



IoD Guernsey Directors' Economic Confidence Survey

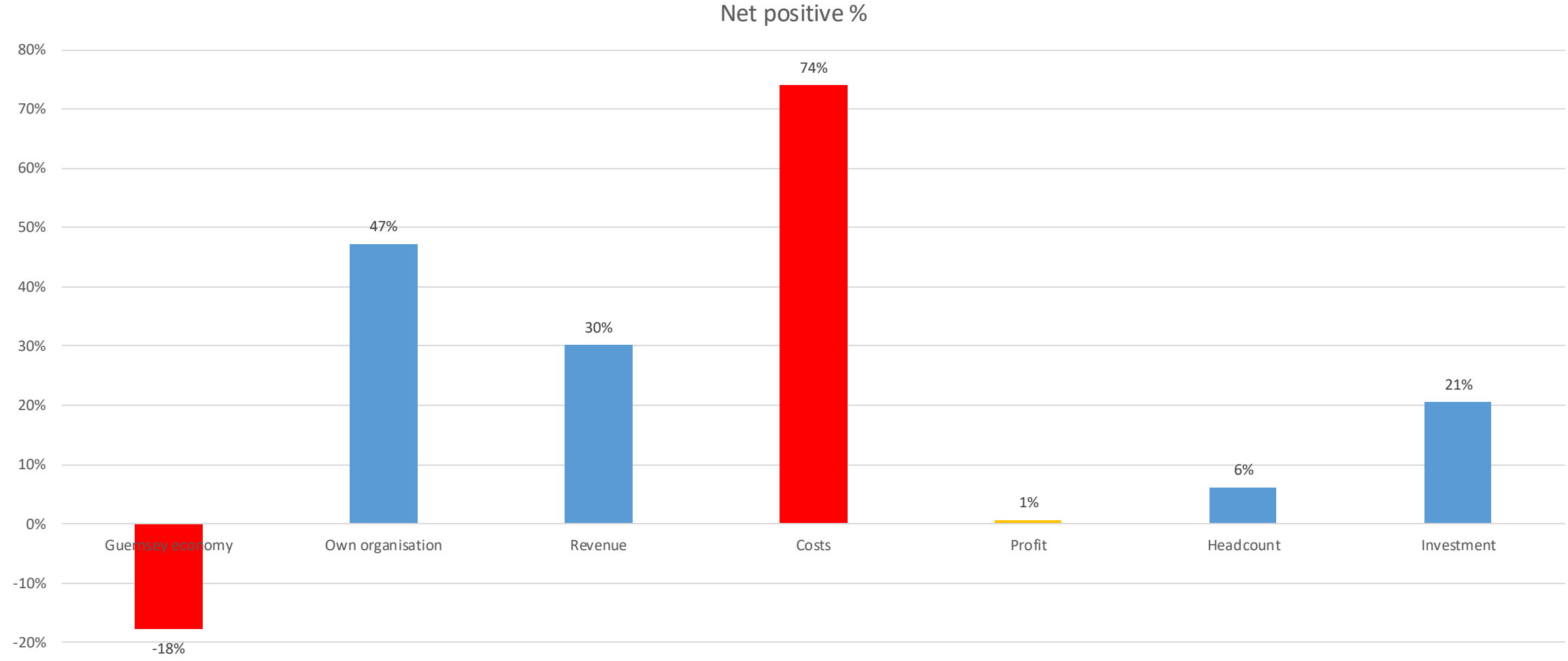
June 2024



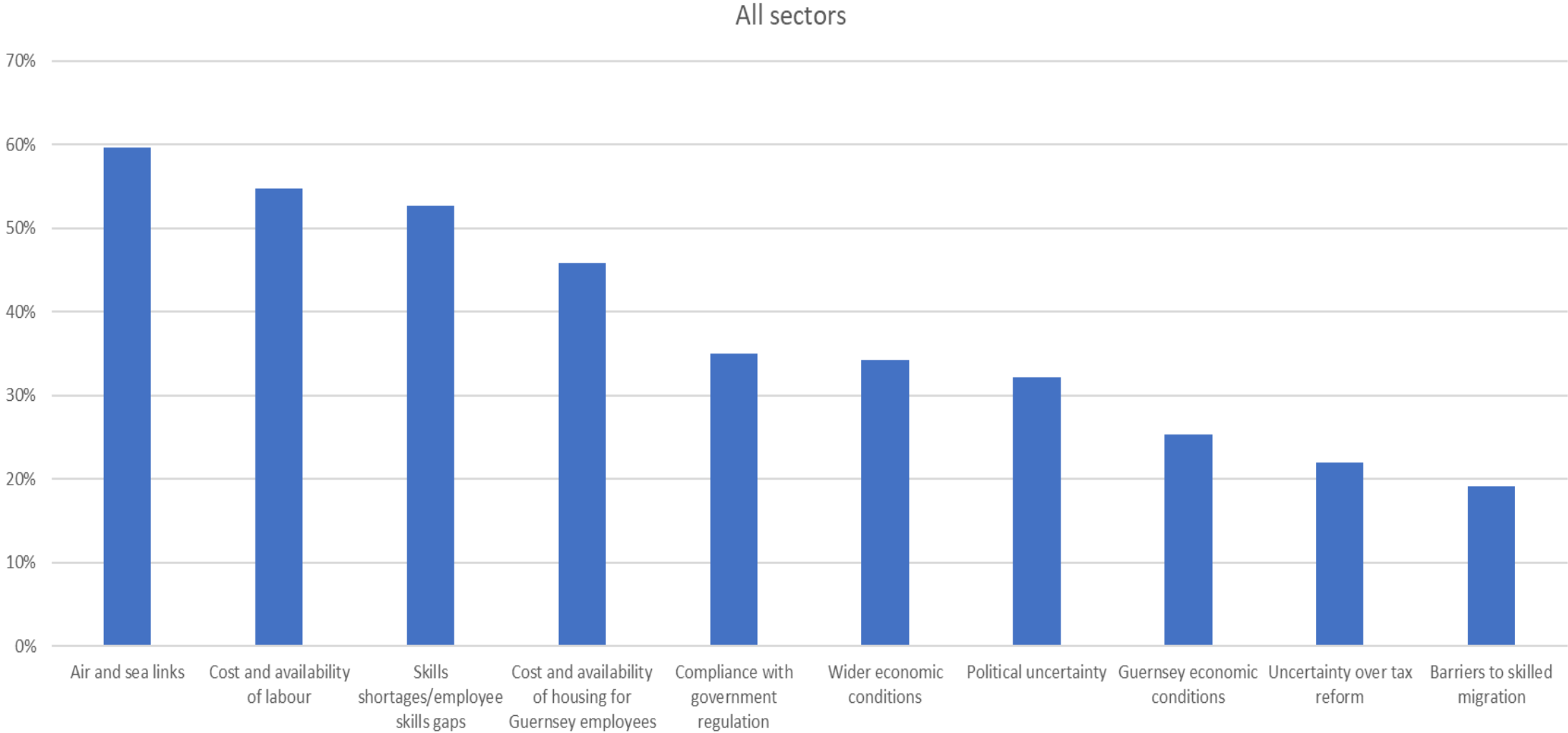
Headlines – survey participation

- This is our first survey, looking at information right now but providing a baseline to look at trends in the future
- We had 146 responses, more than 20% of the membership, which means it is statistically valid with a near 85% confidence level that it represents the views of the IoD Guernsey membership of 706 members
- Financial services respondents provided the most responses, but there was good representation across all sectors
- There was also good representation across all sizes of employer by number of employees and turnover
- All responses are measured as a net positive %, which is the number of positive responses less the number of negative responses expressed as a % of the total respondents

