



Answering Practices Survey of CBI Industrial Trends Survey respondents

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Introduction

As the CBI Industrial Trends Survey (ITS) celebrates its fiftieth year, the state of the economy is once more front-page news. Turmoil in money and credit markets and sharply rising oil prices have increased uncertainty not only over the near-term outlook for the real economy but also over the current conjuncture. In this environment, surveys which are as timely as the ITS are extremely valuable. But economic data often send out conflicting messages. In order to maximise the understanding of how respondents answer the ITS and thus help users appreciate the strengths and weaknesses of the survey, the CBI periodically conducts Answering Practices Surveys¹.

This latest Answering Practices Survey was conducted between 9th and 30th April 2008. The ITS panel was well represented, with 302 responses (of which 213 were exporters). This is a little over half of the usual response to the quarterly ITS. Questions covered the following areas:

- the main influences behind responses;
- statistical issues such as seasonality;
- the issue of whether respondents adhere strictly to the question being asked;
- respondents' interpretation of complex concepts used in the survey questions.

The results presented below are weighted by the same method used for the ITS. The detailed results can be found on pages 7 to 14 of this document.

Results

Main influences behind ITS responses

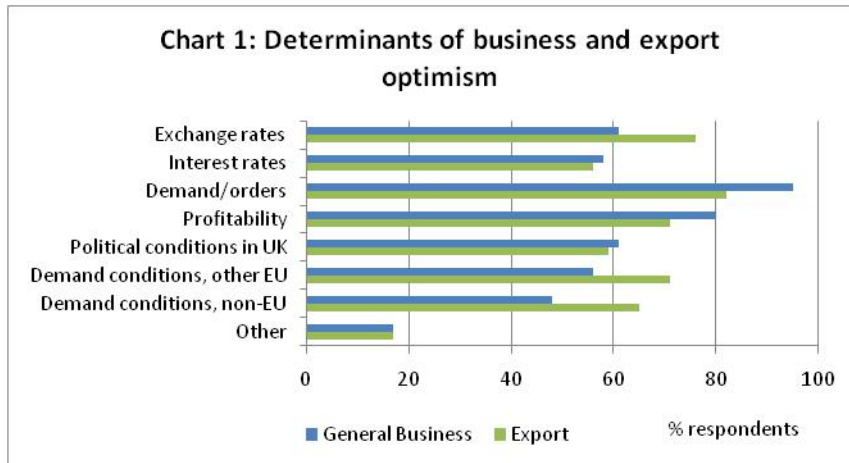
A number of questions sought to discover what the driving factors were behind respondents' answers to the ITS. The questions covered were: optimism, costs, prices as a constraint to export orders, competitiveness and skilled labour constraints to output.

The results on the optimism question (chart 1 below) are broadly similar to those from the last survey in 1998: demand/orders is cited as an important factor by 95% (and as the most important factor by 76%), followed by profitability (for the general business situation question) and exchange rates (for the export prospects question). However, there are some interesting changes: non-EU demand conditions and 'other' factors are cited by a larger proportion, while interest rates are seen as less important than in 1998.

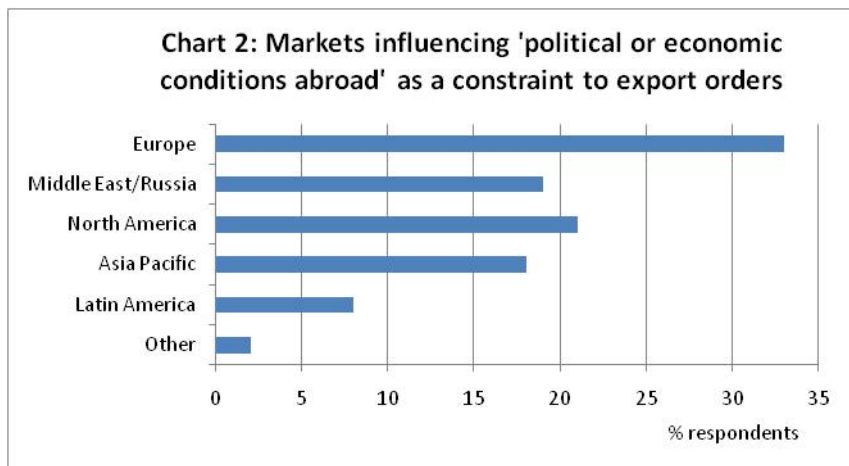
When answering the cost question, raw material costs are considered the most important component, followed by labour costs and then energy costs. The ordering is the same as in the 1998 survey, but larger percentages now cite labour costs (91% compared to 80% in 1998) and energy costs (83% compared to 36% in 1998).

