

Tuesday 6 July 2010

D&B NATIONAL BUSINESS EXPECTATIONS

Executive confidence for the New Financial Year wanes

Sales expectations have taken the greatest hit

The latest D&B National Business Expectations Survey shows...

Outlook for the September quarter 2010

- Capital investment expectations are down three points to an index of 13
- Expectations for growth in inventories have fallen two points to an index of seven but remain at the second highest level in more than five years
- Selling price expectations have also fallen two points and are now at an index of 17
- Employment expectations remain in positive territory at an index of five despite having fallen four points
- Profits expectations are down five points to an index of 12, yet the index is still at the second highest level in five years
- Sales expectations are down substantially, dropping 15 points to an index of 18

Credit access, market conditions, debt levels and lagging trade payments

- Twelve percent of firms had less access to credit in the last quarter, while the same number had greater or better access
- Recent changes in credit market conditions have negatively impacted 47 percent of firms
- Thirty percent of firms expect to reduce debt in the next three months, seven percent intend to increase debt and 56 percent plan to maintain current funding levels
- Fifty three percent of executives are being negatively impacted by lagging business to business payment terms, a 17 percent rise since April

Issues expected to influence operations in the September quarter 2010

- Eight percent of firms believe access to credit will be the most important business influence in the quarter ahead – a figure that is well down on the 19 and 17 percent recorded in the previous two surveys
- Thirty three percent of executives rank interest rates as the primary influence on their business in September quarter 2010
- Twenty eight percent of firms expect wages growth to be the primary business influence – a rise of four percent in a month
- Fourteen percent of executives believe fuel prices will be their main concern in the quarter ahead – up three percent in one month

Actual for the March quarter 2010

- Capital investment was positive for a fourth consecutive quarter, however it dropped three points to an index of nine
- Thirty two percent of firms increased sales as compared to the March quarter 2009, while 24 percent experienced lower sales
- Twelve percent of firms increased staff while 12 percent reduced employee numbers
- The profits index rose to three – twenty four percent of firms increased profits and twenty one percent recorded lower profit numbers
- The selling price index fell by five points to an index of 10 – twenty one percent of firms raised prices and eleven percent decreased prices.

Australian executives are indicating that the New Financial Year won't be as buoyant as previously anticipated, with expectations for six key indicators of business strength declining since the previous quarter.

The latest Dun & Bradstreet *Business Expectations Survey* reveals that the sales, profits, employment, capital investment, inventories and selling prices indices have all fallen since the previous quarter. The fall in the selling prices index indicates that monetary tightening and the end of the Government's stimulus package are having the desired effect on inflation. However, the considerable fall in executive expectations for sales suggests that these factors are also impacting the willingness of firms and households to spend, which could result in lower growth than expected in the year ahead.

The sales index has taken a significant fall, dropping 15 points to 18. Thirty eight percent of firms expect an increase in sales in the September quarter 2010, while 20 percent anticipate a decrease. Despite the significant fall in the sales index, wholesale executives continue to have solid expectations – 45 percent of wholesalers expect to increase sales, while 15 percent anticipate a decrease. However, the substantial decline in the overall sales index is flowing through to impact a range of other indicators including employment, inventories, capital investment and profits.

Employment expectations are down four points on the June quarter 2010 – 15 percent of firms are planning to increase staff levels and 10 percent expect to reduce employee numbers. Despite the fall, all sectors have maintained positive expectations for growth in employment numbers for the third time since the June quarter 2009. The strong sales expectations of wholesalers are flowing through to employment intentions, with this group recording the highest index (11) of any sector. Seventeen percent of wholesalers expect to take on new staff in the September quarter, while six percent expect to reduce employee numbers.

Recent data from the Australian Bureau of Statistics (ABS) reveals that Australia has experienced nine consecutive months of growth in full time employment. The latest expectations of Australian executives indicate this growth will continue in the quarter ahead, however if the employment index continues to fall recent gains could cease or be reversed.

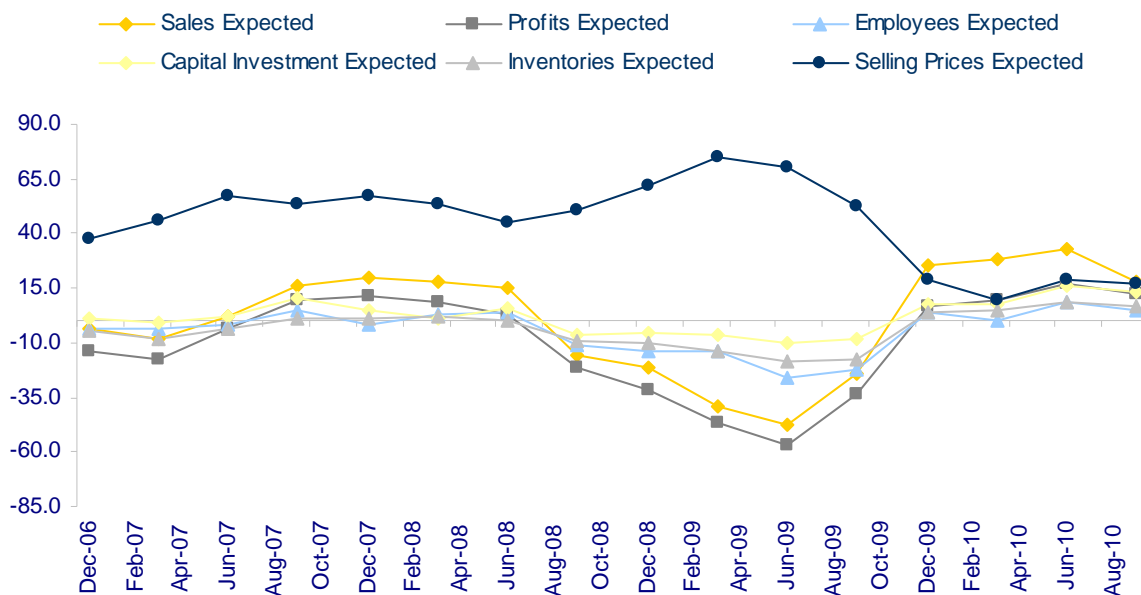
Inventories expectations are also down on the previous quarter. Nineteen percent of executives expect to increase inventories, while 12 percent plan to reduce stock levels. Wholesalers' confidence is also evident in inventories expectations. A net 16 percent of wholesalers expect to increase stock levels in the September quarter, the highest level in more than six years.

In the March quarter 2010, Australian firms recorded their second positive quarter of inventories growth after seven negative quarters. A rising contribution of stocks is an important indicator of confidence however, if sales expectations continue to fall inventories are also likely to suffer.

The number of executives indicating they will invest in their business in the quarter ahead has fallen. Nineteen percent of firms expect to increase capital investment in the September quarter, while six percent are planning to decrease spending in this area. Wholesalers have the highest intentions to invest in their operations, with the capital investment index at 20. The fall in investment expectations follows a decline in actual capital investment in the March quarter 2010 (the index fell three points from the December quarter).

Profit expectations have fallen but although down five points on the previous quarter, the profits index is at its second highest level in five years. Almost three in ten firms (29 percent) expect their profit levels to increase, while 17 percent expect profits to fall. The number of firms expecting to increase profits is strong. However, it is likely the lower anticipated increase in profits will impact business investment, particularly given the drastic fall in sales expectations. Therefore any short term reduction in profits may impact firms' ability to grow in the long term.

