

LINCOLNSHIRE QUARTERLY ECONOMIC SURVEY 2020

FULL REPORT AND ECONOMIC BRIEF

Q4

Q4/ 2020 LINCOLNSHIRE ECONOMIC BRIEFING

Businesses do not like lockdowns is the unsurprising headline result from the last Quarterly Economic Survey of 2020.

The Quarter 4 survey ran from 2nd to 23rd November, which coincides directly with the announcement of a new national lockdown and it coming into force on the 5th November for four weeks.

When asked “what impact do you anticipate these restrictions will have on your business?” the reaction was overwhelmingly negative, with responses ranging from the impact on income to business closure in some cases. One positive aspect that did come through the responses was around the financial support provided by Government, but these were tempered by responses from those who had been excluded from support.

Returning to the standard survey questions, all indicators point to the fact that tier 2 restrictions and the subsequent national lockdown have hit business activity levels hard, along with levels of planned investment, recruitment, and confidence.

Crucially all indicators have remained negative (signifying a contraction in activity) and their position has deteriorated based on the previous quarter, which had shown some improvement after the first national lockdown.

Levels of activity around export sales and orders in particular are at their lowest levels on record. This is backed up by Lincolnshire Chamber of Commerce statistics on the issuing of export papers which show that numbers dropped significantly in November. This was after numbers had been higher in September and October than at the same time in the last two previous years. Overall numbers for 2020 are also fairly subdued when compared to the last two years.

We have also seen so far throughout this year in the Quarterly Economic Survey results, and various other data, that lockdowns and social distancing restrictions tend to impact more on Service sector businesses.

These latest results are no exception with Service sector businesses reporting greater hits to activity and confidence levels than their Manufacturing sector counterparts.

The Lincolnshire Economic Briefing is produced by Lincolnshire County Council in partnership with Lincolnshire Chamber of Commerce and the University of Lincoln.

Analysis provided by Codename Consulting.

The QES is conducted by British Chambers of Commerce.

Lincolnshire
COUNTY COUNCIL
Working for a better future

UNIVERSITY OF
LINCOLN

Greater
Lincolnshire
Local Enterprise Partnership

UK SALES &
ORDERS



OVERSEAS
ORDERS



CURRENT & FUTURE
RECRUITMENT
ACTIVITY



BUSINESS
CONFIDENCE
FALLS



Q4 / 2020 QUESTION ANALYSIS

PLUS FIGURE MINUS FIGURE

UK MARKET

-28% ▼

LAST QUARTER: -14%

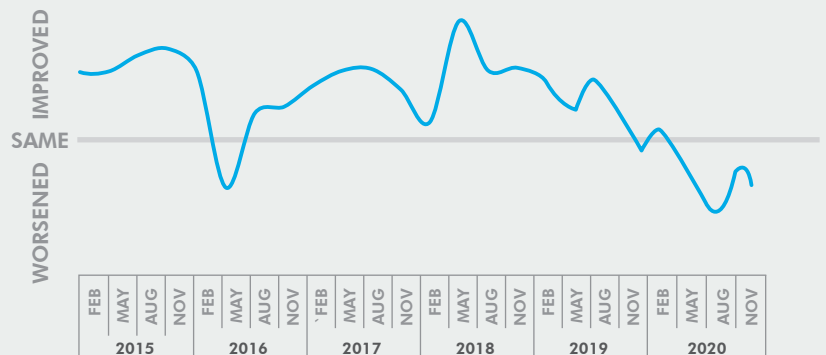
Balance of respondents reporting improvements in **DOMESTIC SALES**

-20% ▼

LAST QUARTER: -17%

Balance of respondents reporting improvements in **DOMESTIC ORDERS**

Sales performance over time



**ACTIVITY LEVELS FALL AGAIN
AFTER PREVIOUS INCREASE**

OVERSEAS MARKETS

-60% ▼

LAST QUARTER: -27%

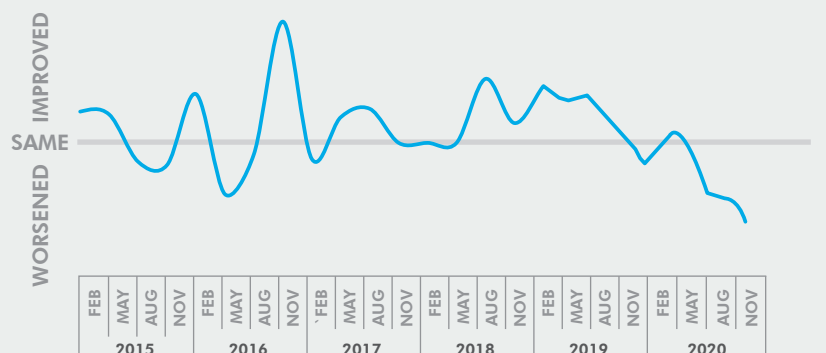
Balance of respondents reporting improvements in **EXPORT SALES**

