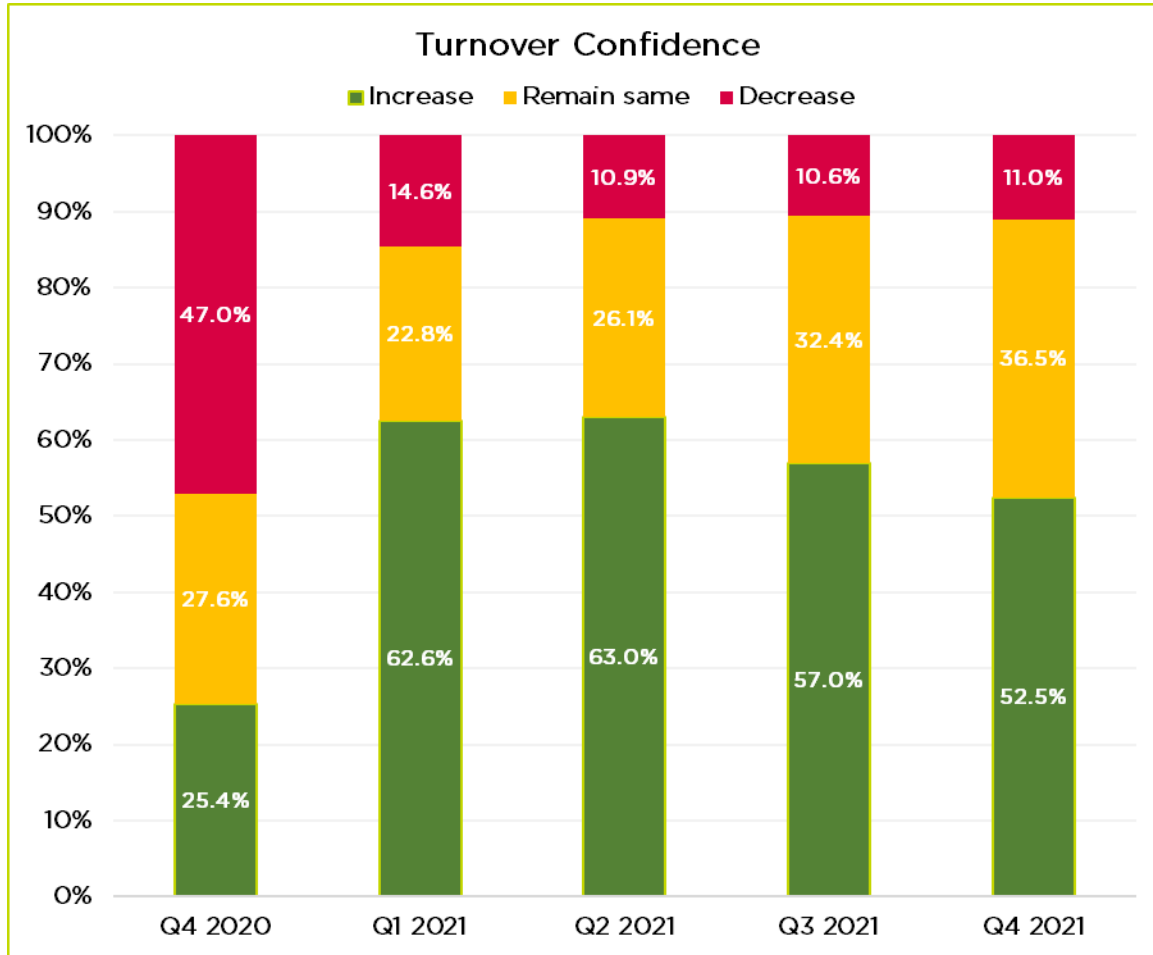


Source: GMCC QES

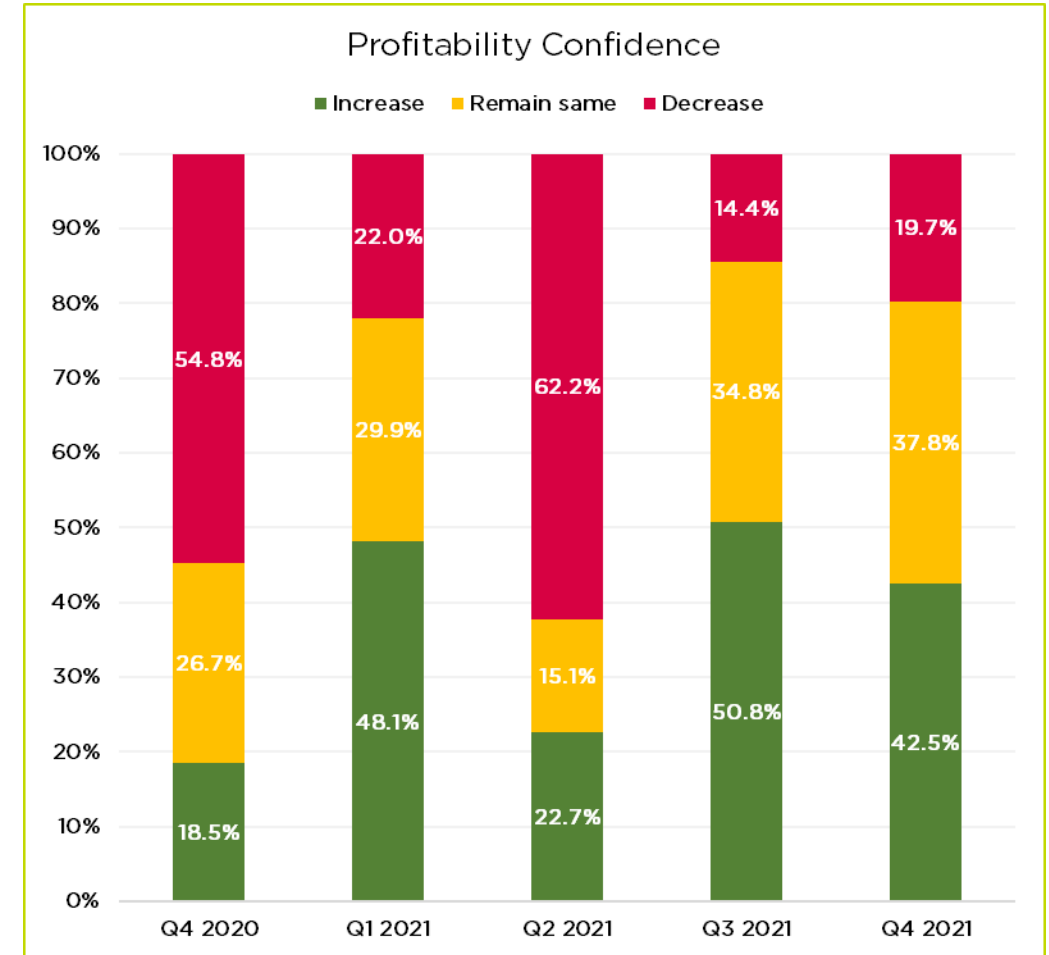


Source: GMCC QES

Business Confidence

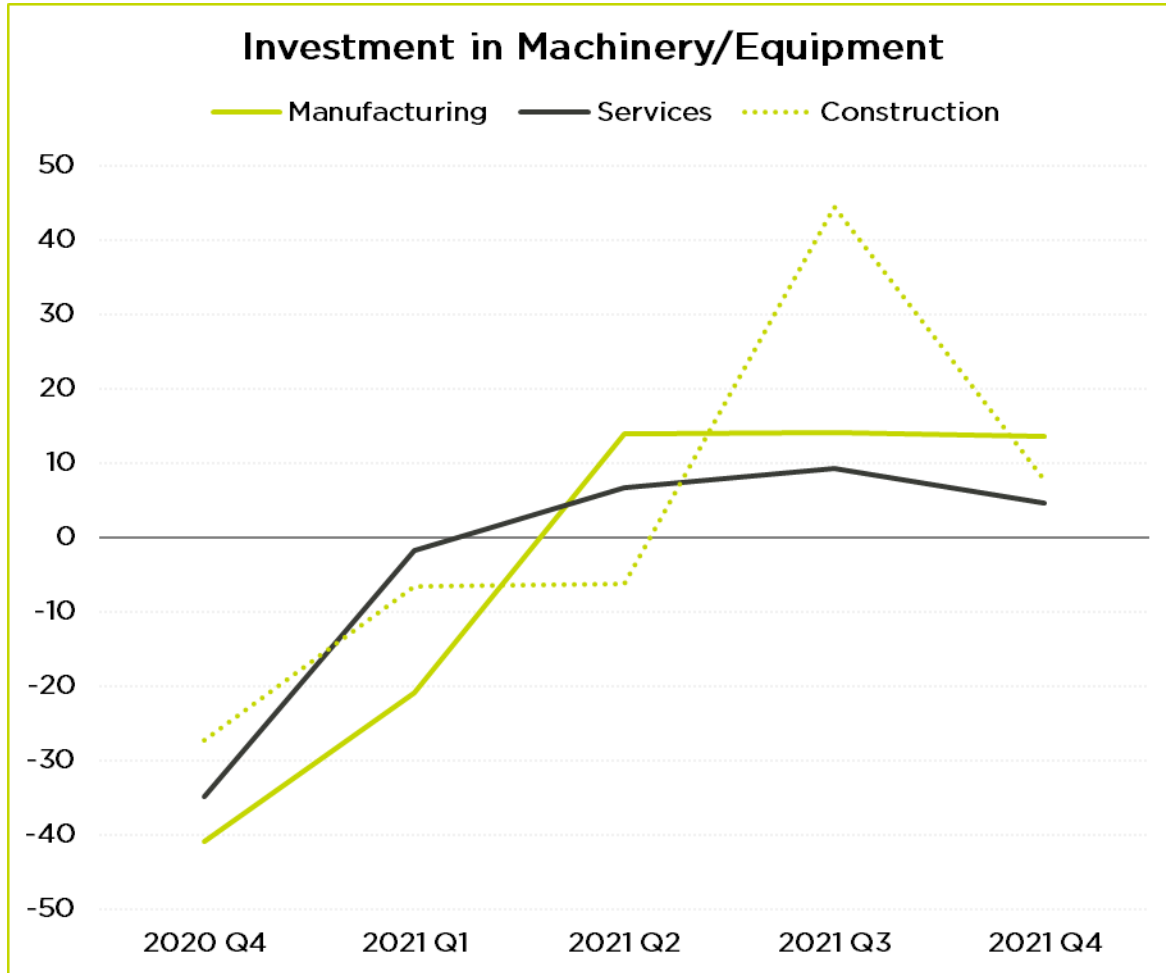


Source: GMCC QES

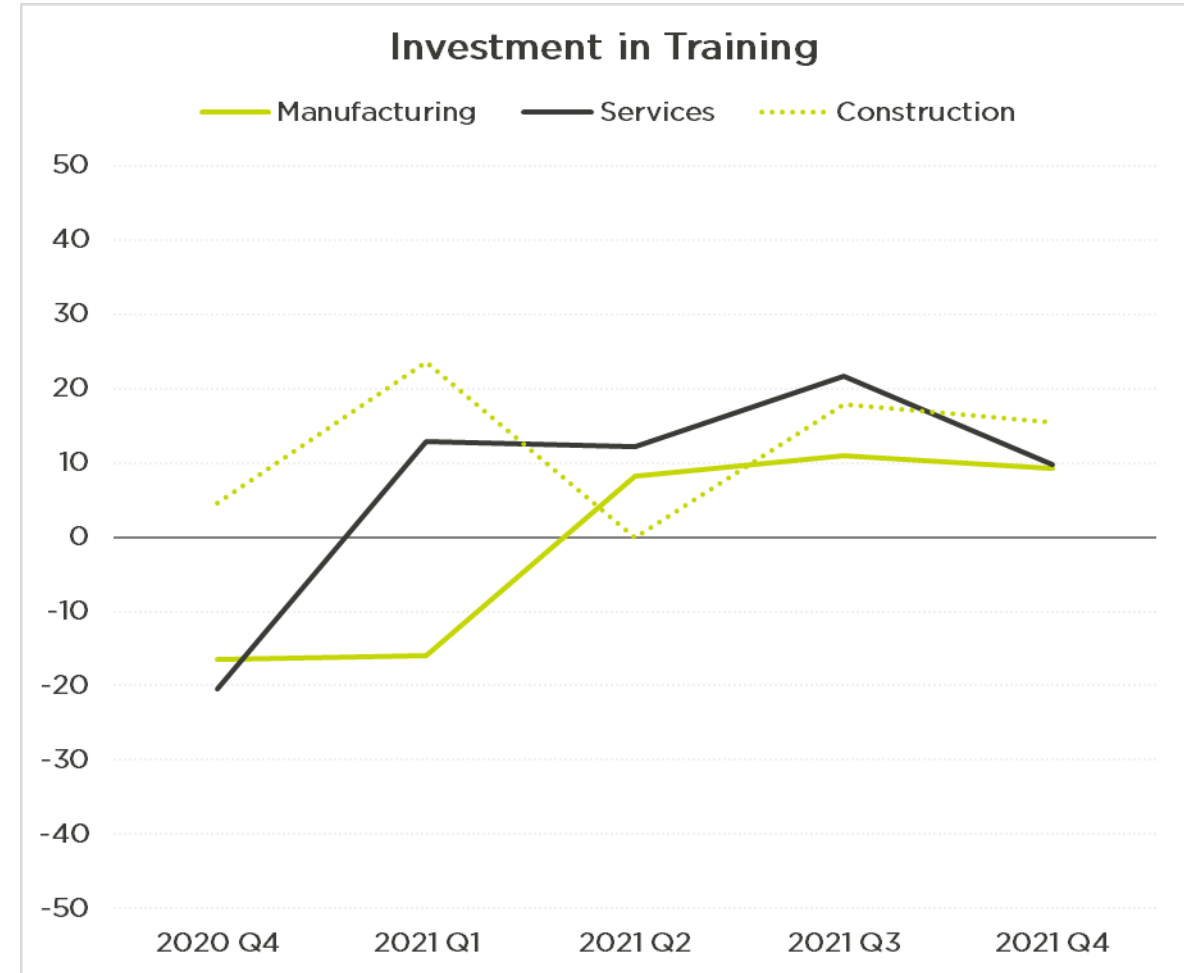


Source: GMCC QES

QES Business Investment

