



IoD Guernsey Directors' Economic Confidence Survey

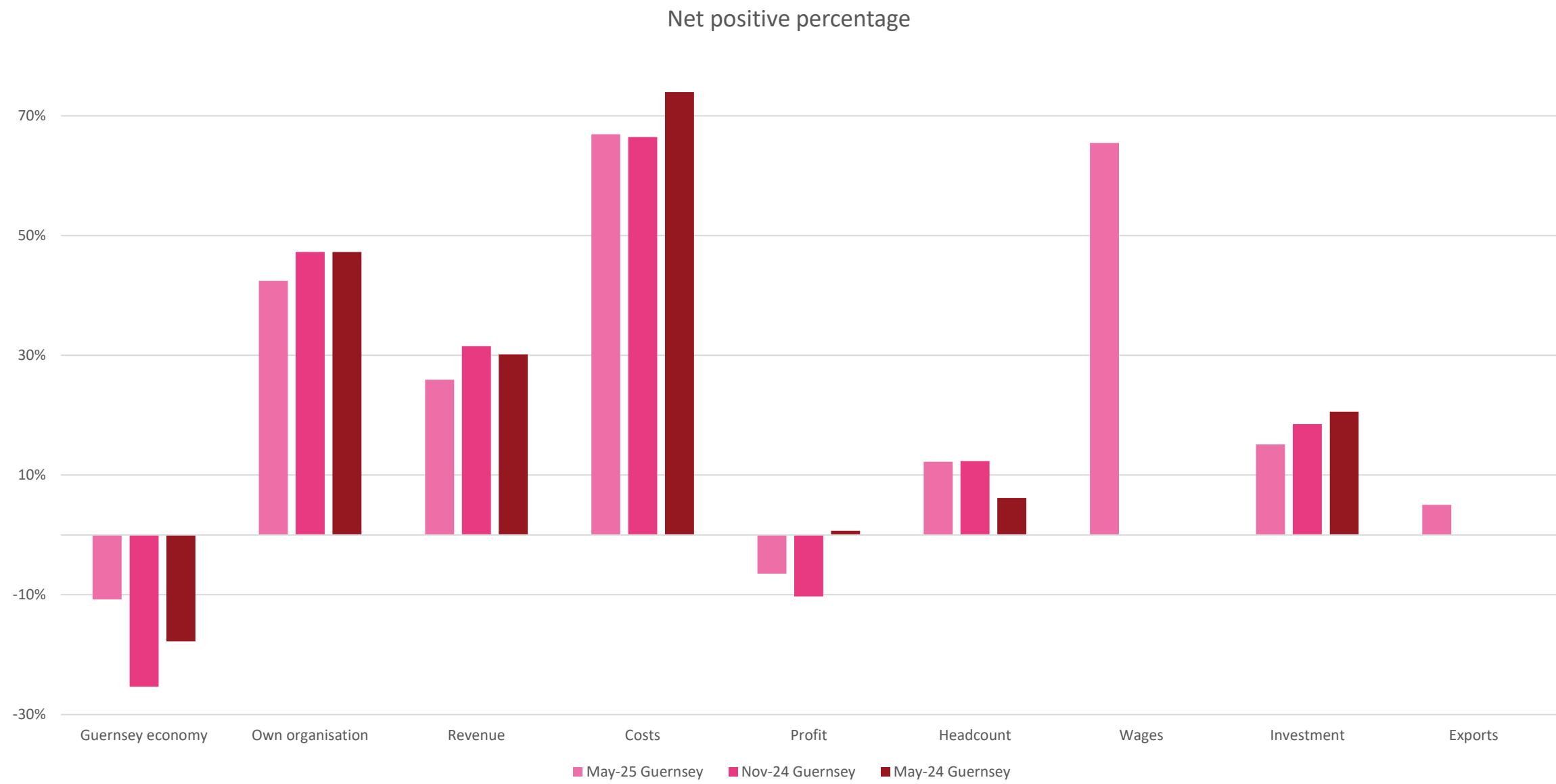
May 2025



Headlines – survey participation

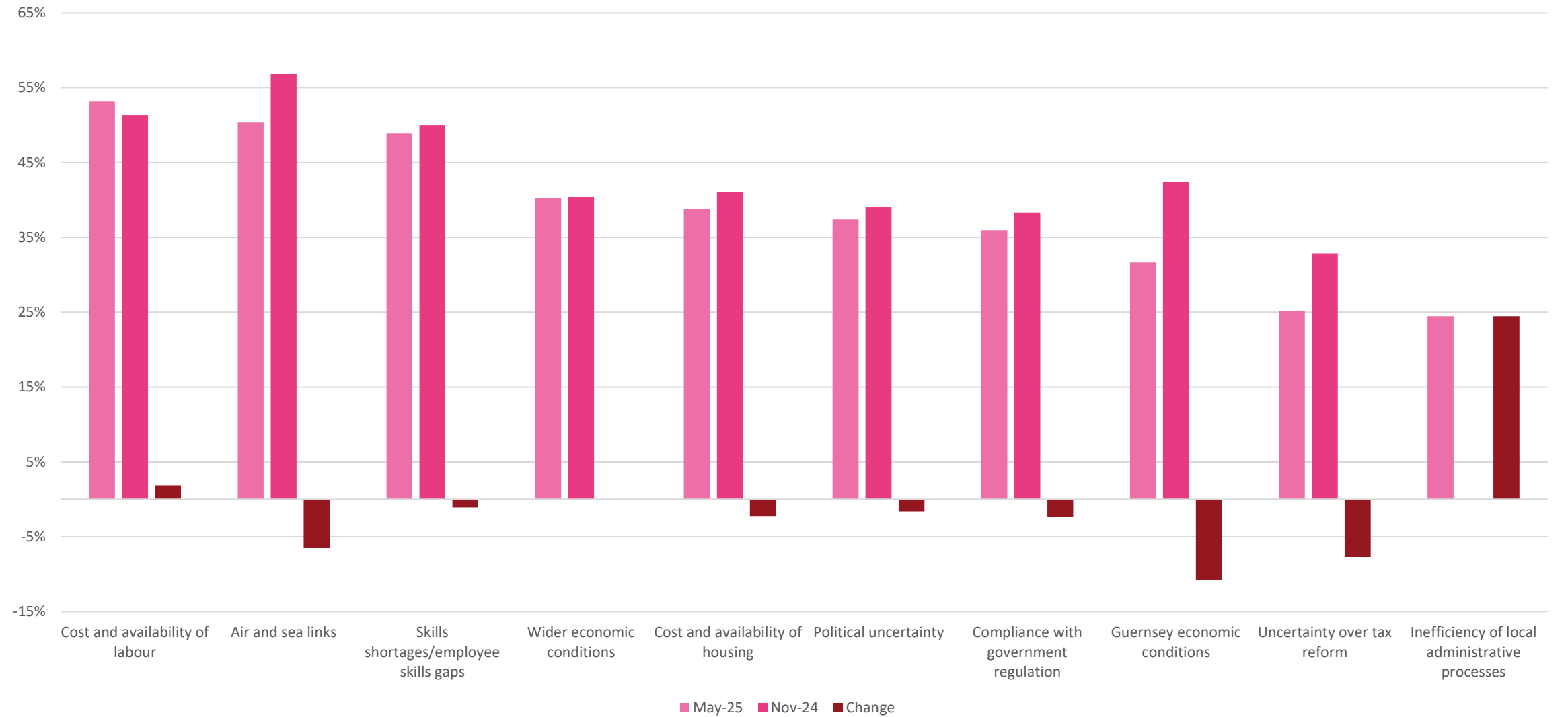
- This is our third survey, looking at information right now but starting to look at trends over time
- The response rate was 139, which is 19% of the 734 members asked
- With 95% confidence, the results from the 139 respondents will reflect the views of the full 734-member population within a margin of ± 7.5 percentage points
- 55% of respondents were from finance, 14% from legal and professional, 6% from construction
- There was good representation across all sizes of business – 58% with 50 employees or less, 42% with more than 50 employees, 50% with a turnover below £5m and 50% above £5m
- 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