Selling price expectations have dropped two points to an index of 17. One in four (25 percent) firms expects to raise prices in the September quarter, while eight percent expect to lower prices. This fall – which may be positive for buyers but is likely to pose further challenges for sellers – indicates that monetary policy and the withdrawal of the government stimulus are having the intended effect. However, with sales expectations already signalling that executives are concerned about the willingness of firms and consumers to spend in the quarter ahead, any moves to raise prices may further exacerbate the ability of firms to turn over their stock. Retailers appear to be alert to this issue, with 11 percent planning to drop prices in order to stimulate sales. The selling price expectations index for this sector has dropped seven points from the previous quarter to an index of nine.



Expected Sales, Capital Investment, Profits, Selling Prices, Inventories and Employees Indices

According to Dun & Bradstreet’s CEO Christine Christian, executives are indicating that business conditions in the New Financial Year won’t be as buoyant as previously expected.

“Six key indicators of business strength have taken a tumble since the previous quarter, with the sales indicator in particular taking a significant dive,” said Ms Christian.

“It is important that executives take steps to address these issues now – it is also important they take a long term approach to business management and growth. The nation’s GDP figures for the March quarter were lower than anticipated and if firms pull back their investment now we could find economic growth even more difficult in the years ahead.

“Firms that seek to retain funds in the short term at the expense of investing in their business run the risk of long term stagnation. If this trend becomes widespread within the Australian business community it could have significant consequences for the nation’s long term growth prospects.”

In addition to showing waning executive confidence for the New Financial Year, the latest *Business Expectations Survey* reveals that 38 percent of firms expect slow growth in demand to be the biggest barrier to growing their business in the year ahead. An additional 13 percent

perceive labour issues to be the primary barrier to growth, while eight percent expect funding to impact their ability to expand.

Slow paying business customers are impacting an increasing number of firms. Fifty three percent of executives indicated they are being negatively impacted by slow payers, a rise of 17 percent since April. Yet despite the impact of slow payers on a firm's cash flow and falling sales and profits expectations, 30 percent of executives plan to reduce their level of debt in the next three months. Meanwhile, just seven percent of firms expect to increase debt levels and 56 percent plan to maintain current funding arrangements.

Recent changes in credit market conditions have negatively impacted 47 percent of Australian firms. However, the latest survey shows the impact of tighter lending conditions appears to be easing. Twelve percent of Australian executives reported they had less access to credit in the last quarter – the same number of firms indicated they had better access. In the previous four surveys the proportion with less access to credit was significantly greater than the proportion with greater or better access. This finding is supported by figures from the Reserve Bank of Australia (RBA) which indicate that the provision of credit to the business sector (in the three months to May) posted its first positive annualised growth since the height of the global financial crisis almost two years ago.

In addition, the number of firms indicating that access to credit will be the most significant influence on their business in the quarter ahead has fallen to eight percent – this is well down on the 19 and 17 percent recorded in the previous two surveys. Meanwhile, 33 percent of firms rank interest rates as the major influence on their business, 28 percent consider wages growth to be their primary concern and 14 percent believe fuel prices will have the most significant impact on operations in the quarter ahead.

According to Dr Duncan Ironmonger, Dun & Bradstreet's economic consultant, the latest survey shows the exuberance accompanying the second, third and fourth quarters of the financial year just ended has given way to more modest expectations for the start of the new financial year.

"Expectations for growth in sales are much weaker, particularly for retailers. The latest Australian Bureau of Statistics retail trade data up to May 2010 reveal a static growth trend of only 0.2 per cent per month in each of the six months since November 2009. Low actual growth in retail sales is obviously affecting expectations," said Dr Ironmonger.

"Similarly the decline over the three months to May 2010 in the value of building approvals – which is largely due to the rapid decline in non-residential approvals as the school building stimulus tapers off – is also impacting on business expectations, particularly for durables manufacturers.

"With softer data coming through the Reserve Bank is likely to leave rates on hold for a number of months."

The D&B index for expected sales is down 15 points to 18, with 38 percent of executives expecting an increase in sales and 20 percent expecting a decrease. The profits index is down five points to 16, with 29 percent of executives expecting profits to rise and 17 percent expecting a fall.

Employment expectations are down four points an index of 5, with 15 percent of executives expecting an increase in staff and 10 percent expecting a reduction. Capital investment expectations are down three points to an index of 13, with 19 percent of executives expecting an increase and 6 percent expecting to cut spending. Inventories expectations are down two points to an index of 7. The selling prices index is down 2 points to an index of 17, with 25 percent of firms expecting to raise prices and 8 percent expecting to decrease them.

About the survey

D&B Australasia conducted the latest Business Expectations Survey in June 2010. Each quarter 1,200 business owners and senior executives representing major industry sectors across Australia are asked if they expect increases, decreases or no changes in their upcoming quarterly Sales, Profits, Employment, Capital Investment, Inventories and Selling Prices. Since its introduction in Australia in 1988, the Survey has proven to be a highly reliable measure of economic performance.

NOTE: The index figures used in the Survey represent the net percentage of Survey respondents expecting higher sales, profits, etc., compared with the same quarter of the previous year. The indices are calculated by subtracting the percentage of respondents expecting decreases from the percentage expecting increases.

Copies of these results can be viewed and downloaded from the D&B website at: www.dnb.com.au

Methodology

Each quarter D&B asks a sample of executives in manufacturing, wholesale and retail businesses across Australia if they expect an increase, decrease or no change in their quarter-ahead sales, profits, employees, capital investment, inventories and selling prices compared with the same quarter a year ago.

The executives are also asked for actual changes over the twelve months to the latest completed quarter.

The Australian survey began in March 1988 obtaining some 900 responses in the third month of each quarter. Since the middle of 1999, the survey has been conducted monthly, initially with about 300 responses each month. From September 2000, responses have been obtained from 400 executives each month.

From July 2005, to simplify the interpretation of the survey data, the results have been presented as a sequence of preliminary, interim and final indexes. The 400 responses from the first month of each quarter give preliminary estimates of the quarter-ahead expectations and the quarter behind actual indexes. The 400 responses from the second month of the quarter are combined with those from the first month as interim estimates of the indexes based on 800 responses. The 400 responses from the third month are combined with those from the first two months to give the final expectations and actual indexes based on all 1,200 responses obtained during each quarter.

In this issue, the final indexes for the latest quarters are based on the 1,200 responses obtained in April-June 2010.

Charts & Tables

Positive and Negative Component Responses. It is the common practice to present the results of business expectations surveys as indexes showing the net balance of the positive and negative responses. However, this method of aggregating responses loses relevant information about the relative proportions and rates of change of the two (positive and negative) groups.

Accordingly, the detailed charts at the top of pages 5 to 10 in the Dun & Bradstreet National Business Expectations Survey show separately the positive and negative components of each of the various indexes. These charts help provide a better insight into the expectations and performance of Australian business than that shown by movements in the simple aggregation of the positive and negative responses.

The aggregate net balance indexes are shown in the charts at the bottom of pages 5 to 10 and in the tables on pages 11 to 13.

About D&B

D&B is the world's leading provider of business-to-business credit, marketing and purchasing information and receivables management services. D&B manages the world's most valuable commercial database with information on more than 130 million companies.

Information is gathered in 209 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than one million times daily as part of D&B's commitment to provide accurate, comprehensive information for its more than 150,000 customers.

The Australasian operations were bought out by the senior management group in August 2001. It was the first MBO of a wholly owned subsidiary in D&B's history worldwide.

Today Lazard Carnegie Wylie owns an approximate 90% stake in DBA and the local management team a 10% stake.

Strategies for future growth include developing DBA's commercial and consumer credit referencing business; expanding its receivables management outsourcing business; maintaining its lead in the development of unique credit and risk scoring products; and developing new products specifically tailored to the Australasian market. DBA currently employs over 500 people in Australia and New Zealand.



