



## English Business Survey – September 2013

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS). The EBS interviews 3,000 workplaces each month providing an assessment of past, current and future business and economic conditions. The data refers to business conditions in September 2013, which is the reference month for the survey. The release focuses on changes in Business activity and Employment levels, with statistics on a range of variables contained in the fifteen supplementary tables that accompany the release.

### Key Points

- Overall business activity was positive in September 2013 with more businesses reporting higher than lower levels of output when compared with June 2013; this resulted in a balance score estimate of +28% in England (an 11 percentage points increase on the +17% recorded in September 2012).
- When asked about current output levels (September 2013) compared to output in September 2012, businesses recorded the highest balance score of +34% in England. Across all regions, balance scores were also positive.
- Changes in employment levels were positive in September 2013 when compared to June 2013, with a balance score estimate of +7%, for England. This is relatively unchanged compared to the same period the previous year, September 2012 (+6%). The balance score for August 2013, was +7%.<sup>1</sup>
- All regions had positive balance score estimates for output and employment. The East Midlands reported the highest balance score for output (+36%) while Yorkshire and The Humber reported the lowest score for output (+19%) but the highest for employment (+14%). The North East region reported the lowest score for employment (+1%).
- Expectations about future output and employment levels in December 2013 were positive for England with scores of +16% and +10% respectively.<sup>2</sup> This is an increase of 4 percentage points compared to expectations for December 2012 for both output and employment.

<sup>1</sup> Estimates are not seasonally adjusted

<sup>2</sup> Estimates are not seasonally adjusted

## Economic Context

This section provides contextual information on the economic performance over the survey period (September 2013) and in the preceding months to help the user to interpret the statistics.

- Gross Domestic Product (GDP) increased by 0.8% in Q3 2013 compared with Q2 2013<sup>3</sup>. Compared with the same quarter a year ago, Quarter 3 2012, GDP was 1.5% higher in Q3 2013.
- The employment rate for July to September 2013 was 71.8%, up 0.3 percentage points from April to June 2013. There were 29.95 million people in employment, up 177,000 from April to June 2013.
- The unemployment rate for July to September 2013 was 7.6%, down 0.2 percentage points from April to June 2013. The unemployment rate has become a more prominent economic indicator since the Bank of England announced, as part of its forward guidance that it does not intend to raise interest rates while the unemployment rate remains above 7%<sup>4</sup>. There were 2.47 million unemployed people, down 48,000 from April to June 2013<sup>5</sup>.
- Annual inflation was estimated to have grown by 2.7% in the year to September 2013, unchanged from August 2013<sup>6</sup>. This remains above the Bank of England target rate of 2.0%.
- Retail Sales estimates for September 2013 compared to the same period the previous year showed that the retail sales increased by 2.2%. Compared to the previous month retail sales increased by 0.6% in September 2013<sup>7</sup>.
- Construction output fell by 0.9% in September 2013 when compared with August 2013. Comparing September 2013 with September 2012, the output of construction increased by 5.8%.<sup>8</sup>

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<sup>3</sup> <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q3-2013/stb-gdp-preliminary-estimate--q3-2013.html>

<sup>4</sup> <http://www.bankofengland.co.uk/publications/Pages/news/2013/096.aspx>

<sup>5</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/november-2013/index.html>

<sup>6</sup> <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/september-2013/index.html>

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/september-2013/index.html>

<sup>8</sup> <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/september-and-q3-2013/index.html>

## Terminology

What these statistics mean:

- The EBS is a survey of workplaces. A workplace can be a single business, or a workplace that is part of a larger enterprise, for example the local store of a large supermarket chain. Ninety-seven per cent of enterprises consist of a single workplace.<sup>9</sup> The term business will be used throughout this release.
- In order to reflect the relative importance or contribution of different sized workplaces to the local economy, the survey uses the number of people employed at each workplace as the measure of its contribution to the economy. Where the size of business is reported in the release, this refers to the number of people employed at each workplace.
- Where 'Balances' are presented, they are the difference between the 'higher' responses and the 'lower' responses. Balances provide a summary of the scores for businesses that report, or expect a variable to change. More detailed information on the terminology used is included in the Background Notes to the release.

## Background Notes

### Quality and use

These estimates are currently classified as experimental statistics as they are undergoing development and have not yet been assessed against the standards required for National Statistics. It is recommended that users exercise caution when interpreting time series data, as the data are likely to include seasonal patterns, which have not been removed through seasonal adjustment<sup>10</sup>.

### Methodology

To aid understanding and assist in the interpretation of the survey findings there are two documents aimed at different types of user: a non-technical *User Guide*<sup>11</sup>, which provides information about how to interpret results, and a *Technical Guide*<sup>12</sup>, which contains detailed information about the methodology.

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<sup>9</sup> Source: UK Business: Activity, Size and Location, 2013

<sup>10</sup> The recommended approach for removing seasonality in UK Official Statistics requires 3 years of monthly data or 5 years of quarterly data.

<sup>11</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/210768/12-598-english-business-survey-user-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf)

<sup>12</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf)

## Interpreting the results

### *Accuracy*

1. All estimates based on a sample of the population rather than a census are subject to sampling error. Calculation of these errors for the EBS is still being developed and will be released when available, however, provisional information on the likely size of these sampling errors is provided in the *Technical Guide*.

### *Timeliness*

2. Future publication dates will be added to the National Statistics Publication Hub<sup>13</sup>.

### *Revisions*

3. While every care has been taken to produce reliable statistics, EBS is still being developed and has been designated an Experimental Official Statistic. As the EBS develops statistics may be subject to revision if improvements in methodology are identified. All revisions will be pre-announced where practicable and all known users notified.

## Additional information

### *Sub-regional data*

4. The English Business Survey Reporting Tool<sup>14</sup> allows users to access detailed EBS statistics for individual periods (months and quarters) as well as cumulative periods, starting in October 2011 for monthly statistics and Quarter 4 2011 for Quarterly statistics. The reporting tool includes a more extensive range of statistics than presented in the Statistical Release and the supporting tables.
5. The English Business Survey Interactive Map<sup>15</sup> allows users to determine how NUTS 2 areas are performing, relative to England, over time for Output, Employment and levels of Stock.

### *Micro data*

6. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory<sup>16</sup> and an aggregated version of the dataset is available to academics from the UK Data Archive<sup>17</sup>.

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<sup>13</sup> <http://www.statistics.gov.uk/hub/index.html>

<sup>14</sup> <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

<sup>15</sup> <http://aalookup.bis.gov.uk/ebs/map/>

<sup>16</sup> <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

<sup>17</sup> <http://www.data-archive.ac.uk/>

## Contact details

For enquiries, or to give feedback on this publication, please use the details below:

**Statistician:** Gary Wainman      **Tel:** 0114 207 5114

**Economist:** Michael Morondiya      **Tel:** 020 7215 8191

**E-mail:** [ebsurvey@bis.gsi.gov.uk](mailto:ebsurvey@bis.gsi.gov.uk)

**Letters:** 2nd Floor, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2FJ

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