Consistent with the 1998 survey, 61% of the export respondents consider exchange rates when they reply that prices are expected to constrain export orders in the ITS. Again, the exchange rates which most influence their replies are sterling cross rates with the American and European currencies, with other cross rates significantly less important. Interestingly, significantly more respondents cite the US dollar in this survey (90% of those who consider exchange rates compared to 49% in 1998). A separate question found that Europe, followed by North America and then Asia Pacific are the most

¹ These have been undertaken in 1967, 1976, 1982, 1989 and 1998.



important areas (on an average rank basis) influencing respondents who reply that political or economic conditions abroad are expected to be a constraint to export orders in the ITS. In contrast, in 1998, a greater proportion considered Asia Pacific as the most important area other than Europe. This might in part reflect worries about the ongoing East Asian Crisis at the time.



Relative prices and product quality (cited by 87% and 73% respectively) are the most important factors for respondents answering the competitiveness question in the ITS. These results are similar to those in 1998.

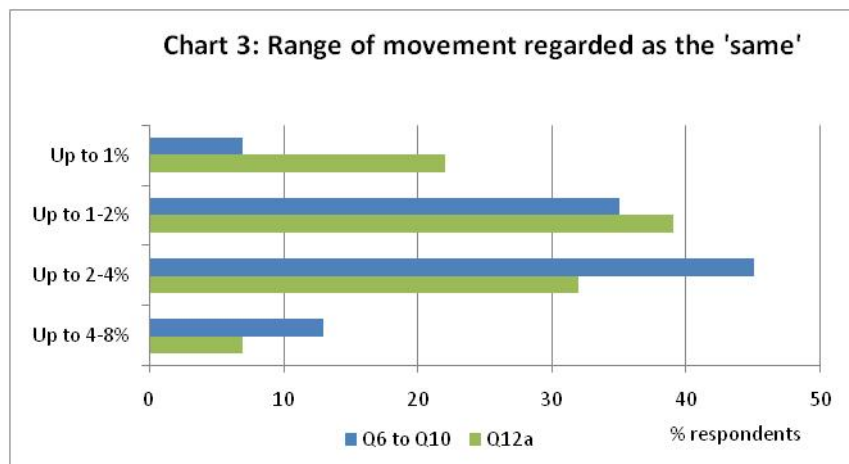
Finally, a modest majority of respondents (60%) stated that their answer to the ITS question on skilled labour as a constraint to output three months forward reflects difficulties in recruiting the right skills, as opposed to only their current workforce. Of these, more respondents replied that the availability of labour with appropriate skills drives these difficulties than the cost of labour.

Seasonality and other statistical issues

A series of questions were asked concerning the method of measurement used by respondents, covering the issues of seasonality, timing, indifference bands and units of measurement. The survey confirms previous findings that a majority do adjust for seasonal factors and, of those who do not, the majority stated that seasonal factors are not significant. Answers to a question specific to prices revealed that only 6% experience significant difficulties accounting for seasonality because they only change their prices once a year. These responses suggest the ITS is not significantly affected by seasonality.

Two thirds of respondents reply to questions asking about trends over the last three months by comparing the last three months as a whole with the previous three months. The next most popular method used (14%) is to compare the beginning and the end of the three month period leading up to the survey. 11% make comparisons with the year earlier and 9% use a combination of comparisons, suggesting that the results are not all measured over the same time periods. However, these results are similar to previous Answering Practices Surveys.

Questions on the range of movement of a variable respondents regard as falling within the category 'the same' revealed relatively wide indifference bands, in line with previous surveys. Well over half of respondents reply 'the same' when faced with movements over 2% on questions covering output/employment etc. (questions 6 to 10 on the ITS, see chart 3). Respondents appear to be more sensitive to movements in costs and prices, with fewer than 40% considering that a movement of over 2% falls within the range 'the same'. There is no clear sign of bias in the trigger thresholds for replying 'up' as opposed to 'down': large majorities replied that the thresholds were symmetric around zero.