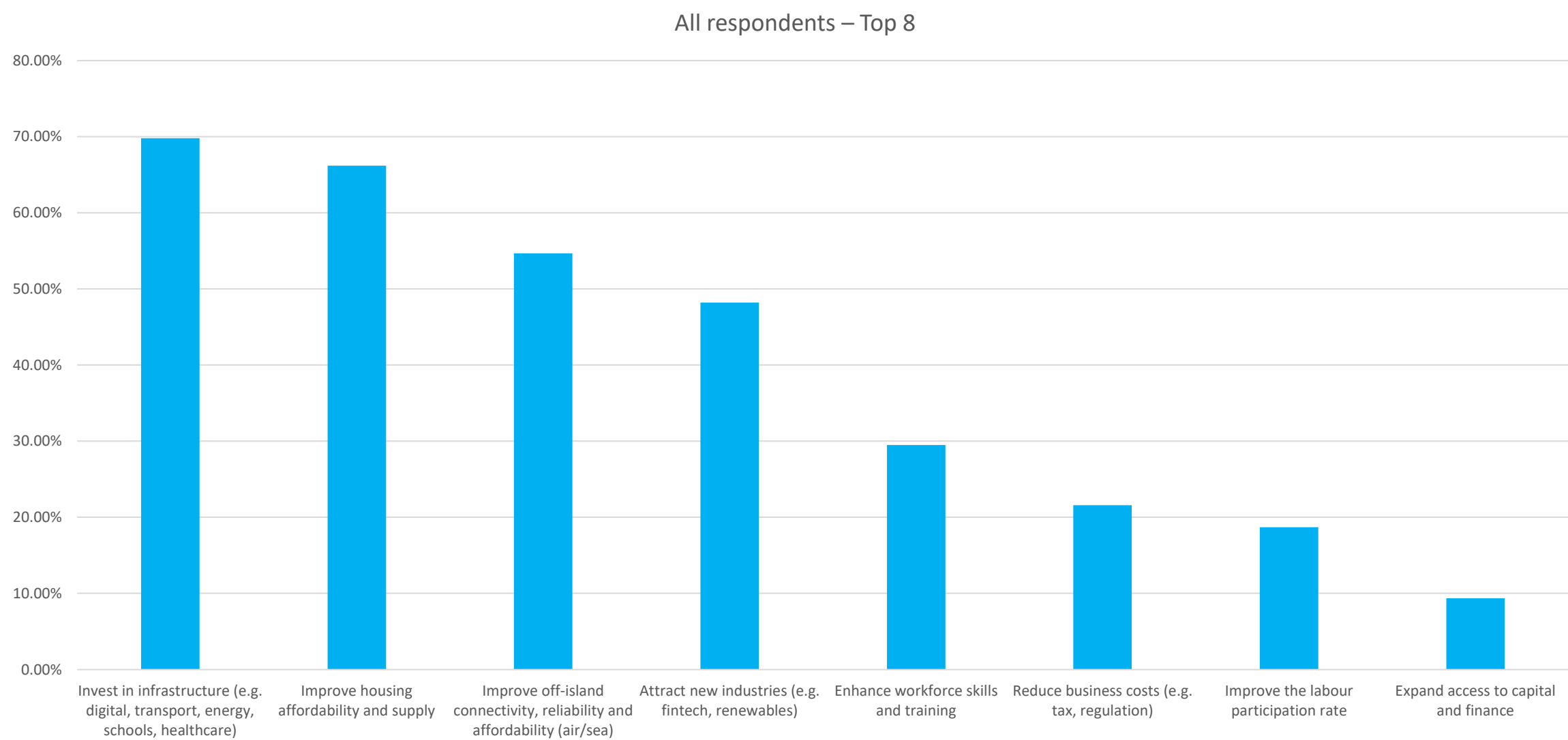


Which of the following factors are currently having a negative impact on your organisation?

