

Press Release:

Inflation no longer an issue, small businesses tell University internet survey

Inflation in the UK economy is under control and no longer a major issue for their business, according to 60 per cent of small- and medium-sized companies quizzed as part of an internet survey conducted by The University of Nottingham Institute for Enterprise and Innovation.

In contrast, just a fifth of those asked said that UK inflation is still having an impact on their day-to-day business.

More than 120 businesses from the production and manufacturing, distribution and services sectors responded to the survey on the UK Business Barometer website, which asks a range of topical questions on economic activity.

June's survey also asked businesses their views on the processes of the protection of intellectual property, which have recently been augmented by the introduction of Innovation Logbooks. These have originated from the Patent Office and the Department for Trade and Industry to meet the needs of business innovators and inventors.

When asked whether there is still a need for more widely dispersed and user-friendly information on the protection of intellectual property, as reflected in the recent launch of Innovation Logbooks by Lord Sainsbury, more than half (58 per cent) agreed this was the case.

Other questions in the survey included whether the businesses quizzed had changed banks recently and what they feel are the significant barriers to changing; what proportion of their sales are to other businesses rather than the consumer; and whether their sales to businesses and consumers had expanded or declined over the past three months.

The UK Business Barometer operates over the internet to generate very rapid results. It has unique software enabling results to be processed and posted on the website immediately they arrive. The results of the survey, published monthly, and more information, including a press pack, can be found on the web at www.ukbb.ac

Notes to editors: More information is available from **Rick Eagles** on **0115 846 6860** or Press Officer **Emma Head** in the University's Public Affairs Office on **0115 951 5793**.

Analysis and feedback:

The June survey sought views on inflation, intellectual property, changing banks and sales to businesses and to end customers. The 5 core questions, now asked on a quarterly basis, were also included in June, to allow an update of trends data.

About the respondents

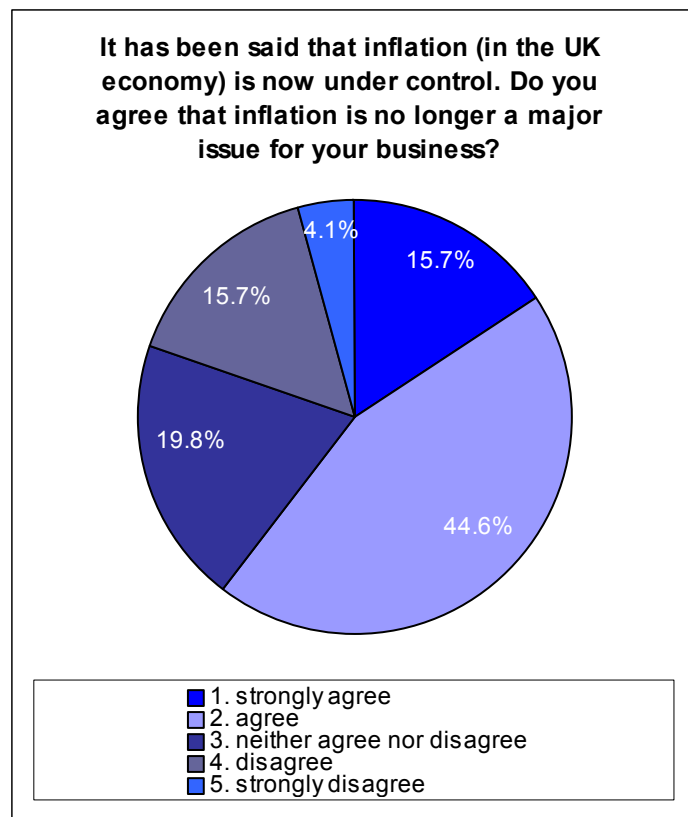
121 respondents were drawn with the following population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
37.0%	9.2%	53.8%	100.0%

