British Marine
Industry Update (Q2, 2022)

Recovery keeps momentum, but inflationary pressures and recession fears grow

According to British Marine's latest Sentiment Poll, just over half of members saw an increase in sales in Q2 2022 compared with the same period in 2021. This represents a net score of +25%, or 25% more businesses reported a sales increase than a sales decrease in Q2 2022 (Q1 2021: +31%; Q2 2021: +53%; Q3 2021: +44%; Q4 2021: +30%; Q1 2022: +30%; Q2 2022: +25%).

The overall share of members reporting a sales increase has decreased marginally compared to the previous quarter, continuing the downwards trend seen from Q2 2021 onwards (Q2 2021: 68%; Q3 2021: 62%; Q4 2021: 51%; Q1 2022: 52%; Q2 2022: 51%). Tellingly, the share of members reporting large increases in sales (of 10%+) has contracted by 3% while the share of businesses seeing sales decrease has grown by 4%. These figures reflect the drag effect of high inflation and depressed consumer sentiment on industry economic growth, but also shows the energy of the marine industry's post-pandemic recovery.

Business outlook is also positive, with 56% of respondents confident about their current prospects. While this is significantly down on the 70% reported in Q4 2021, that a majority of members are confident, despite the UK's current economic challenges, reflects the continued strength of the market.

This trend is also reflected in British Marine's latest boat sales statistics. UK boat sales revenue for 1 January to 31 July 2022 were down -5% compared with the same period in 2021, but sales remain significantly above pre-pandemic values, with sales values still 7% higher than the same period in 2019.

In Q2 2022, 51% of members saw an increase in sales compared to the same period in 2021.

However, this is a 1% decrease on the share of members reporting that their sales increased in Q1 2022.

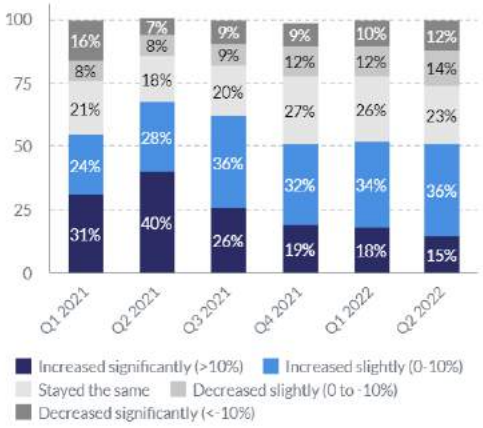
The share of members experiencing a contraction in sales has risen from 22% in Q1 2022 to 26% in Q2 2022.

British Marine's latest boat sales statistics show that sales are down -5% on their 2021 peak, but still 7% higher than pre-pandemic (2019)

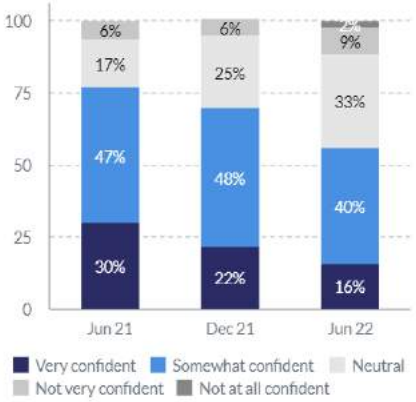
56% of members indicated that they were confident about their business's current prospects, reflecting the strength of the recovery.

Note: British Marine's Sentiment Poll was run from 11-29 July 2022 and received 146 responses or 15.1% of the total poll sample. Based on a confidence level of 95%, this provides a margin of error for these results of +/- 7.48%. See "Methodological Notes" below for a full explanation of what this means.

How have sales performed, compared to the same period last year?

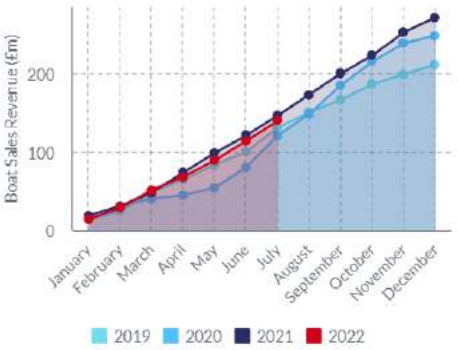


How confident are you in your business's current prospects?



