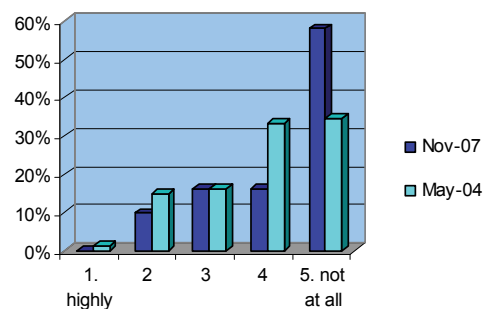


Has the enlarged EU brought new opportunities to you?

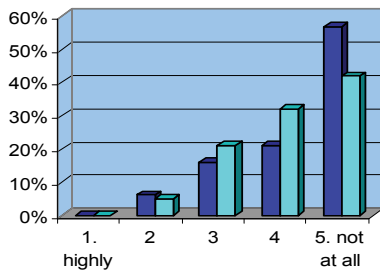
The largest ever enlargement of the EU took place on 1st May 2004, when 10 new countries joined the EU. In the UKBB survey that month, panellists were asked to what extent EU enlargement would represent opportunities for new markets and for sources of supply for their businesses. In the November survey we have revisited this topic by asking panellists to what extent they have found that EU enlargement has actually presented new opportunities to use different sources of supply and new markets for their businesses.

Although back in May 2004 not many respondents could see the EU enlargement being the means of opening up new markets to them, after the experience of the last 2½ years, enthusiasm has become even weaker.

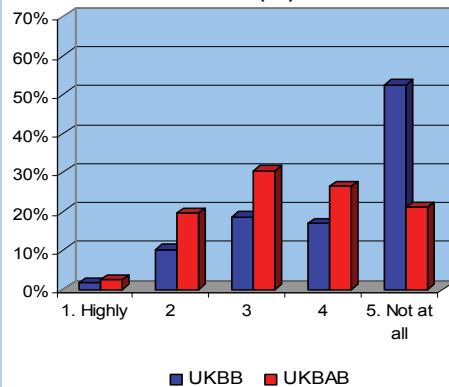
Opportunities for New Markets



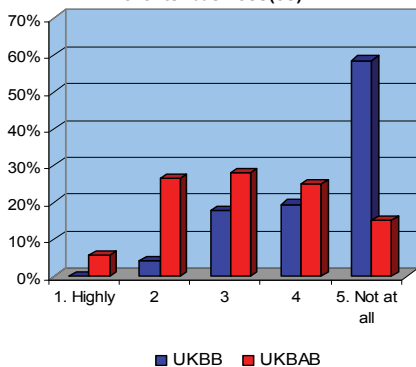
Opportunities for New Sources of Supplies



To what extent has EU enlargement presented new opportunities and markets for your/your clients' business(es)?



To what extent has EU enlargement presented new opportunities to use different sources of supply to your/your clients' business(es)?



We also asked business advisers about the opportunities for clients in terms of new markets and sources of supply.

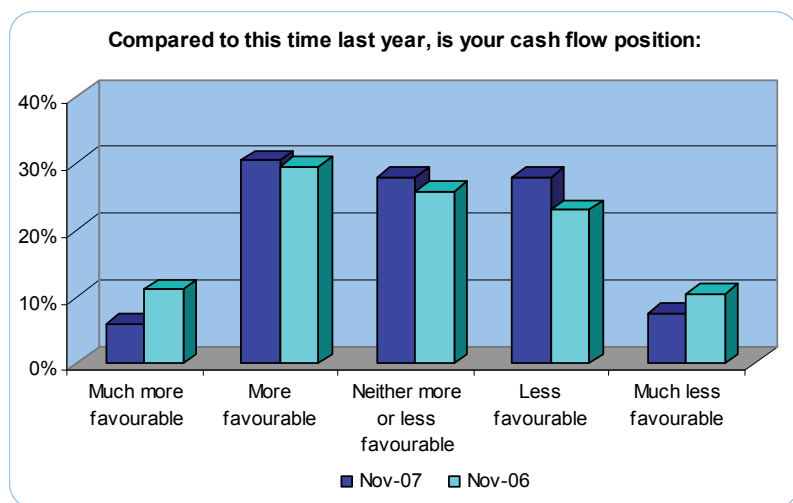
There was a marked difference between the results from the two surveys, with 52% of businesses saying that the enlarged EU has presented no opportunities compared to only 21% of advisers. On the positive side, 12% of UKBB respondents have found new opportunities to a high or reasonably high extent, while 22% of UKBAB respondents say that their clients have found the same to a high or reasonably high extent.