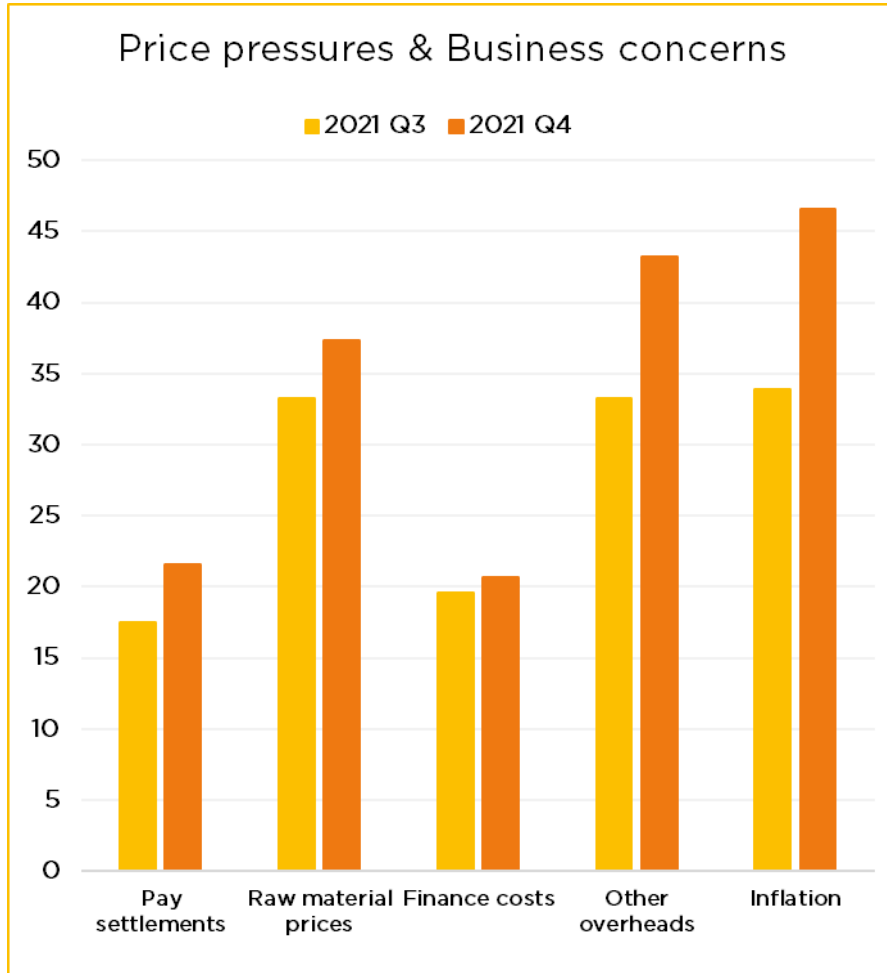


Source: GMCC QES



Source: GMCC QES

QES – Price Inflation



Source: GMCC QES



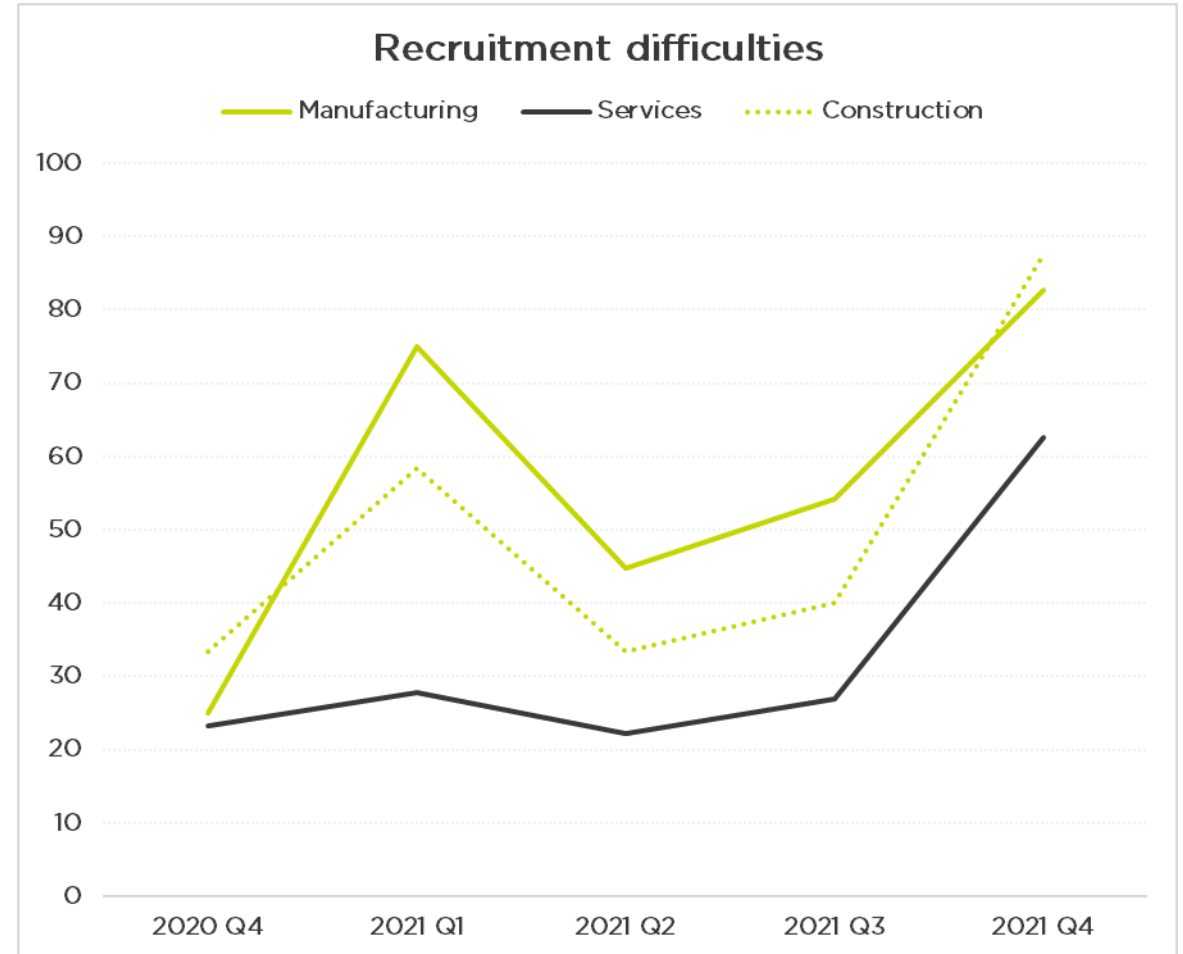
Source: GMCC QES

- Inflationary pressures are building up. More businesses are reporting increases in all price measures.
- The proportion of businesses that expect to increase prices is now above 50%.
- 12-month CPI of 5.1% in November (0.9% increase from October)

QES Workforce Data



Source: GMCC QES



Source: GMCC QES

GM Business, Employment, Skills and Training Monitor

- A labour market in flux: huge number of vacancies and recruitment difficulties Vs many people seeking employment.
- Mismatch between employer demand and skills possessed, especially amongst young people
- Structural economic changes – upskilling and reskilling challenge
- A GMCC – GMLPN collaboration to gather comprehensive skills intelligence built on real time exchange of data between employers and learning providers
- Granular information at local authority level – capture differences between different GM areas
- Results presented in an interactive online dashboard: <https://www.gmchamber.co.uk/chamber-research/gm-best/>

Q&A / Discussion