

From: infoswc
Sent: 05 August 2009 11:05
To: Rachel Nowell
Subject: August - Volume 1: Policy Update

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Greetings!

Welcome to the latest news from the South Wales Chamber of Commerce.



Quarterly Economic Survey

South Wales Chamber QES Results: Business Optimism appears to be beginning to return

[Download the SWCC results for Q2](#)

Key Points:

- Business Optimism - 62% of businesses had UK sales growing or remaining the same; 53% of businesses had UK orders growing or remaining the same; 23% have increased or maintained their overseas sales.
- Capacity - 62% of businesses are operating below capacity.
- Cashflow & Pricing - 65% of businesses had equal or better cashflow compared to Q1; 82% of businesses expect process to stay the same or rise in Q3; 73% of businesses expect profitability to remain the same or rise in Q3; 76% of businesses expect turnover to remain the same or rise in Q3.
- Business Concerns - competition, business rates and taxation.

BCC QES Results: Worst of recession is over but recovery is not guaranteed

[Download the BCC QES Results for Q2](#)

The results of the Quarter 2, 2009 British Chambers of Commerce Economic Survey confirm that the worst of the recession is over. Data from 5,600 companies shows welcome progress in both the manufacturing and service sectors with most key indicators improving in the last quarter. However, almost all the critical measures remain in negative territory and many are still weak by historical standards.

- Manufacturing recorded stronger improvements in Q2 than services, although in absolute terms, the manufacturing sector remains in a worse condition overall.
- The most encouraging feature of the Q2 results is a marked strengthening in confidence following sharp declines over the previous two quarters.
- Turnover confidence has now entered positive territory for the first time since Q3 last year and it has improved dramatically for manufacturing firms, rising 40 points from -38 in Q1 to +2 in Q2.
- Employment expectations in both sectors saw gains this quarter, but BCC continues to predict unemployment will reach 3.2 million - some 10% of the workforce - by mid 2010.

While these results finally point to some good economic news, there is a risk that without a continued focus on limiting the impact of recession, the economy could drop-off suddenly, adding weight to the argument that we are heading towards a W-shaped recession. With official GDP figures revised heavily downwards only last week, it is far too early to say that recovery is secure.

Surveys

RESULTS: Welsh Exporters Statistics Q1 2009

[Download](#) the latest National Statistics on UK regional exports produced by HM Revenue and Customs for the first quarter of 2009. These results were released on 11 June according to the arrangements approved by the UK Statistics Authority.

RESULTS: Business calls for clarity over public finances

In the latest Monthly Business Survey over three quarters of companies said they believed the Government had so far failed to present an appropriate strategy explaining how they will restore the UK's finances to health. The results from 400 companies also revealed that despite commitments to increase lending, businesses still face real difficulties accessing finance. A mere 6% of firms thought credit was easier to get hold of over the last 3 months, while a fifth said access had worsened. The key findings from the survey include:

- Only 23% of businesses think the Government has outlined an appropriate strategy to improve the UK's finances.
- 20% of businesses believe access to finance has worsened over the last three months; 6% believe it has improved; 74% think it has remained unchanged.
- 76% believe uncertainty surrounding Gordon Brown's leadership is distracting the Government from tackling the recession.
- Just one in four businesses has the capacity to recruit a new graduate over the next 6 months.

In spite of recent falls, over 60% of businesses believe inflation will rise within a year, 8% of firms believe inflation will shoot up by more than 3%. The Government has more to do if businesses are to be convinced there is a comprehensive strategy in place to improve the dire state of the nation's finances. Few businesses are reporting improvement in access to finance. Banks have to start lending effectively to the private sector as they are prolonging this downturn. Banks have a responsibility not just to lend, but to lend to the wealth creating sectors of the economy.

Information

Business Crime

The SWCC is working in partnership with the WAG Business/Policy Liaison Manager to raise awareness of a new Business Safety Wales project to our members, and to provide the WAG with feedback on the relationship between local police and local businesses. The aim of Business Safety Wales is to improve communications between police and business, develop an efficient reporting/recording system, support businesses to combat crime and encourage businesses to report all crimes. If you have experienced crime in your business, we would be grateful for your [feedback](#) on the efficiency/effectiveness/support that you received from the police.

Bank Lending Crisis

Following recent request for Chamber members to comment on the current banking crisis, and in particular bank lending to SME's. Please [submit](#) any further comments or experiences to feedback at the next Economic Summit Meeting, chaired by the First Minister.

Chambers and their Tax Position

From 1 April 2009 HM Revenue and Customs has introduced a new approach to tax risk and penalties, backed up by some changes to information powers to obtain data about taxpayers' affairs. This [article](#) summarises the changes and some of the implications for taxpayers.

Local Authorities' new power over business rate supplements

In advance of the Business Rate Supplement Bill, the Chamber responded that it is deeply worrying that during a recession, the government has decided to introduce a new power for Local Authorities to raise taxes on cash-starved businesses. Companies are already paying business rates, corporation tax, VAT and National Insurance. On top of this, they could also be looking at a combination of Business Rate Supplements (BRS), congestion charging and a workplace parking levy.

We believe that any BRS proposals should only be for necessary

infrastructure projects with a business vote on whether to go ahead with the plans. By allowing this legislation to pass into law, companies will face a situation where decisions on BRS could be taken unilaterally by Local Authorities. We urge Councils to listen to local firms and reflecting the current economic climate, decide not to make use of this new power.

→ Member News: Cardiff & Co



Cardiff Corporate Champions

Cardiff & Co has launched its Cardiff Corporate Champions initiative for businesses in the city region. The initiative targets those businesses that recognise the link between the profile of the city-region and the business opportunities available to them.

[Download the brochure](#) or [visit the website](#) for more details

→ Member News: Team Atlantic Dragon



Team Atlantic Dragon

We're the only Wales and Cardiff-based team taking part in the 3,000-mile Woodvale Atlantic Rowing Race 2009 - starting on 6th December. We are also raising funds for local cancer charities.

Our supporters include Cardiff Council & Harbour Authorities, Esporta Health Club, Morgan Signs, Cheeky Monkey Creative, Cardiff Yacht Club, Viking, Baltic, C.Quip and Force Four Chandlery.

We still need your support to make this happen. You can get involved by giving us a cash lump sum; sponsoring the cost of a piece of kit; or donating the products or services we need.

In return we can offer: regular media coverage; use of the boat for PR

events; company name & logo on the boat, t-shirts and event banners and much more.

If you'd like to know more please contact Nick on 07912653500 or by email to nick@atlanticdragon.co.uk



Member News: FONTB

It is a great time of change and regeneration for the City of Newport. The Iconic Structure of Newport Transporter Bridge is of vital importance and visitors must be made aware of this important part of Newport's Heritage.

Friends of Newport Transporter Bridge (FONTB) has been a member of the Chamber of Commerce for the past six years, but have never managed to attend the Business Week due to lack of funds and support.

We would love to attend this year as we look forward to the rebirth of our City and exciting times ahead. What we are looking for is a forward looking business to sponsor a stand or share their space with us.

FONTB is a small organisation with a large remit "to educate the public in the promotion and preservation of Newport Transporter Bridge". We have 500 members worldwide including 32 Corporate Members who are all keen to see the Bridge open and running again and the Visitors Centre available to the public. We can only do this with the help of the Business community and the people of Newport

fontbchairman@ntlworld.com

www.fontb.org.uk

Anne Gatehouse
Chairman

To have your say on any of the policy issues included, please contact Natalie Taylor on 01633 242722 or email: policy@southwaleschamber.co.uk.

Best wishes,
The team at South Wales Chamber of Commerce

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