

A woman in a striped dress and white collar stands in front of a building entrance. She is holding a bottle of beer in her right hand and a glass in her left. The scene is lit with a warm, yellowish light. The number '10' is visible on the wall to the left.

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HIGHLIGHTS

The firms in our survey have, for the first time in over three years, reported an increase in their levels of employment over the past year. They have also continued to experience an increase in sales turnover and a welcome slowing down in the annual rate of decline in investment. These balances have now improved in five successive surveys. There has been little absolute change in optimism about the next quarter, but at this time in the year that is a reasonably good sign. The smallest firms have become less optimistic. "Low turnover/lack of business" remains the most mentioned problem. Almost three quarters of firms did not report any effects of the Single Market on their business, although one-half had been affected by a Single Market related standard or regulation.

- * For the first time since the end of 1990, more firms reported increased employment over the past year than reported employment cuts. The balance of firms reporting increased employment rose from -1.7 per cent to +3.2 per cent.
- * The balance of firms reporting increased sales over the past year also continued to rise, up from +8.4 per cent in the previous survey to +14.0 per cent.
- * The percentage balance for the change in investment remained negative, but also improved, from -7.0 per cent to -3.2 per cent.
- * The percentage balance of respondents expecting increased sales in the current (first) quarter was practically unchanged, up from +14.8 per cent to +15.1 per cent. After seasonal adjustment, taking into account the post-Christmas period, this represents a more significant improvement in optimism from +17.0 per cent to +25.4 per cent. This is the highest seasonally adjusted balance since the middle of 1989.
- * The smallest firms were most cautious about the prospects for continued recovery. Firms with a turnover of less than £20,000 per annum expect a fall in their turnover over the current quarter.
- * The proportion of firms expecting employment to be up in the current quarter is exactly the same as the proportion expecting employment to be down.
- * *Low turnover/lack of business* is still the most frequently selected main problem, but down from 47.7 per cent at this time last year to 34.4 per cent in this survey. *Cashflow/payments/debtors* is the second most important problem, while *government regulations and paperwork* is in third place.
- * Special questions in this survey found that the majority of small firms, the smallest in particular, feel that the Single Market has had no effect on their business.
- * The proportion of firms citing negative effects slightly exceeds the proportion mentioning positive effects, but the difference is not great.
- * Almost one-half of firms claim to have been affected by Single Market related regulations or standards, the list being headed by *Health & Safety* and *Quality standards*.

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1. THE SMALL BUSINESS OUTLOOK

Respondents were asked to indicate whether their sales turnover, average employment and investment were up, down or the same in the quarter just ended (October, November, December 1993) compared with the same quarter a year earlier, and also to indicate what they expect for the next quarter (January, February, March 1994) compared with the final quarter of 1993. The first of the responses to the two sets of questions is shown in Table 1.1 as the "Actual Change on Year" and the second as "Expected Change on Previous Quarter".

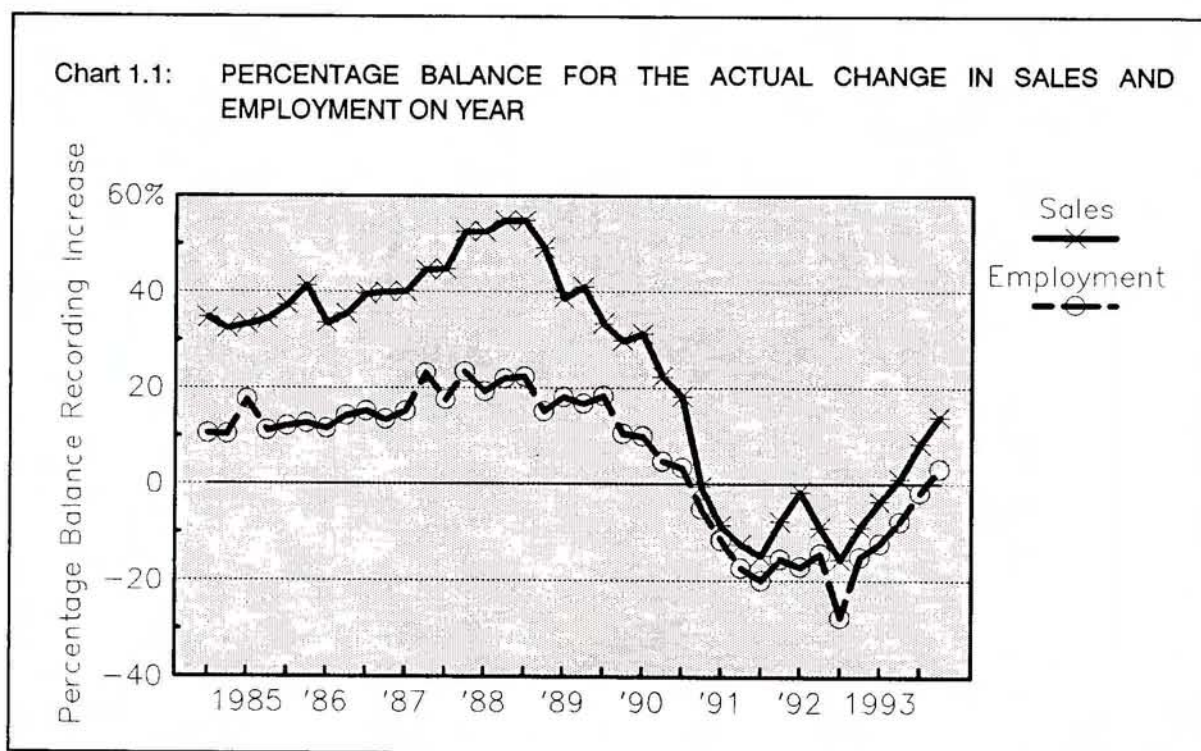
Following the well-established practice of the CBI in its *Industrial Trends Survey*, a summary statistic, the *balance*, is used to monitor these changes, although the full results are also shown in the tables. The balance is the percentage of respondents replying 'up' minus the percentage replying 'down' (we ignore, for this purpose, the percentage replying 'same'). Appendix Table A.1 gives the percentage balances for both actual and expected changes since the surveys began in the third quarter of 1984.

Since 1989, we have been splitting the results of questions on performance and expectations by industrial sector and re-weighting them according to the sectoral distribution of all VAT registered businesses. The aim of this is to ensure that the results are as representative as possible of the business population in Britain. As the distribution of the stock of VAT registered businesses in 1992 is now available, some figures in this report have been re-weighted since the previous survey.

Please note, however, that breakdowns by industrial sector, region and firm size use unweighted data.

Actual Performance

The percentage balance of firms which experienced an increase in *sales* (for the fourth quarter of 1993 on a year earlier) has continued to improve. The proportion of firms which reported increased sales (46.4 per cent) was almost three percentage points higher than in the previous survey and the proportion which reported lower sales (32.4 per cent) was nearly three percentage points lower than in the previous survey. This gives a balance of +14.0 per cent compared with +8.4 per cent in the previous survey (Table 1.1 and Chart 1.1). This is the fifth successive survey to show a marked improvement and the balance is now approaching the level which it held in 1990. It remains, however, well below the mid-1988 level of +55.0 per cent, just before this survey signalled the beginning of the downturn in economic activity.



The *employment* balance also rose and, for the first time since the end of 1990, has become positive. The proportion of firms reporting an increase in employment over the past year (21.0 per cent) exceeds the proportion reporting a fall in employment (17.7 per cent) by +3.2 per cent. This compares with a balance of -1.7 per cent in the previous survey and -15.0 per cent at this time last year.

Because of the improvements in the balances for sales and employment, the percentage of declining firms (those experiencing a fall in both sales and employment) continued to fall, from 14.0 per cent to 12.1 per cent, and the percentage of expanding firms rose from 16.1 to 17.2 per cent. Once more, this leaves over two-thirds of respondents with neither an increase nor a decrease in both sales and employment.

The percentage balance for the actual change in *investment* over the past twelve months improved, but remains negative, up from -7.0 to -3.2 per cent. There are still more firms cutting than increasing investment, though almost half are maintaining present levels.