Sales Outlook

(Quarterly Net Index) (Down 15 to 18)

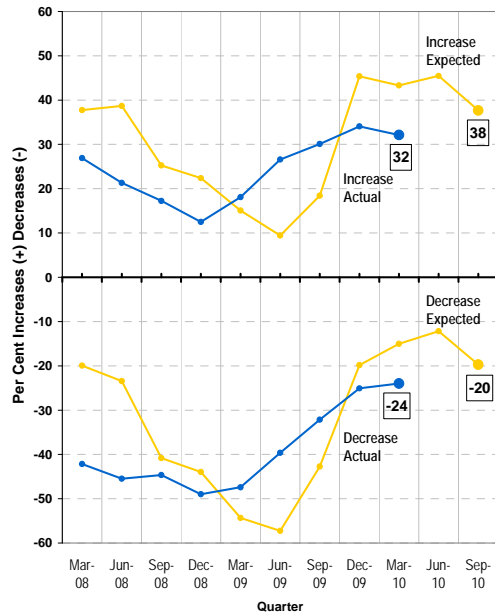
The positive and negative components of the D&B net indexes are shown in the adjacent chart.

The September quarter 2010 sales expectations final index is 18; 15 points lower than for June quarter 2010. **The high positive sales expectations for the last three quarters have dropped significantly.**

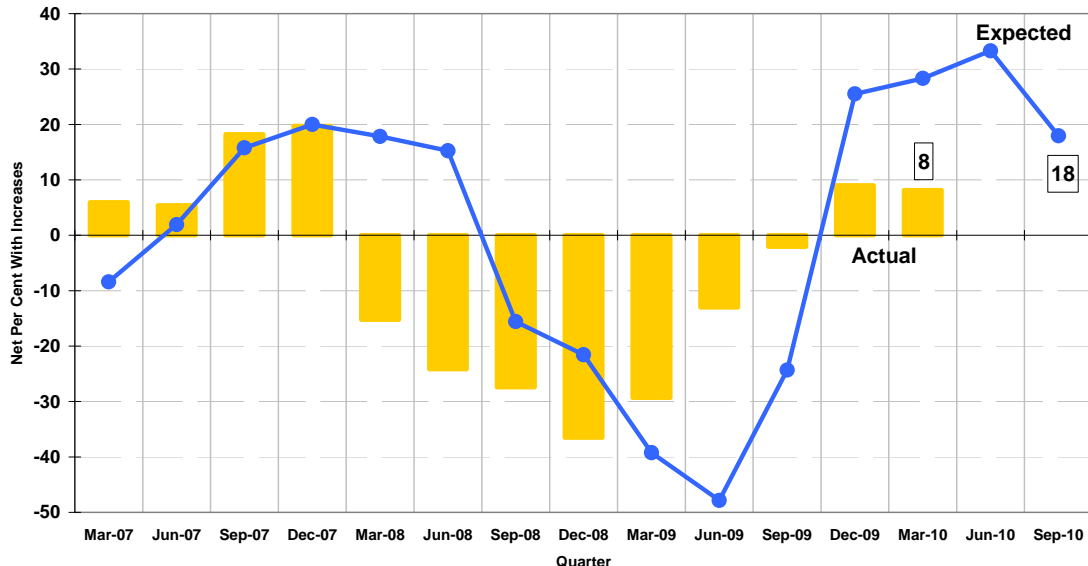
The index is still up 66 points from the trough of June quarter 2009. Thirty eight per cent expect an increase and 20 per cent a decrease in sales compared with September quarter 2009.

The actual sales index for March quarter 2010 is 8; down one point on the December quarter. Thirty two per cent of firms had increased sales and 24 per cent had decreased sales compared with March quarter 2009.

Sales: D&B Indexes
Component Responses



Sales: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





Profits Outlook

(Quarterly Net Index) (Down 5 to 12)

The positive and negative components of the D&B net indexes are shown in the adjacent chart.

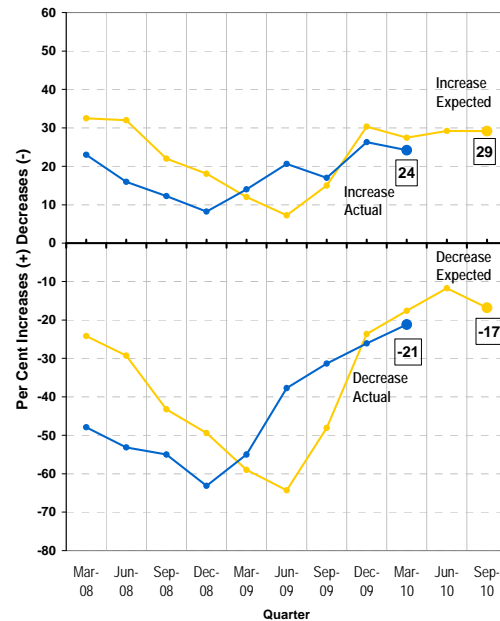
The final index for the net proportion of executives expecting an increase in profits in September quarter 2010 is 12; **down 5 points on June quarter 2010**.

However the index is the second highest in five years and 69 points higher than the trough in profits expectations for June quarter 2009.

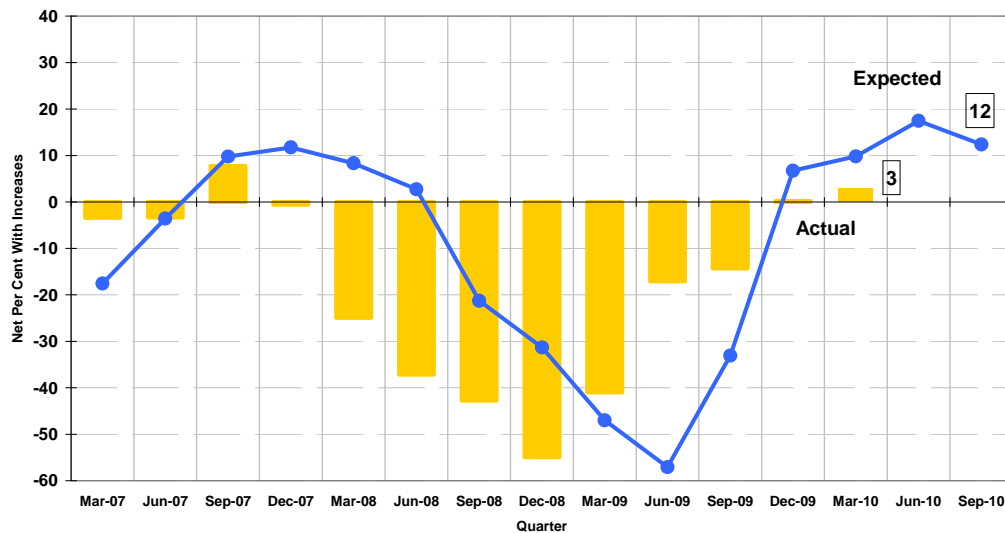
Twenty nine per cent expect an increase and 17 per cent a decrease compared with September quarter 2009.

The actual net profits index for March quarter 2010 is 3; **up three points from the previous quarter and 58 points above the low actual index of -55 for December quarter 2008.** Twenty four per cent had an increase and 21 per cent a decrease in profits compared with March quarter 2009.

Profits: D&B Indexes
Component Responses



Profits: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





Employment Outlook

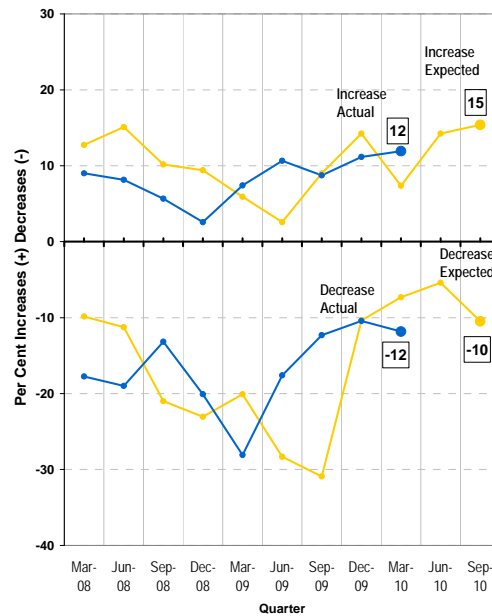
(Quarterly Net Index) (Down 4 to 5)

The positive and negative components of the D&B net indexes are shown in the adjacent chart.