The ITS asks about export prices but does not specify what the unit of measurement should be. The Answering Practices Survey shows that while a majority (58%) measures prices in sterling terms, a third of exporters answers with reference to a foreign currency (most commonly the euro and the US dollar).

Adherence to the question asked

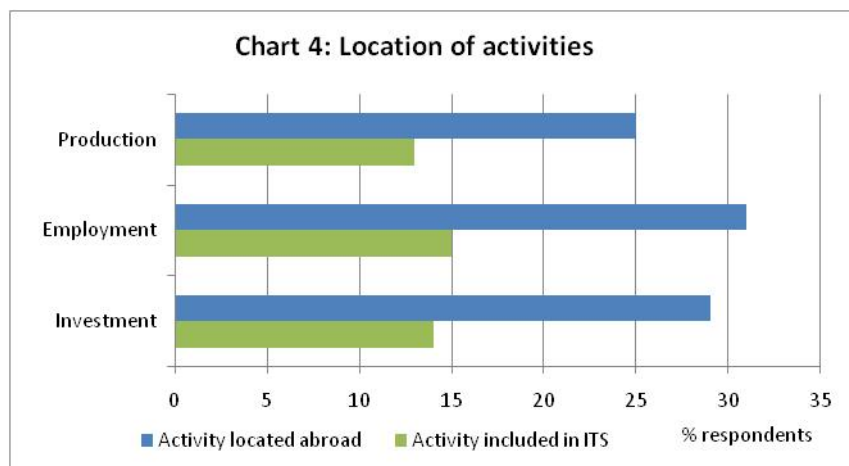
A series of questions were asked to check whether respondents are answering the survey in the manner intended. As expected and in line with previous surveys, large majorities replied they made a direct assessment of total order books when answering the total order books question and that they answer that the trend in output/employment is 'up'/'down' on the basis of the change in output/employment (as opposed to the rate of change).

Again in line with past surveys, a significant minority (35%) answers the optimism question on the basis of whether they are optimistic or pessimistic at the time as opposed to whether they are more or less optimistic (as the question asks). This reaffirms the message from previous surveys that this question must be interpreted with care.

On the measurement of average costs per unit of output, a significant minority (35%) stated that they do not take account of productivity improvements. This is 11% higher than in the previous survey, and suggests that the balance may slightly under-record unit cost growth in productivity downturns and vice-versa.

As expected, answers to the ITS question on uncertainty about demand as a constraint to investment appear chiefly to reflect sectoral, as opposed to wider economic, conditions. However, slightly more respondents replied that a *weak*, rather than an uncertain, outlook for demand is the primary driver of their responses.

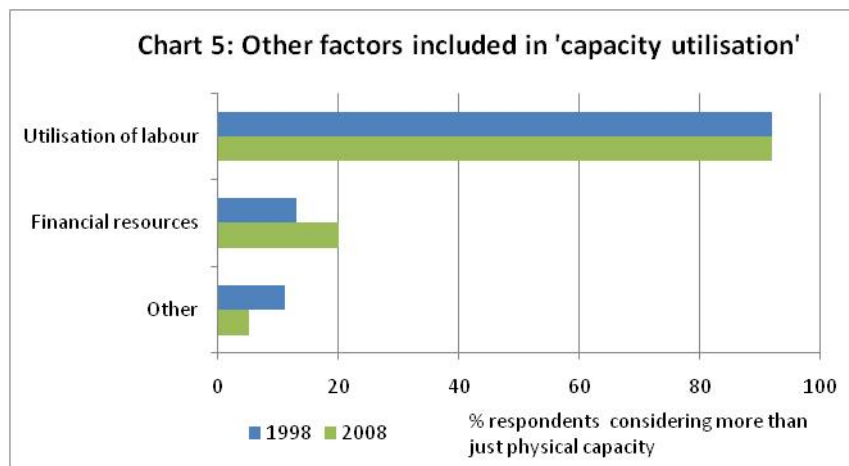
Changes in the nature of the manufacturing supply chain prompted a question on the location of production and answering practices for those companies which have overseas activity. 25% produce overseas and of these, only 36% include this production in their answers to the survey (see chart 4 below). This suggests that the survey results still overwhelmingly reflect trends in the UK manufacturing sector.