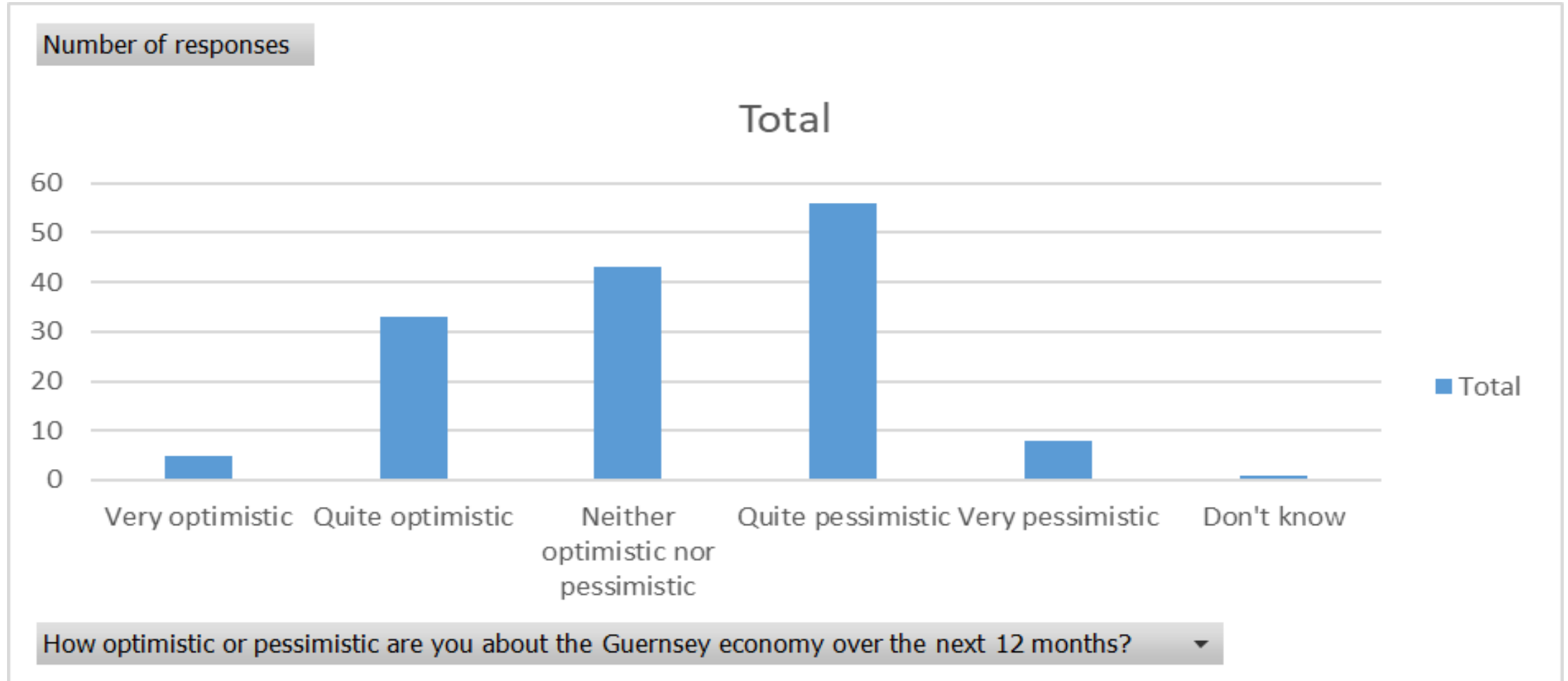
Headlines – summary responses



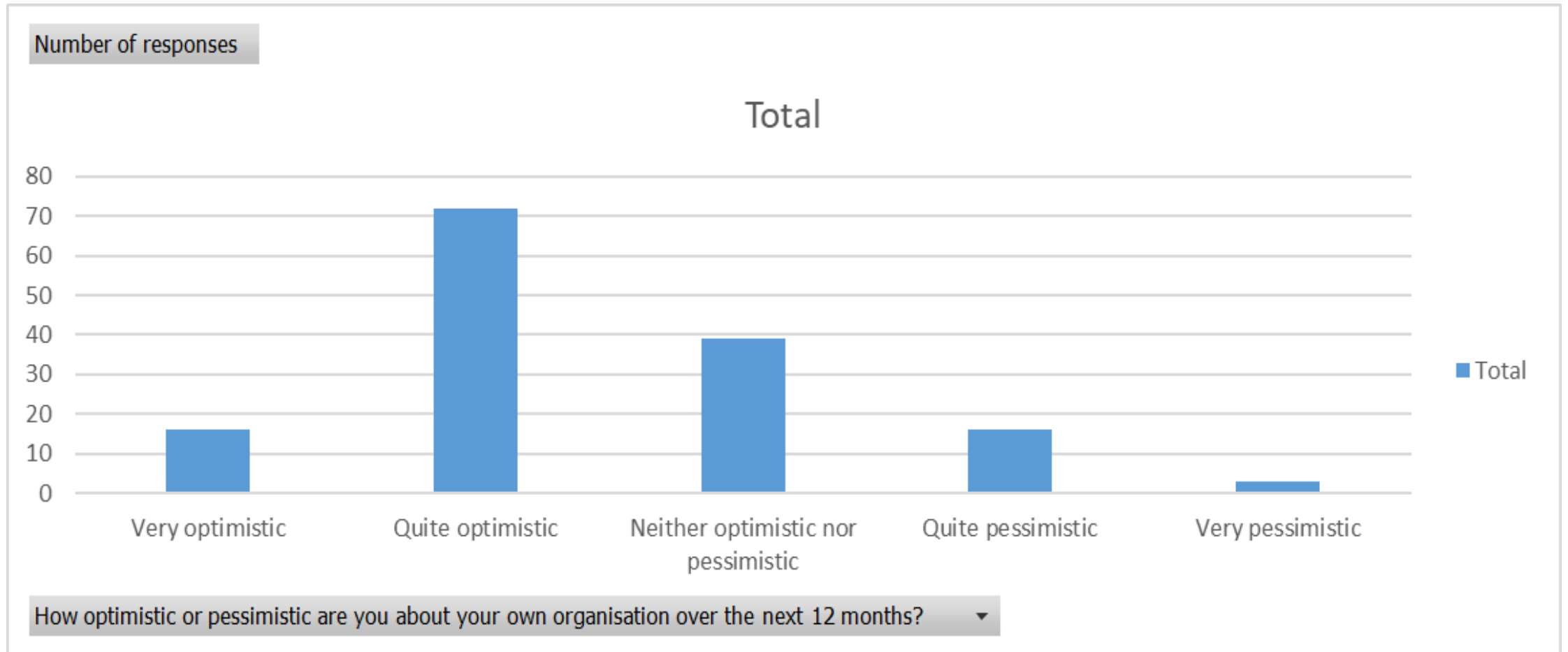
Headlines - negative impacts – top 10 issues as % of respondents



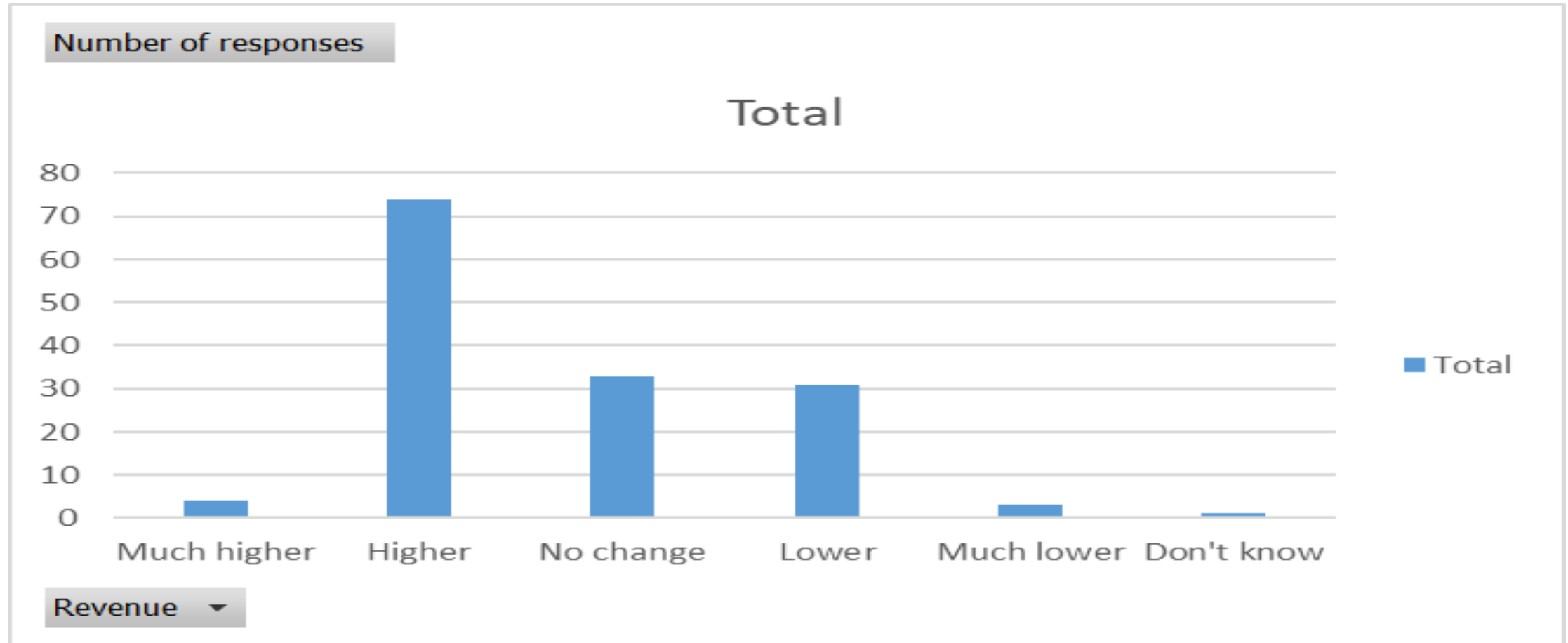
**Respondents are on balance quite pessimistic about the Guernsey economy over the next 12 months with a net positive % reading of -18%.
This compares with -3% in the UK**