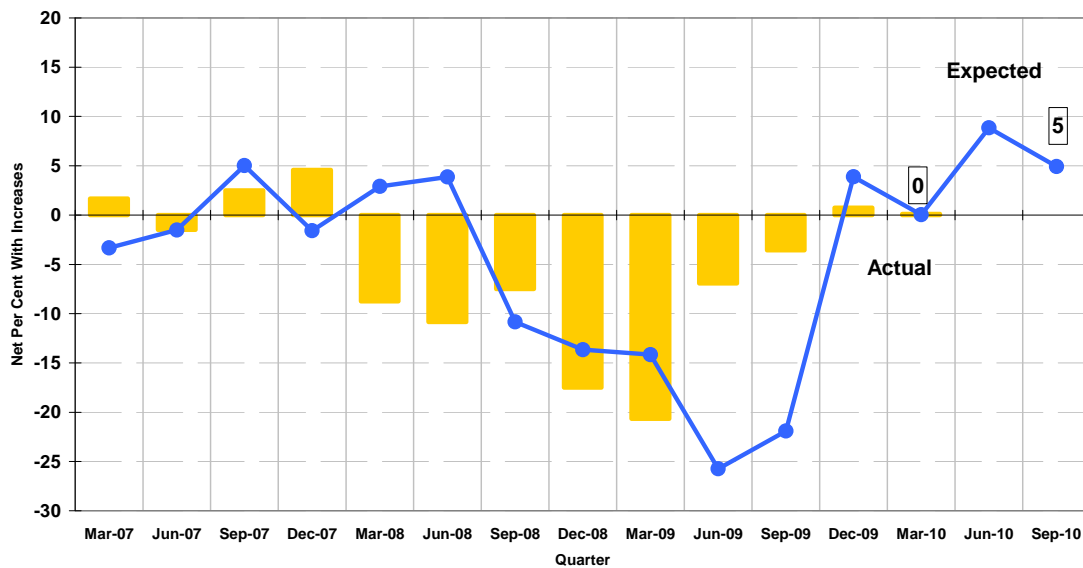
The final index of the employment outlook for June quarter 2010 is 5, down four points and still **up 31 points on the June quarter 2009 index of -26, the lowest employment expectations recorded since the survey started in 1988.** Fifteen per cent of executives now expect to employ more staff than a year ago and 10 per cent expect a decrease in staff numbers.

The D&B employees final actual index for March quarter 2010 is zero, 21 points above the actual index for March quarter 2009. Twelve per cent of firms had more staff in March quarter 2010 than a year earlier and 12 per cent of firms had fewer.

Employees: D&B Indexes
Component Responses



Employees: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





Capital Investment Outlook

(Quarterly Net Index) (Down 3 to 13)

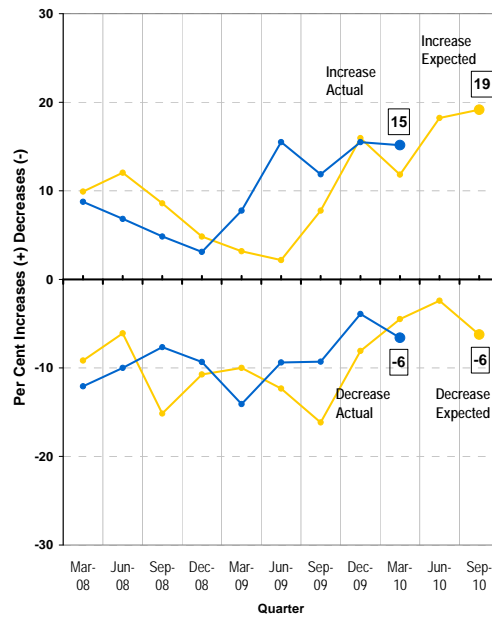
The positive and negative components of the D&B indexes are shown in the adjacent chart.

Capital investment outlook is down three points to a final index of 13 for September quarter 2010, the second highest capital investment outlook in seven years. Nineteen per cent expect an increase and six per cent a decrease in capital investment compared with a year earlier.

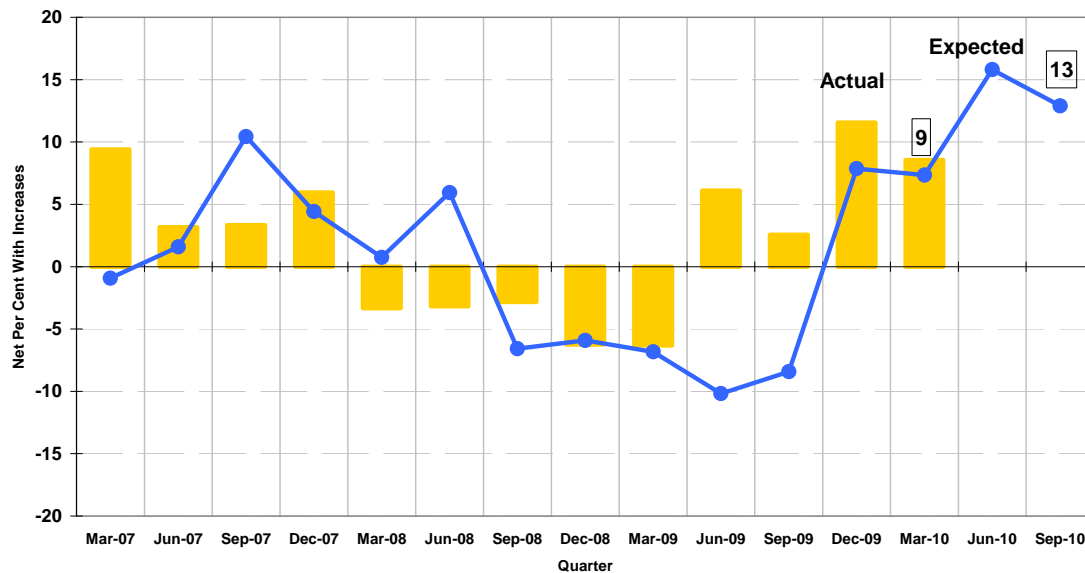
For March quarter 2010 the final index for actual investment is 9, **down three points on the December quarter actual index of 12 which is the highest in more than six years.**

Fifteen per cent of firms had more capital investment and six per cent had less than in March quarter 2009.

Capital Investment: D&B Indexes
Component Responses



Capital Investment: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





Inventory Outlook

(Quarterly Net Index) (Down 2 to 7)

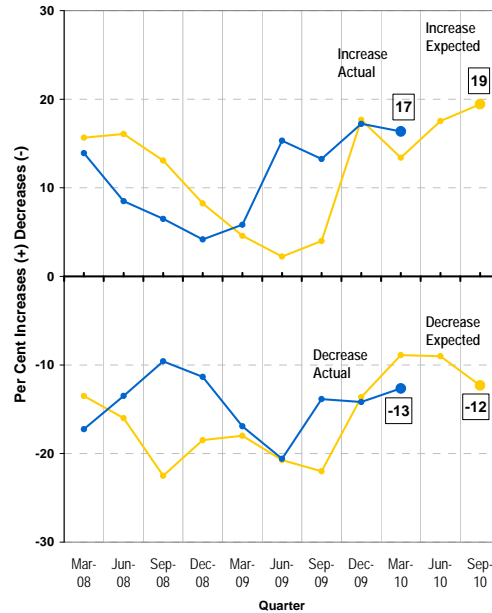
The positive and negative components of the D&B net indexes are shown in the adjacent chart.