Interpretation of complex concepts

Questions were asked on respondents' understanding of the terms 'capacity' (in relation to Q4: Is your present level of output below capacity?), 'normality' (in relation to Q5a: Do you consider that in volume terms your present total order book is above normal, normal or below normal?) and 'volume' (in relation to questions 7 to 10 on the ITS).

46% of the respondents consider more than just physical capacity when answering the capacity utilisation question. This proportion is higher than in the 1998 survey (35%). As with previous surveys, the most important other consideration is labour utilisation (cited by 92% of those considering more than just physical capacity, see chart 5 below). However, the rise in the importance of other considerations appears largely to reflect an increase in the proportion considering access to financial resources when answering the question. Recent events in credit markets are unlikely to be the cause of this change: the ITS data reveal that when this Answering Practices Survey was conducted, a large majority of firms did not view access to finance as a constraint on output. A plausible possibility is that more firms actively manage their finances as part of their profit maximising strategies and therefore view financial resources as part of their capacity.



ITS respondents' methods of comparing order books to 'normal' appear to have changed little since the last survey. A majority (60%) still uses a comparison of order books with a past level/historical average as the principal way of answering the question. The next most important method is to compare order books with budgeted plans/forecasts. Of those who compare order books with a past level/historical average, 73% said that their assessment of normality changes over time. However, only a minority of these (34%) stated that their assessment has changed over the last 12 months (very similar to the proportion in 1998). These results reaffirm the messages from previous Answering Practices Surveys: perceptions of normality change over the medium- to long-term, so the order books questions should be treated with caution. However, the fact that only a minority of respondents (21%) stated that their assessment of normality has changed over the last 12 months suggests that significant changes in the order books balance over the short-term probably do reflect changes in actual order book levels.

Two issues were explored regarding possible problems experienced by respondents answering questions about 'volume'. Firstly, if more than one product is being manufactured, the various outputs must be weighted somehow to determine the aggregate volume. Secondly, when the product specification changes over time, volumes might change even though the number/physical quantity of units produced remains constant.

On the first issue, half of the respondents produce heterogeneous products and of these, two thirds make an assessment of volumes subjectively. A new question sought to determine whether respondents used revenues as a proxy for volumes. Just over two thirds replied that they do. This could mean that inferences from the ITS volume balances to actual trends in volumes in the sector are less robust than we had previously thought. However, the ITS output volume series has a stronger correlation with the ONS output growth volume series than value growth series.² The case is not clear-cut and further research is required.

On the second issue, a minority (36%) of companies stated that they take account of improvements in the quality/product specification.

Conclusions

This Answering Practices Survey has showed that some questions in the ITS need to be interpreted carefully. It has reaffirmed messages from previous surveys: 'capacity' refers to more than just physical capacity, 'normality' changes over the medium- to long-run and many respondents reply to the optimism question as if it were a levels question as opposed to a change question. However, this survey has also produced new findings, including the fact that a majority answer the volume questions using values as a proxy. These new issues require further research.

This survey has also revealed differences over time in the relative importance of the main influences driving respondents' answers on questions such as optimism, costs and constraints to export orders. However, on the more narrow statistical and interpretational issues, results from this Answering Practices Survey are remarkably similar to those conducted over previous decades. This should give users confidence that the very long ITS timeseries have remained consistent over time.

The author would like to thank Alan Joy, Jonathan Wood and the Survey Management Group and Lai Wah Co for their invaluable assistance.

² There are some cases in which the high proportion using revenues as a proxy would not be a major problem. Firstly, the variation in prices charged by the companies using revenues as a proxy may be small, meaning any resulting distortion would also be small. Secondly, price changes and output may move closely together for these companies, again implying the distortion would be small.

TABLE 1 - TOTAL MANUFACTURING

Weighted

Total respondents 302 Export respondents 213

Figures are rounded percentages of the respondents answering the question.

Q1(a) Specify how you answer question 1 and 2 (optimism about general business situation and export prospects)

	General business situation	Export prospects
(i) A comparison of optimism/pessimism at the time of answering, against three months earlier	51	56
(ii) An indication of whether at the time of answering you are optimistic, neutral or pessimistic	35	34
(iii) Other (mostly both the above)	14	10

(b) What are the most important factors influencing how you answer question 1 and 2 (optimism about general business situation and about export prospects)? Rank in order of importance, where 1 = most important.