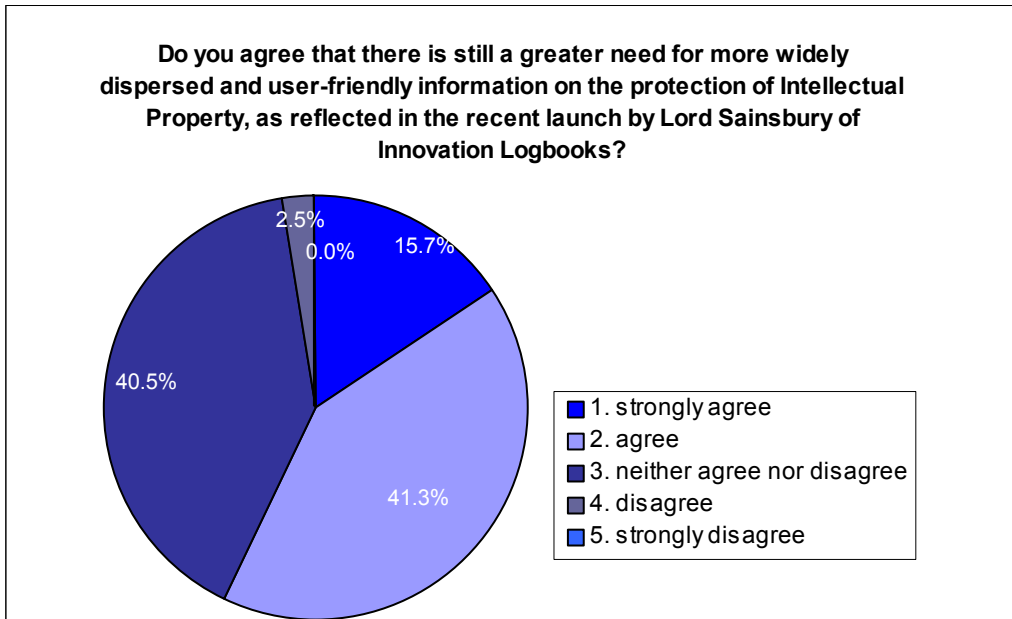
Turnover (£)			
< 1 M	1M-3M	>3M	Total
56.3%	21.0%	22.7%	100.0%

Number of Full-time Employees						
1-10	11-20	21-50	51-100	100+	unknown	Grand Total*
37.8%	31.9%	10.9%	5.0%	7.6%	6.7%	100.0%

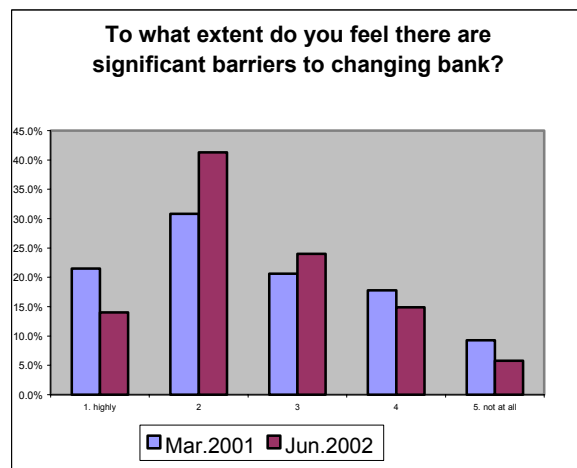
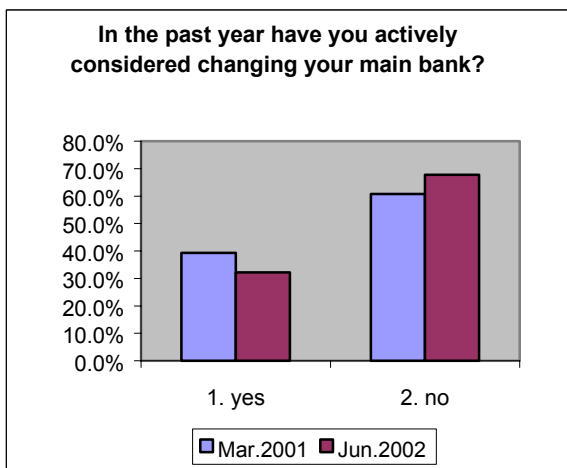
60% of our respondents agreed that inflation is no longer an issue for their businesses:



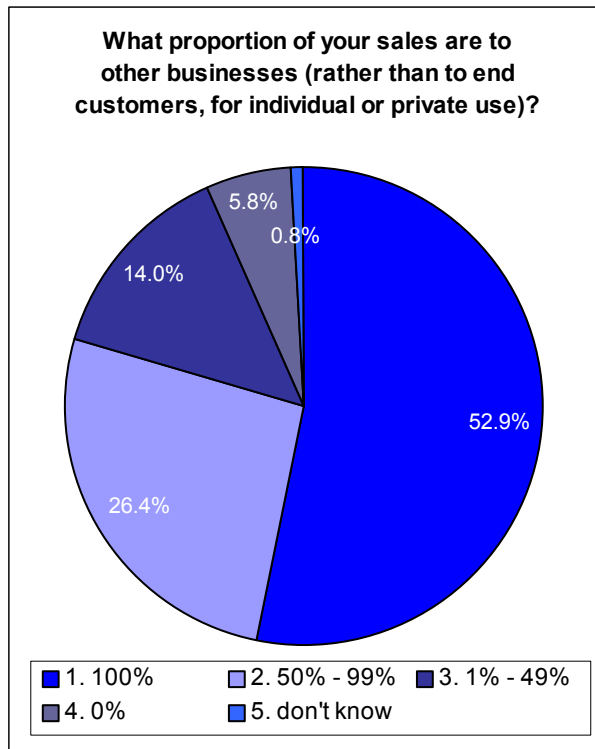
The processes for the protection of Intellectual Property have recently been augmented by the introduction of Innovation Logbooks. These have originated from the Patent Office and the DTI to meet the needs of business innovators and inventors. We found that 58% of panellists agreed that there is still a greater need for this type of extension to the range of ways in which IP protection can be achieved:



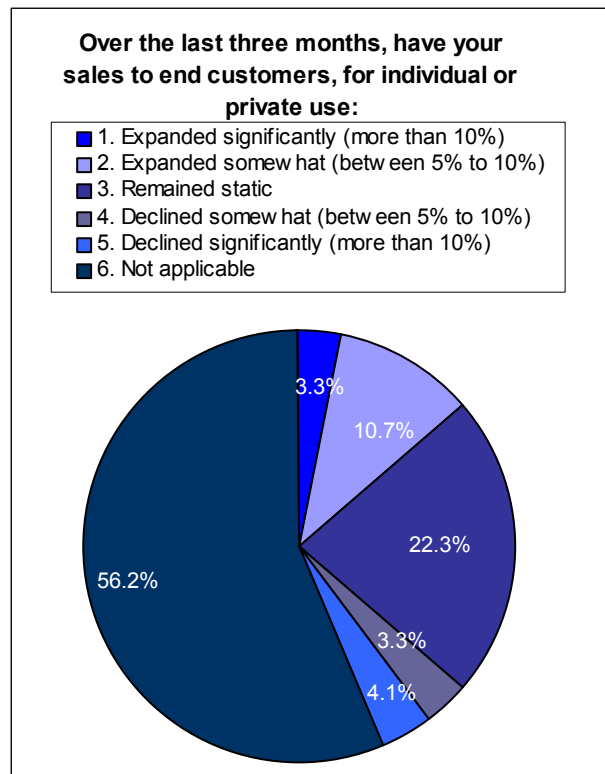
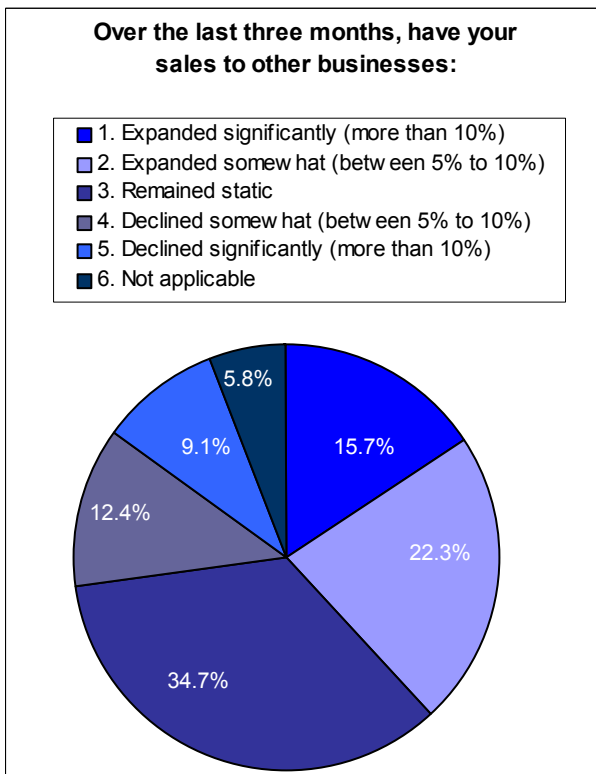
We last asked about changing main banks and significant barriers thereto in March 2001 and have compared the results then with this months survey. Although there are small changes in the results between the surveys, still nearly a third of panellists actively considered changing banks in the last year.