The final outlook for growth in inventories in September quarter 2010 is for a positive index of 7, down two points on the June quarter.

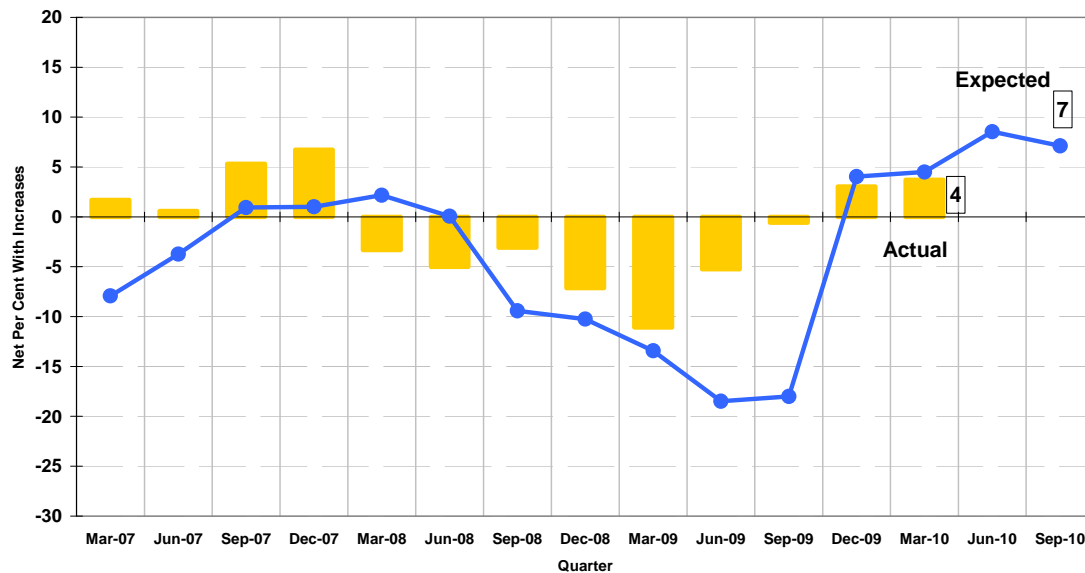
The positive indexes for the latest four quarters are the highest expectations for growth in inventories in more than four years. Nineteen per cent expect to increase and 12 per cent to decrease inventories in September quarter compared with a year earlier.

The final index of the net proportion of firms with actual increases in inventories for March quarter 2010 is four, up one point on the previous quarter. Seventeen per cent had an increase in inventories and 13 per cent a decrease compared with March quarter 2009.

Inventories: D&B Indexes
Component Responses



Inventories: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





Selling Prices Outlook

(Quarterly Net Index) (Down 2 to 17)

The positive and negative components of the D&B net indexes are shown in the adjacent chart.

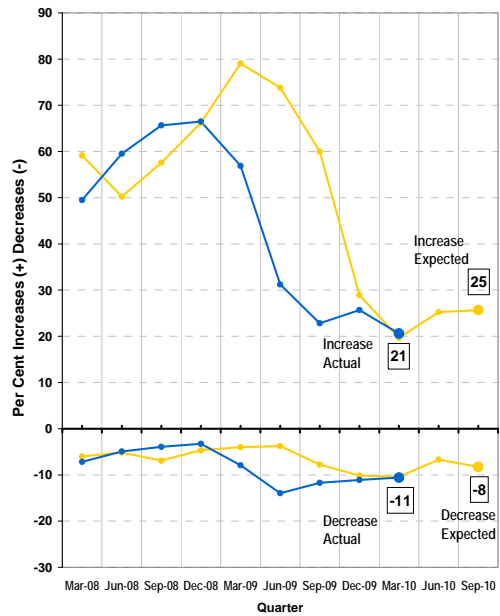
The final selling prices outlook for September quarter 2010 is for a fall of two points to a net index of 17.

This is slight move back towards the index of 9 points for the March quarter, the lowest expected selling prices index recorded in the survey. The previous low of 10 points was expected for June quarter 1992.

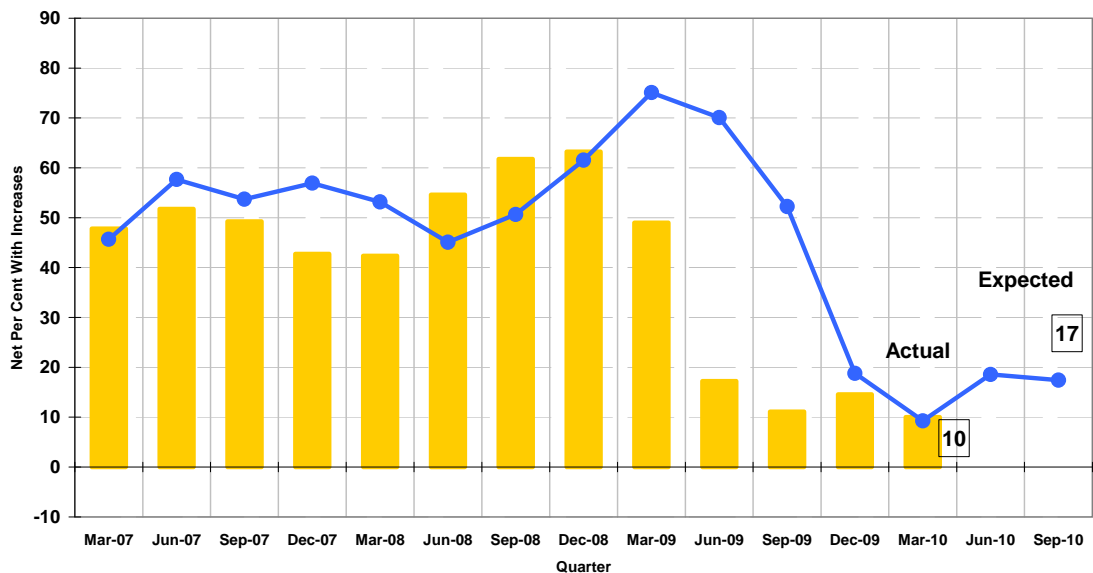
The proportion of firms expecting to have higher selling prices in September quarter 2010 than a year earlier is 25 per cent with eight per cent expecting to have lower prices.

At 10, the final actual prices index for March quarter 2010 is just one point above the net expectations index of 9 for the quarter. Twenty one per cent had increased and 11 per cent had decreased prices compared with March quarter 2009.

Selling Prices: D&B Indexes
Component Responses



Selling Prices: D&B Indexes Mar Qtr 2007 to Sep Qtr 2010





D&B Survey New Quarterly Indexes

Expected: Quarter Ahead: Net per cent with increases

QUARTER	Mar 2009	Jun 2009	Sep 2009	Dec 2009	Mar 2010	Jun 2010 Prelim	Change In	
							One Quarter	Four Quarters
Sales	- 39	- 48	- 24	26	28	25	- 3	+ 73
Profits	- 47	- 57	- 33	7	10	15	+ 5	+ 72
Employees	- 14	- 26	- 22	4	0	5	+ 5	+ 31
Capital Investment	- 7	- 10	- 8	8	7	10	+ 3	+ 20
Inventories	- 13	- 18	- 18	4	5	3	- 2	+ 21
Selling Prices	75	70	52	19	9	17	+ 8	- 53

Actual: Quarter Behind: Net per cent with increases

QUARTER	Sep 2008	Dec 2008	Mar 2009	Jun 2009	Sep 2009	Dec 2009 Prelim	Change In	
							One Quarter	Four Quarters
Sales	- 27	- 37	- 29	- 13	- 2	6	+ 8	+ 43
Profits	- 43	- 55	- 41	- 17	- 14	- 5	+ 9	+ 50
Employees	- 8	- 18	- 21	- 7	- 4	- 2	+ 2	+ 16
Capital Investment	- 3	- 6	- 6	6	3	11	+ 8	+ 17
Inventories	- 3	- 7	- 11	- 5	- 1	3	+ 4	+ 10
Selling Prices	62	63	49	17	11	17	+ 6	- 46

Survey Months	Oct- Dec 2008	Jan- Mar 2009	April- Jun 2009	July- Sep 2009	Oct- Dec 2009	Jan 2010
Number of Responses	1,200	1,200	1,200	1,211	1,201	400

Quarterly Indexes: Each batch of monthly responses is given an equal weight in the calculation of the new quarterly indexes.