	General business situation							Export prospects						
	Avg		Rank					Avg		Rank				
	Resp	Rank	1	2	3	4	>4	Resp	Rank	1	2	3	4	>4
(i) Exchange rates	61	3.9	3	7	18	9	23	76	2.7	9	32	19	11	6
(ii) Interest rates	58	5.0	2	2	6	13	35	56	5.6	0	1	7	4	43
(iii) Demand/orders	95	1.6	76	12	1	0	7	82	1.8	56	11	1	10	4
(iv) Profitability	80	2.6	15	35	12	7	11	71	3.2	11	13	20	7	20
(v) Political conditions in UK	61	5.0	4	8	5	6	38	59	5.8	3	2	0	3	50
(vi) Demand conditions, other EU	56	3.5	3	10	16	14	12	71	3.4	9	19	14	14	16
(vii) Demand conditions, non-EU	48	3.9	6	6	12	6	18	65	3.0	20	7	12	10	15
(viii) Other	17	3.9	0	8	1	4	4	17	5.3	1	1	0	5	11

Q2(a) When answering question 4 (Capacity Working), do you only measure current output solely against physical capacity i.e. buildings, plant and machinery?

Yes	No
54	46

If your answer is 'No', what other considerations do you have in mind

	% of replies	% of 'No' replies
(i) Utilisation of labour	42	92
(ii) Financial resources (e.g. working capital)	9	20
(iii) Other	2	5

(b) When answering Q.4 (Capacity Working), what do you regard as a 'satisfactory' full rate of operation?

(i) Working at full capacity	24
(ii) Working at a percentage of full capacity	60
(iii) Qualitative assessment	17

(c) Does the rate of operation you currently regard as satisfactory differ from what you regarded as satisfactory five years ago?

Yes	No
52	48

TABLE 1 - TOTAL MANUFACTURING

(cont...)

If your answer is 'Yes', is this rate	% of replies	% of 'Yes' replies
Higher	36	70
Lower	14	26

(d) Are you now working closer to full capacity than you used to five years ago?

Yes	No
59	41

Q3(a) When answering question 5(a), how do you combine your domestic and export order books to arrive at an overall figure for total order books? Rank in order of importance, where 1 = most important.

Analysed for Exporting respondents only	Resp	Avrg Rank	Rank				
			1	2	3	4	>4
(i) Make a direct assessment of total order books	92	1.1	89	2	1	0	0
(ii) Attach weights to domestic and export order books according to their importance to your business	25	2.4	2	13	11	0	0
(iii) Some combination of the above options	26	2.0	8	10	8	0	0
(iv) Other	3	2.7	1	0	0	2	0

(b) When answering questions 5(a) and 5(b), what benchmark do you use to assess whether or not your order books are 'normal' in volume terms? Rank in order of importance, where 1 = most important.

	Total order books							Export order books						
	Resp	Avrg Rank	1	2	3	4	>4	Resp	Avrg Rank	1	2	3	4	>4
(i) Past level/historic average	84	1.4	60	15	7	2	0	81	1.4	62	11	5	2	0
(ii) Average growth rates	45	2.8	5	11	18	10	0	44	2.7	4	11	20	9	0
(iii) budgeted plans/forecasts	70	2.1	25	22	15	8	0	66	2.3	18	22	16	10	0
(iv) Capacity of plant/company	63	2.5	14	20	10	18	1	59	2.6	13	21	6	20	0
(v) Other	3	4.8	0	0	0	1	3	3	5.0	0	0	0	0	3

If you ticked option (i), does your assessment of 'normal' order books change over time?

% of replies / % of Exp replies % of those ticking option (i)	Total order books		Export order books	
	Yes	No	Yes	No
	62	22	57	23
	73	26	71	29

If you answered 'Yes', has this assessment altered over:

% of replies / % of Exp replies % of those ticking option (i) % of those answering 'Yes'	Total order books		Export order books	
	Past 12 months	1 to 5 years	Past 12 months	1 to 5 years
	21	40	15	42
	25	47	19	52
	34	64	27	73

Q4 Do you adjust for seasonal variations before answering questions 6 to 12 inclusive on the Industrial Trends Survey

Yes	No
59	41

If 'Yes', how is this done

(i) Subjectively	% of replies	% of 'Yes' replies
(ii) By an established quantitative procedure	42	71
	16	27

If 'No', is this because

(i) Seasonal factors are not significant	% of replies	% of 'No' replies
(ii) Seasonal factors are impossible to measure	11	26
(iii) Other	3	6
	0	0

TABLE 1 - TOTAL MANUFACTURING

(cont...)