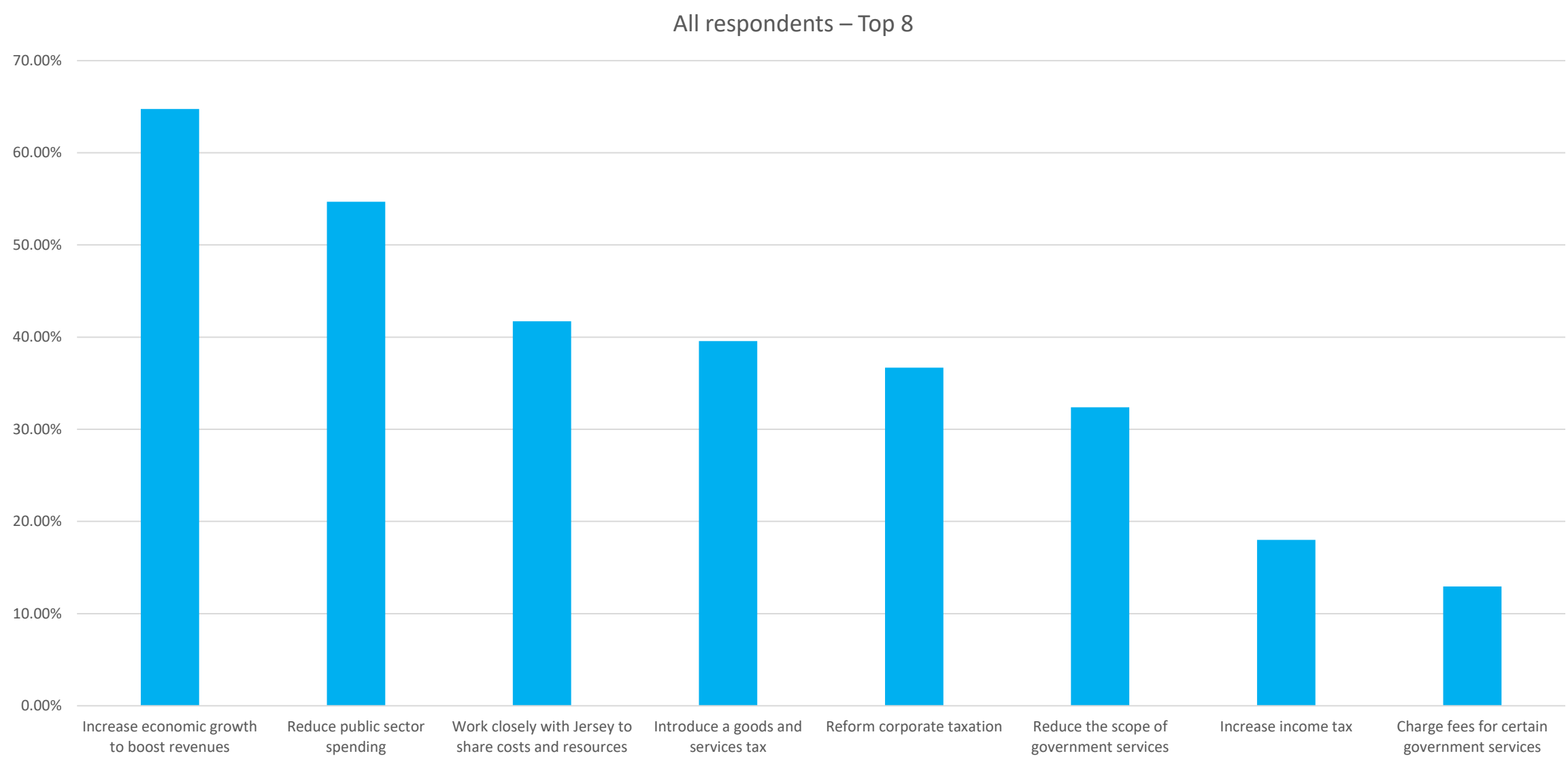
All respondents – Top 10



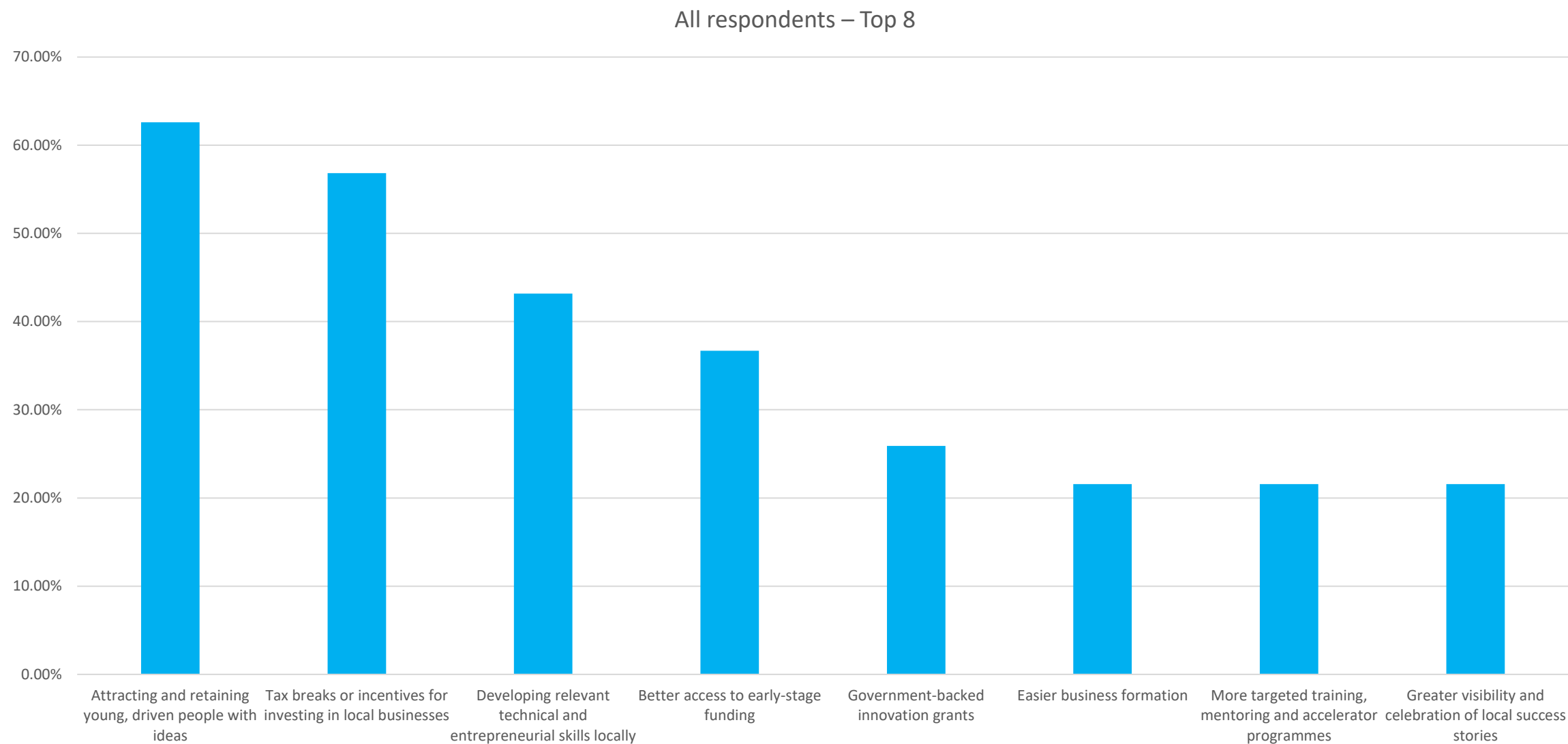
How should Guernsey stimulate economic growth and productivity?



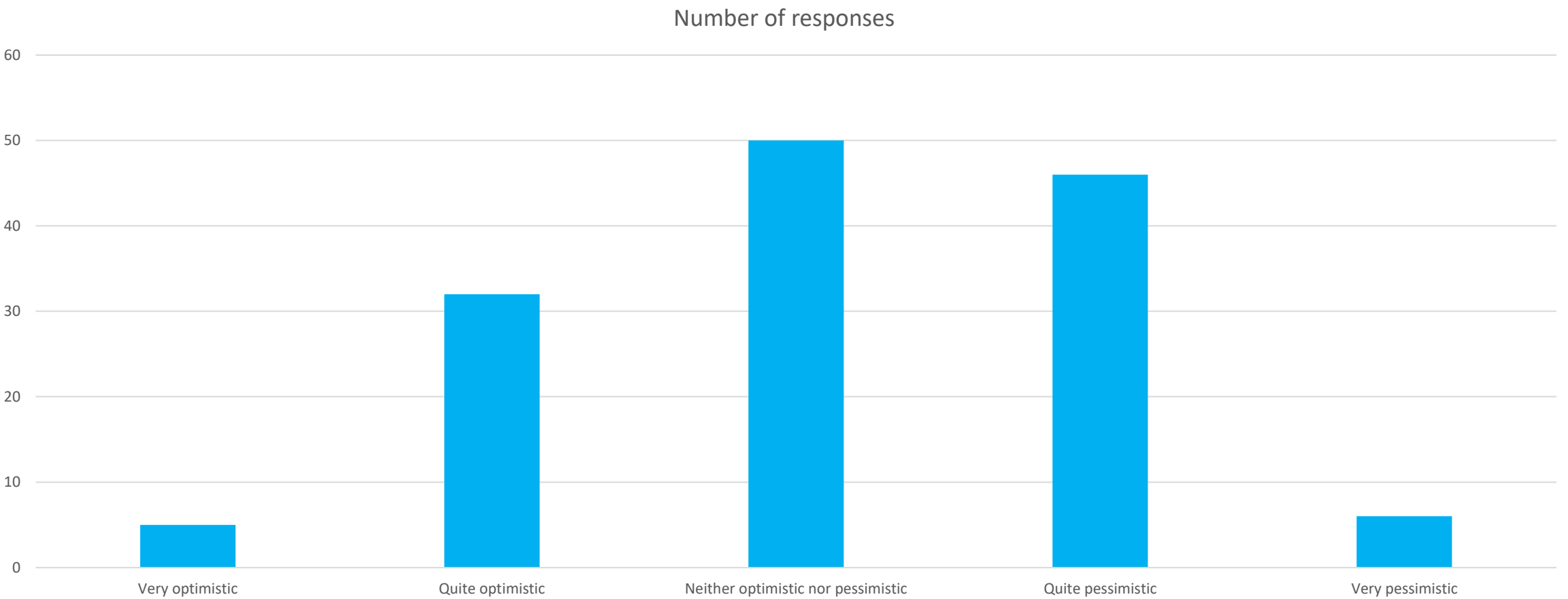
How should Guernsey reduce the fiscal deficit?