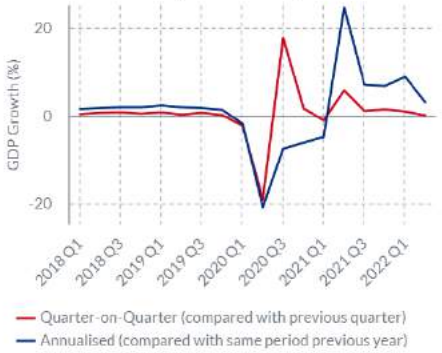
UK Quarterly Boat Sales Compared

UK Monthly Boat Sales Compared (£millions, monthly, cumulative)



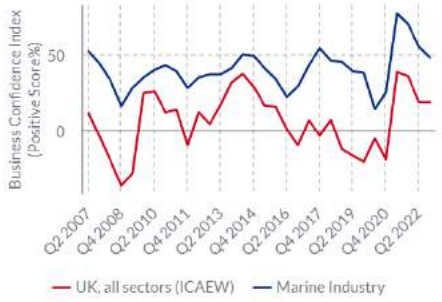
Sources: British Marine, Marine Industry Sentiment Poll; British Marine/ Boats Group, UK Boat Sales Dashboard.

UK GDP Growth by Quarter (% Increase)



UK GDP Growth since COVID-19 Hit (100 = February 2020)

UK & Marine Industry Business Confidence Trends



UK Consumer Confidence Trends (100 = Neutral)

Note: ICAEW and British Marine use different methodologies and scoring systems when calculating business confidence. The figures represented in the chart above are not directly comparable. The data is presented here so the reader can view UK and marine business confidence trendlines side by side.

Sources: ONS, Gross Domestic Product, chained volume measure, seasonally adjusted; British Marine, Industry Trends Surveys, COVID-19 Impact surveys & Industry Sentiment Poll; ICAEW, Business Confidence Monitor; OECD, Consumer Confidence Index, monthly.

Methodological Notes:

How have sales performed, compared to the same period last year?

How confident are you in your business's current prospects?

Note: The confidence interval ranges above cover the share of respondents who selected the top two positive responses for each of the questions asked in the poll. The figures quoted at the top of the infographic represent the mean scores for each question shown in the charts above.

Margin of Error & Confidence Intervals

Market research surveys use probability statistics to make an estimate about a population group using a representative sample of that population. A margin of (sampling) error indicates the level of certainty we can have regarding an estimate made about this population using that survey data and helps to construct a confidence interval, or the range of plausible values within which the true value likely falls. When we say, as above, that 56% of British Marine businesses are confident about their business's prospects, and that this is based on a 95% confidence level with a 7.48% margin of error, this means that if we were to interview all 1,500+ British Marine members, we can be 95% certain that the true value would fall 7.48% either above or below the average (mean) proportion of respondents who indicated they were confident about their business's prospects. A confidence level and confidence interval are created by selecting an appropriately large and diverse sample to capture the possible range of values likely in our chosen population group. The table to the left shows the range of results that are possible for each of the questions in our Sentiment Poll.

How does this affect these results?

All survey estimates are constructed using a confidence interval range. The average figure between the lower and upper extents of the confidence interval range is normally quoted for simplicity. An industry standard, optimum confidence interval is usually +/-5%, using a confidence level of 95%. That is to say, if a survey is replicated multiple times, 95% of the time the results of these surveys will fall within this range, which will also contain the true values for our chosen population. The confidence interval with this poll is slightly wider, but it is still a good range. It is important to note that a slightly wider confidence interval does not invalidate the results of this survey, the trends seen across these quarterly polls or the conclusions made at the top of this infographic. It simply increases the possible range of values within which the true values of the poll may fall, if asked of our entire population. This means readers should use slightly more caution when interpreting these results, when compared with a narrower confidence interval.