Q5a	Do you produce a heterogeneous range of products?	Yes	No						
		50	50						
	If 'Yes': in answering questions 7 to 10 of the Industrial Trends Survey, how do you then make an assessment of volumes?								
		% of replies			% of 'Yes' replies				
(i)	Subjectively	33	67						
(ii)	By an established quantitative procedure	15	31						
(iii)	Other	1	2						
Q5b	When answering questions 7 to 10 on the Industrial Trends Survey, do you use values / revenues as an approximation for volumes?	Yes	No						
		68	32						
Q5c	When making an assessment of volumes for questions 7 to 10, do you take account of improvements in the quality of your output/product specification?								
(i)	Yes	36							
(ii)	No	62							
(iii)	Don't know	2							
Q6a	What percentage of your production/employment/investment is based outside of the UK?								
		True mean (inc zero)	Mean % (non-zero)	Zero/blank	1-20	21-40	41-60	61-80	81-100
	Production:	11.4	46.0	75	9	3	6	3	3
	Employment:	10.9	34.9	69	15	3	6	5	2
	Investment:	10.9	37.7	71	13	6	2	6	2
Q6b.	If you do produce/employ/invest overseas, do you include this production/employment/investment when you answer the Industrial Trends Survey?								
					Yes (% of replies)		Yes (% with overseas activity)		
	Production:				9		36		
	Employment:				15		48		
	Investment:				13		45		
Q7a	When referring in questions 6 to 12 inclusive, to the 'trend over the past three months (or expected trend over the next three months)', do you answer in terms of the change:								
(i)	From beginning to end of the 3 month period	14							
(ii)	In 3 months as a whole compared with the previous 3 months	66							
(iii)	In the past 3 months as a whole compared with the same 3 months of the previous year	11							
(iv)	Some combination of the above options	9							
(v)	Other	0							

TABLE 1 - TOTAL MANUFACTURING

(cont...)

Q7b	In answering questions 6 to 10 on the Industrial Trends Survey, what range of movement would you regard as falling within the reply 'the same'?	Up to 1%	Up to 1-2%	Up to 2-4%	Up to 4-8%			
		7	35	45	13			
Q7c	In answering questions 6 to 10 on the Industrial Trends Survey, is the movement necessary for you to answer 'down', lower, the same or higher than the movement necessary for you to answer 'up'?	Lower	Same	Higher				
		3	96	1				
Q7d	In answering questions 11, 12a and 12b on the Industrial Trends Survey, what range of movement would you regard as falling within the reply 'the same'?	Up to 1%	Up to 1-2%	Up to 2-4%	Up to 4-8%			
	Question 11 average costs	17	47	31	5			
	Question 12a domestic prices	22	39	32	7			
	Question 12b export prices (Exp respondents only)	31	39	24	7			
Q7e	In answering questions 11, 12a and 12b on the Industrial Trends Survey, is the movement necessary for you to answer 'down', lower, the same or higher than the movement necessary for you to answer 'up'?	Lower	Same	Higher				
	Question 11 average costs	4	94	2				
	Question 12a domestic prices	4	94	2				
	Question 12b export prices (Exp respondents only)	10	86	3				
Q8a	When answering 'Up' or 'Down' to Industrial Trends Survey questions 6 to 10, is it in terms of:							
	(i) Volume (or no. employed) has, or is expected to rise/fall				94			
	(ii) Volume (or no. employed) has, or is expected to, rise/fall more quickly than it has been rising/falling				6			
Q8b	When answering 'Up' or 'Down' to Industrial Trends Survey questions 11 and 12, is it in terms of:							
	(i) Average costs (or average domestic prices/average export prices) have, or are expected to, rise/fall				93			
	(ii) Average costs (or average domestic prices/average export prices) have, or are expected to, rise/fall more quickly than they have been rising/falling				7			
Q9a	In the Industrial Trends Survey, question 11 seeks information on past and expected trends in average costs per unit of output. What are the most important factors influencing your answer to this question? Rank in order of importance, where 1 = most important.							
		Avrg Resp Rank	Rank 1	2	3	4		
	(i) Raw material costs	90	1.2	75	13	2	0	0
	(ii) Energy costs	83	2.5	7	30	45	1	0
	(iii) Labour costs	91	2.1	18	42	30	1	0
	(iv) Other	4	2.8	1	0	1	2	0
Q9b	When you consider the trend in average costs, are you able to take into account productivity improvements?	Yes	No					
		65	35					

Q10 Question 12(a) on the Industrial Trends Survey, seeks information on past and expected trends in average domestic prices. Do you revise list prices at which domestic orders are booked at same time every year?