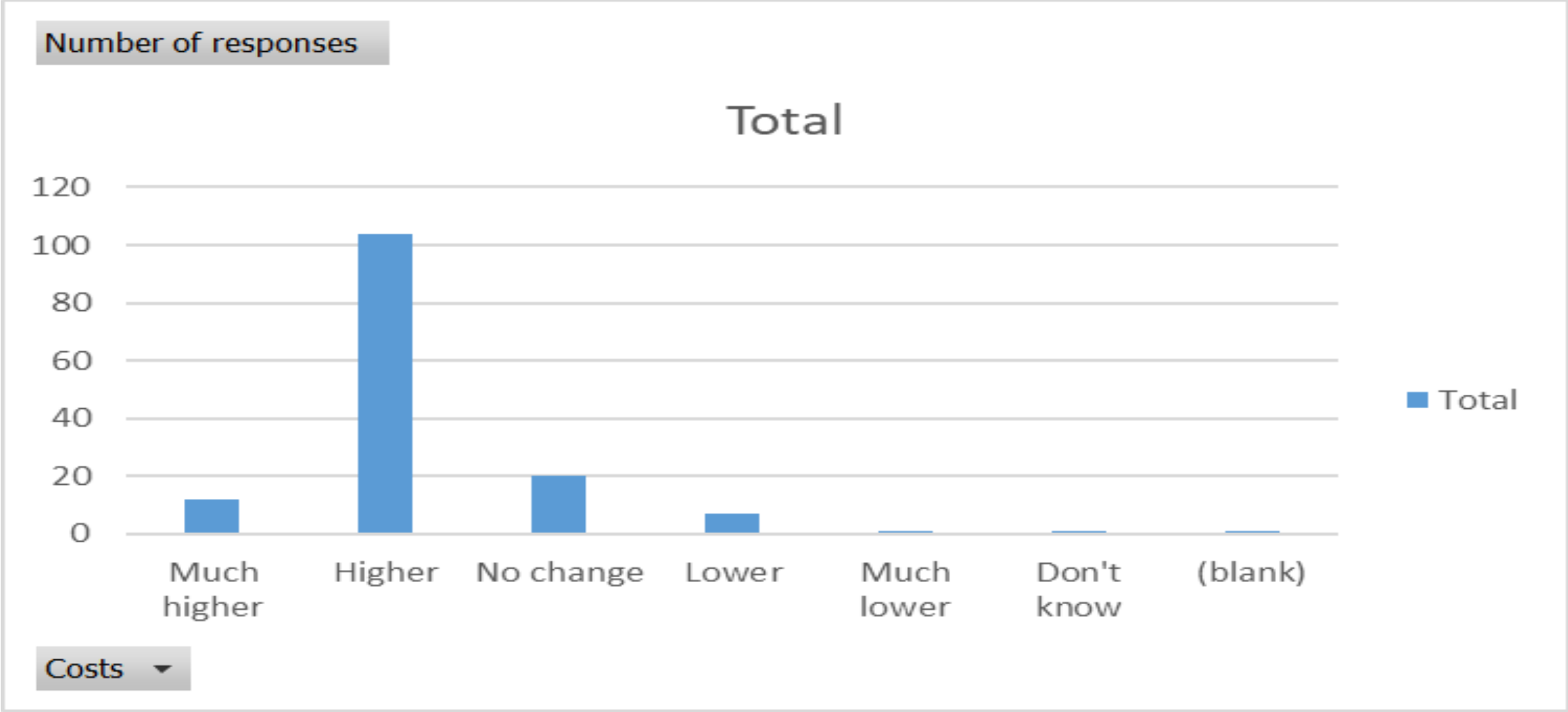
Respondents are on balance quite optimistic about their own organisation over the next 12 months with a net positive % reading of +47%. This compares with +41% in the UK



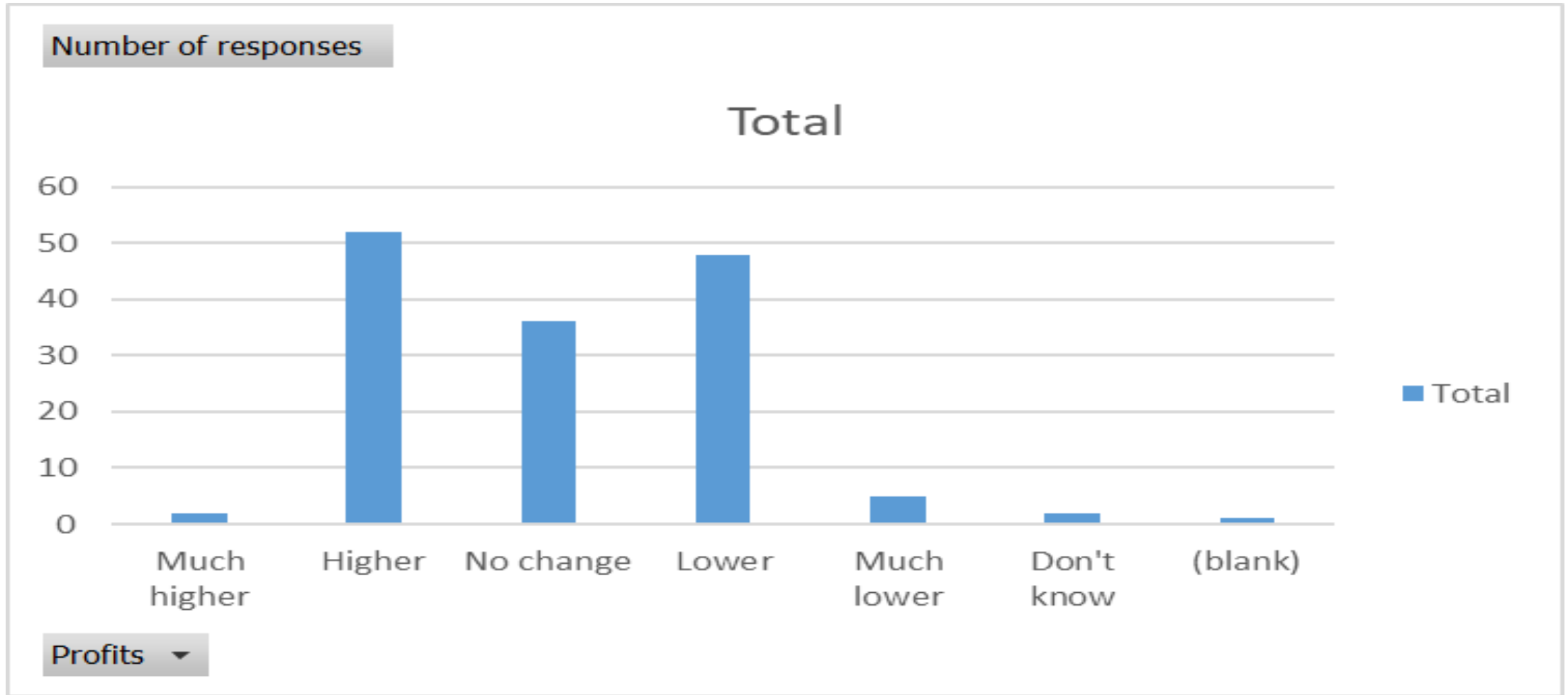
Respondents on balance expect their revenue over the next 12 months to be higher with a net positive % reading of +30%. This compares with +45% in the UK



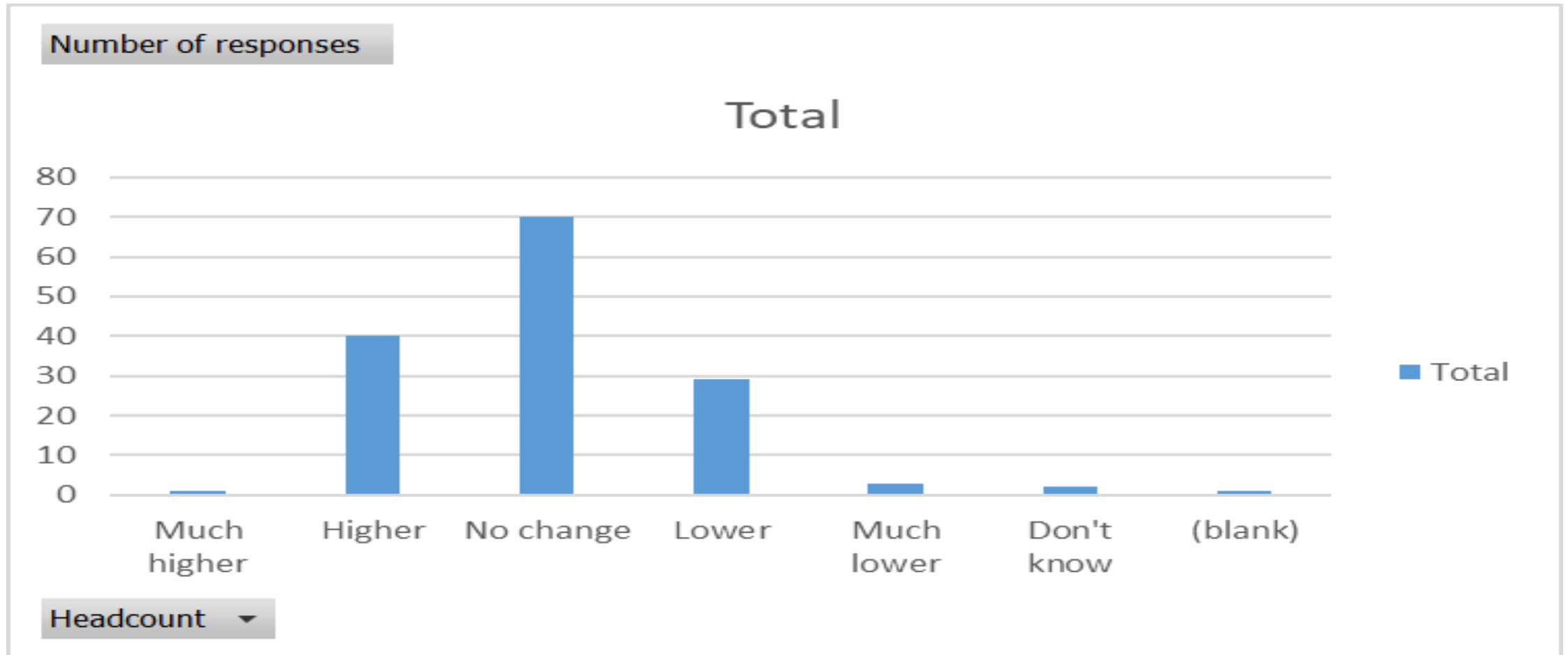
Respondents expect their costs over the next 12 months to be higher with a net positive % reading of +74%. This compares with +78% in the UK