Table 1.1 CHANGE AND EXPECTED CHANGE IN SALES, EMPLOYMENT AND INVESTMENT

	Actual Change on Year				Expected Change on Previous Quarter			
	1993/1 on 1992/1	1993/2 on 1992/2	1993/3 on 1992/3	1993/4 on 1992/4	1993/2	1993/3	1993/4	1994/1
Survey	Vol.9 No.2	Vol.9 No.3	Vol.9 No.4	Vol.10 No.1	Vol.9 No.2	Vol.9 No.3	Vol.9 No.4	Vol.10 No.1
	SALES				SALES			
Up	38.2%	40.4%	43.6%	46.4%	44.7%	41.0%	39.0%	39.3%
Down	41.8%	39.3%	35.3%	32.4%	21.1%	21.8%	24.2%	24.2%
Same	18.0%	19.1%	19.7%	20.3%	31.8%	34.1%	35.3%	35.1%
No Response	1.9%	1.2%	1.5%	0.9%	2.4%	3.1%	1.5%	1.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-3.6%	1.1%	8.4%	14.0%	23.6%	19.2%	14.8%	15.1%
	EMPLOYMENT				EMPLOYMENT			
Up	14.6%	15.8%	17.8%	21.0%	13.5%	15.0%	12.6%	13.0%
Down	26.9%	23.6%	19.6%	17.7%	12.6%	10.6%	16.0%	13.0%
Same	54.2%	55.2%	57.9%	57.6%	69.1%	68.4%	66.5%	69.6%
No Response	4.3%	5.4%	4.8%	3.7%	4.8%	6.0%	4.9%	4.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-12.3%	-7.7%	-1.7%	3.2%	0.8%	4.3%	-3.4%	0.0%
	INVESTMENT				INVESTMENT			
Up	18.9%	21.8%	20.1%	22.4%	19.0%	18.9%	17.6%	20.7%
Down	30.0%	29.0%	27.1%	25.6%	19.6%	19.2%	22.0%	17.4%
Same	45.8%	43.6%	47.2%	46.8%	55.8%	55.7%	54.9%	56.4%
No Response	5.3%	5.5%	5.6%	5.2%	5.5%	6.1%	5.4%	5.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance	-11.1%	-7.3%	-7.0%	-3.2%	-0.6%	-0.4%	-4.4%	3.4%
Base	1,021	1,310	1,076	1,295	1,021	1,310	1,076	1,295

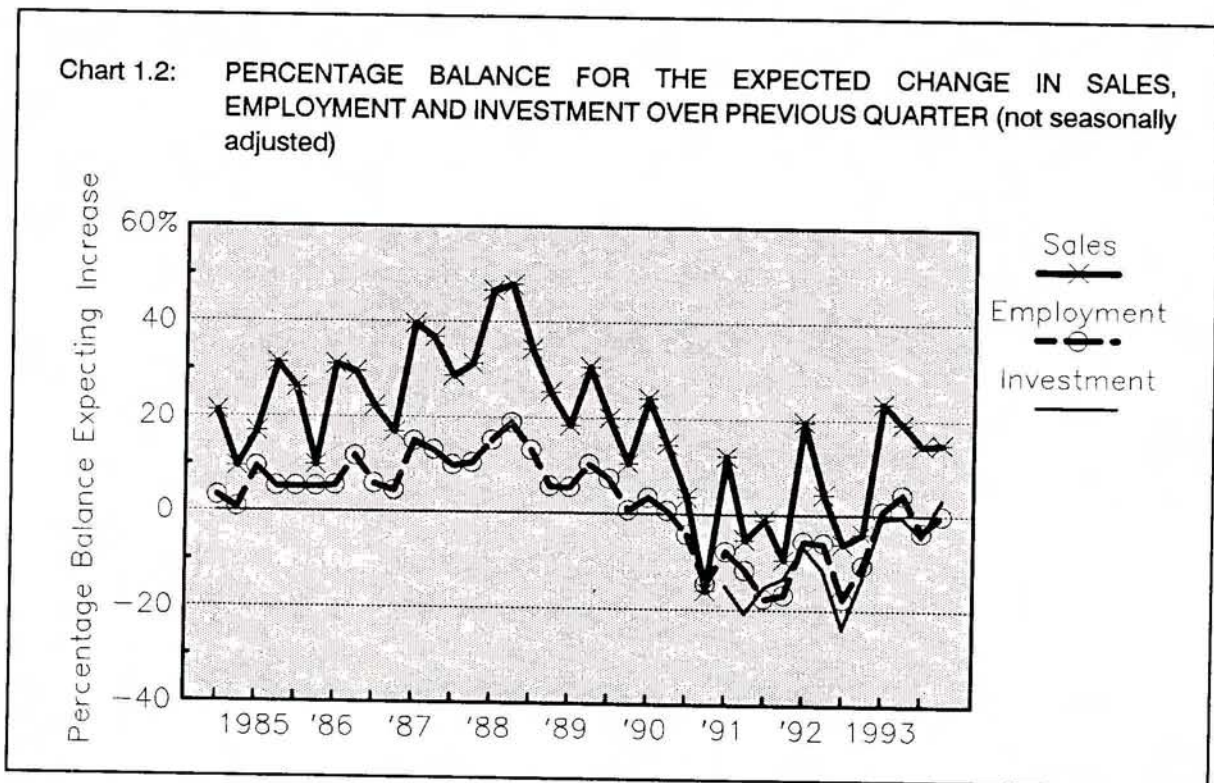
Table 1.2 PROPORTION OF EXPANDING AND CONTRACTING FIRMS AS A PERCENTAGE OF RESPONDENTS

	Vol.9 No.2		Vol.9 No.3		Vol.9 No.4		Vol.10 No.1	
	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent
Expanding Firms	133	13.0%	172	13.1%	173	16.1%	223	17.2%
Declining Firms	198	19.4%	232	17.7%	151	14.0%	157	12.1%
Remaining Respondents	690	67.6%	906	69.2%	752	69.9%	915	70.6%
All Respondents	1,021	100.0%	1,310	100.0%	1,076	100.0%	1,295	100.0%
Balance		-6.4%		-4.6%		2.1%		5.1%

Note: All figures shown in these tables are weighted to the VAT sectoral distribution.

Expectations

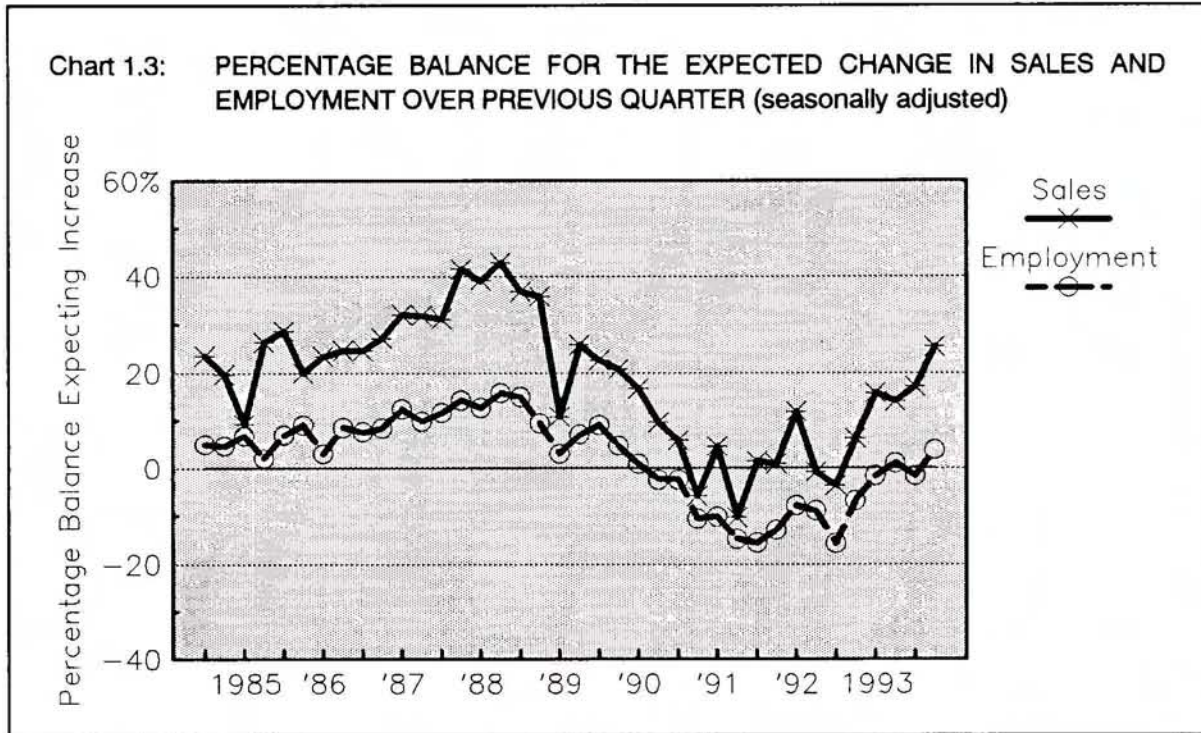
Despite the continued reported improvements in the economy over the past year, firms were only very slightly more confident about prospects for the current quarter (in this case January, February, March 1994) than they were in the previous survey. There was a tiny increase in the proportion of respondents expecting increased sales in the first quarter of 1994, from 39.0 per cent to 39.3 per cent, and no change in the proportion expecting a decline (24.2 per cent). As a result the percentage balance was practically unchanged, up from +14.8 to +15.1 per cent (Table 1.1 and Chart 1.2).



The increase in the proportion of firms expecting to increase employment over the next quarter was similarly unimpressive, increasing from 12.6 to 13.0 per cent. As a consequence of a more marked fall in the proportion of firms expecting to cut employment however, from 16.0 to 13.0 per cent, the balance of firms expecting to increase employment is exactly zero.

The investment balance also rose and became positive for the first time since we began to ask this question in 1991. Some 20.7 per cent of firms expect to increase investment during the first quarter of 1994 and only 17.4 per cent expect investment to be down. The balance rose from -4.4 per cent to +3.4 per cent. Well over half the firms expected investment levels to be unchanged in the current quarter.