	Yes	No
	33	67
If 'Yes', is it in:	% of replies	% of 'Yes' replies
(i) January (i.e. beginning of calendar/account year)	19	59
(ii) April (i.e. beginning of fiscal/tax year)	8	24
(iii) Other	5	17

If 'Yes', do you experience significant difficulty in assessing the expected trend over the subsequent three months, excluding this regular pattern?

	% of replies	% of 'Yes' replies
Yes	6	20
No	18	54

Q11 Question 14 on the Industrial Trends Survey seeks information on skilled labour as a constraint on future output. Does this reflect:

	% of replies
(i) Your current workforce only	34
(ii) Difficulties recruiting the right skills	60

If you ticked (ii), please specify whether your difficulties relate to:

	% of replies	% of '(ii)' replies
(i) The cost of labour with the right skills	1	2
(ii) The availability of labour with the right skills	34	57
(iii) A combination of i and ii	25	41

Does the skilled labour constraint refer to:

	% of replies
(i) Mainly production line workers	24
(ii) Mainly managerial/technical skills	22
(iii) A combination of (i) and (ii)	24
(iv) Other	2

Q12a Question 15 on the Industrial Trends Survey seeks information on the factors likely to limit your ability to obtain export orders over the next three months.

If you answer 'prices' (compared with overseas competitors) is this response with reference to exchange rates?

	Yes	No
% of Exp respondents	61	21

If 'Yes', please rank in order of importance, where 1 = most important.

	All							Based on 'Yes' replies						
	Resp	Avrg Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank >4	Resp	Avrg Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank >4
(i) Euro / £	53	1.5	28	24	1	0	0	87	1.5	46	39	2	0	0
(ii) US dollar / £	55	1.4	33	21	1	0	0	90	1.4	54	35	2	0	0
(iii) Yen / £	19	3.7	0	2	4	12	1	30	3.7	0	2	6	20	2
(iv) RMB (Chinese) / £	18	3.4	0	1	12	2	3	30	3.4	0	2	19	4	4
(v) Other	10	3.1	0	0	9	1	0	17	3.1	0	0	14	2	1

TABLE 1 - TOTAL MANUFACTURING

(cont...)

Is your view of the exchange rate based on:		% of Exp replies	% of ticked above				
(i)	Average over the previous three months	12	20				
(ii)	Average over the past month	7	11				
(iii)	Level at the time of answering	32	53				
(iv)	Expectations for the next three months	9	14				
(v)	Expectations for the next 12 months	7	11				
(vi)	Other	0	1				

Q12b If you answer 'political or economic conditions abroad' to question 15, which markets does this refer to: Rank in order of importance, where 1 = most important.

Exporting respondents only	Avrg Resp Rank	Rank				
		1	2	3	4	>4
Europe	33 1.5	21	10	2	0	1
Mid East/Russia	19 2.8	3	3	8	5	0
North America	21 1.7	12	5	2	2	0
Asia Pacific	18 2.2	5	5	7	1	0
Latin America	8 4.7	0	0	0	1	6
Other	2 2.8	0	0	1	0	0

Q13 Question 12b in the Industrial Trends Survey seeks information on the trend in average export prices. When you answer this question is it on:

Exporting respondents only.		
(i)	A sterling basis	58
(ii)	A foreign currency basis	33
(iii)	Other (mostly both the above)	1

If you ticked (ii) is it:

	% of Exp replies	% of ticked (ii)
(i)	Euro	25 75
(ii)	US dollar	23 70
(iii)	Yen	0 1
(iv)	RMB (Chinese)	1 2
(v)	Other	0 0

Q14 Question 15a in the Industrial Trends Survey seeks information on past and expected trends in your competitiveness in the UK, other EU, and non-EU markets. What are the most important factors (relative to your competitors) influencing how you answer this question?