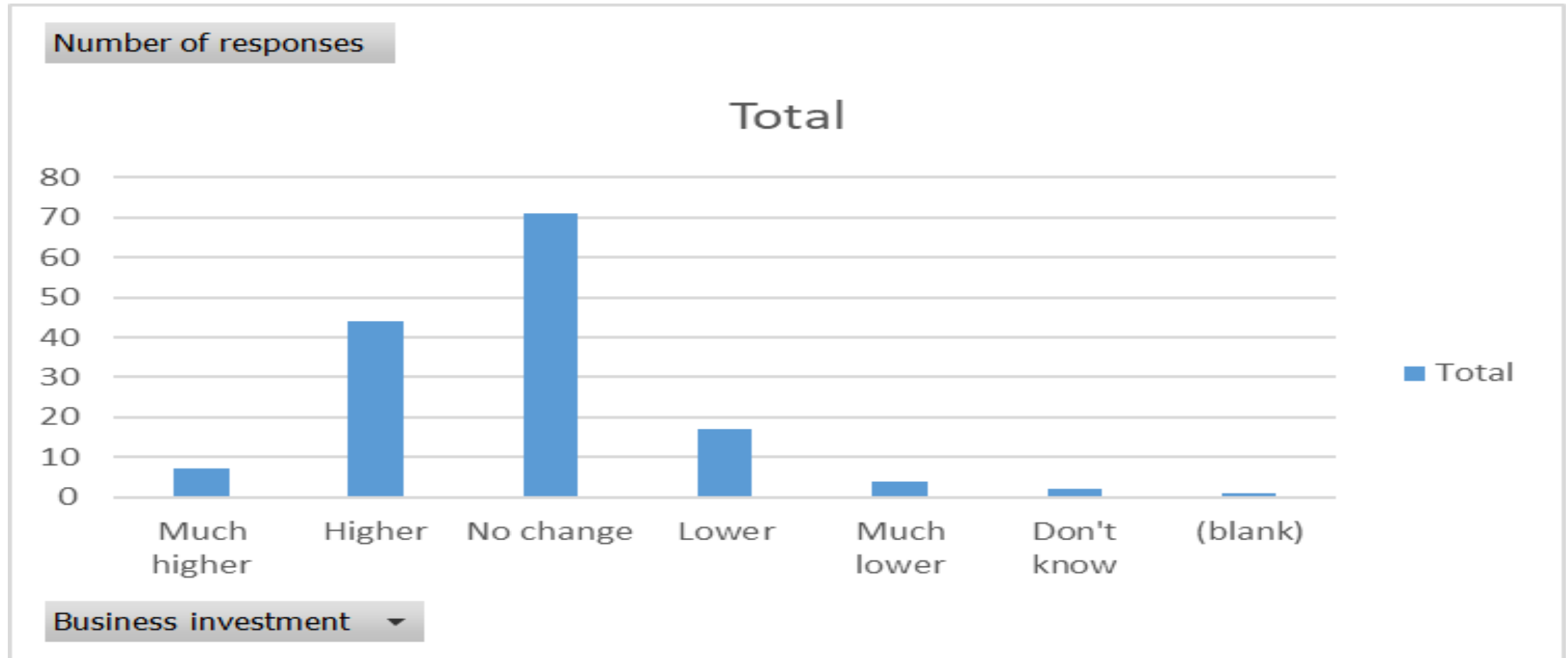
Respondents on balance expect no change to their profits over the next 12 months with a net positive % reading of +1%. There is no UK reading



Respondents on balance expect their headcount to be higher over the next 12 months with a net positive % reading of +6%. This compares with +30% in the UK



Respondents on balance expect their investment to be higher over the next 12 months with a net positive % reading of +21%. This compares with +30% in the UK



General comments from respondents

The biggest issue we are having is finding accommodation.

Clear, decisive and quicker decision-making by SoG/P&R to make investment in Guernsey's infrastructure (including eastern seaboard initiative) and schools could be an economic multiplier for the economy.

Air links are a disaster. Not only the dysfunctional Aurigny but the sheer cost of getting to/from Guernsey. The comparison to Jersey is difficult to deny.

Regulation in Financial Services is driving business out due to increased cost

Air links are undermining business confidence and the attractiveness of the island.

I think we need to review landlord rental costs for the younger generation, perhaps consider housing grants to get them on the property ladder

General comments from respondents

The cost and availability of Banking. There is a conflict of trying to attract business to Guernsey and the ability, as a result of regulations, to "bank" the business.

Business is bouyant however the Government's inability to invest or effect change over the past 10-15 years is now reaping the negative consequences.

Housing is the most important problem.

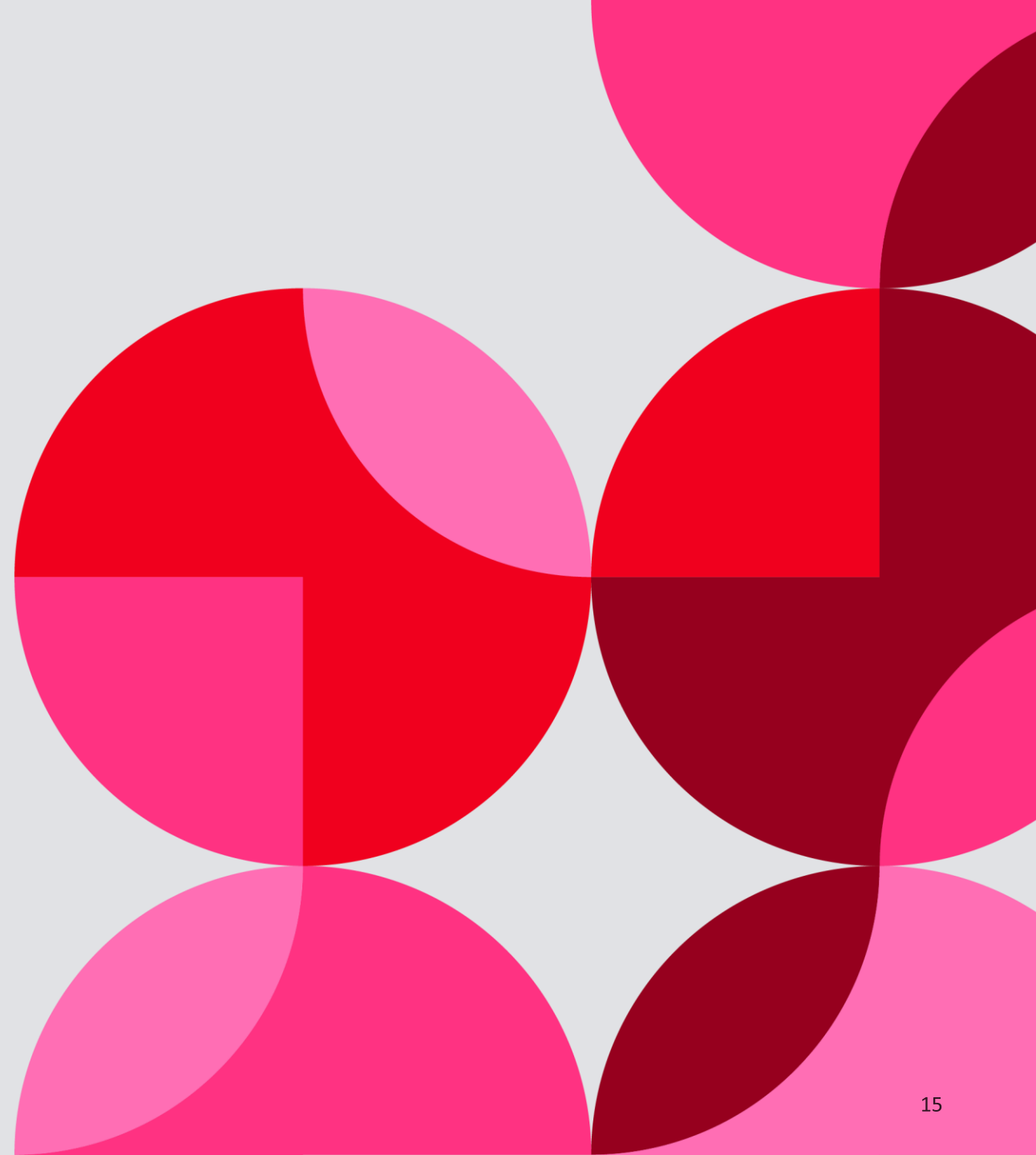
In general Guernsey needs to provide more affordable housing. We can attract young talent but the youngsters do not stay. We train people and then they leave. Attracting middle aged non-doms does not help as it pushes house prices up further and adds to our aging population. Increasingly talent stays on the mainland and works remotely, this is not good for Guernsey.

Our politicians have no real vision for the future of the island and are getting bogged down in detail and operational aspects.

