

A steady quarter for businesses across the Sheffield City Region

The results of the Quarterly Economic Survey for the Sheffield City Region in the third quarter of 2018 suggest a steady if somewhat subdued period for businesses across the city region.

Over the last three months sales balances have held up amongst both manufacturers and service sector firms. A higher percentage of businesses in both sectors are also reporting that they are operating at full capacity. We have also seen modest increases in plans for investment in training and in plants/machinery/equipment. Finally, after a warm summer, business confidence amongst service sector firms has strengthened somewhat.

Nevertheless, these gains are quite limited and other indicators are less promising. We have seen lower confidence amongst manufacturers. Order balances are also fairly flat for manufacturers, and down from the previous quarter for service sector firms. Price pressures also seem to be creeping back up driven particularly by raw materials costs in the case of manufacturers; this is identified at historically high levels in the results for the City Region, but is also evident in the national level data.

Businesses, and especially manufacturers, on balance expanded their workforces in the quarter. Difficulties remain in finding suitable staff, nevertheless this challenge seems to have eased slightly. Expectations around future labour force are down from the previous quarter and continue a recent slide. For exporting firms we see some improvements in sales balances, and the order books of exporting manufacturers. Key issues of concern differ between exporters and all businesses in the City Region. For the former, exchange rates and uncertainty over Brexit are the major concerns, but amongst businesses more widely, competition and inflationary pressures are identified as especially significant.

The hot topic for this quarter is cyber crime and its impact on business. The results indicate that a not insignificant number of businesses across the city region have been affected by cyber crime in the past 12 months. Encouragingly, a majority of the region's businesses feel prepared to defend themselves from cyber crime. Similarly, a majority indicate that they have in place some kind of recovery plan in the event of cyber crime. Finally, whilst many businesses feel informed and that they know how to protect themselves against cyber crime, others do not, suggesting a potential need for further support in this area.

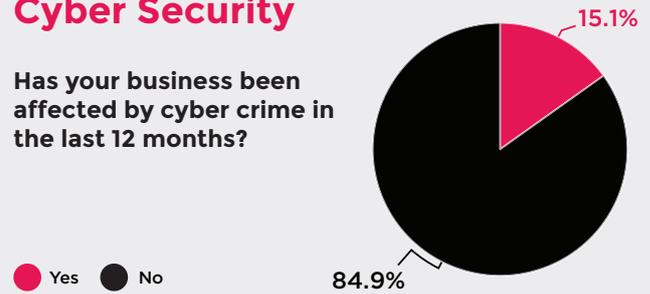
Dr. David Littlewood,
Senior Lecturer in Strategic Management
Sheffield University Management School
Centre for Regional Economic and Enterprise Development (CREED)

The Sheffield City Region Quarterly Economic Review (QER) brings together results completed by regional businesses.

The results are used to influence local, regional and national governments and decision-makers and help shape the support structures available to the regional business community.

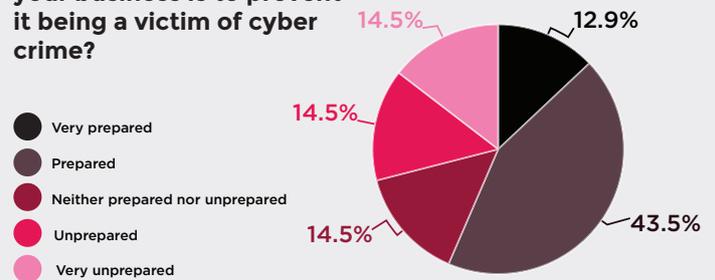
Hot Topic Results: Cyber Security

Has your business been affected by cyber crime in the last 12 months?



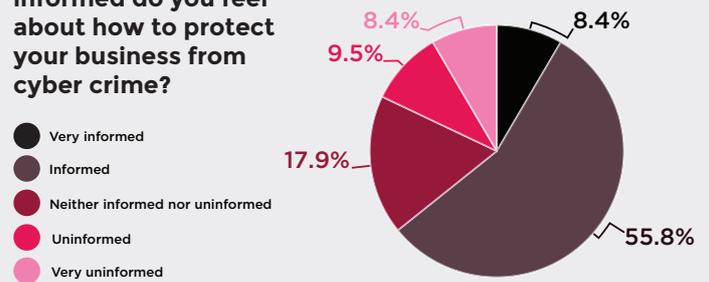
Results show: that a not insignificant number of firms across the city region have been affected by cyber crime in the last 12 months. This aligns with national level results indicating that such crime is on the rise and represents a growing threat to business.

How prepared do you feel your business is to prevent it being a victim of cyber crime?



Results show: More than half of businesses feel either prepared or very prepared to defend against being a victim of cyber crime. Relatively low percentages feel unprepared or very unprepared.

How knowledgeable/informed do you feel about how to protect your business from cyber crime?



Results show: More than half of firms feel that they are knowledgeable/informed about how to protect their business from cyber crime. Nevertheless, there is a significant portion that are either unsure or which identify as uninformed or very uninformed.