Taking seasonal factors into account makes the outlook look slightly more optimistic. The firms in our survey are generally less optimistic about sales and employment prospects in the first quarter of a new year and the seasonally adjusted sales balance shows a more noticeable rise, up from +17.0 per cent to +25.4 per cent (Chart 1.3; the adjusted and unadjusted balances are given in Table A.1). This is the highest balance since the middle of 1989.



The seasonal adjustment has less effect of the percentage balance for employment expectations, but this also shows an improvement, from -1.6 per cent to +3.9 per cent.

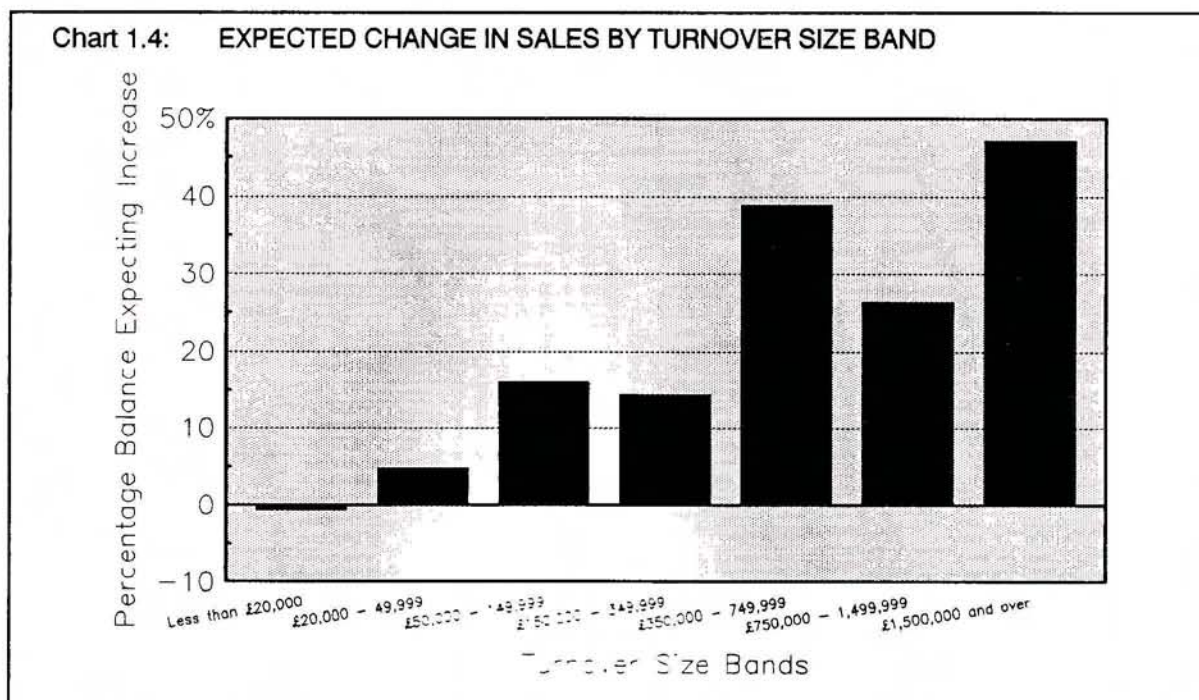
Comparison across size bands

We have noted in previous surveys the tendency for larger firms in our sample to be more confident about the sales outlook than the very small ones. Table 1.3 and Chart 1.4 show that there is evidence in this survey that this feature is becoming more important - small firms are becoming more pessimistic, while larger firms are becoming more optimistic. In this survey, the balance of firms with a turnover of over £1.5 million expecting an increase in sales has risen to +47.2 per cent, whereas the very smallest firms, those with a turnover below £20,000, are now expecting a drop in sales, with a balance of -0.7 per cent. The employment balance follows a similar pattern, with the smallest firms expecting to reduce employment but the larger firms expecting to recruit more staff during the coming quarter.

Table 1.3 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY TURNOVER
(Current Survey compared with Previous Surveys, Percentage balances)

Turnover size band	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size (Survey 38)
	Survey Number				Survey Number				
	35	36	37	38	35	36	37	38	
Less than £20,000	10.0%	9.3%	5.6%	-0.7%	-3.3%	-4.6%	-1.6%	-6.5%	138
£20,000 - 49,999	22.5%	11.1%	7.9%	4.8%	1.3%	-1.3%	-4.0%	-5.7%	209
£50,000 - 149,999	21.8%	14.7%	24.0%	16.1%	1.2%	3.8%	-3.0%	0.0%	280
£150,000 - 349,999	28.4%	21.7%	17.1%	14.3%	-1.4%	5.6%	-7.3%	0.4%	265
£350,000 - 749,999	34.7%	27.5%	27.7%	38.9%	11.1%	5.4%	5.4%	15.1%	185
£750,000 - 1,499,999	35.3%	25.2%	33.0%	26.4%	5.9%	4.2%	7.8%	12.4%	129
£1,500,000 and over	28.8%	48.5%	32.9%	47.2%	13.6%	12.9%	7.1%	23.6%	89
Total	25.2%	20.1%	20.2%	18.5%	2.7%	3.2%	-0.9%	3.5%	1,295

NOTE: The total balances in this table are not comparable with those shown in Table 1.1 because the data in these tables are not weighted, neither are they seasonally adjusted.



Comparison across business sectors

Table 1.4 breaks down the expected sales and employment balances by sector but, as usual, we remind readers that the sample sizes for several sectors are too small for comparisons to be statistically valid.

Table 1.4 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY BUSINESS SECTOR
(Current Survey compared with Previous Surveys)

Business Sector	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size (Survey 38)
	Survey Number				Survey Number				
	35	36	37	38	35	36	37	38	
Agriculture, Forestry, Fisheries	30.0%	37.5%	9.7%	18.2%	0.0%	25.0%	-3.2%	0.0%	22
Manufacturing, Mining, Processing	31.6%	30.2%	30.5%	26.7%	8.0%	6.7%	8.8%	10.5%	296
Transport	19.2%	14.7%	14.8%	16.7%	-3.8%	-11.8%	-3.7%	6.7%	30
Construction	15.7%	10.5%	-1.4%	15.3%	-7.1%	-3.2%	-8.5%	-3.1%	98
Wholesale Trade	34.5%	18.8%	16.7%	25.6%	9.2%	0.9%	-5.9%	12.8%	133
Retail Trade	16.0%	16.9%	25.7%	-1.1%	-3.3%	0.0%	-9.5%	-3.4%	174
Catering & Restaurants	39.1%	0.0%	-5.0%	11.8%	0.0%	3.2%	-20.0%	-11.8%	34
Business Services	28.2%	17.9%	21.1%	22.5%	3.5%	3.6%	-1.7%	3.8%	364
Other Services	17.2%	16.4%	14.0%	16.1%	3.3%	5.5%	4.4%	-4.0%	124
Other	7.1%	58.8%	37.5%	-5.0%	0.0%	11.8%	6.3%	-5.0%	20
Total	25.2%	20.1%	20.2%	18.5%	2.7%	3.2%	-0.9%	3.5%	1,295

Unweighted, not seasonally adjusted data

After being particularly pessimistic about their prospects during the final quarter of 1993, construction firms expect an increase in their sales turnover during the first quarter of 1994. In contrast, retailers, who had anticipated increased turnover in the Christmas period, now expect their turnover to be down in the first quarter of 1994. In the major sectors which are less subject to seasonal pressures, manufacturing firms are a little less optimistic about their sales prospects than they were, whereas firms in business services are a little more optimistic. Wholesalers, manufacturers and business services expect to employ more people over the first quarter, retailers and many of the smaller sectors expect to employ fewer.

Comparison across regions

The balances when analysed by region show mixed results, with firms in some areas becoming more optimistic while others are less so. It should be remembered that the sample sizes for some regions are small and so the balances are subject to considerable variation from survey to survey.

Table 1.5 EXPECTED CHANGE IN SALES AND EMPLOYMENT BY REGION
(Current Survey compared with Previous Surveys)

Region	EXPECTED SALES BALANCE				EXPECTED EMPLOYMENT BALANCE				Sample Size (Survey 38)
	Survey Number				Survey Number				
	35	36	37	38	35	36	37	38	
North	21.7%	31.0%	39.3%	23.8%	0.0%	0.0%	3.6%	11.9%	42
Yorkshire & Humberside	43.6%	20.7%	25.7%	21.1%	9.0%	-4.3%	-5.7%	6.3%	95
North West	27.8%	12.5%	39.3%	9.3%	4.6%	-4.2%	-1.7%	3.1%	129
East Midlands	15.7%	18.6%	29.7%	22.4%	-2.4%	2.9%	5.4%	7.1%	98
West Midlands	24.8%	24.0%	13.5%	27.5%	2.0%	12.0%	-4.8%	3.3%	91
East Anglia	27.4%	18.8%	27.4%	25.3%	0.0%	8.3%	-2.7%	0.0%	99
South East	24.0%	18.7%	15.1%	20.9%	5.2%	3.2%	1.0%	5.3%	470
South West	24.5%	22.8%	19.5%	17.1%	-3.9%	6.0%	0.8%	4.6%	152
Wales	24.0%	32.6%	32.3%	12.7%	4.0%	8.7%	6.5%	-5.5%	55
Scotland	15.8%	19.3%	-15.5%	-8.6%	0.0%	-1.8%	-15.5%	-15.5%	58
Northern Ireland	50.0%	25.0%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6
Total	25.2%	20.1%	20.2%	18.5%	2.7%	3.2%	-0.9%	3.5%	1,295

Unweighted, not seasonally adjusted data

After being particularly optimistic about sales prospects in the previous survey, firms in the North West are far more cautious about prospects during the first quarter of 1994, the balance down from +39.3 to +9.3 per cent. Firms in most regions are more confident about employment prospects for the first quarter, the exceptions being Scotland, where the balance is unchanged at -15.5 per cent, and Wales, where a balance of -5.5 per cent implies job losses.