Wrap-up

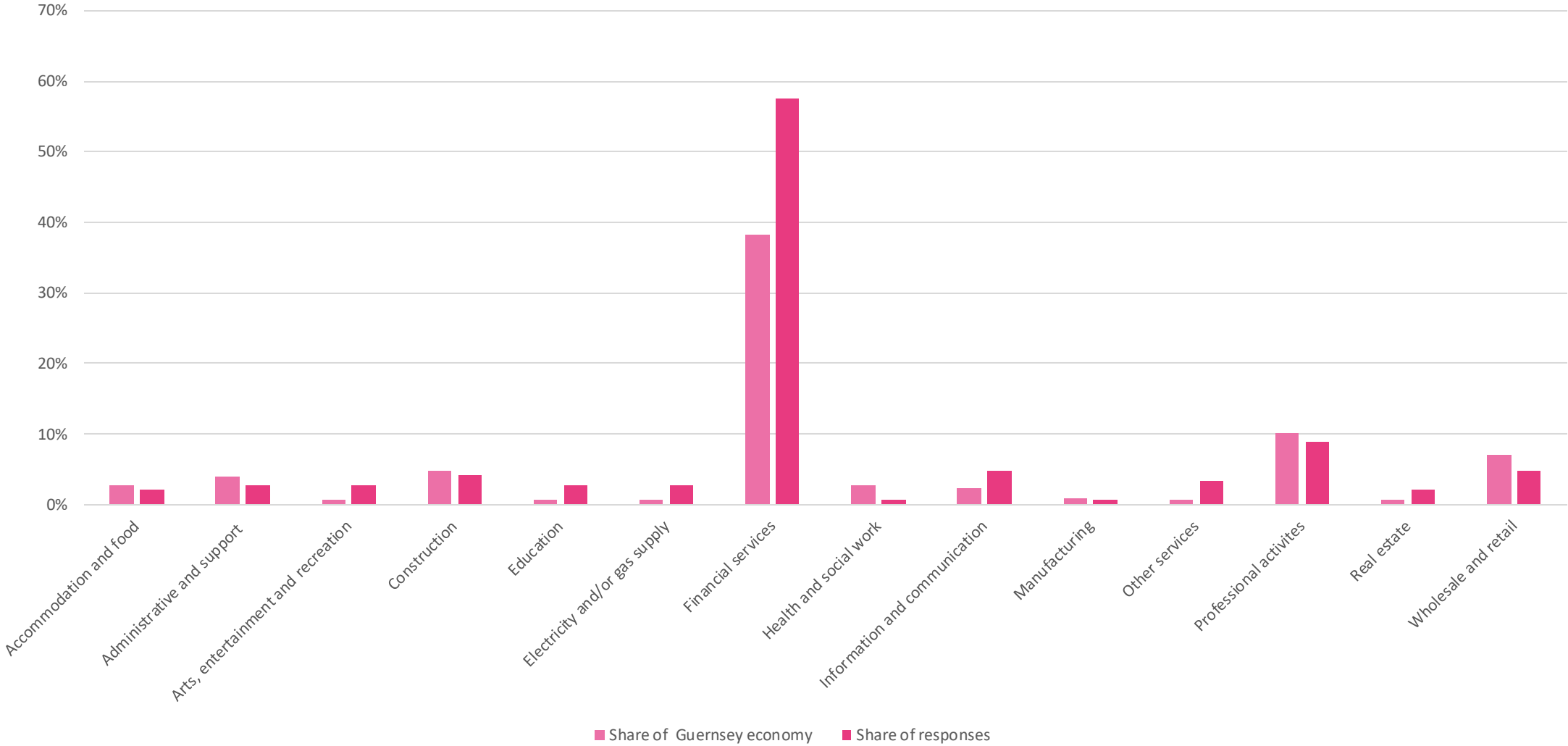
- This is a key piece of economic data that will allow us to understand the state of the economy, important business issues and inform the States of Guernsey
- We can look at current issues and trends going forwards
- There are lots of positives e.g. own business prospects and investment
- We need to be aware of negative impacts although nothing new
- Guernsey businesses more optimistic on their own businesses and costs than their UK counterparts but less optimistic on all other measures
- Many thanks to all who participated
- Slides and recording are available upon request/on the website
- Next survey will be in November 2024

Appendices



Participation – industry

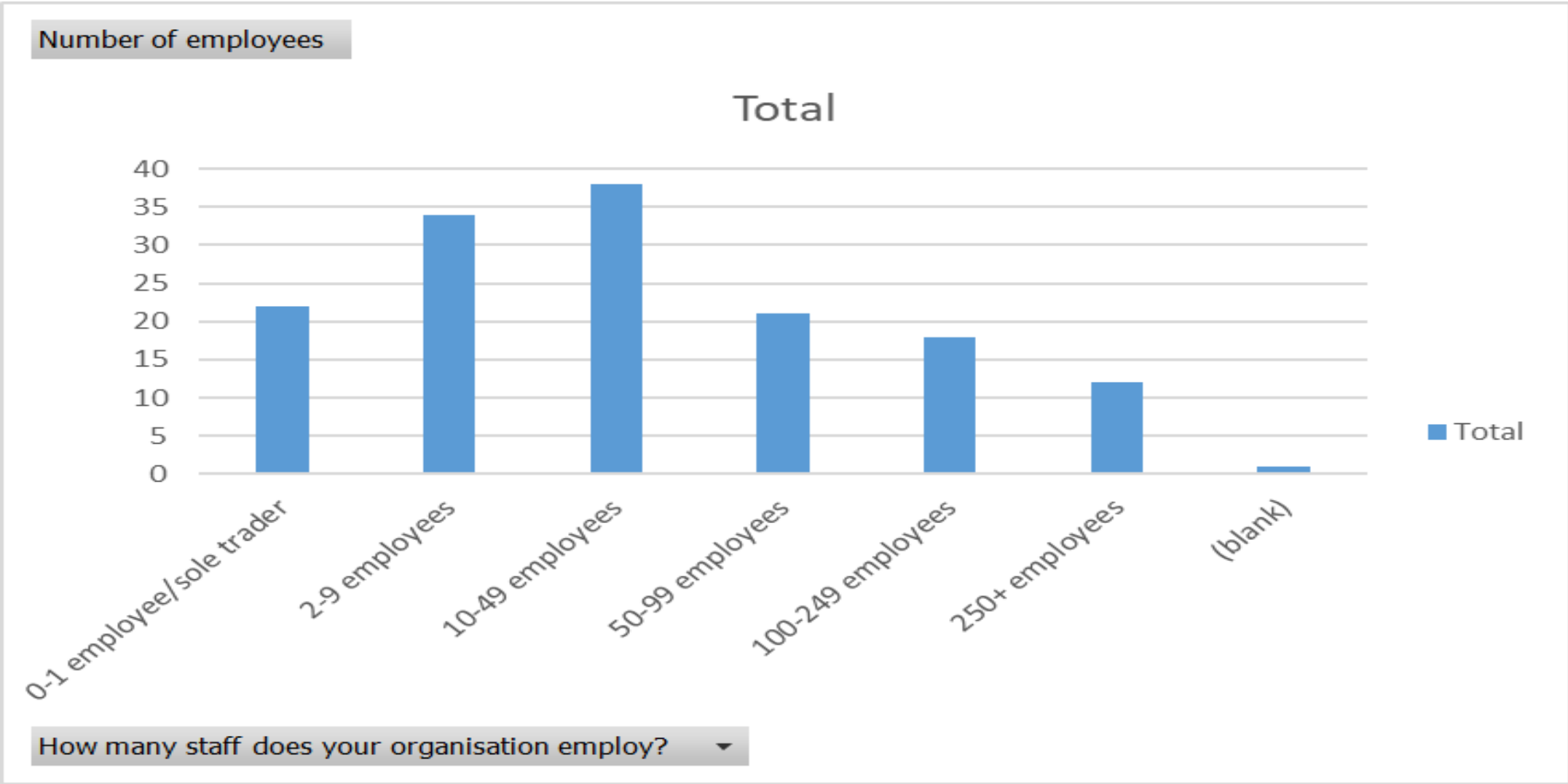
Respondents - share of Guernsey economy versus share of responses



Participation – industry

- 146 Guernsey members responded to the survey, more than 20% of the member base.
- This compares with an average response rate of 4% to the IoD UK surveys.
- This means that we can have a confidence level of nearly 85% that the responses to this survey are within plus or minus 5% of the responses we would receive from IoD Guernsey total membership base of 706 members.
- 84 or 58% of respondents were from financial services, but there was also good representation from professional activities, wholesale and retail, information and communication and construction.
- All sectors were reasonably represented in relation to their share of the economy
- Thank you to everyone who participated!

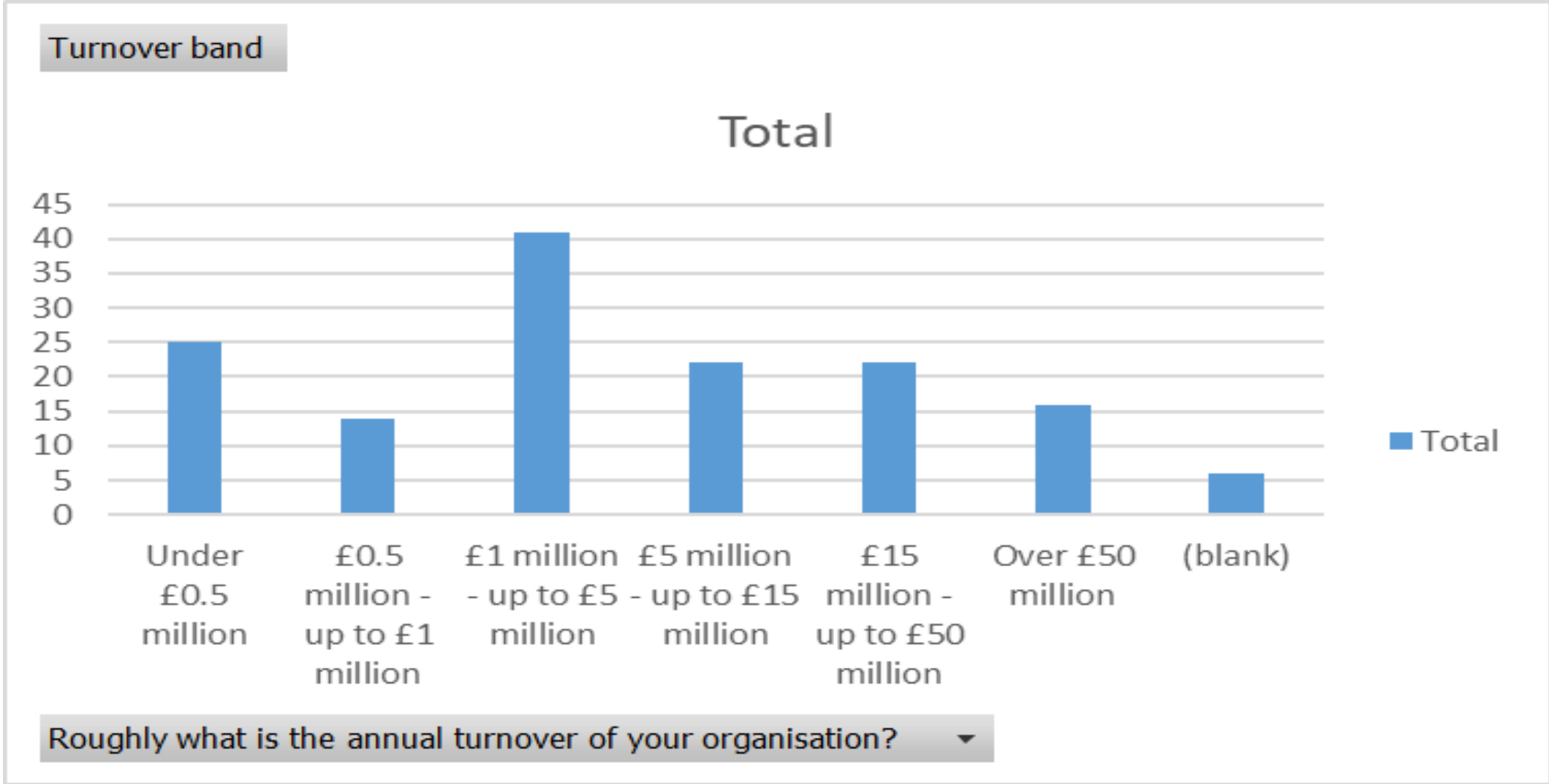
Participation – size by no of employees



Participation – size by no of employees

- Of the 146 responses, there was good representation across all sizes of employer by number of employees.
- The survey represents 7% of employers in the island.
- The representation is excellent for those employers with more than 10 employees, but less statistically significant for those employers below 10 employees.
- For example, 50% of employers with 100-249 employees responded.

