

CBI Industrial Trends Survey

January 2012

Figures marked thus (*) are weighted percentages of respondents. All other figures are percentage balances, i.e. the difference between those replying 'more', 'up', 'above normal' or 'more than adequate' and those replying 'less', 'down', 'below normal' or 'less than adequate'.

The past three months

		2011				2012	
		Oct	Jan	Apr	Jul	Oct	Jan
VOLUME OF ACTIVITY							
7	Volume of total new orders (up/down)	+11	+18	+20	+8	+6	-15
7a	Volume of domestic orders (up/down)	+2	+9	+15	+3	+5	-17
7b	Volume of export orders (up/down)	+6	+13	+24	+4	+1	-19
8	Volume of output (up/down)	+9	+16	+20	+11	+10	+2
6	Numbers employed (up/down)	+6	+8	+15	+10	+18	+11
9a	Volume of domestic deliveries (up/down)	+1	+7	+13	+3	+10	-7
9b	Volume of export deliveries (up/down)	+11	+7	+17	+1	+8	-18
PRICES AND COSTS							
12a	Average domestic prices (up/down)	+3	+13	+29	+18	+3	+7
12b	Average export prices (up/down)	+5	+14	+30	+11	-7	-3
11	Average unit costs (up/down)	+29	+26	+53	+34	+24	+27
STOCKS							
10a	Stocks of raw materials (up/down)	+7	+6	+13	+17	+5	0
10b	Stocks of work in progress (up/down)	-2	-4	+10	+11	0	0
10c	Stocks of finished goods (up/down)	+3	+2	+17	+8	+10	0

The current situation

		2011				2012	
		Oct	Jan	Apr	Jul	Oct	Jan
VOLUME OF ACTIVITY							
4	Firms working below capacity *	64	59	55	50	58	54
5a	Level of total order books (above/ below 'normal')	-28	-16	-11	-10	-18	-16
5b	Level of export order books (above/ below 'normal')	-21	0	-6	-8	-14	-26
STOCKS							
5c	Level of stocks (more than/ less than adequate)	+8	+7	+8	+12	+21	+14

The next three months

		2011				2012	
		Oct	Jan	Apr	Jul	Oct	Jan
VOLUME OF ACTIVITY							
7	Volume of total new orders (up/down)	+12	+4	+15	0	-10	-2
7a	Volume of domestic orders (up/down)	+2	-3	+11	-2	-13	-3
7b	Volume of export orders (up/down)	+15	+18	+11	0	-14	+4
8	Volume of output (up/down)	+18	+17	+22	+6	-11	+15
6	Numbers employed (up/down)	-5	+2	+7	-10	-5	-1
9a	Volume of domestic deliveries (up/down)	+5	-1	+13	-1	-13	+1
9b	Volume of export deliveries (up/down)	+19	+17	+15	+6	-18	+7
PRICES AND COSTS							
12a	Average domestic prices (up/down)	+6	+31	+36	+4	+1	+13
12b	Average export prices (up/down)	+4	+34	+25	+4	-5	+1
11	Average unit costs (up/down)	+21	+26	+43	+23	+17	+14
STOCKS							
10a	Stocks of raw materials (up/down)	-3	+5	+8	-11	-17	-5
10b	Stocks of work in progress (up/down)	-6	-3	-6	-16	-13	-6
10c	Stocks of finished goods (up/down)	-4	-1	+7	-9	-14	0

		2011				2012	
	Oct	Jan	Apr	Jul	Oct	Jan	
CONSTRAINTS ON ACTIVITY							
14	Three month forecast of factors likely to limit output *						
	Orders or sales	71	68	67	73	72	65
	Skilled labour	9	7	12	13	13	12
	Other labour	1	2	1	1	1	1
	Plant capacity	10	16	29	20	13	19
	Credit or finance	9	6	6	4	5	7
	Materials/components	14	10	13	15	7	8
	Other	2	2	2	0	1	3
15	Three month forecast of factors likely to limit export orders *						
	Prices	47	46	48	51	34	41
	Delivery dates	14	7	10	8	10	11
	Credit or finance	6	6	6	4	18	13
	Quota and licence	4	4	6	6	3	3
	Political/economic conditions abroad	19	19	22	23	20	39
	Other	13	8	17	13	13	14

Business prospects and plans

		2011				2012	
	Oct	Jan	Apr	Jul	Oct	Jan	
OPTIMISM							
1	Optimism re business situation (more/less than three months ago)						
		+2	+7	+9	-16	-30	-25
2	Optimism re export prospects for year ahead (more/ less)						
		+5	+18	+6	-4	-24	-20
INVESTMENT INTENTIONS							
17	Twelve month forecast of expenditure authorisations compared with previous twelve months on:						
	a. product and process innovation (more/ less)	+20	+22	+28	+14	+18	+27
	b. training and retraining (more/ less)	+7	+19	+17	+3	+16	+17
3	Twelve month forecast of capital expenditure compared with previous twelve months on:						
	a. buildings (more/ less)	-9	+1	-12	-18	-14	-18
	b. plant and machinery (more/ less)	+10	+10	+7	-17	-9	-6
INFLUENCES ON FIXED INVESTMENT PLANS							
16a	Firms with present capacity at least adequate to meet expected demand *						
		89	87	81	90	89	92
16b	Reasons for expected capital expenditure authorisations *						
	Expand capacity	31	41	46	38	47	35
	Increase efficiency	54	56	55	57	57	57
	Replacement	48	54	49	58	58	54
	Other	11	7	11	13	5	13
16c	Twelve month forecast of factors likely to limit capital expenditure authorisations *						
	Inadequate net return	37	28	37	40	39	34
	Internal finance shortage	26	20	24	25	27	19
	Inability to raise external finance	7	8	8	7	11	7
	Cost of finance	7	7	5	5	7	7
	Uncertainty about demand	41	55	53	51	55	61
	Labour shortage	5	5	4	4	12	8
	Other	6	5	5	2	11	6

SURVEY DETAILS

The January 2012 CBI Industrial Trends Survey was conducted between 15th December 2011 and 11th January 2012. 387 manufacturing firms replied. During the survey period the pound averaged euro 1.20 and \$1.55, while Brent Crude averaged \$109.07 per barrel, compared with euro 1.15 and \$1.56, and \$105.45 per barrel in the October survey period.