Conclusion

The balances for past performance in sales, employment and investment have now improved in five successive surveys. The firms in our survey have been experiencing continued increases in sales and for the first time in over three years these firms are employing more people. The smallest firms, however, are becoming less optimistic about their prospects. There has been little absolute change in optimism about the next quarter, but at this time in the year that is still a reasonably good sign.

2. PROBLEMS

Respondents were asked to select, from a list of fourteen, the most important problem facing their business on that day. Their responses in this survey are compared to those in recent surveys in Table 2.1, and analysed by business sector in Table 2.2.

Table 2.1 MOST IMPORTANT PROBLEM (All Respondents)

Problem	Survey Number			
	Vol.9 No.2	Vol.9 No.3	Vol.9 No.4	Vol.10 No.1
Low Turnover/Lack of Business	43.1% (1)	41.2% (1)	36.9% (1)	34.4% (1)
Cashflow/Payments/Debtors	14.3% (2)	10.9% (3)	15.5% (2)	14.3% (2)
Gov't Regulations & Paperwork	7.6% (3)	12.6% (2)	9.9% (3)	10.9% (3)
Competition from Big Business	4.0% (6)	4.2% (7)	4.3% (6)	7.0% (4)
Total Tax Burden	5.4% (5)	5.4% (5)	6.5% (5)	6.8% (5)
Access to Finance	5.5% (4)	5.5% (4)	6.8% (4)	5.6% (6)
Premises/Rent/Rates	2.9% (8)	3.7% (8)	3.3% (7)	4.1% (7)
Lack of Skilled/Trained Employees	3.4% (7)	4.5% (6)	3.0% (8)	4.1% (8)
Interest Rates	1.4% (10)	2.1% (9)	2.8% (9)	1.9% (9)
Internal Management Difficulties	1.6% (9)	0.9% (10)	2.5% (10)	1.2% (10)
Shortages of Materials,Supplies,etc	0.7% (11)	0.7% (11)	0.6% (12)	0.6% (11)
Inflation	0.5% (12)	0.4% (12)	1.0% (11)	0.5% (12)
High Rates of Pay	0.5% (13)	0.3% (13)	0.3% (13)	0.1% (13)
Other	7.4%	6.0%	4.6%	6.8%
No Response	1.8%	1.6%	1.9%	1.7%
TOTAL	100.0%	100.0%	100.0%	100.0%
BASE	1,021	1,310	1,076	1,295

Note: 1 All figures shown in this table are weighted to the VAT sectoral distribution.
2 Number in brackets refers to the problem's ranking each quarter.

The most frequently selected problem remains *low turnover/lack of business*, but the proportion selecting this continues to fall, from 36.9 to 34.4 per cent. The proportion selecting *cashflow/payments/debtors* fell slightly, from 15.5 to 14.3 per cent, but remains in second place. *Government regulations and paperwork* remains in third place, with 10.9 per cent reporting that this was their most important problem. The high percentage of small firms in *agriculture* (18.2 per cent) and *catering* (17.6 per cent) reporting problems with *government regulations and paperwork* is in accordance with the findings in the next section on changes introduced as part of the newly integrated Single European Market.

Table 2.2 MOST IMPORTANT PROBLEM BY BUSINESS ACTIVITY

Problem	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
Inflation	0.0%	1.4%	0.0%	0.0%	0.0%	0.6%	0.0%	0.3%	1.6%	0.0%	0.6%
Interest Rates	0.0%	1.0%	3.3%	0.0%	1.5%	1.7%	5.9%	0.8%	3.2%	5.0%	1.5%
Access to Finance	13.6%	6.8%	10.0%	4.1%	6.0%	4.0%	5.9%	3.8%	2.4%	5.0%	5.0%
Lack of Skilled/Trained Employees	0.0%	5.1%	6.7%	5.1%	0.0%	4.6%	2.9%	5.5%	6.5%	0.0%	4.6%
Total Tax Burden	18.2%	6.8%	6.7%	4.1%	6.8%	1.7%	8.8%	5.5%	5.6%	10.0%	5.7%
Low Turnover/Lack of Business	9.1%	38.2%	23.3%	42.9%	34.6%	46.0%	38.2%	38.2%	29.0%	40.0%	37.5%
Competition from Big Business	9.1%	3.0%	3.3%	4.1%	11.3%	14.4%	0.0%	6.6%	6.5%	5.0%	6.9%
Gov't Regulations & Paperwork	18.2%	9.1%	10.0%	7.1%	6.0%	6.3%	17.6%	8.2%	16.1%	5.0%	9.0%
High Rates of Pay	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.2%
Shortages of Materials,Supplies,etc	0.0%	1.7%	3.3%	1.0%	1.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.8%
Internal Management Difficulties	0.0%	3.0%	3.3%	2.0%	0.0%	1.1%	2.9%	0.5%	0.0%	0.0%	1.3%
Cashflow/Payments/Debtors	13.6%	15.5%	13.3%	20.4%	21.1%	5.7%	2.9%	16.8%	16.1%	20.0%	15.2%
Premises/Rent/Rates	4.5%	4.7%	3.3%	0.0%	3.0%	9.2%	5.9%	2.5%	4.0%	0.0%	4.0%
Other	13.6%	2.7%	13.3%	9.2%	7.5%	2.3%	2.9%	8.0%	6.5%	5.0%	5.9%
N/R	0.0%	1.0%	0.0%	0.0%	0.8%	1.7%	5.9%	2.5%	2.4%	5.0%	1.7%
Base	22	296	30	98	133	174	34	364	124	20	1,295
Check	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Unweighted data

3. SINGLE MARKET

The Single Market is now more than one year old and, following the ratification of the Maastricht Treaty, Britain is a member of the European Union. The SBRT felt it was timely to gauge the practical effects of the integration of European Markets on small business, building on replies to previous SBRT surveys.

In Volume 5, Number 2 of this survey, conducted in mid-1989, firms were asked whether they expected to be affected by the completion of the Single Market, planned for the end of 1992. Overall, 52 per cent did not think that they would be affected and a further 6 per cent did not answer the question.

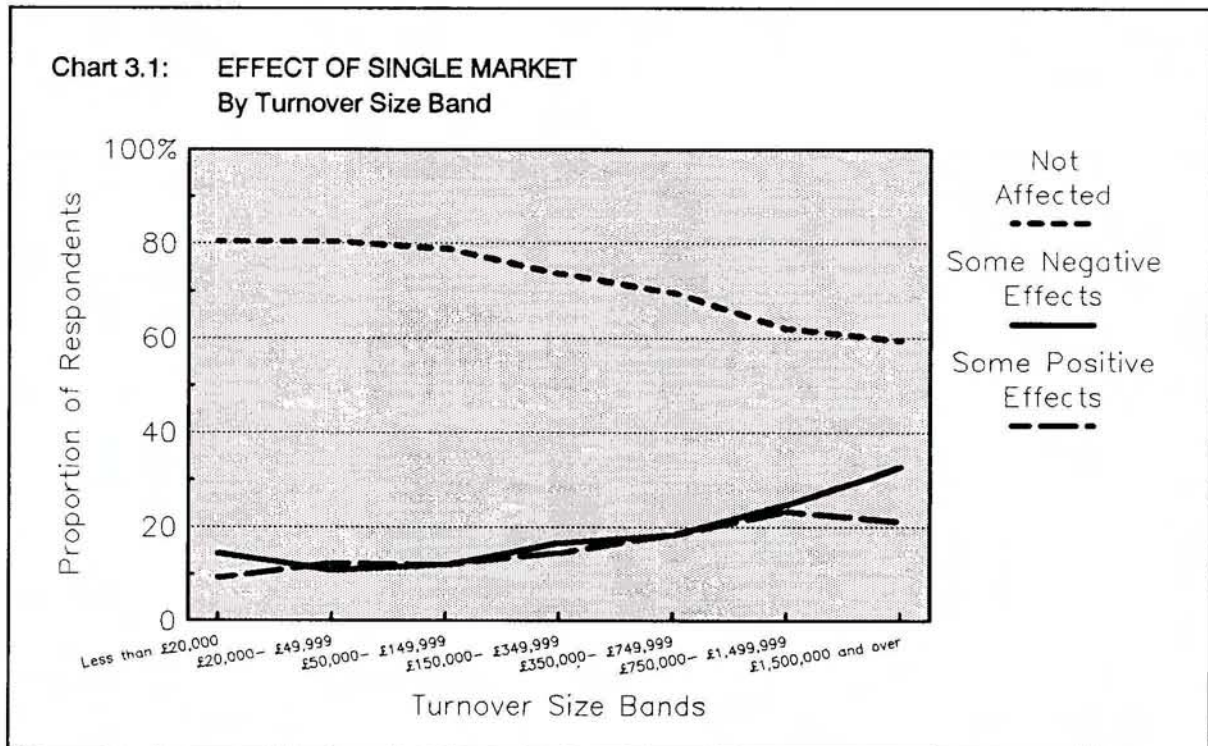
During the second quarter of 1990, a special SBRT Single Market questionnaire, conducted through the National Westminster Bank Small Business Digest, established that 19 per cent of these respondents did not expect to be affected and a further 37 per cent did not know whether they would be affected (a total of 56 per cent). By mid 1991, a second SBRT Single Market survey of the SBRT volunteers database reported that 22 per cent did not expect to be affected by the Single Market and that a further 12 per cent did not know (a total of 34 per cent).