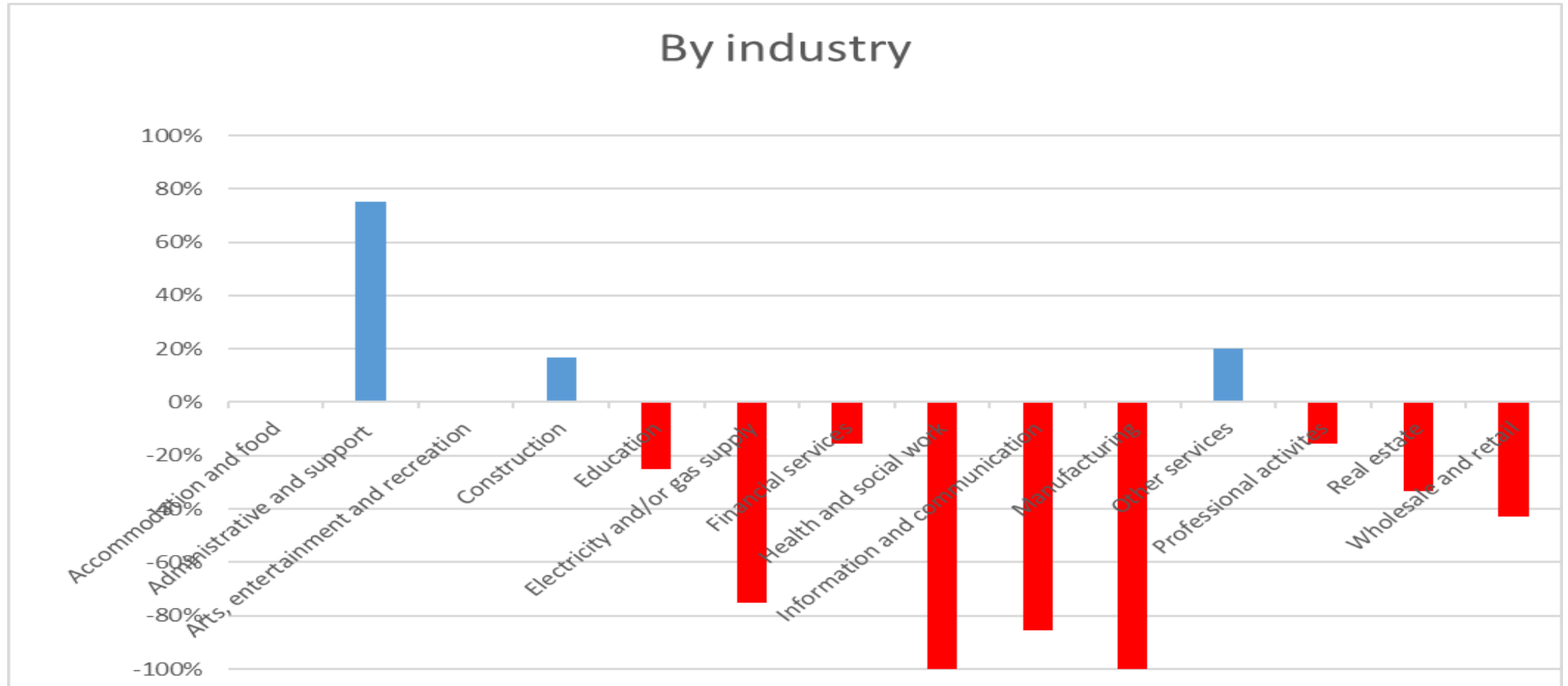
Participation – size by turnover



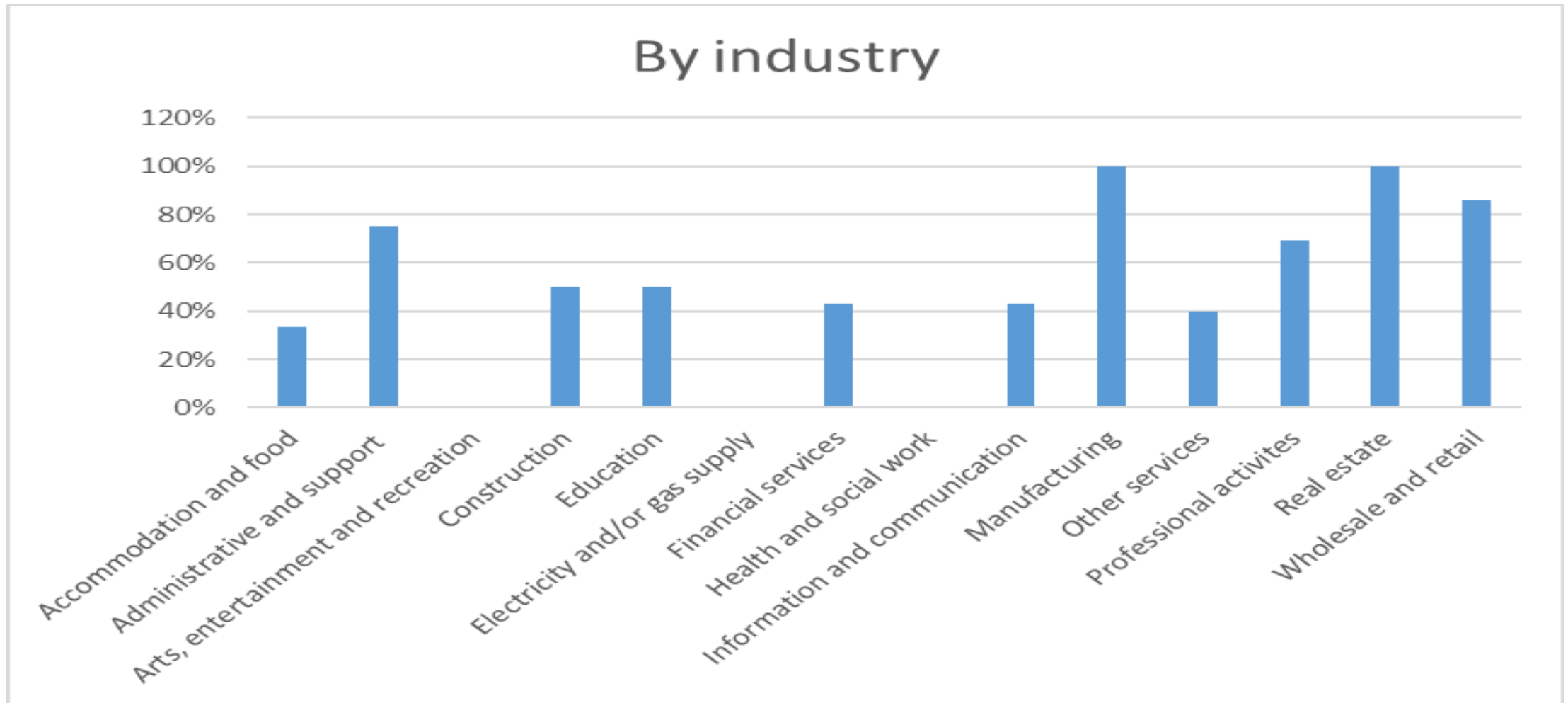
Participation – size by turnover

- Of the 146 responses, there was good representation across all sizes of employer by turnover.