Preliminary indexes for June quarter 2010 (Expected) and December quarter 2009 (Actual) are now issued based on the 400 responses obtained in January 2010.



Decide with Confidence

D&B New Quarterly Expectation Indexes for Industry Sectors

QUARTER	(Survey Months)	Durables Manufacturers	Non-Durables Manufacturers	Wholesalers	Retailers	All Firms
Sales Expectations						
Mar 2009	(10-12/08)	- 42	- 29	- 47	- 40	- 39
Jun 2009	(01-03/09)	- 47	- 43	- 48	- 54	- 48
Sep 2009	(04-06/09)	- 25	- 28	- 24	- 21	- 24
Dec 2009	(07-09/09)	16	30	33	24	26
Mar 2010	(10-12/09)	25	26	28	35	28
Jun 2010	(01/10)	28	26	29	17	25
Profits Expectations						
Mar 2009	(10-12/08)	- 49	- 39	- 55	- 45	- 47
Jun 2009	(01-03/09)	- 54	- 53	- 61	- 61	- 57
Sep 2009	(04-06/09)	- 32	- 38	- 32	- 30	- 33
Dec 2009	(07-09/09)	4	7	13	3	7
Mar 2010	(10-12/09)	9	7	9	14	10
Jun 2010	(01/10)	13	12	16	20	15
Employees Expectations						
Mar 2009	(10-12/08)	- 15	- 12	- 16	- 14	- 14
Jun 2009	(01-03/09)	- 27	- 25	- 25	- 25	- 26
Sep 2009	(04-06/09)	- 24	- 24	- 21	- 19	- 22
Dec 2009	(07-09/09)	4	2	5	5	4
Mar 2010	(10-12/09)	3	- 3	- 2	1	0
Jun 2010	(01/10)	7	3	6	5	5
Capital Investment Expectations						
Mar 2009	(10-12/08)	- 9	- 4	- 9	- 6	- 7
Jun 2009	(01-03/09)	- 12	- 8	- 8	- 12	- 10
Sep 2009	(04-06/09)	- 10	- 9	- 6	- 9	- 8
Dec 2009	(07-09/09)	6	13	6	6	8
Mar 2010	(10-12/09)	15	2	7	5	7
Jun 2010	(01/10)	7	11	15	7	10
Inventories Expectations						
Mar 2009	(10-12/08)	- 12	- 11	- 20	- 11	- 13
Jun 2009	(01-03/09)	- 17	- 17	- 15	- 24	- 18
Sep 2009	(04-06/09)	- 20	- 17	- 18	- 17	- 18
Dec 2009	(07-09/09)	2	- 1	6	9	4
Mar 2010	(10-12/09)	8	5	3	2	5
Jun 2010	(01/10)	- 2	3	8	2	3
Selling Prices Expectations						
Mar 2009	(10-12/08)	79	69	77	76	75
Jun 2009	(01-03/09)	67	67	75	71	70
Sep 2009	(04-06/09)	47	49	50	62	52
Dec 2009	(07-09/09)	19	24	14	19	19
Mar 2010	(10-12/09)	12	15	2	8	9
Jun 2010	(01/10)	1	30	16	20	17

This table now shows the [Preliminary](#) expectation indexes for June quarter 2010.



Decide with Confidence

D&B **New Quarterly Actual** Indexes for Industry Sectors

QUARTER	(Survey Months)	Durables Manufacturers	Non-Durables Manufacturers	Wholesalers	Retailers	All Firms
Sales Actual						
Sep 2008	(10-12/08)	- 25	- 22	- 32	- 30	- 27
Dec 2008	(01-03/09)	- 39	- 34	- 33	- 40	- 37
Mar 2009	(04-06/09)	- 27	- 33	- 35	- 22	- 29
Jun 2009	(07-09/09)	- 18	- 14	- 9	- 11	- 13
Sep 2009	(10-12/09)	- 2	1	- 6	- 2	- 2
Dec 2009	(01/10)	- 3	5	20	3	6
Profits Actual						
Sep 2008	(10-12/08)	- 42	- 39	- 49	- 42	- 43
Dec 2008	(01-03/09)	- 55	- 57	- 53	- 55	- 55
Mar 2009	(04-06/09)	- 40	- 47	- 46	- 31	- 41
Jun 2009	(07-09/09)	- 20	- 13	- 12	- 23	- 17
Sep 2009	(10-12/09)	- 9	- 13	- 19	- 16	- 14
Dec 2009	(01/10)	- 8	- 7	7	- 11	- 5
Employees Actual						
Sep 2008	(10-12/08)	- 8	- 6	- 7	- 9	- 8
Dec 2008	(01-03/09)	- 22	- 15	- 17	- 16	- 18
Mar 2009	(04-06/09)	- 20	- 22	- 21	- 19	- 21
Jun 2009	(07-09/09)	- 9	- 11	- 2	- 5	- 7
Sep 2009	(10-12/09)	- 3	- 7	- 4	0	- 4
Dec 2009	(01/10)	- 5	4	- 2	- 4	- 2
Capital Investment Actual						
Sep 2008	(10-12/08)	- 4	- 1	- 4	- 2	- 3
Dec 2008	(01-03/09)	- 7	- 4	- 6	- 8	- 6
Mar 2009	(04-06/09)	- 10	- 4	- 3	- 8	- 6
Jun 2009	(07-09/09)	8	10	7	- 1	6
Sep 2009	(10-12/09)	11	0	0	- 1	3
Dec 2009	(01/10)	11	12	16	3	11
Inventories Actual						
Sep 2008	(10-12/08)	- 2	- 3	- 5	- 2	- 3
Dec 2008	(01-03/09)	- 8	- 10	- 3	- 8	- 7
Mar 2009	(04-06/09)	- 15	- 10	- 7	- 12	- 11
Jun 2009	(07-09/09)	- 11	- 4	2	- 8	- 5
Sep 2009	(10-12/09)	- 2	2	- 5	3	- 1
Dec 2009	(01/10)	- 3	- 6	9	13	3
Selling Prices Actual						
Sep 2008	(10-12/08)	66	59	60	63	62
Dec 2008	(01-03/09)	62	58	70	63	63
Mar 2009	(04-06/09)	43	47	45	60	49
Jun 2009	(07-09/09)	14	18	17	20	17
Sep 2009	(10-12/09)	11	12	6	15	11
Dec 2009	(01/10)	6	28	12	21	17

This table now shows the **preliminary** actual indexes for December quarter 2009.



D&B Supplementary Questions – January 2010

Includes comparisons with responses to these questions in recent previous surveys.

1. Thinking about the different types of credit your business relies on, what is the split between bank credit and trade credit?