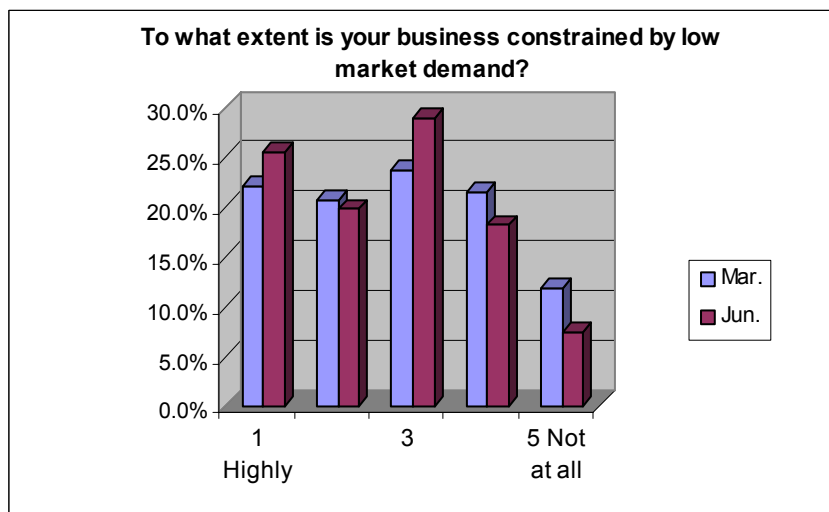
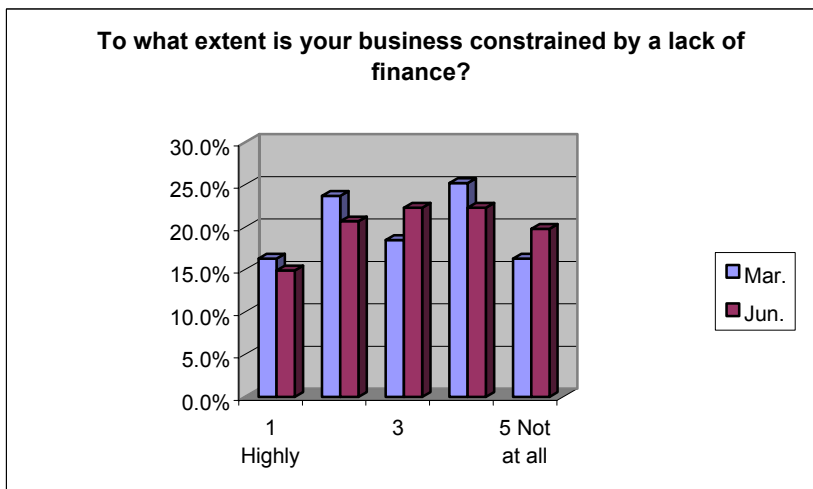
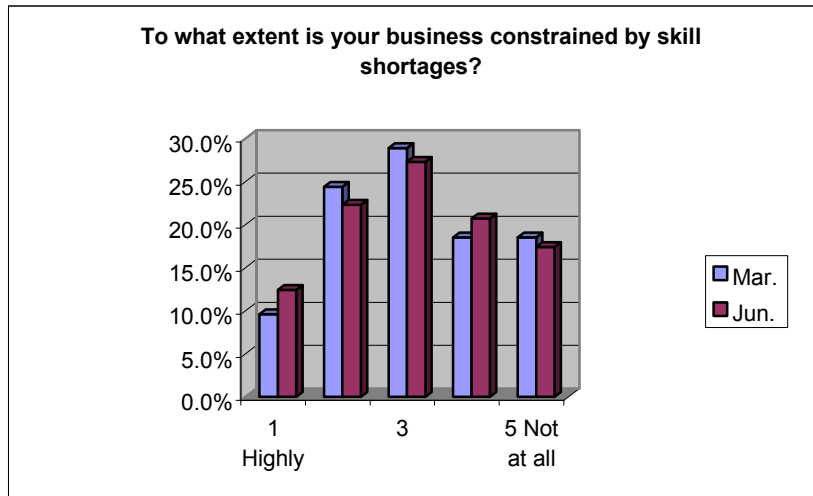
Over half of our panellists are suppliers to other businesses rather than selling to the consumer markets:



Over the last three months, sales by business to business suppliers has expanded for 38% of panellists, while 14% of panellists have expanded sales to end customers. Excluding the 'not applicable' responses, this is equivalent to sales expansion by 40% of panellists to the B2B market and 32% of panellists to the end –consumer market.

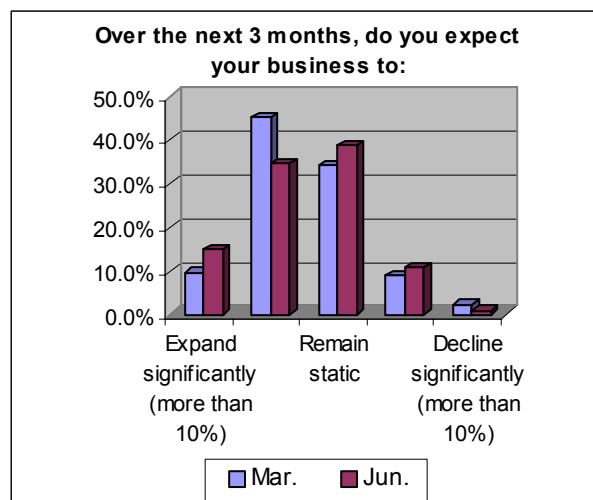
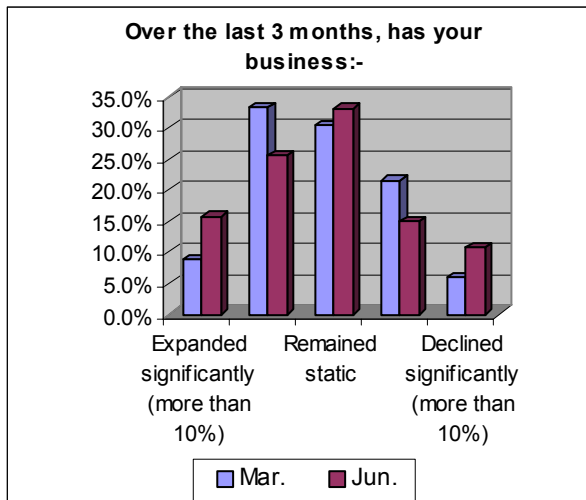


The 'core' questions have now returned the first quarterly results and show that compared to March 2002, the businesses surveyed perceive changes as follows: Constraints due to skill shortages have slightly increased, those due to lack of finance have eased back slightly. Constraints due to lack of market demand have increased on overall.



Average growth over the past months remained slightly positive and at the same level

from the March survey to the June survey. Looking forward three months, the expectation is of a slightly higher overall growth, similar to the March survey result.



Listed below are extracts from feedback received in Survey BB48 May 2002.

Comments are listed under sector headings.

Views expressed are those of individual panellists and may not represent those of the University.

Production & Manufacturing

The "inflation" that employees expect to see in their wage packet continues to exceed the national rate of inflation.

It is becoming apparent from our order book and comments from our customers that manufacturing is in recession in the UK. The service industries will follow suit shortly. Don't listen to the pie in the sky, batten down the hatches

We have struggled through BSE and FOOT & MOUTH but it looks as if the authoritarians of our state have won and we will go out of business due to the proposed banning of sheep casings by the FSA.

Retail

Business is recovering after effects of foot and mouth

Other

Not sure about the true inflation areas, especially with regard to house and land purchasing. I believe at this rate we will be going to expect a shudder or even some economic pain around September. Time will tell?

Manufacturing is on a major decline, many products being sent to India and China.