	UK						
	Avrg Resp Rank	Rank					
		1	2	3	4	>4	
(i)	Price relative to competitors	87 1.5	59	19	5	1	3
(ii)	Unit labour costs	58 3.5	6	14	15	4	19
(iii)	Quality of your product	73 2.3	20	25	17	9	2
(iv)	Design features	53 3.6	11	5	6	7	24
(v)	After sales, inc. distribution network	53 3.9	1	5	10	22	14
(vi)	Delivery dates	66 3.6	4	14	19	11	18
(vii)	Other	7 3.5	2	0	4	0	2

TABLE 1 - TOTAL MANUFACTURING

(cont...)

Exporting respondents only	EU						
	Resp	Avrg Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank >4
(i) Price relative to competitors	73	1.4	59	7	3	1	3
(ii) Unit labour costs	49	3.5	3	17	9	4	16
(iii) Quaility of your product	64	2.7	9	21	19	14	2
(iv) Design features	42	3.4	6	5	13	7	11
(v) After sales, inc. distribution network	46	4.3	1	5	7	12	20
(vi) Delivery dates	59	3.5	5	14	11	10	19
(vii) Other	3	3.1	2	0	0	0	1

Exporting respondents only	Non-EU						
	Resp	Avrg Rank	Rank 1	Rank 2	Rank 3	Rank 4	Rank >4
(i) Price relative to competitors	76	1.5	54	15	4	0	4
(ii) Unit labour costs	54	3.9	2	10	15	5	22
(iii) Quaility of your product	65	2.4	14	25	17	7	3
(iv) Design features	47	3.7	6	6	4	14	17
(v) After sales, inc. distribution network	50	4.1	1	5	7	18	19
(vi) Delivery dates	61	3.6	4	12	19	10	18
(vii) Other	3	3.1	2	0	0	0	1

Q15. Question 16c on the Industrial Trends Survey seeks information on the factors likely to limit your capital expenditure over the next twelve months.

If you answer 'uncertainty about demand' does this reflect:

	Resp	Avrg Rank	Rank				
			1	2	3	4	>4
i A weak outlook for demand across the economy	41	2.5	11	9	10	10	0
ii A weak outlook for demand in your sector	57	1.6	37	10	9	2	0
iii An uncertain outlook for demand in the economy	40	2.9	5	11	9	15	0
iv An uncertain outlook for demand in your sector	58	1.9	28	16	7	7	0
v Other	3	2.6	1	1	0	0	1

Q16 Who regularly fills in the Industrial Trends Survey questionnaire

(i) Chairman/Managing Director/Chief Exec./Deputy Chairman	62
(ii) Director of function eg finance, marketing, commercial	23
(iii) General Manager/Company Secretary	5
(iv) Other	10

TABLE 1 - TOTAL MANUFACTURING

(cont...)

Q17	How do you regard the results of the Survey Invaluable=1, Helpful=2, Limited use=3, Of no use=4	Quarterly Survey					Export trade					Monthly enquiry				
		Total trade														
		1	2	3	4	N/A	1	2	3	4	N/A	1	2	3	4	N/A
(i)	Total manuf	10	37	39	8	5	11	29	43	6	11	10	23	36	6	25
(ii)	Your sector	3	38	36	14	9	3	26	45	13	14	2	29	33	8	27
(iii)	Own industr	9	23	41	15	12	9	25	34	15	18	7	16	37	10	30

If you inserted 1-3 in the boxes, how do you use the Survey results? Is it:

(i)	Regularly in your planning (eg for monitoring purposes)	12
(ii)	On a periodic basis (eg when preparing operating plans/budgets)	59
(iii)	Other	18

Q18 At what level are the results used in your company

(i)	Chairman/Managing Director/Chief Exec./Deputy Chairman	50
(ii)	Director of function eg finance, marketing, commercial	55
(iii)	Other	5

Q20. Do you consider that any new questions or topics should be added to extend the coverage of this survey?

Yes	No	Blank
3	69	28

Q21. Would you like to be offered the choice of being able to complete the survey online/by e-mail as well as by post?

Yes	No	Blank
55	40	5

Q22. Would you value the opportunity to be able to e-mail the Survey Management Group, with your general or specific comments about your current business conditions?

Yes	No	Blank
30	63	7