Now that the Single Market has been in place officially for one year (although not all barriers to free movement of goods have been completely lifted), we asked firms what the actual effects on their business had been. Compared with the earlier surveys, it appears that firms may have over-estimated the immediate impact of the Single Market on their business. In this survey, 68.6 per cent of firms said that they had seen no effect on their business. Adding the firms who did not know, almost three-quarters of small firms (73.9 per cent) did not appear to have been affected by the implementation of the Single Market, though there were distinct size differences. Of those reporting Single Market effects, there were slightly more negative effects on balance (-1.6 per cent). The proportions identifying each individual effect are shown in Tables 3.3 and 3.4, analysed by size of firm and business activity. Tables 3.1 and 3.2 are summaries which group together the positive and negative effects listed.

Table 3.1 EFFECT OF SINGLE MARKET
By Turnover Size Band

Analysis by turnover size band	Not affected	Some positive effects	Some negative effects
Less than £20,000	80.4%	9.4%	14.5%
£20,000- £49,999	80.4%	12.4%	11.0%
£50,000- £149,999	78.9%	12.1%	12.1%
£150,000- £349,999	73.6%	14.7%	16.6%
£350,000- £749,999	69.7%	18.4%	18.4%
£750,000- £1,499,999	62.0%	23.3%	24.8%
£1,500,000 and over	59.6%	21.3%	32.6%
All	73.9%	15.1%	16.7%

Table 3.1 and Chart 3.1 show that the proportion of firms not affected by the Single Market falls with increasing firm size while both positive effects (more opportunities, decreased costs and a wider range of suppliers) and negative effects (more competition and increased costs) both seem to increase with firm size. The size effects and the proportion of firms citing negative effects slightly exceeding the proportion mentioning positive effects, can be seen clearly in Chart 3.1.



The 'other' effects listed by respondents have been classified as positive or negative and included in Tables 3.1 and 3.2. They were mostly negative, the increased paperwork associated with changed VAT and customs regulations dominating.

Table 3.2 EFFECT OF SINGLE MARKET
By Business Activity

Analysis by business activity	Not affected	Some positive effects	Some negative effects
Agriculture	54.5%	22.7%	27.3%
Manufacturing	72.3%	16.2%	19.6%
Transport	53.3%	16.7%	40.0%
Construction	82.7%	5.1%	14.3%
Wholesale	62.4%	21.1%	23.3%
Retail	78.2%	10.9%	14.9%
Catering	73.5%	11.8%	17.6%
Business Services	75.8%	17.6%	11.8%
Other Services	77.4%	12.1%	15.3%
Other	90.0%	10.0%	5.0%
All	73.9%	15.1%	16.7%

Table 3.2 shows, unsurprisingly, that construction and retail trade were among the sectors least affected by the Single Market. Small transport firms have been most evidently affected by the Single Market, mainly negatively (a balance of -23.3 per cent). The next most affected industries were small agricultural and wholesaling firms, where the effects were more balanced, but still slightly negative. On balance, firms in all sectors except business services have found that the negative effects have outweighed the positive effects.

However, the most important single effect has been *more European opportunities* (9.2 per cent), which is a positive effect, followed by the negative effect of *increased costs*, experienced by 7.6 per cent of firms. Only 6.1 per cent of firms reported having experienced more European competition and more firms reported an increase in overall opportunities in Britain and Europe (10.8 per cent) than reported an overall increase in competition (8.6 per cent)¹. Table 3.3 shows the clear size effects, with one in six of the largest firms in the over £1.5 million turnover band reporting increased opportunities in Britain or Europe. Table 3.4 summarises different industry effects and shows that it has mainly been agriculture and business services, followed by transport and manufacturing firms, that have found more opportunities. However, transport firms have also been more affected by increased competition and costs, as have wholesalers and caterers.

¹ These percentages are lower than those obtained by adding together the relevant categories in Table 3.3 as some respondents identified more than one effect.

Table 3.3 OVER THE PAST YEAR, HOW HAS THE NEW SINGLE MARKET ACTUALLY AFFECTED YOUR BUSINESS? by TURNOVER SIZE BAND

Analysis by turnover size band	Less than £20,000	£20,000- £49,999	£50,000- £149,999	£150,000- £349,999	£350,000- £749,999	£750,000- £1,499,999	£1,500,000 and over	All
a. No effect	78.3%	73.7%	73.6%	66.0%	65.9%	58.1%	55.1%	68.6%
b. Do not know	5.8%	7.7%	6.1%	7.9%	4.3%	5.4%	2.2%	6.1%
c. More UK opportunities	2.9%	1.9%	2.9%	3.0%	3.2%	4.7%	7.9%	3.3%
d. More European opportunities	4.3%	8.6%	7.5%	7.2%	10.8%	17.8%	13.5%	9.2%
e. More UK competition	3.6%	1.4%	3.2%	2.6%	5.9%	5.4%	9.0%	3.9%
f. More European competition	5.8%	4.3%	3.9%	4.9%	7.6%	8.5%	14.6%	6.1%
g. Increased costs	9.4%	3.8%	5.7%	9.1%	7.6%	12.4%	7.9%	7.6%
h. Decreased costs	0.0%	1.4%	1.4%	1.5%	3.2%	3.9%	5.6%	2.1%
i. Wider range of suppliers	2.2%	2.9%	4.3%	6.4%	6.5%	2.3%	7.9%	4.6%
j. Other	4.3%	5.7%	3.9%	4.5%	4.3%	3.9%	7.9%	4.7%
No response	0.0%	1.0%	1.1%	0.4%	0.5%	0.0%	2.2%	0.7%
Sample	138	209	280	265	185	129	89	1,295

Table 3.4 OVER THE PAST YEAR, HOW HAS THE NEW SINGLE MARKET ACTUALLY AFFECTED YOUR BUSINESS? by BUSINESS ACTIVITY

Analysis by business activity	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
a. No effect	40.9%	65.9%	53.3%	79.6%	58.6%	73.0%	67.6%	70.6%	71.0%	90.0%	68.6%
b. Do not know	9.1%	7.8%	0.0%	3.1%	3.8%	6.3%	5.9%	6.3%	8.1%	0.0%	6.1%
c. More UK opportunities	9.1%	2.0%	3.3%	1.0%	2.3%	0.0%	0.0%	6.9%	4.0%	0.0%	3.3%
d. More European opportunities	13.6%	11.8%	13.3%	2.0%	7.5%	2.3%	8.8%	12.1%	9.7%	10.0%	9.2%
e. More UK competition	0.0%	3.7%	10.0%	5.1%	6.8%	3.4%	0.0%	3.6%	2.4%	0.0%	3.9%
f. More European competition	13.6%	8.4%	6.7%	2.0%	11.3%	4.6%	2.9%	4.4%	4.8%	5.0%	6.1%
g. Increased costs	13.6%	8.1%	20.0%	7.1%	8.3%	8.0%	14.7%	4.4%	9.7%	0.0%	7.6%
h. Decreased costs	0.0%	2.4%	6.7%	0.0%	7.5%	2.9%	0.0%	0.8%	0.0%	0.0%	2.1%
i. Wider range of suppliers	18.2%	3.4%	0.0%	3.1%	9.8%	8.6%	2.9%	3.3%	1.6%	0.0%	4.6%
j. Other	4.5%	4.4%	26.7%	2.0%	5.3%	4.0%	2.9%	4.9%	3.2%	0.0%	4.7%
No response	4.5%	0.3%	0.0%	0.0%	1.5%	0.0%	0.0%	0.8%	1.6%	0.0%	0.7%
Sample	22	296	30	98	133	174	34	364	124	20	1,295

Although three-quarters of firms claimed not to have been affected by the Single Market, almost half named a Single Market related standard or regulation which had affected their business. Not all of the standards and regulations listed apply to all industries and many were in place before the Single Market, but all of them have been influenced directly or indirectly by Single Market directives.

Table 3.5 WHICH SINGLE MARKET RELATED CHANGES TO STANDARDS OR REGULATIONS HAVE AFFECTED YOUR BUSINESS?