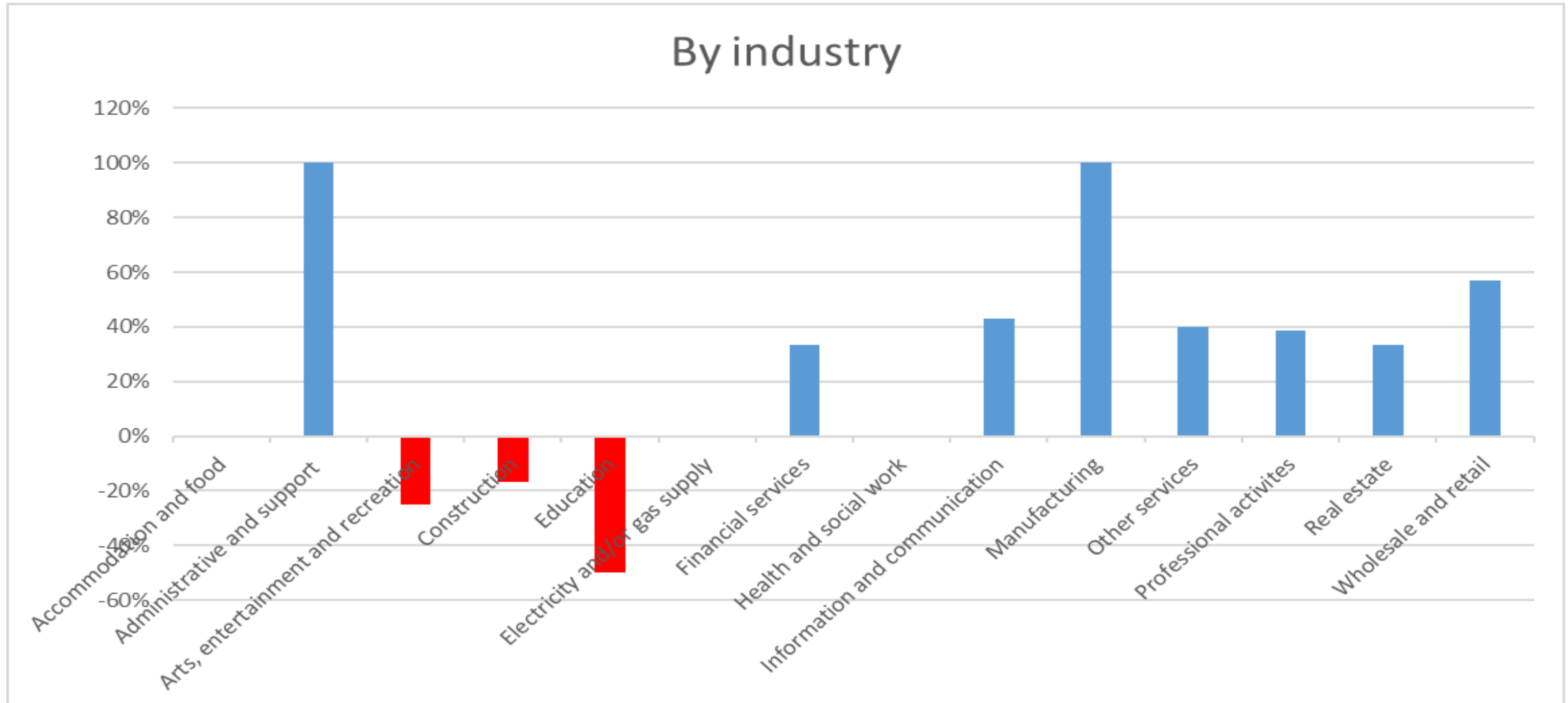
How optimistic or pessimistic are you about the Guernsey economy over the next 12 months?



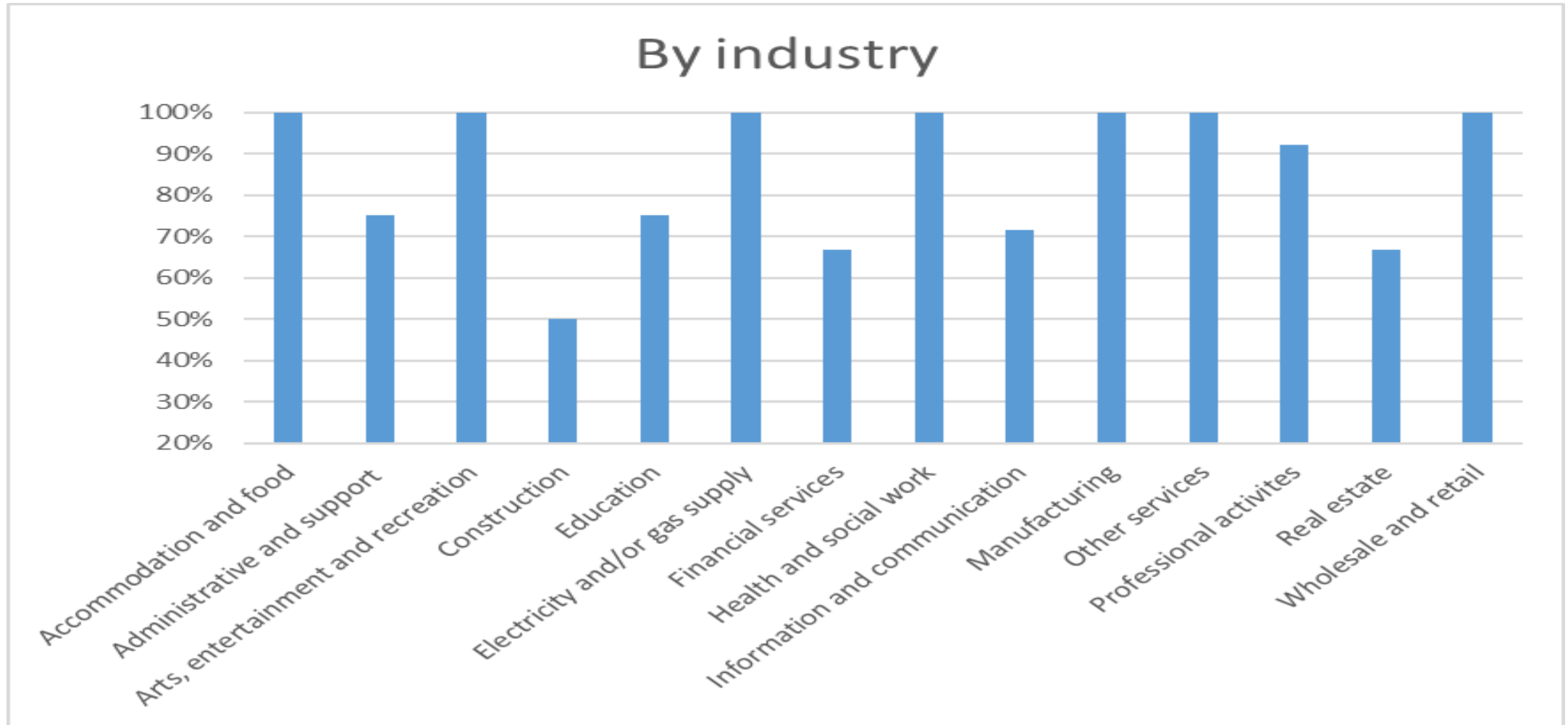
How optimistic or pessimistic are you about your own organisation over the next 12 months?



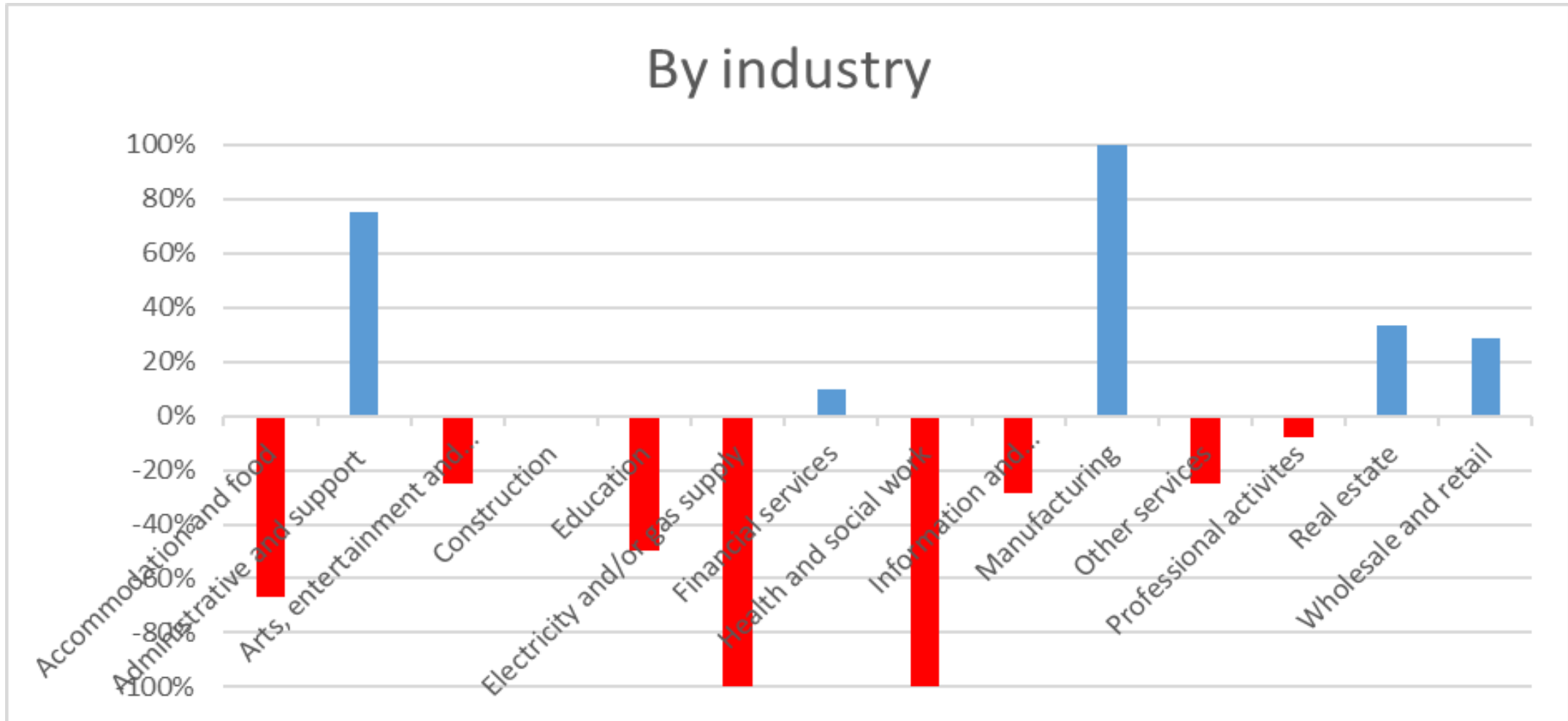
Do you expect your revenue to be higher or lower over the next 12 months?