A similar contrast was found when it came to opportunities for sources of supply - 59% of businesses said they had found no new opportunities but only 15% of advisers said that clients had found the same.

Cash flow position — a year on from November 2006.

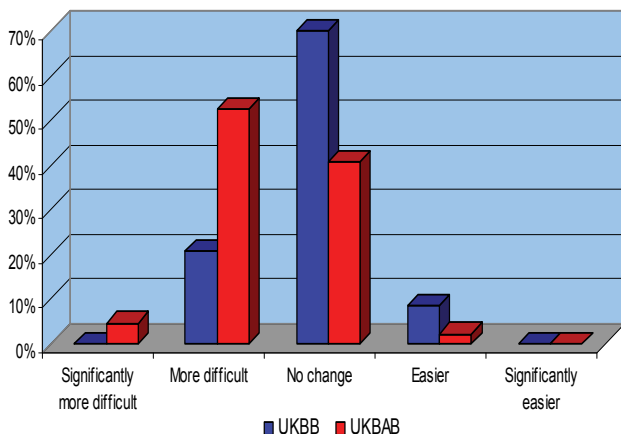
When asked if cash flow is more or less favourable than a year ago, 36% of the respondents to the UKBB said that it was more, or much more, favourable. This compares with 41% in the November 2006 survey. 36% said that it was less, or much less, favourable – 3% greater than the result in last year’s survey. 28% reported no change.

Respondents to the UKBAB, the parallel survey of Business Advisers, were asked about their clients’ cash flow positions. Only 10% thought it more favourable, while 42% understand it to be less Favourable. 48% said they thought it was neither more nor less favourable.



Access to finance affected by recent financial turbulence.

In your experience has there been a change in your ability to access external finance from banks and other sources over the last six months?



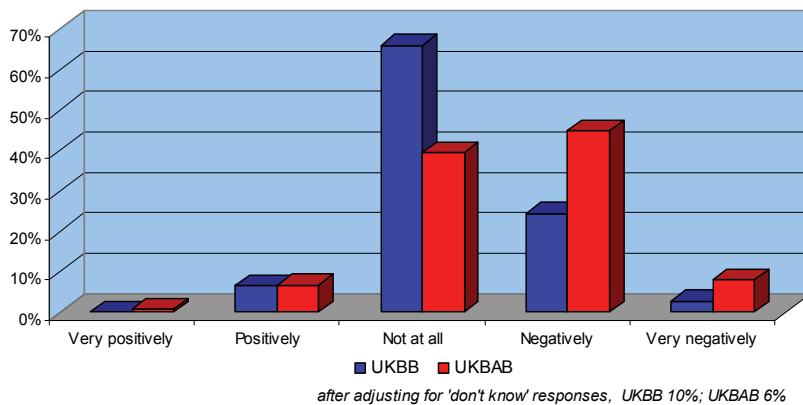
after adjusting for 'not applicable' responses, UKBB 31%; UKBAB 7%

In the October 2007 UKBB survey, panellists were asked to what extent the recent turbulence in financial markets had affected their financial decision making, and 21% said that it affected it to a high or reasonably high extent, although 52% said it had had little or no effect. This month the survey asked about access to external finance and the results revealed that 21% have found it more difficult to raise external finance over the last six months, although 8% report that it has become easier (after adjusting for 'not applicable' responses: 31%).