None	44.7%
Health & Safety	22.4%
Quality (BS 5750/ISO 9000)	19.6%
Waste disposal	13.2%
Other	7.7%
Product Standards	5.9%
Hygiene	5.3%
Labelling	4.6%
No response	6.6%
Sample	1,295

As Table 3.5 shows, the regulations which have affected the greatest number of firms are *health and safety* (22.4 per cent). The proportion affected rises with the size of firm, from 9.2 per cent of firms without any employees other than the owner, to over 40 per cent of those with 15 or more employees (Table 3.6). As might be expected, a majority of catering firms have been affected by *health and safety* regulations. Over half of all catering firms report being affected by *hygiene* standards, although this is not important for the other business sectors (Table 3.7).

Quality standards (BS5750 and ISO9000) have affected almost 20 per cent of firms, rising to almost 40 per cent of the medium-sized and larger firms in our sample. Further information about the effects of these standards can be found in Volume 8 Number 3 of this survey.

Waste disposal regulations have affected 13.2 per cent of firms (and around a third of firms in agriculture and catering).

The *other* standards and regulations listed by respondents were dominated by VAT, where changes in the system of applying VAT to exports has caused problems for many firms. There were mentions of some more specific standards and regulations, relating for instance to transport, plant health and packaging, and also some more general areas, such as environmental issues. One respondent, a chartered surveyor, mentioned 'metric measurements'. A number of firms said that the relaxation of customs regulations had affected them the most, although many complained of extra export documentation, with a few mentioning Intrastat returns by name.

Table 3.6

WHICH SINGLE MARKET RELATED CHANGES TO STANDARDS OR REGULATIONS HAVE AFFECTED YOUR BUSINESS? by NUMBER OF EMPLOYEES

Analysis by employment size band	1	2	3-4	5-9	10-14	15-24	25-49	50+	All
a. None	65.4%	56.0%	48.0%	39.8%	30.1%	29.3%	27.4%	27.0%	44.7%
b. Product Standards	4.9%	4.2%	5.6%	4.6%	8.9%	8.1%	10.5%	8.1%	5.9%
c. Health & Safety	9.2%	11.6%	16.3%	26.4%	29.3%	44.4%	36.8%	40.5%	22.4%
d. Waste disposal	7.0%	5.6%	10.3%	15.5%	18.7%	25.3%	21.1%	18.9%	13.2%
e. Hygiene	2.2%	3.2%	4.8%	6.7%	4.1%	11.1%	7.4%	8.1%	5.3%
f. Labelling	2.7%	3.2%	3.2%	4.6%	8.9%	4.0%	7.4%	8.1%	4.6%
g. Quality (BS 5750/ISO 9000)	10.8%	13.0%	15.5%	20.1%	22.8%	30.3%	37.9%	37.8%	19.6%
h. Other	6.5%	12.0%	8.3%	6.0%	6.5%	10.1%	4.2%	5.4%	7.7%
No response	5.9%	6.0%	9.1%	7.7%	8.1%	0.0%	4.2%	5.4%	6.6%
Sample	185	216	252	284	123	99	95	37	1,295

Table 3.7

WHICH SINGLE MARKET RELATED CHANGES TO STANDARDS OR REGULATIONS HAVE AFFECTED YOUR BUSINESS? by BUSINESS ACTIVITY

Analysis by business activity	Agriculture	Manufacturing	Transport	Construction	Wholesale	Retail	Catering	Business Services	Other Services	Other	All
a. None	31.8%	38.9%	40.0%	37.8%	37.6%	46.6%	17.6%	53.6%	51.6%	60.0%	44.7%
b. Product Standards	13.6%	7.4%	0.0%	4.1%	6.8%	6.9%	2.9%	5.5%	4.0%	5.0%	5.9%
c. Health & Safety	31.8%	25.7%	13.3%	33.7%	20.3%	22.4%	58.8%	12.9%	26.6%	20.0%	22.4%
d. Waste disposal	31.8%	17.6%	10.0%	18.4%	13.5%	15.5%	35.3%	3.3%	16.1%	10.0%	13.2%
e. Hygiene	18.2%	2.0%	0.0%	2.0%	3.8%	8.6%	55.9%	2.5%	5.6%	5.0%	5.3%
f. Labelling	18.2%	4.1%	3.3%	0.0%	9.0%	10.3%	17.6%	0.5%	2.4%	5.0%	4.6%
g. Quality (BS 5750/ISO 9000)	4.5%	28.4%	16.7%	21.4%	30.1%	4.0%	5.9%	19.2%	16.9%	15.0%	19.6%
h. Other	0.0%	5.1%	26.7%	2.0%	11.3%	4.6%	11.8%	11.0%	5.6%	5.0%	7.7%
No response	0.0%	5.4%	6.7%	5.1%	3.0%	12.6%	8.8%	7.7%	4.0%	0.0%	6.6%
Sample	22	296	30	98	133	174	34	364	124	20	1,295

APPENDIX

Organisation of the Survey

This survey (the 38th in the series) was mailed out on 8 December 1993 to 2,500 small firms. By the cut-off date of 25 January 1994, 1,295 completed questionnaires had been received.

Up to and including Survey 17, the regular SFRT surveys were carried out via postal questionnaires and personal interviews of members of three small business representative organisations:

- * The Federation of Small Businesses (FSB) - formerly The National Federation of the Self Employed and Small Business Ltd
- * The Association of Independent Business (AIB)
- * The Forum of Private Business

These surveys have been supplemented by responses from readers of the National Westminster Small Business Digest.

From Survey 18, we have included responses from members of the National Chamber of Trade (NCT) as well as from the FSB and, until survey 23, the AIB. From time to time, small firms recruited through Local Enterprise Agencies have also been included. The SBRT would welcome additions to the sample from similar sources, including Training and Enterprise Councils (TECs) and Local Enterprise Companies (LECs).

A copy of the current questionnaire used is included at the end of the Appendix.

Further details of sample size, response and a discussion of representativeness have been included in earlier issues of the Quarterly Survey of Small Business in Britain (see, for example, Vol.3 No.2, 1987, Vol.4 No.4, 1988 and Vol.5 No.1, 1989). It should be noted that the SBRT survey is not a panel, nor is it fully random among the total membership of the bodies listed above.

Note that from the first quarter of 1989 onwards the overall balances have been weighted, using VAT registration data, by sector. This is so that a change in the importance of any particular sector, for instance manufacturers, in our sample will not affect the percentage balances and also so that the results are more representative of the UK economy as a whole. This means, however, that in tables showing the breakdowns by size, sector and region (which are unweighted) the overall balances are not strictly comparable with table 1.1. In addition, where not all respondents indicate the nature of their business some firms may be excluded from the weighted results.

Because the balances referring to the expected sales turnover and employment in the next quarter have a pronounced seasonal trend we have also constructed seasonally adjusted figures for these balances. These are listed in appendix table A1. Again, the breakdowns by size, sector and region are not seasonally adjusted, neither are the figures in Table 1.1.

Special Topics

The survey reports in each issue on changes in sales and employment and on the ranking of most important problems experienced by small firms. The percentage balances for sales and employment are shown in Appendix Table A.1 and the percentage mention of problems are shown in Appendix Table A.2 for each of the surveys carried out to date.

In addition, each issue covers one or more special topics, based upon the survey results, designed to contribute to knowledge about small business in Britain.

The following topics have been examined to date:

- | | | |
|------|------|---|
| 1985 | No 1 | Some Characteristics of the Respondents |
| | No 2 | Changes in Employment
New Business |
| | No 3 | Part-time Employees
Computers in Small Firms |
| | No 4 | Employment |
| 1986 | No 1 | Finance
Membership of Representative Bodies |
| | No 2 | Exports
The Business Expansion Scheme |
| | No 3 | Employment
Skill Shortage |
| | No 4 | Incorporated and Unincorporated Business
Expanding Firms
Small Firms in the Service Sectors |
| 1987 | No 1 | Domestic versus Business Telephone Usage
Employment |
| | No 2 | Most Important Problem Facing Declining
and Growing Businesses
Characteristics of our Respondents |
| | No 3 | Employment
Slow Payment Problems |
| | No 4 | Use of Accountants |
| 1988 | No 1 | Use of Solicitors |
| | No 2 | Training background of managers and arrangements
for staff training |
| | No 3 | Access to external information |
| | No 4 | Present and future use of Telecommunications products and services
Characteristics of Respondents |
| 1989 | No 1 | Employee Turnover
National Chamber of Trade Survey
National Westminster Digest Survey |
| | No 2 | The effects of 1992 on small firms |
| | No 3 | Intergenerational and previous business background of respondents |
| | No 4 | Origins of new employees |