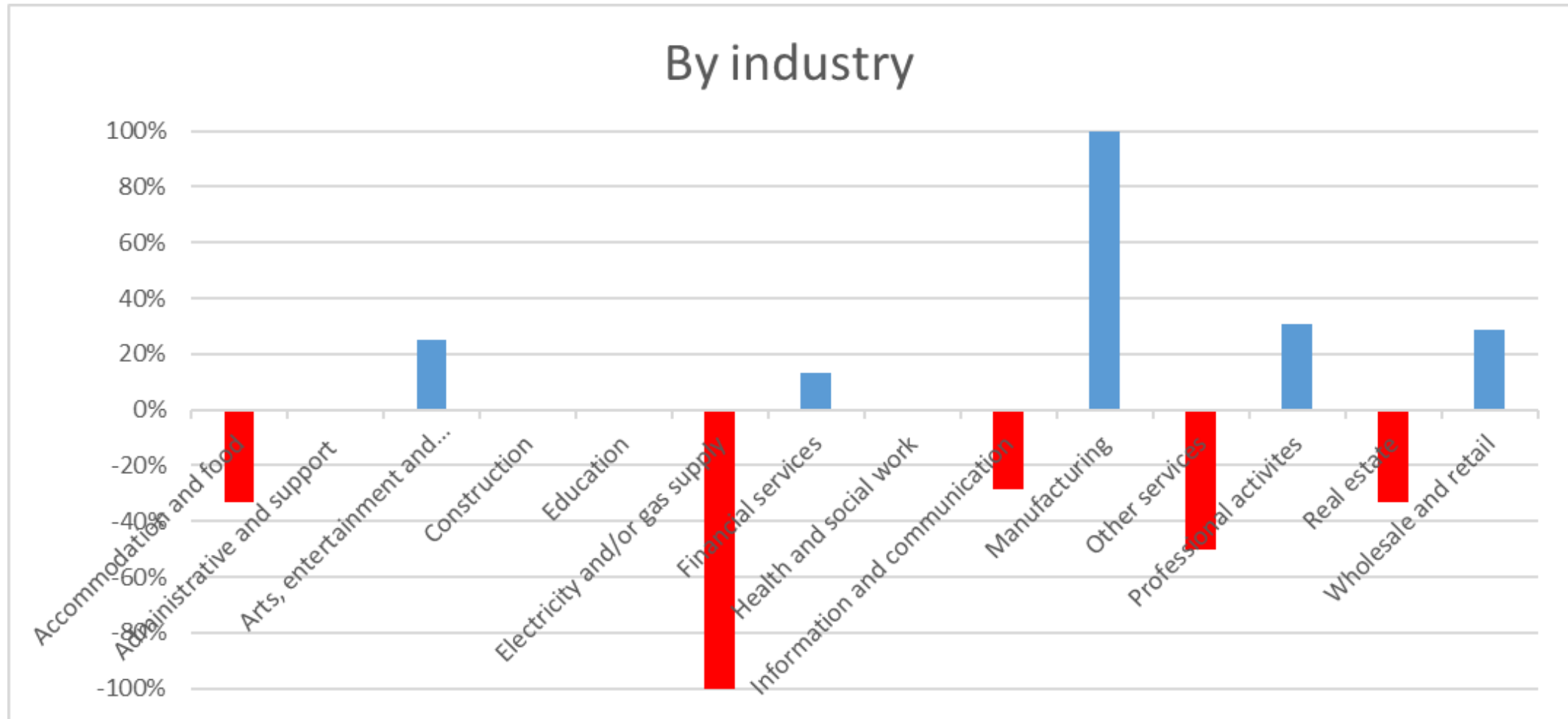
Do you expect your costs to be higher or lower over the next 12 months?



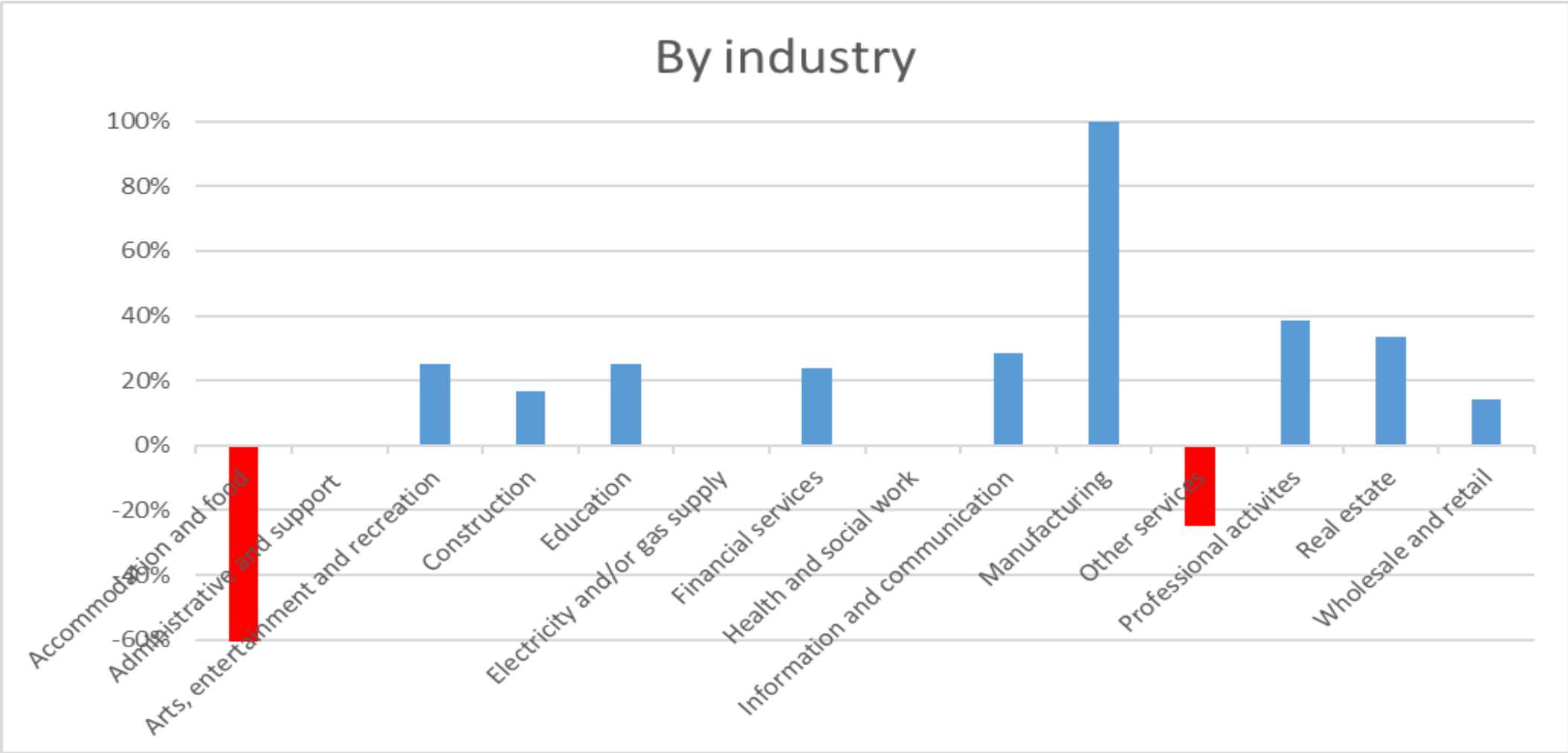
Do you expect your profits to be higher or lower over the next 12 months?



Do you expect your headcount to be higher or lower over the next 12 months?



Do you expect your investment to be higher or lower over the next 12 months?



Negative impacts by industry (continued)

Negative impact	Health and social work	Information and communication	Manufacturing	Other services	Professional activities	Real estate	Wholesale and retail trade
Air and sea links			✓	✓	✓	✓	✓
Cost and availability of labour	✓	✓		✓	✓	✓	✓
Skills shortages/employee skills gaps	✓	✓			✓	✓	✓
Cost and availability of housing for Guernsey employees	✓				✓		
Compliance with government regulation							
Wider economic conditions		✓				✓	✓
Political uncertainty	✓	✓	✓	✓	✓	✓	
Guernsey economic conditions	✓						
Uncertainty over tax reform				✓			
Barriers to skilled migration			✓				
Cost and availability of finance							✓
Business taxes				✓			

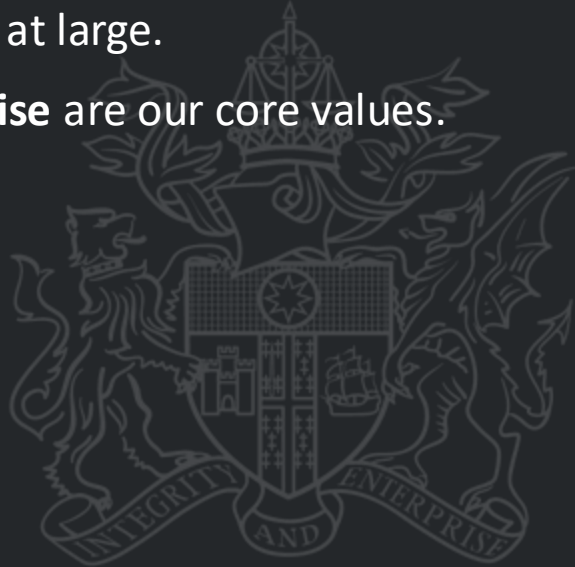
Our purpose

Our Royal Charter sets out a clear purpose

We have a clear vision – The Institute of Directors is the professional institute for responsible directors and leaders.

Our mission is to develop, support and represent skilled, knowledgeable and responsible leaders for the benefit of the economy and society at large.

Integrity and Enterprise are our core values.



The objects of the institute are:

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.