CBI Industrial Trends Survey

July 2013

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

					2013			
		Apr	Jul	Oct	Jan	Apr	Jul	
	Volume of activity							
7	Volume of total new orders (up/down)	+8	+3	-13	-4	-6	+5	Highest since Apr 2012 (8)
7a	Volume of domestic orders (up/down)	+3	+6	-10	-3	-14	+6	Highest since Jul 2012 (6)
7b	Volume of export orders (up/down)	+4	-6	-17	-13	-3	+7	Highest since Apr 2011 (24)
8	Volume of output (up/down)	+5	+8	-3	-2	+5	+7	Highest since Jul 2012 (8)
6	Numbers employed (up/down)	+8	+13	+5	+2	+10	+13	Highest since Jul 2012 (13)
9a	Volume of domestic deliveries (up/down)	+5	+4	-7	-1	-5	+9	Highest since Oct 2011 (10)
9b	Volume of export deliveries (up/down)	+2	0	-5	-7	-1	+7	Highest since Oct 2011 (8)
	Prices and costs							
12a	Average domestic prices (up/down)	+7	-2	-3	+7	+2	+7	
12b	Average export prices (up/down)	+4	+2	-11	-5	-7	0	Highest since Jul 2012 (2)
11	Average unit costs (up/down)	+19	0	+20	+21	+27	+13	Lowest since Jul 2012 (0)
	Stocks							
10a	Stocks of raw materials (up/down)	+8	+9	+9	+4	0	+1	
10b	Stocks of work in progress (up/down)	+13	+11	+4	+1	+6	+3	
10c	Stocks of finished goods (up/down)	+11	+8	+10	+5	+8	+5	

The current situation

					2013			
		Apr	Jul	Oct	Jan	Apr	Jul	
	Volume of activity							
4	Firms working below capacity *	54	52	57	53	59	50	Lowest since Jul 2011 (50)
5a	Level of total order books (above/ below 'normal')	-8	-6	-23	-20	-25	-12	
5b	Level of export order books (above/ below 'normal')	-10	-9	-22	-29	-21	-20	
	Stocks							
5c	Level of stocks (more than/ less than adequate)	+14	+14	+5	+15	+13	+15	

The next three months

					2013			
		Apr	Jul	Oct	Jan	Apr	Jul	
	Volume of activity							
7	Volume of total new orders (up/down)	+24	+4	+8	+14	+18	+16	
7a	Volume of domestic orders (up/down)	+17	+4	+4	+4	+8	+13	Highest since Apr 2012 (17)
7b	Volume of export orders (up/down)	+23	0	+2	+7	+19	+9	
8	Volume of output (up/down)	+24	+11	+12	+8	+23	+15	
6	Numbers employed (up/down)	+16	-2	-4	+13	+8	+5	
9a	Volume of domestic deliveries (up/down)	+20	+8	+6	+4	+11	+10	
9b	Volume of export deliveries (up/down)	+32	+7	+10	+7	+16	+14	
	Prices and costs							
12a	Average domestic prices (up/down)	+7	-3	+7	+21	+8	+2	Lowest since Jul 2012 (-3)
12b	Average export prices (up/down)	+2	-2	-6	+3	+3	-2	
11	Average unit costs (up/down)	+10	-5	+11	+23	+17	+4	Lowest since Jul 2012 (-5)
	Stocks							
10a	Stocks of raw materials (up/down)	-8	+4	-2	-1	-4	-1	
10b	Stocks of work in progress (up/down)	+1	-5	-6	0	+1	-4	
10c	Stocks of finished goods (up/down)	-5	0	-7	-5	+2	+1	

					2013			
		Apr	Jul	Oct	Jan	Apr	Jul	
	Constraints on activity							
14	Three month forecast of factors likely to limit output *							
	Orders or sales	61	62	74	81	67	66	Lowest since Jul 2012 (62)
	Skilled labour	19	21	14	16	18	14	
	Other labour	2	3	1	3	0	2	
	Plant capacity	17	17	15	18	17	16	
	Credit or finance	4	7	4	4	6	4	
	Materials/components	17	10	10	9	7	6	Lowest since Jan 2010 (5)
	Other	2	6	3	2	0	2	
15	Three month forecast of factors likely to limit export orders *							
	Prices	39	45	46	56	40	39	Lowest since Apr 2012 (39)
	Delivery dates	9	4	8	24	9	8	
	Credit or finance	8	7	6	5	4	4	
	Quota and licence	12	3	1	3	2	3	
	Political/economic conditions abroad	41	25	34	31	39	32	
	Other	12	21	10	9	10	13	Highest since Jul 2012 (21)

Business prospects and plans

					2013			
		Apr	Jul	Oct	Jan	Apr	Jul	
	Optimism							
1	Optimism re business situation (more/less than three months ago)	+22	-6	-12	0	+5	+7	Highest since Apr 2012 (22)
2	Optimism re export prospects for year ahead (more/ less)	+29	-3	-19	-11	+9	+6	
	Investment intentions							
17	Twelve month forecast of expenditure authorisations compared with previous twelve months on:							
	a. product and process innovation (more/ less)	+30	+19	+22	+24	+26	+24	
	b. training and retraining (more/ less)	+23	+10	+14	+10	+13	+20	Highest since Apr 2012 (23)
3	Twelve month forecast of capital expenditure compared with previous twelve months on:							
	a. buildings (more/ less)	-13	-19	-12	-10	-22	-23	Lowest since Jul 2009 (-43)
	b. plant and machinery (more/ less)	+13	-4	-4	+6	+4	-1	
	Influences on fixed investment plans							
16a	Firms with present capacity at least adequate to meet expected demand *	84	87	89	89	92	96	Highest since Jan 2010 (96)
16b	Reasons for expected capital expenditure authorisations *							
	Expand capacity	45	42	35	40	45	38	
	Increase efficiency	59	51	64	56	55	59	
	Replacement	55	43	52	54	53	57	Highest since Oct 2011 (58)
	Other	3	8	6	7	13	7	
16c	Twelve month forecast of factors likely to limit capital expenditure authorisations *							
	Inadequate net return	42	37	37	43	40	36	Lowest since Jan 2012 (34)
	Internal finance shortage	17	19	19	12	30	19	
	Inability to raise external finance	5	10	6	5	12	11	
	Cost of finance	3	3	8	4	5	5	
	Uncertainty about demand	46	55	54	62	54	55	
	Labour shortage	7	5	8	13	16	4	Lowest since Jul 2011 (4)
	Other	5	8	4	2	4	3	

Survey details

The July 2013 CBI Industrial Trends Survey was conducted between 20th June and 10th July. 390 manufacturing firms replied. During the survey period the pound averaged €1.18 and $1.52, while Brent Crude averaged $104.09 per barrel, compared with €1.17 and $1.53, and $106 per barrel in the April survey period.