- | | | |
|------|------|--|
| 1990 | No 1 | European Community Special Directorate DG23 |
| | No 2 | Motivation and Objectives of respondents for setting up their own business |
| | No 3 | School-leaver Training |
| | No 4 | School-leaver Training Problems |
| 1991 | No 1 | Training and Enterprise Councils |
| | No 2 | Use of Computers |
| | No 3 | Business Growth Objectives, Gender of Owner |
| | No 4 | Sources of Small Business Finance |
| 1992 | No 1 | Co-operatives |
| | No 2 | Exports |
| | No 3 | Quality Standards (BS 5750) |
| | No 4 | Impact of the Recession on Incomes and Prices |
| 1993 | No 1 | Business Premises and the UBR |
| | No 2 | Rented Business Premises |
| | No 3 | Delayed Payments |
| | No 4 | External Sources of Information |
| 1994 | No 1 | The Single Market |

TABLE A.1: CHANGES AND EXPECTED CHANGES IN SALES AND EMPLOYMENT, PERCENTAGE BALANCE

Survey	Sample Size	Past Quarter Date	Actual Change, past quarter compared with same quarter last year			Expected Change, next quarter compared to past quarter				
			Sales	Employment	Investment	Sales		Employment		Investment
						U	S	U	S	U
Vol.1 No.1a	3,056	1984/3	34.7%	10.5%	-	21.2%	23.6%	3.3%	5.1%	-
Vol.1 No.1b	1,795	1984/4	32.6%	10.4%	-	9.5%	19.7%	0.9%	4.8%	-
Vol.1 No.2	1,181	1985/1	33.4%	17.6%	-	16.9%	9.3%	9.5%	7.0%	-
Vol.1 No.3	1,090	1985/2	34.4%	11.2%	-	31.4%	26.4%	5.3%	2.1%	-
Vol.1 No.4	1,072	1985/3	37.4%	12.1%	-	26.2%	28.6%	5.3%	7.1%	-
Vol.2 No.1	1,326	1985/4	41.4%	12.6%	-	9.8%	20.0%	5.3%	9.2%	-
Vol.2 No.2	1,052	1986/1	33.6%	11.6%	-	31.1%	23.5%	5.6%	3.1%	-
Vol.2 No.3	1,285	1986/2	35.5%	14.2%	-	29.6%	24.6%	11.9%	8.7%	-
Vol.2 No.4	1,435	1986/3	39.7%	15.2%	-	22.3%	24.7%	6.0%	7.8%	-
Vol.3 No.1	1,116	1986/4	40.0%	13.4%	-	17.0%	27.2%	4.6%	8.5%	-
Vol.3 No.2	1,746	1987/1	40.2%	15.2%	-	39.7%	32.1%	15.1%	12.6%	-
Vol.3 No.3	1,113	1987/2	44.7%	23.1%	-	36.8%	31.8%	13.2%	10.0%	-
Vol.3 No.4	977	1987/3	44.8%	17.6%	-	28.8%	31.2%	10.0%	11.8%	-
Vol.4 No.1	1,042	1987/4	52.7%	23.4%	-	31.4%	41.6%	10.5%	14.4%	-
Vol.4 No.2	933	1988/1	52.7%	19.3%	-	46.7%	39.1%	15.3%	12.8%	-
Vol.4 No.3	983	1988/2	55.0%	22.0%	-	47.9%	42.9%	19.1%	15.9%	-
Vol.4 No.4	950	1988/3	54.9%	22.3%	-	34.4%	36.8%	13.3%	15.1%	-
Vol.5 No.1A	1,523	1988/4	49.2%	15.1%	-	25.6%	35.8%	5.7%	9.6%	-
Vol.5 No.2	947	1989/1	38.8%	18.1%	-	18.6%	11.0%	5.6%	3.1%	-
Vol.5 No.3	2,274	1989/2	41.1%	16.7%	-	30.8%	25.8%	10.4%	7.2%	-
Vol.5 No.4	795	1989/3	33.5%	18.3%	-	20.2%	22.6%	7.4%	9.2%	-
Vol.6 No.1	1,091	1989/4	29.9%	10.5%	-	10.6%	20.8%	0.9%	4.8%	-
Vol.6 No.2	1,384	1990/1	31.4%	9.9%	-	24.4%	16.8%	3.5%	1.0%	-
Vol.6 No.3	1,043	1990/2	22.3%	4.8%	-	14.7%	9.7%	0.9%	-2.3%	-
Vol.6 No.4	1,312	1990/3	18.2%	3.5%	-	3.6%	6.0%	-4.1%	-2.3%	-
Vol.7 No.1	1,239	1990/4	-0.5%	-5.1%	-	-16.0%	-5.8%	-14.4%	-10.5%	-
Vol.7 No.2	984	1991/1	-8.6%	-11.6%	-12.7%	12.3%	4.7%	-7.6%	-10.1%	-15.0%
Vol.7 No.3	1,718	1991/2	-12.5%	-17.3%	-20.0%	-5.2%	-10.2%	-11.5%	-14.7%	-20.6%
Vol.7 No.4	835	1991/3	-14.8%	-19.9%	-15.0%	-1.0%	1.5%	-17.5%	-15.6%	-15.1%
Vol.8 No.1	1,684	1991/4	-7.7%	-15.5%	-20.4%	-9.3%	1.0%	-16.8%	-12.9%	-13.2%
Vol.8 No.2	1,359	1992/1	-1.6%	-17.0%	-13.7%	19.7%	12.0%	-5.4%	-7.8%	-6.6%
Vol.8 No.3	1,527	1992/2	-9.1%	-14.4%	-18.4%	4.4%	-0.7%	-5.8%	-8.9%	-11.7%
Vol.8 No.4	921	1992/3	-15.6%	-27.6%	-32.4%	-6.0%	-3.6%	-17.5%	-15.7%	-23.9%
Vol.9 No.1	1,339	1992/4	-9.0%	-15.0%	-20.8%	-3.8%	6.4%	-10.5%	-6.7%	-13.0%
Vol.9 No.2	1,021	1993/1	-3.6%	-12.3%	-11.1%	23.6%	15.9%	0.8%	-1.6%	-0.6%
Vol.9 No.3	1,310	1993/2	1.1%	-7.7%	-7.3%	19.2%	14.2%	4.3%	1.1%	-0.4%
Vol.9 No.4	1,076	1993/3	8.4%	-1.7%	-7.0%	14.8%	17.2%	-3.4%	-1.6%	-4.4%
Vol.10 No.1	1,295	1993/4	14.0%	3.2%	-3.2%	15.1%	25.4%	0.0%	3.9%	3.4%

Key: U - Unadjusted
S - Seasonally adjusted

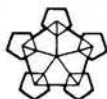
Notes: a,b - The results from two surveys were published in Volume 1 Number 1
A - From Volume 5 Number 1, all results have been weighted to the VAT sectoral distribution.

Table A.2:

PROBLEMS EXPERIENCED BY RESPONDENTS - Note: ^AFrom Survey 18 (1989/1), all figures shown in this table have been weighted to the VAT sectoral distribution.