<i>Question 1 (January 2010)</i>	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
More bank credit than trade	90	23	20	18	24	28
Approximately half and half	152	38	38	45	28	40
More trade than bank credit	128	32	37	30	37	25
Not sure/don't know	30	7	5	7	11	7
Total	400	100%	100%	100%	100%	100%

<i>Question 1 (December 2009)</i>	December 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
More bank credit than trade	106	27	20	40	16	30
Approximately half and half	153	38	25	32	55	41
More trade than bank credit	103	26	37	26	20	21
Not sure/don't know	37	9	18	2	9	8
Total	399	100%	100%	100%	100%	100%

<i>Question 1 (November 2009)</i>	November 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
More bank credit than trade	94	24	19	24	25	26
Approximately half and half	144	36	41	38	32	34
More trade than bank credit	126	31	31	30	32	32
Not sure/don't know	36	9	9	8	11	8
Total	400	100%	100%	100%	100%	100%

<i>Question 1 (October 2009)</i>	October 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
More bank credit than trade	109	27	37	20	20	31
Approximately half and half	102	26	21	24	26	31
More trade than bank credit	142	36	32	34	44	32
Not sure/don't know	47	12	10	22	10	6
Total	400	100%	100%	100%	100%	100%

2. Thinking about the quarter ahead, which issue do you think will influence the operations of your business the most?

<i>Question 2 (January 2010)</i>	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Interest rates	148	37	30	41	37	40
Fuel prices	92	23	28	19	29	16
Wages & salary growth	134	34	39	34	26	35
Not sure/don't know	26	6	3	6	8	9
Total	400	100%	100%	100%	100%	100%



<i>Question 2 (December 2009)</i>	December 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Interest rates	131	33	16	40	34	41
Fuel prices	53	13	15	14	15	9
Wages & salary growth	153	38	43	41	31	38
Not sure/don't know	63	16	26	5	20	12
Total	400	100%	100%	100%	100%	100%
<i>Question 2 All Firms (November - June 2009)</i>	November 2009	October 2009	September 2009	August 2009	July 2009	June 2009
Interest rates	37	34	36	33	30	32
Fuel prices	15	16	16	15	20	30
Wages & salary growth	34	38	30	37	36	21
Not sure/don't know	14	12	18	15	14	17
Total	100%	100%	100%	100%	100%	100%
<i>Question 2 All Firms (May 2009 - December 2008)</i>	May 2009	April 2009	March 2009	February 2009	January 2009	December 2008
Interest rates	41	45	48	58	36	36
Fuel prices	23	16	20	14	33	33
Wages & salary growth	17	18	16	14	16	16
Not sure/don't know	19	21	16	14	15	15
Total	100%	100%	100%	100%	100%	100%
<i>Question 2 All Firms (November - June 2008)</i>	November 2008	October 2008	September 2008	August 2008	July 2008	June 2008
Interest rates	39	48	42	38	33	33.5
Fuel prices	35	28	34	37	47	42.8
Wages & salary growth	14	18	22	21	17	22.5
Not sure/don't know	12	6	2	4	3	1.2
Total	100%	100%	100%	100%	100%	100%

3. Have recent changes in credit market conditions had an impact on your business?

<i>Question 3 (January 2010)</i>	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a very negative impact	22	5	1	9	4	8
Yes, a moderately negative impact	118	30	21	34	30	33
Yes, a moderately positive impact	52	13	21	14	9	8
Yes, a very positive impact	15	4	10	2	3	-
No impact whatsoever	191	48	47	40	54	50
Not sure/don't know	2	<1	-	1	-	1
Total	400	100%	100%	100%	100%	100%



Decide with Confidence

Question 3 (December 2009)	December 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a very negative impact	41	10	12	5	13	11
Yes, a moderately negative impact	84	21	16	21	20	27
Yes, a moderately positive impact	13	3	2	6	3	2
Yes, a very positive impact	16	4	4	7	2	3
No impact whatsoever	246	61	66	61	61	57
Not sure/don't know	1	<1	-	-	1	-
Total	401	100%	100%	100%	100%	100%
Question 3 (November 2009)	November 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a very negative impact	47	12	12	5	13	17
Yes, a moderately negative impact	99	25	16	28	30	25
Yes, a moderately positive impact	23	6	3	5	11	4
Yes, a very positive impact	19	5	3	4	11	1
No impact whatsoever	211	53	65	58	35	53
Not sure/don't know	1	<1	1	-	-	-
Total	400	100%	100%	100%	100%	100%
Question 3 (October 2009)	October 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a very negative impact	62	16	9	16	21	16
Yes, a moderately negative impact	87	22	32	19	21	15
Yes, a moderately positive impact	28	7	5	7	8	8
Yes, a very positive impact	13	3	2	-	2	9
No impact whatsoever	208	52	52	56	48	52
Not sure/don't know	2	<1	-	2	-	-
Total	400	100%	100%	100%	100%	100%
Question 3 (September 2009 – April 2009)	September 2009	August 2009	July 2009	June 2009	May 2009	April 2009
Yes, a very negative impact	12	9	17	3	4	6
Yes, a moderately negative impact	27	36	26	50	47	51
Yes, a moderately positive impact	10	5	12	4	1	2
Yes, a very positive impact	8	2	4	3	3	3
No impact whatsoever	42	47	41	40	45	38
Not sure/don't know	<1	<1	<1	-	-	-
Total	100%	100%	100%	100%	100%	100%
Question 3 (March 2009 – October 2008)	March 2009	February 2009	January 2009	December 2008	November 2008	October 2008
Yes, a very negative impact	8	7	4	3	4	1
Yes, a moderately negative impact	43	47	53	40	44	25
Yes, a moderately positive impact	2	2	9	7	3	5
Yes, a very positive impact	2	5	4	7	2	1
No impact whatsoever	45	39	30	43	47	68
Not sure/don't know	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%



4. Do you plan to reduce your current business debt levels in the next three months?

Question 4 (January 2010)	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	30	7	2	6	16	6
Yes, reduce debt moderately	114	29	20	43	22	29
No, plan to maintain current debt levels	222	56	72	47	48	55
No, plan to increase debt levels	21	5	3	3	8	7
Not sure/don't know	13	3	3	1	6	3
Total	400	100%	100%	100%	100%	100%

Question 4 (December 2009)	December 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	19	5	4	6	6	3
Yes, reduce debt moderately	56	14	14	15	15	11
No, plan to maintain current debt levels	281	70	59	72	70	80
No, plan to increase debt levels	27	7	15	5	5	2
Not sure/don't know	18	4	8	2	4	4
Total	401	100%	100%	100%	100%	100%

Question 4 (November 2009)	November 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	26	7	9	9	3	5
Yes, reduce debt moderately	53	13	14	7	21	11
No, plan to maintain current debt levels	273	68	65	75	69	64
No, plan to increase debt levels	37	9	9	6	5	17
Not sure/don't know	11	3	3	3	2	3
Total	400	100%	100%	100%	100%	100%

Question 4 (October 2009)	October 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	38	10	14	5	12	7
Yes, reduce debt moderately	82	20	15	24	20	23
No, plan to maintain current debt levels	231	58	51	64	58	58
No, plan to increase debt levels	36	9	11	6	10	9
Not sure/don't know	13	3	9	1	-	3
Total	400	100%	100%	100%	100%	100%

Question 4 (August 2009)	August 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	32	8	8	4	9	11
Yes, reduce debt moderately	110	27	26	27	26	31
No, plan to maintain current debt levels	212	53	56	50	64	41
No, plan to increase debt levels	39	10	8	14	1	16
Not sure/don't know	8	2	2	5	-	1
Total	401	100%	100%	100%	100%	100%



Question 4 (July 2009)	July 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, reduce debt significantly	32	8	8	7	5	12
Yes, reduce debt moderately	86	22	22	24	23	17
No, plan to maintain current debt levels	201	50	49	58	46	48
No, plan to increase debt levels	52	13	13	9	15	15
Not sure/don't know	29	7	8	2	11	8
Total	400	100%	100%	100%	100%	100%