-57% ▼

LAST QUARTER: -43%

Balance of respondents reporting improvements in **EXPORT ORDERS**

Sales performance over time



**OVERSEAS ORDERS ACTIVITY FALLS
TO LOWEST LEVELS ON RECORD**

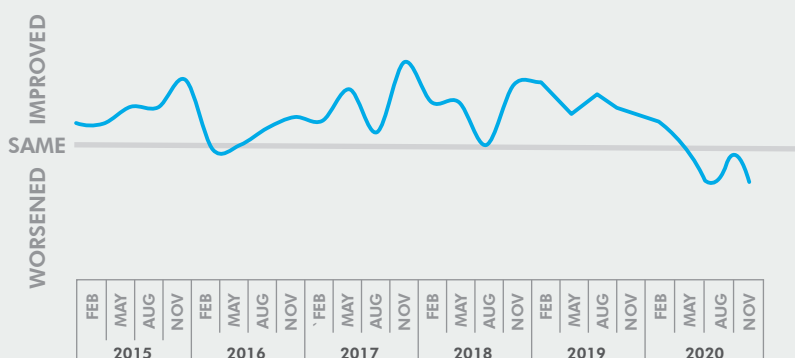
Q4 / 2020 QUESTION ANALYSIS

■ PLUS FIGURE ■ MINUS FIGURE

WORKFORCE



Recruitment plans over time

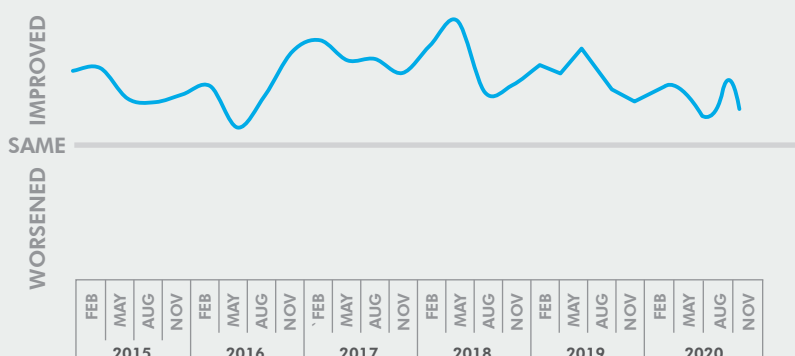


**CURRENT AND FUTURE RECRUITMENT
ACTIVITY FALL FURTHER**

CASHFLOW & INVESTMENT



Prices over time

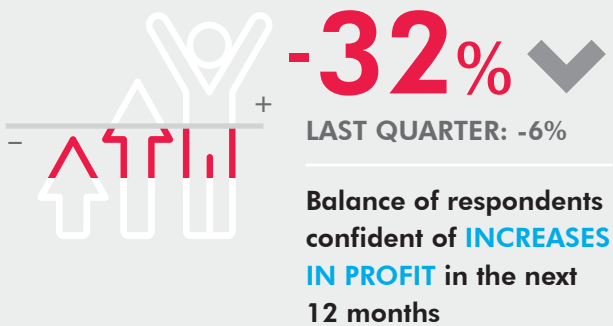


**CASH FLOW AND INVESTMENT PLANS
REMAIN FALL AGAIN**

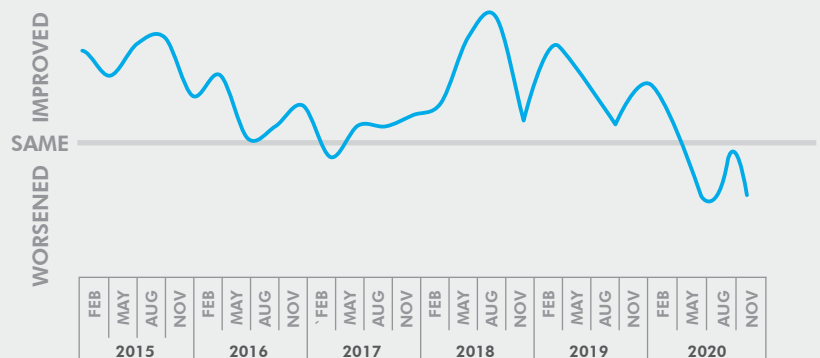
Q4 / 2020 QUESTION ANALYSIS

■ PLUS FIGURE ■ MINUS FIGURE

BUSINESS CONFIDENCE



Profitability next 12 months



CONFIDENCE LEVELS FALL AGAIN AFTER PREVIOUS INCREASE



Lincolnshire
Chamber of
Commerce

The Ultimate Business Network

ABOUT THE QES AND BRIEFING

The Quarterly Economic Survey (QES) is the flagship economic survey of the British Chambers of Commerce and the largest independent business survey in the UK.

It is a prominent tool used to measure the state of business sentiment and is monitored by a range of national and international organisations, such as the Bank of England, HM Treasury, European Commission, and IMF.

All information contained in this briefing is the most up-to-date available at time of publication (January 2021).



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