	Inflation	Interest Rates	Access to Finance	Lack of Skilled Employees	Total Tax Burden	Low T/over or Lack of Business	Competition from Big Business	Govt Regs and Paperwork	High Rates of Pay	Shortage of Material & Supplies	Internal Management Difficulties	Cashflow & Payments	Premises, Rents & Rates	Other	No Response	Number of Replies Analysed
1984/4	3.5%	17.1%	-	5.4%	15.9%	15.3%	12.0%	12.6%	4.2%	1.1%	-	-	-	10.9%	1.4%	3,056
1985/1	3.8%	19.4%	-	4.4%	15.9%	14.5%	10.0%	15.7%	3.4%	1.3%	-	-	-	9.5%	1.5%	1,795
1985/2	5.0%	22.1%	-	4.3%	16.1%	14.3%	10.8%	12.5%	2.4%	1.3%	-	-	-	9.1%	1.5%	1,181
1985/3	2.0%	23.6%	-	4.9%	12.8%	13.8%	11.2%	13.1%	3.7%	1.9%	-	-	-	8.6%	3.8%	1,090
1985/4	2.2%	24.0%	-	5.6%	16.6%	15.7%	11.0%	10.2%	2.0%	0.9%	-	-	-	9.2%	2.0%	1,072
1986/1	3.0%	21.4%	-	7.2%	17.1%	14.4%	11.7%	9.6%	2.0%	1.8%	-	-	-	9.9%	1.3%	1,326
1986/2	1.7%	29.9%	-	7.3%	16.3%	12.6%	9.1%	9.9%	2.2%	1.2%	-	-	-	9.4%	0.6%	1,052
1986/3	0.9%	21.3%	-	7.3%	16.6%	17.0%	11.5%	7.3%	1.4%	0.9%	-	-	-	13.7%	2.0%	1,285
1986/4	1.1%	25.0%	-	7.2%	17.7%	14.7%	11.8%	6.8%	1.3%	1.3%	-	-	-	10.0%	3.1%	1,435
1987/1	0.9%	26.4%	-	8.0%	16.0%	13.0%	12.0%	7.4%	1.6%	1.3%	-	-	-	9.1%	4.2%	1,166
1987/2	1.0%	23.7%	-	9.6%	17.7%	12.0%	10.7%	7.6%	2.6%	1.5%	-	-	-	10.3%	3.3%	1,746
1987/3	1.1%	20.3%	-	11.8%	17.9%	12.9%	11.5%	6.6%	1.9%	2.2%	-	-	-	10.5%	3.5%	1,113
1987/4	1.1%	18.0%	-	11.1%	21.3%	13.0%	12.5%	6.3%	1.3%	1.3%	-	-	-	9.6%	4.5%	977
1988/1	0.7%	21.6%	-	11.1%	20.1%	9.6%	11.4%	6.1%	2.3%	1.9%	-	-	-	14.9%	0.3%	1,042
1988/2	1.0%	19.4%	-	12.7%	15.5%	10.2%	14.4%	8.0%	1.8%	2.3%	-	-	-	13.7%	1.4%	933
1988/3	0.9%	17.6%	-	17.7%	13.7%	11.3%	11.4%	8.3%	2.4%	2.7%	-	-	-	11.4%	2.4%	983
1988/4	2.8%	25.5%	-	16.9%	12.5%	8.7%	10.4%	6.0%	1.3%	3.3%	-	-	-	10.6%	1.9%	950
1989/1	5.3%	23.4%	-	16.4%	11.1%	5.7%	5.9%	7.2%	1.4%	0.3%	-	-	-	19.0%	4.3%	1,523
1989/2	6.3%	28.4%	-	14.0%	12.2%	7.1%	5.9%	5.2%	1.0%	0.8%	-	-	-	14.5%	4.7%	947
1989/3	6.1%	32.9%	-	13.3%	7.1%	13.1%	6.0%	5.9%	1.5%	0.5%	-	-	-	12.1%	1.6%	2,274
1989/4	6.9%	39.2%	-	10.4%	5.4%	12.9%	4.7%	5.1%	1.1%	0.6%	-	-	-	12.2%	1.4%	795
1990/1	4.2%	31.3%	3.1%	6.7%	5.3%	13.3%	-	5.5%	2.5%	0.7%	0.6%	11.5%	8.4%	5.3%	1.7%	1,091
1990/2	6.7%	27.9%	3.2%	7.8%	2.9%	14.6%	-	5.6%	1.5%	0.3%	1.6%	11.6%	6.6%	8.2%	1.4%	1,384
1990/3	4.3%	29.9%	3.6%	6.4%	3.7%	14.7%	3.1%	4.3%	1.6%	0.0%	1.9%	13.6%	4.8%	5.5%	2.5%	1,043
1990/4	7.5%	26.6%	2.3%	5.7%	4.4%	18.9%	3.8%	6.3%	0.2%	0.3%	0.8%	8.6%	4.7%	7.9%	1.9%	1,250
1991/1	6.0%	29.4%	2.7%	3.4%	4.2%	21.1%	2.6%	5.6%	0.9%	0.5%	0.8%	11.4%	4.2%	5.5%	1.9%	1,239
1991/2	4.0%	21.2%	4.3%	2.9%	5.1%	25.2%	2.9%	4.0%	0.4%	0.4%	0.6%	14.9%	7.1%	6.0%	1.0%	984
1991/3	3.3%	15.0%	3.0%	2.3%	4.7%	37.5%	2.4%	6.7%	1.2%	0.3%	1.2%	11.0%	3.3%	6.7%	1.5%	1,718
1991/4	1.2%	7.5%	4.6%	4.5%	4.1%	38.1%	3.4%	3.9%	0.7%	0.3%	1.3%	13.2%	5.7%	10.7%	0.8%	835
1992/1	2.0%	9.0%	5.3%	2.1%	5.6%	36.3%	3.2%	5.6%	0.5%	0.4%	1.2%	15.8%	4.0%	7.1%	1.8%	1,684
1992/2	2.2%	11.6%	4.4%	3.4%	5.4%	34.2%	4.5%	5.3%	0.4%	0.3%	1.1%	13.4%	5.1%	7.4%	1.4%	1,359
1992/3	1.6%	7.6%	4.0%	2.9%	5.2%	43.2%	2.1%	8.1%	0.3%	1.0%	0.8%	13.5%	3.1%	5.9%	0.8%	1,527
1992/4	1.0%	8.7%	3.6%	1.6%	6.0%	44.3%	4.0%	8.1%	0.5%	0.3%	0.2%	11.4%	3.0%	5.3%	2.0%	921
1993/1	0.6%	3.7%	3.2%	3.2%	4.1%	47.7%	3.0%	6.2%	0.3%	1.2%	0.6%	13.0%	2.9%	8.4%	1.8%	1,339
1993/2	0.5%	1.4%	5.5%	3.4%	5.4%	43.1%	4.0%	7.6%	0.5%	0.7%	1.6%	14.3%	2.9%	7.4%	1.8%	1,021
1993/3	0.4%	2.1%	5.5%	4.5%	5.4%	41.2%	4.2%	12.6%	0.3%	0.7%	0.9%	10.9%	3.7%	6.0%	1.6%	1,310
1993/4	1.0%	2.8%	6.8%	3.0%	6.5%	36.9%	4.3%	9.9%	0.3%	0.6%	2.5%	15.5%	3.3%	4.6%	1.9%	1,078
1994/1	0.5%	1.9%	5.6%	4.1%	6.8%	34.4%	7.0%	10.9%	0.1%	0.6%	1.2%	14.3%	4.1%	6.8%	1.7%	1,295

**SMALL
BUSINESS
RESEARCH
TRUST**



SMALL BUSINESS RESEARCH TRUST
Survey Section
c/o Graham Bannock & Partners Ltd.
FREEPOST 19
LONDON W1E 1QZ

Please circle the appropriate numbers or fill in the blanks.
Your answers will remain confidential.

- 1 Please indicate the location of your business:**
- | | | |
|---------------------------|------------------|---------------------|
| a. North | e. West Midlands | i. Wales |
| b. Yorkshire & Humberside | f. East Anglia | j. Scotland |
| c. North West | g. South East | k. Northern Ireland |
| d. East Midlands | h. South West | |
- 2 Employment:** The number of people (including yourself) who work in the business
- The number of these who work part-time
- The number of outworkers and freelancers
- 3 Annual Turnover (excluding VAT)**
- | | | |
|----------------------|----------------------|------------------------|
| a. Less than £20,000 | d. £150,000-£349,999 | f. £750,000-£1,499,999 |
| b. £20,000-£49,999 | e. £350,000-£749,999 | g. £1,500,000 and over |
| c. £50,000-£149,999 | | |
- 4 a. How many years have you owned and managed businesses?**
- b. How many years has your present business been trading?**
- 5 Please classify your business activity by circling one of these categories:**
- | | | |
|--------------------------------------|---|-------------------|
| a. Agriculture, Forestry, Fisheries | e. Wholesale Trade | i. Other Services |
| b. Manufacturing, Mining, Processing | f. Retail Trade | j. Other |
| c. Transport | g. Catering & Restaurants | |
| d. Construction | h. Business Services (Finance, Consultants, Designers, etc) | |

Please also describe in a few words the precise nature of your business:

- 6a The Single Market is now in place in Europe. Over the past year, how has the new Single Market actually affected your business? (Please circle one or more as appropriate)**
- | | | |
|--------------------------------|------------------------------|----------------------------|
| a. No effect | e. More UK competition | i. Wider range of supplies |
| b. Do not know | f. More European competition | j. Other (please specify) |
| c. More UK opportunities | g. Increased costs | |
| d. More European opportunities | h. Decreased costs | |
- 6b Which ONE of the above was the main effect? (Circle ONE only)** a. b. c. d. e. f. g. h. i. j.
- 7 Which Single Market related changes to standards or regulations have affected your business?**
- | | | |
|----------------------|-------------------|-------------------------------|
| a. None | d. Waste disposal | g. Quality (BS 5750/ISO 9000) |
| b. Product standards | e. Hygiene | h. Other (please specify) |
| c. Health and Safety | f. Labelling | |

- 8 How did your sales turnover, average employment and investment (in plant, equipment & premises) in the past quarter compare with the same period in 1992? What do you expect to happen in the NEXT quarter? Please complete the table by ticking 6 boxes only.**

	ACTUAL			EXPECTED		
	October, November, December 1993 compared with the same period 1992			January, February, March 1994 compared with October, November, December 1993		
	UP	DOWN	SAME	UP	DOWN	SAME
Sales Turnover						
Average Employment						
Investment						

- 9 What is the MOST important problem facing your business today? Please circle ONE only:**
- | | | |
|--------------------------------------|---|-------------------------------------|
| a. Inflation | f. Low Turnover Lack of Business | k. Internal Management Difficulties |
| b. Interest Rates | g. Competition from Big Business | l. Cashflow/Payments/Debtors |
| c. Access to finance | h. Gov't Regulations and Paperwork | m. Premises, Rents and Rates |
| d. Lack of Skilled/Trained Employees | i. High Rates of Pay | n. Other (Please specify) |
| e. Total Tax Burden | j. Shortage of Material, Supplies, etc. | |
-
- 10 Please indicate the sex of the owner of the business:**
- | | | |
|---------|-----------|--------------------------------|
| a. Male | b. Female | c. Joint male/female ownership |
|---------|-----------|--------------------------------|

Thank you for completing this confidential survey questionnaire.
Please return to the Small Business Research Trust by 15th January 1993.
Please note that this is a FREEPOST address (no stamp required).