5. Are rising business-to-business payment days negatively impacting your business?

Question 5 (January 2010)	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a significant negative impact	36	9	6	2	17	11
Yes, a small negative impact	103	26	20	20	37	26
No impact	258	64	72	77	46	63
Not sure/don't know	3	1	2	1	-	-
Total	401	100%	100%	100%	100%	100%

Question 5 (December 2009)	December 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a significant negative impact	38	10	11	11	6	10
Yes, a small negative impact	121	30	27	36	37	21
No impact	238	59	61	52	56	68
Not sure/don't know	4	1	1	1	1	1
Total	401	100%	100%	100%	100%	100%

Question 5 (November 2009)	November 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Yes, a significant negative impact	67	17	16	13	27	11
Yes, a small negative impact	98	24	15	37	27	19
No impact	231	58	68	50	46	67
Not sure/don't know	4	1	1	-	-	3
Total	400	100%	100%	100%	100%	100%

Question 5 All Firms (October 2009 – May 2009)	October 2009	September 2009	August 2009	July 2009	June 2009	May 2009
Yes, a significant negative impact	19	24	13	18	7	5
Yes, a small negative impact	25	19	33	31	24	22
No impact	54	53	52	46	69	73
Not sure/don't know	2	4	2	5	<1	<1
Total	100%	100%	100%	100%	100%	100%

6. Thinking just about your use of trade credit, has the amount of time you've been given to pay changed?

Question 6 (January 2010)	January 2010 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Time to pay has been increased	23	6	1	3	15	4
Time to pay has been decreased	77	19	27	20	11	19
Time to pay has stayed the same	295	74	72	76	72	75
Not sure/don't know	5	1	-	1	2	2
Total	400	100%	100%	100%	100%	100%



<i>Question 6 (December 2009)</i>	December 2009		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Time to pay has been increased	23	6	4	7	7	5
Time to pay has been decreased	58	14	14	18	12	13
Time to pay has stayed the same	310	77	74	74	80	82
Not sure/don't know	10	3	8	1	1	-
Total	401	100%	100%	100%	100%	100%

<i>Question 6 (November 2009)</i>	November 2009		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Time to pay has been increased	47	12	10	9	15	13
Time to pay has been decreased	52	13	15	8	12	17
Time to pay has stayed the same	296	74	72	83	72	69
Not sure/don't know	5	1	3	-	1	1
Total	400	100%	100%	100%	100%	100%

<i>Question 6 (October 2009)</i>	October 2009		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Time to pay has been increased	20	5	6	7	15	3
Time to pay has been decreased	70	18	13	15	22	20
Time to pay has stayed the same	297	74	76	76	73	72
Not sure/don't know	12	3	5	2	-	5
Total	400	100%	100%	100%	100%	100%

7. In terms of the number of people working in your business, how would you categorize it?

<i>Question 7 (January 2010)</i>	January 2010		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Very small (1 to 5 workers)	193	48	30	52	55	56
Small (6 to 20 workers)	137	34	35	32	39	31
Medium (21 to 50 workers)	42	11	21	11	4	6
Large (51 to 100 workers)	13	3	10	1	1	1
Very large (more than 100)	15	4	4	4	1	6
Not sure/don't know	-	-	-	-	-	-
Total	400	100%	100%	100%	100%	100%

<i>Question 7 (December 2009)</i>	December 2009		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Very small (1 to 5 workers)	147	37	43	23	41	40
Small (6 to 20 workers)	157	39	32	45	39	40
Medium (21 to 50 workers)	68	17	18	22	18	10
Large (51 to 100 workers)	13	3	4	2	2	5
Very large (more than 100)	14	3	3	8	-	3
Not sure/don't know	2	<1	-	-	-	2
Total	401	100%	100%	100%	100%	100%

<i>Question 7 (November 2009)</i>	November 2009		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
	All Firms					
Very small (1 to 5 workers)	206	51	48	36	62	60
Small (6 to 20 workers)	154	39	42	48	32	32
Medium (21 to 50 workers)	25	6	6	9	5	5
Large (51 to 100 workers)	11	3	3	6	-	2
Very large (more than 100)	4	1	1	1	1	1
Not sure/don't know	-	-	-	-	-	-
Total	399	100%	100%	100%	100%	100%



Question 7 (October 2009)	October 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Very small (1 to 5 workers)	179	45	30	32	59	59
Small (6 to 20 workers)	178	44	50	57	33	38
Medium (21 to 50 workers)	28	7	13	8	4	3
Large (51 to 100 workers)	8	2	4	3	1	-
Very large (more than 100)	6	<2	3	-	3	-
Not sure/don't know	-	-	-	-	-	-
Total	399	100%	100%	100%	100%	100%
Question 7 (September 2009)	September 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Very small (1 to 5 workers)	179	44	44	37	50	43
Small (6 to 20 workers)	171	42	41	47	32	47
Medium (21 to 50 workers)	40	10	12	11	8	8
Large (51 to 100 workers)	10	2	2	3	5	-
Very large (more than 100)	10	2	1	2	5	2
Not sure/don't know	-	-	-	-	-	-
Total	410	100%	100%	100%	100%	100%
Question 7 (August 2009)	August 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Very small (1 to 5 workers)	145	36	30	24	47	43
Small (6 to 20 workers)	187	47	48	57	40	41
Medium (21 to 50 workers)	43	11	17	12	7	7
Large (51 to 100 workers)	12	3	3	4	1	4
Very large (more than 100)	14	3	2	3	5	4
Not sure/don't know	-	-	-	-	-	-
Total	401	100%	100%	100%	100%	100%
Question 7 (July 2009)	July 2009 All Firms		Durables Manufacture	Non-Durables Manufacture	Wholesale	Retail
Very small (1 to 5 workers)	190	48	42	47	49	52
Small (6 to 20 workers)	141	35	42	37	34	28
Medium (21 to 50 workers)	48	12	10	11	12	15
Large (51 to 100 workers)	14	3	5	2	3	4
Very large (more than 100)	7	2	1	3	2	1
Not sure/don't know	-	-	-	-	-	-
Total	400	100%	100%	100%	100%	100%
Question 7 All Firms (June 2009 – January 2009)	June 2009	May 2009	April 2009	March 2009	February 2009	January 2009
Very small (1 to 5 workers)	9	6	5	8	9	2
Small (6 to 20 workers)	71	78	76	73	71	87
Medium (21 to 50 workers)	17	15	18	17	17	10
Large (51 to 100 workers)	2	<1	<1	<1	2	<1
Very large (more than 100)	1	<1	-	<2	1	<1
Not sure/don't know	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%



Decide with Confidence

Question 7 All Firms (December 2008 – July 2008)	Dec 2008	Nov 2008	Oct 2008	Sep 2008	August 2008	July 2008
Very small (1 to 5 workers)	2	4	3	4	8	12
Small (6 to 20 workers)	84	79	83	87	87	83
Medium (21 to 50 workers)	13	16	13	7	4	5
Large (51 to 100 workers)	<1	<1	1	1	<1	<1
Very large (more than 100)	<1	<1	<1	<1	<1	<1
Not sure/don't know	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%

Question 7 All Firms (June 2008 – January 2008)	June 2008	May 2008	April 2008	March 2008	February 2008	January 2008
Very small (1 to 5 workers)	7	10	17	27	15	17
Small (6 to 20 workers)	86	85	71	46	76	75
Medium (21 to 50 workers)	5	5	9	17	7	6
Large (51 to 100 workers)	1	<1	1	7	2	1
Very large (more than 100)	<1	<1	2	3	<1	1
Not sure/don't know	-	-	-	<1	-	-
Total	100%	100%	100%	100%	100%	100%