57% of Business Advisers responding to the parallel UKBAB survey say that their clients have found it significantly more difficult, or more difficult, to access external finance over the last six months, while only 2% say that clients have found it easier.

Would falling house prices affect your market?

In your opinion, to what extent would a fall in house prices affect your market?



In the parallel survey of business advisers, the UKBAB, panellists were asked to what extent they thought such a fall would affect their clients, 8% said that their clients would benefit, while 53% think that their clients would be affected either negatively or very negatively. 39% think clients would not be affected at all.

Recently several survey resources have reported falling house prices, including the Halifax Bank and the Nationwide Building Society. The number of new mortgage applications has also fallen.

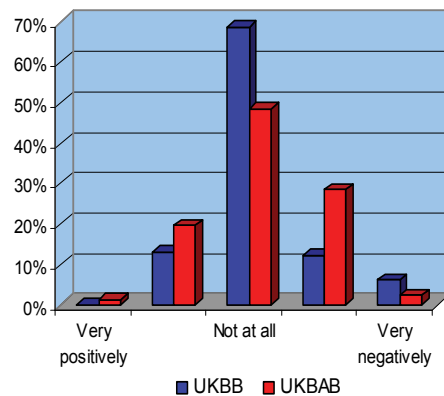
Panellists were asked to what extent they thought that a fall in house prices would affect their market and, say that after adjusting for 'don't know' responses, 7% of respondents would expect a positive effect on their business while 66% would be unaffected. 27% say that their market would suffer.

Positively or negatively? How has the strong pound affected you?

From the beginning of 2007 until early November the sterling exchange rate against the dollar was increasing. Although by mid December it had dropped back slightly it remained at around 5% above its minimum rate for 2007. The November UKBB survey asked panellists how this strengthening position is affecting their businesses and participants in the UKBAB, all business advisers, were asked how it affects their clients businesses.

More respondents to the UKBB were affected negatively rather than positively, with 18% on the negative side and 15% on the positive side. The figures for UKBAB respondents were slightly higher and showed a bigger differential with 21% positive or very positive and 31% negative or very negative.

How is the strengthening of the £ against the dollar affecting your/your clients' business(es)?



after adjusting for 'don't know' responses, UKBB 3%; UKBAB 7%

Q1. We are now changing the frequency of the Barometer surveys to bi-monthly in response to feedback from panellists and as a result of having taken advice from key observers of the project. To what extent do you think that the prospect of six questionnaires a year will make the survey more attractive to potential participants?

Q2. Apart from topical issues included in each UKBB survey, the following regular themes are covered throughout the year. Please indicate which three topics are of particular interest to you, marking the others as 'General interest'.

Q3. (optional) Apart from those areas listed in question 2, are there any other issues that you would like to see covered in future surveys? (please use the space below for your comments).

Q4. To what extent has EU enlargement presented new opportunities and markets for your business?

Q5. To what extent has EU enlargement presented new opportunities to use different sources of supply to your business?

Q6. Compared to this time last year, (what) is your cash flow position?

Q7. In your experience has there been a change in your ability to access external finance from banks and other sources over the last six months?

Q8. In your opinion, to what extent would a fall in house prices affect your market?

Q9. How is the strengthening of the £ against the dollar affecting your business?

The November survey also asked topics of particular interest

To view the complete set of results for this and for previous surveys, follow this link:

www.ukbb.ac/UI/surveys.aspx

About the respondents:

In the November 2007

survey, 118 respondents were drawn with the following population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
25.4%	8.5%	66.1%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
69.5%	16.1%	14.4%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
61.9%	21.2%	9.3.%	3.4%	4.2%	100.0%



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Please feed back your thoughts via the following link: www.ukbb.ac/UI/contact.aspx