What would most encourage entrepreneurship and innovation in Guernsey?

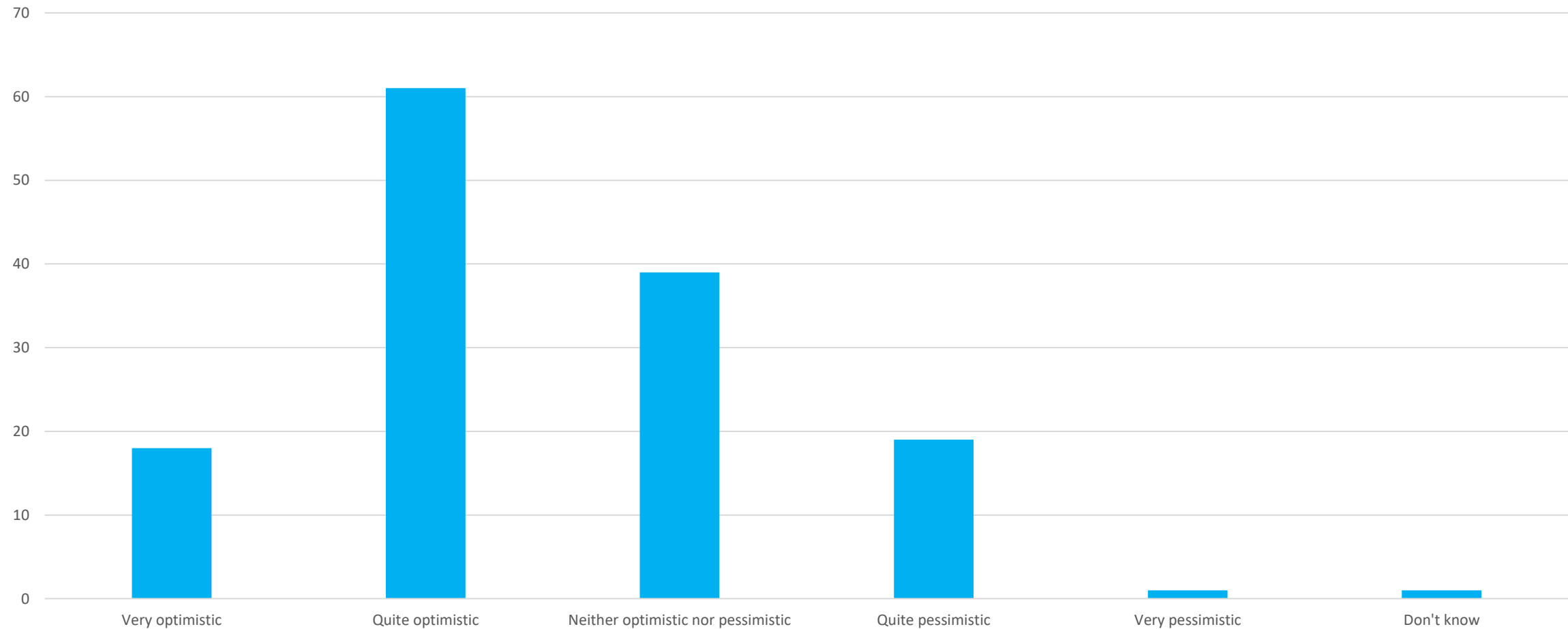


Confidence in the Guernsey economy over the next 12 months remains negative but has significantly improved with a net positive % reading of -11%. This compares with -25% in November 2024. It is much better than the UK at -51%. In January 2025 Jersey IoD reported -22%.

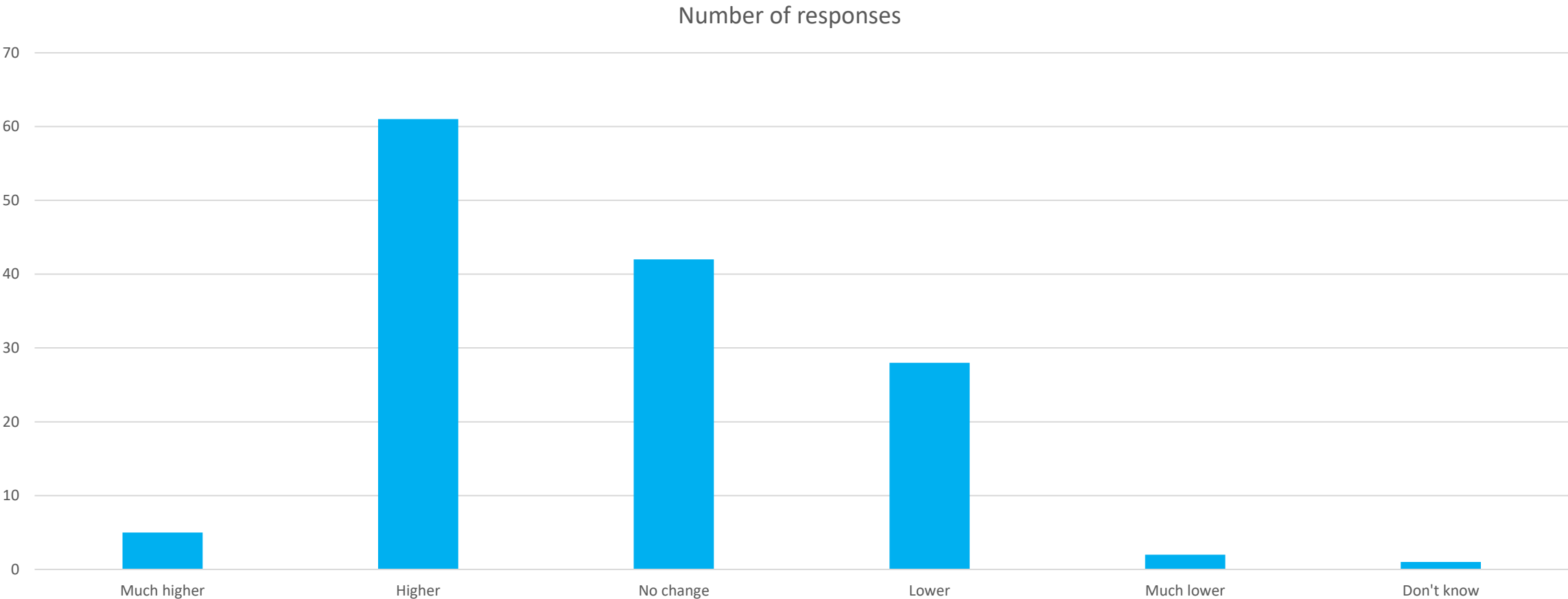


Respondents remain quite optimistic about their own organisation over the next 12 months with a net positive % reading of +42%. This is slightly lower than the +47% reported in November 2024 but is much higher than the UK's +14%

