

CBI Industrial Trends Survey

October 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

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

The current situation

		Jul	Oct	2012		Jul	Oct
				Jan	Apr		
VOLUME OF ACTIVITY							
4	Firms working below capacity *	50	58	54	54	52	57
5a	Level of total order books (above/ below 'normal')	-10	-19	-12	-8	-6	-23
5b	Level of export order books (above/ below 'normal')	-8	-15	-22	-10	-9	-22
STOCKS							
5c	Level of stocks (more than/ less than adequate)	+12	+21	+14	+14	+14	+5

The next three months

		Jul	Oct	2012		Jul	Oct
				Jan	Apr		
VOLUME OF ACTIVITY							
7	Volume of total new orders (up/down)	0	-10	-2	+24	+4	+8
7a	Volume of domestic orders (up/down)	-2	-13	-3	+17	+4	+4
7b	Volume of export orders (up/down)	0	-14	+4	+23	0	+2
8	Volume of output (up/down)	+6	-11	+15	+24	+11	+12
6	Numbers employed (up/down)	-10	-5	-1	+16	-2	-4
9a	Volume of domestic deliveries (up/down)	-1	-13	+1	+20	+8	+6
9b	Volume of export deliveries (up/down)	+6	-18	+7	+32	+7	+10
PRICES AND COSTS							
12a	Average domestic prices (up/down)	+4	+1	+13	+7	-3	+7
12b	Average export prices (up/down)	+4	-5	+1	+2	-2	-6
11	Average unit costs (up/down)	+23	+17	+14	+10	-5	+11
STOCKS							
10a	Stocks of raw materials (up/down)	-11	-17	-5	-8	+4	-2
10b	Stocks of work in progress (up/down)	-16	-13	-6	+1	-5	-6
10c	Stocks of finished goods (up/down)	-9	-14	0	-5	0	-7

				2012			
		Jul	Oct	Jan	Apr	Jul	Oct
CONSTRAINTS ON ACTIVITY							
14	Three month forecast of factors likely to limit output *						
	Orders or sales	73	72	65	61	62	74
	Skilled labour	13	13	12	19	21	14
	Other labour	1	1	1	2	3	1
	Plant capacity	20	13	19	17	17	15
	Credit or finance	4	5	7	4	7	4
	Materials/components	15	7	8	17	10	10
	Other	0	1	3	2	6	3
15	Three month forecast of factors likely to limit export orders *						
	Prices	51	34	41	39	45	46
	Delivery dates	8	10	11	9	4	8
	Credit or finance	4	18	13	8	7	6
	Quota and licence	6	3	3	12	3	1
	Political/economic conditions abroad	23	20	39	41	25	34
	Other	13	13	14	12	21	10

Business prospects and plans

				2012			
		Jul	Oct	Jan	Apr	Jul	Oct
OPTIMISM							
1	Optimism re business situation (more/less than three months ago)	-16	-30	-25	+22	-6	-12
2	Optimism re export prospects for year ahead (more/ less)	-4	-24	-20	+29	-3	-19
INVESTMENT INTENTIONS							
17	Twelve month forecast of expenditure authorisations compared with previous twelve months on:						
	a. product and process innovation (more/ less)	+14	+18	+27	+30	+19	+22
	b. training and retraining (more/ less)	+3	+16	+17	+23	+10	+14
3	Twelve month forecast of capital expenditure compared with previous twelve months on:						
	a. buildings (more/ less)	-18	-14	-18	-13	-19	-12
	b. plant and machinery (more/ less)	-17	-9	-6	+13	-4	-4
INFLUENCES ON FIXED INVESTMENT PLANS							
16a	Firms with present capacity at least adequate to meet expected demand *	90	89	92	84	87	89
16b	Reasons for expected capital expenditure authorisations *						
	Expand capacity	38	47	35	45	42	35
	Increase efficiency	57	57	57	59	51	64
	Replacement	58	58	54	55	43	52
	Other	13	5	13	3	8	6
16c	Twelve month forecast of factors likely to limit capital expenditure authorisations *						
	Inadequate net return	40	39	34	42	37	37
	Internal finance shortage	25	27	19	17	19	19
	Inability to raise external finance	7	11	7	5	10	6
	Cost of finance	5	7	7	3	3	8
	Uncertainty about demand	51	55	61	46	55	54
	Labour shortage	4	12	8	7	5	8
	Other	2	11	6	5	8	4

SURVEY DETAILS

The October 2012 CBI Industrial Trends Survey was conducted between 24th September and 10th October. 395 manufacturing firms replied. During the survey period the pound averaged €1.25 and \$1.61, while Brent Crude averaged \$111.97 per barrel, compared with €1.25 and \$1.56, and \$96.54 per barrel in the July survey period.