Number of responses

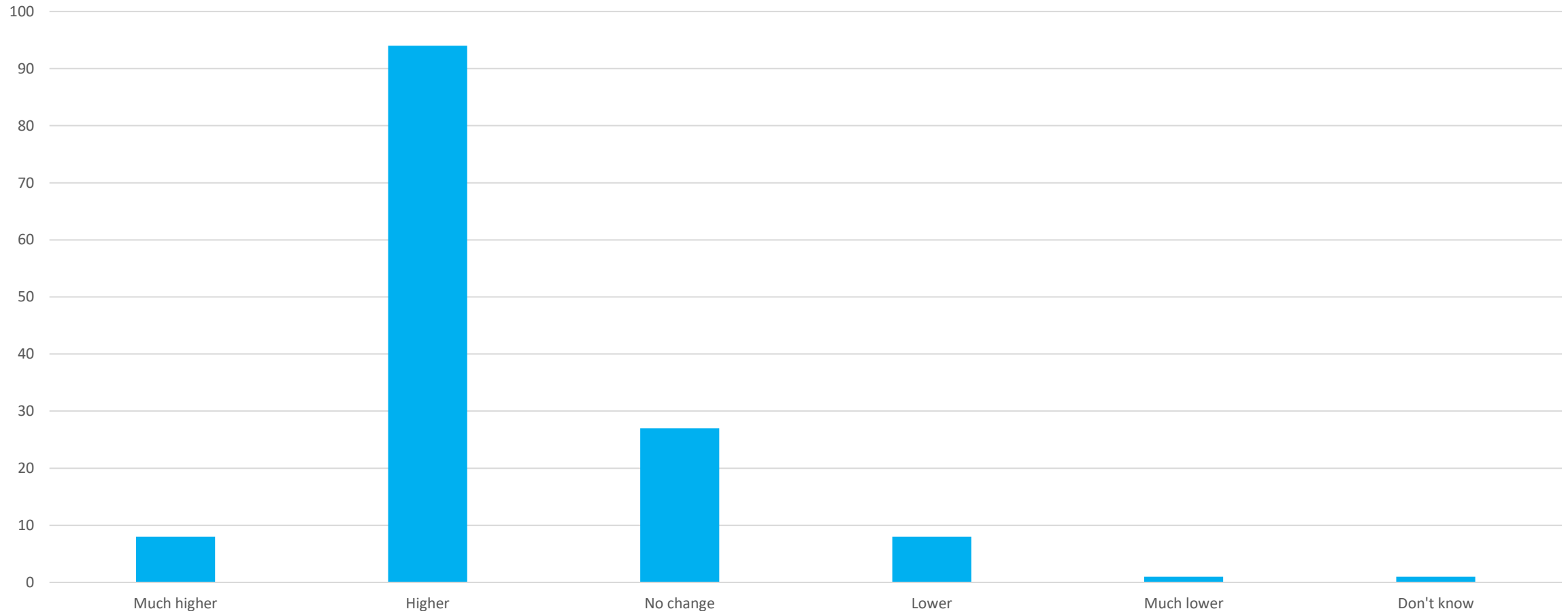


Respondents on balance expect their revenue over the next 12 months to be higher with a net positive % reading of +26%. This is slightly softer than the +32% in November 2024 and compares with +14% in the UK

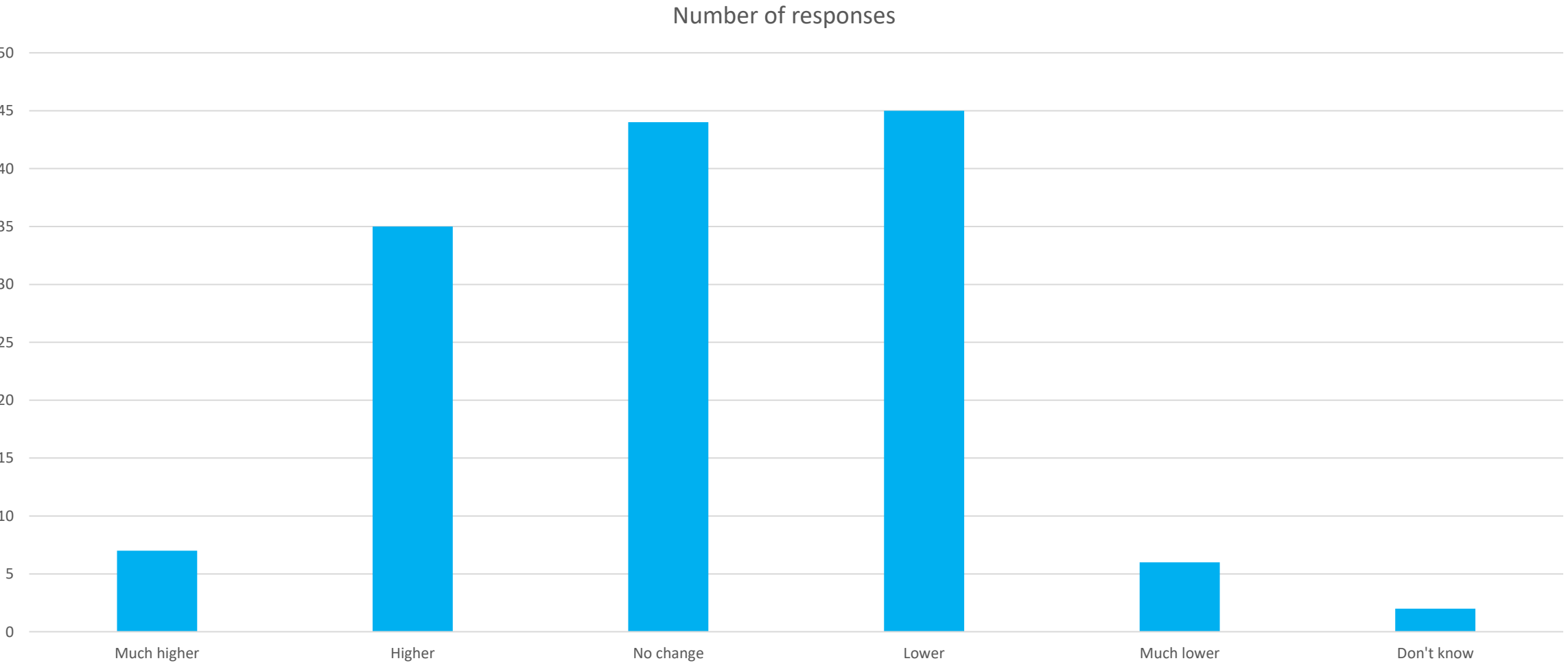


Respondents on balance expect their costs over the next 12 months to be higher with a net positive % reading of +67%. This compares with +66% in November 2024 and +83% in the UK

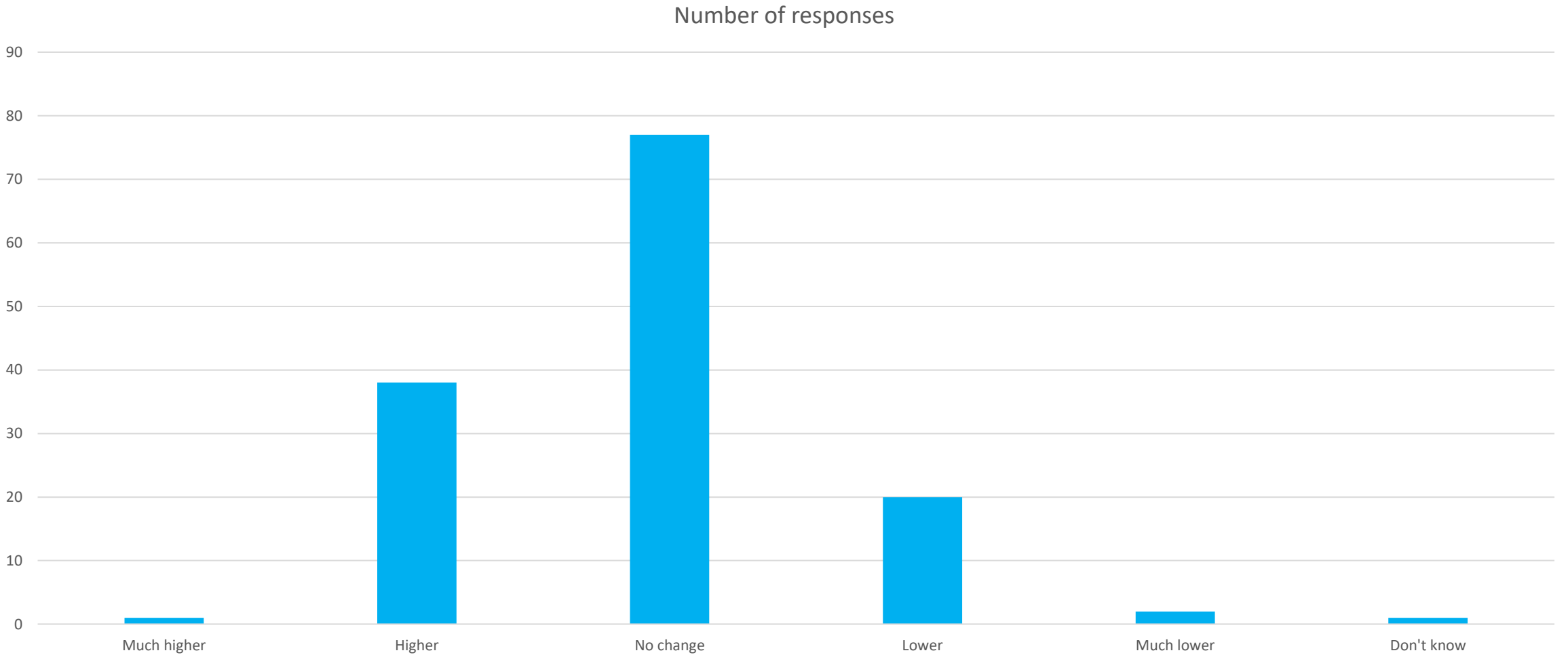
Number of responses



Respondents on balance expect their profits to be lower over the next 12 months with a net positive % reading of -6%. This is a slight improvement on the -10% reported in November 2024. There is no equivalent UK reading

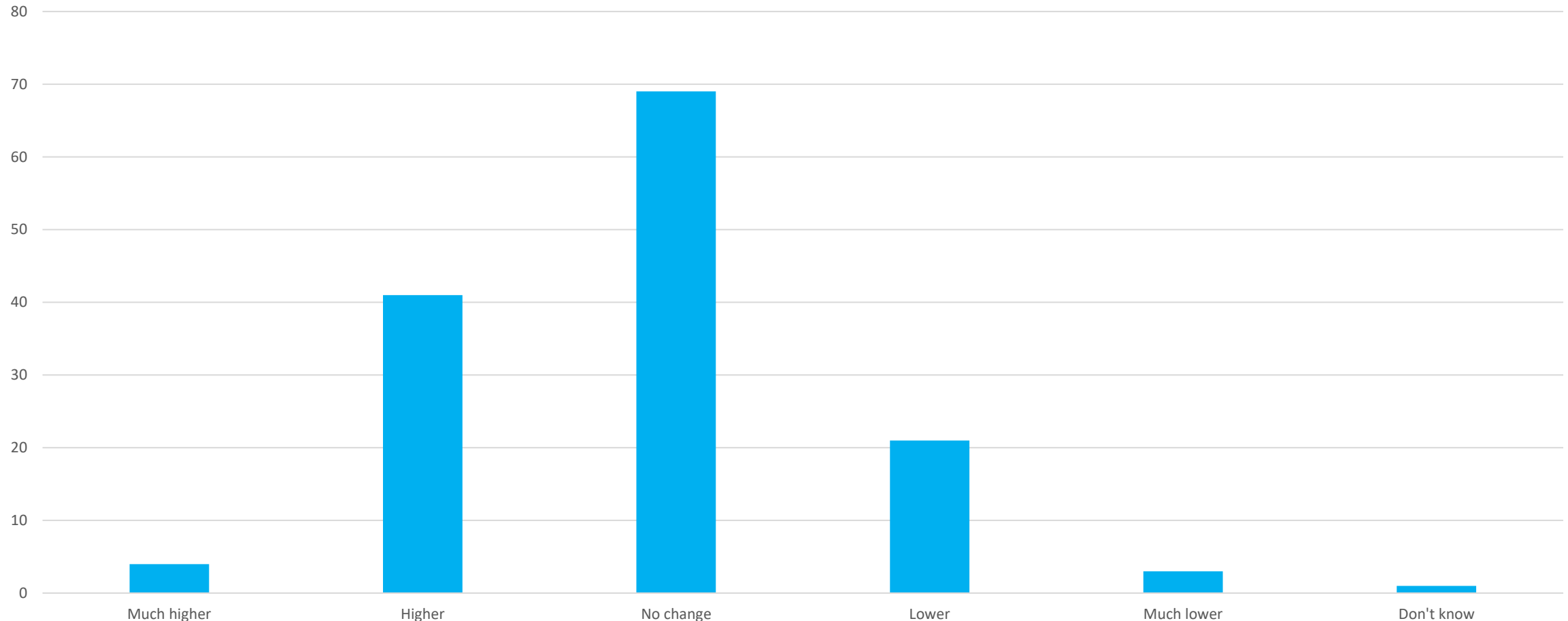


Respondents on balance expect their headcount to be higher over the next 12 months with a net positive % reading of +12%. This is the same as November 2024 and compares with +3% in the UK

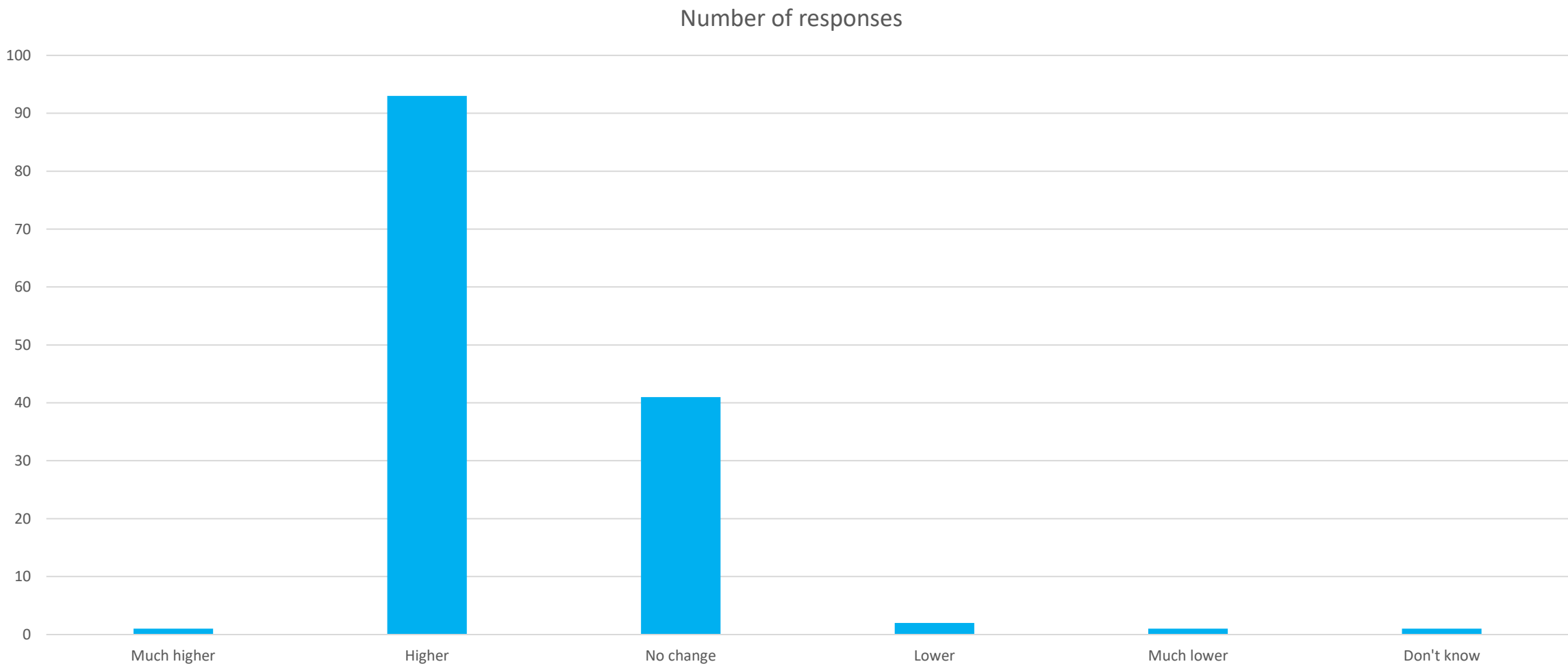


Respondents on balance expect their investment to be higher over the next 12 months with a net positive % reading of +15%. This is slightly softer than the +18% in November 2024 and compares with -5% in the UK

Number of responses



This is the first time we have asked about wages in the survey. Respondents on balance expect their wages to be higher over the next 12 months with a net positive % reading of +65%. It compares with +43% in the UK



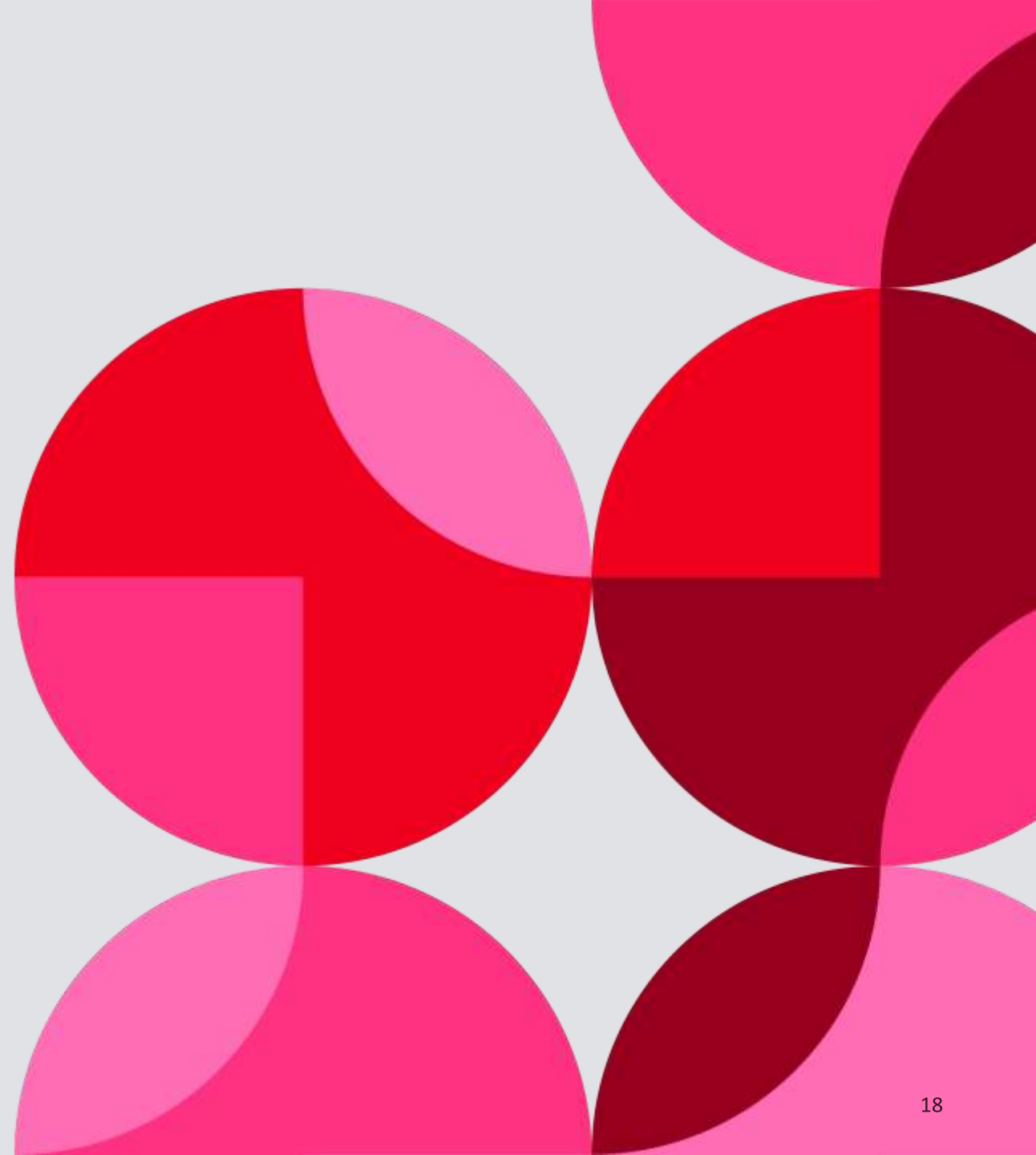
Wrap-up

- This is a key piece of economic data that enables us to understand the current state of, and trends over time in, the Guernsey economy and important business issues, and to inform the States of Guernsey and the wider community
- Although still negative, confidence in Guernsey's economy over the next 12 months has improved significantly, whilst profit expectations have also gone up and hiring and investment intentions remain high
- This comes against the backdrop of the recent positive Moneyval outcome with finance sector optimism improving
- Respondents' confidence in the the prospects of their own organisations has softened marginally but remains very strong
- Respondents expect costs to remain high over the next 12 months
- Members' confidence in the prospects for Guernsey's economy at -11% is significantly higher than the comparable IoD UK's April 2025 survey (-51%) and all the main indicators are much more positive. Jersey's first survey was in January 2025 and reported -22% confidence, but their next survey in June will offer a better, more up to date comparison
- Outlook is flat to mildly negative economic growth, elevated inflation and higher employment

Wrap-up (cont'd)

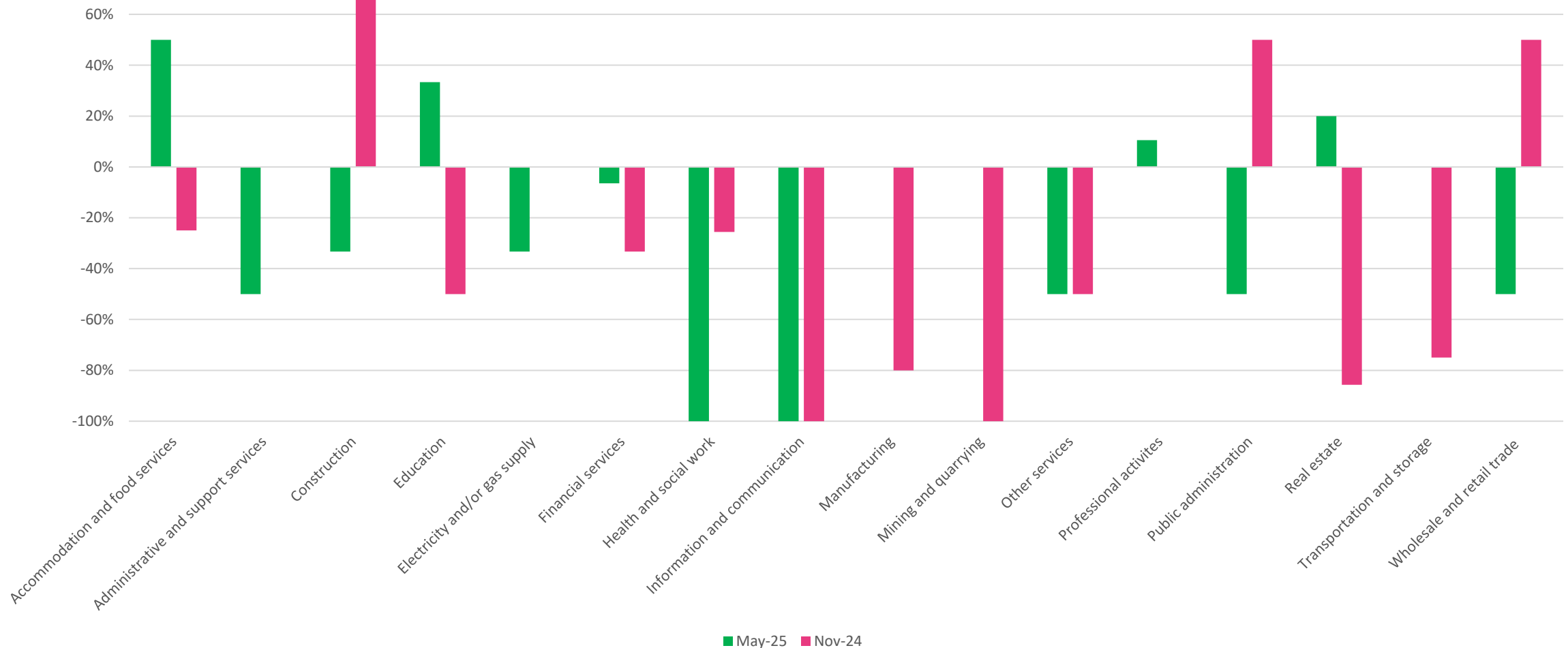
- Labour is now the top negative impact with concerns about air and sea links, Guernsey economic conditions and tax reform all moderating
- Respondents are most concerned about the labour market, connectivity, housing and wider economic conditions
- Respondents see infrastructure investment, housing, connectivity and diversification as the main catalysts of economic growth
- The fiscal deficit must be addressed by growth, efficiency and working with Jersey before increasing taxation
- Entrepreneurship will best be driven attracting and retaining young people and equipping them with technical and entrepreneurial skills, as well as tax incentives and early-stage funding
- Slides and further data are available upon request/on the website
- Thank you to everyone who participated. The next survey will be in November 2025

Appendices



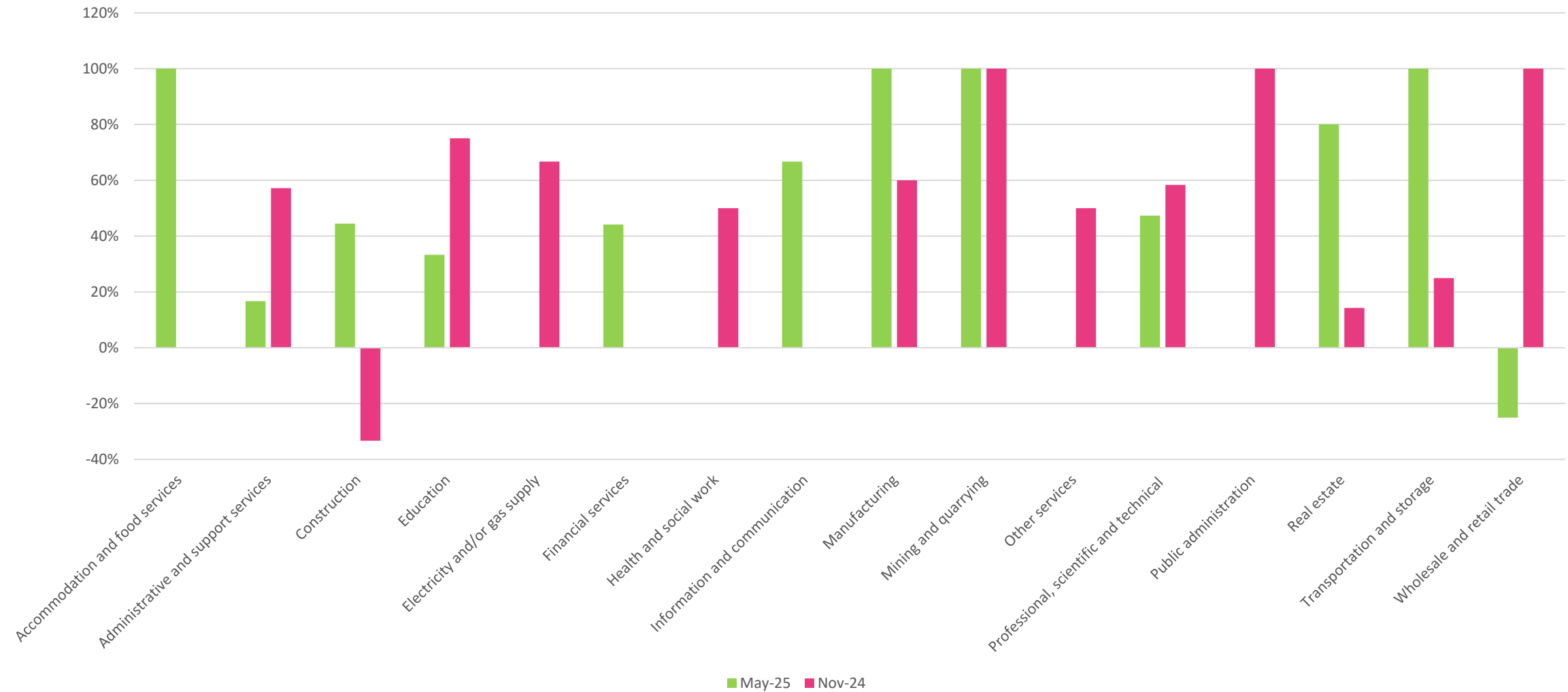
How optimistic or pessimistic are you about the Guernsey economy over the next 12 months?

Response by industry



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

Response by industry



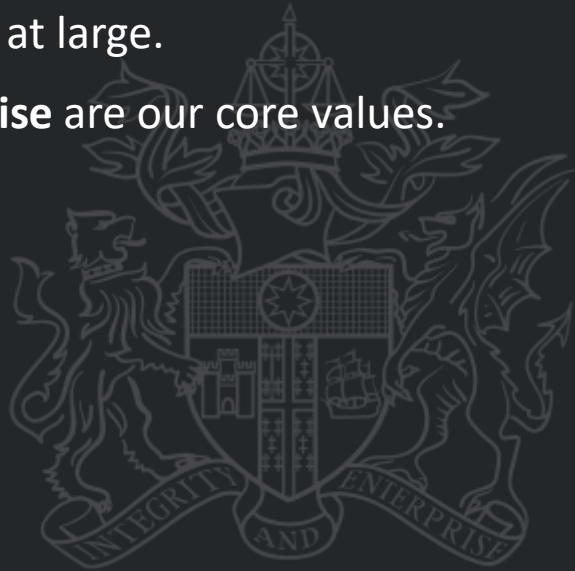
Our purpose

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.