



The
Growth
Company

Growth Company Business Survey

Results for four weeks up to 24th May

www.growthco.uk

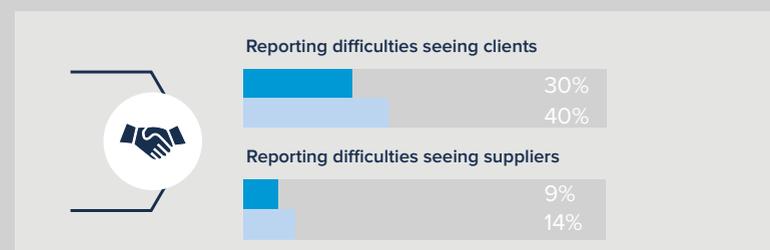
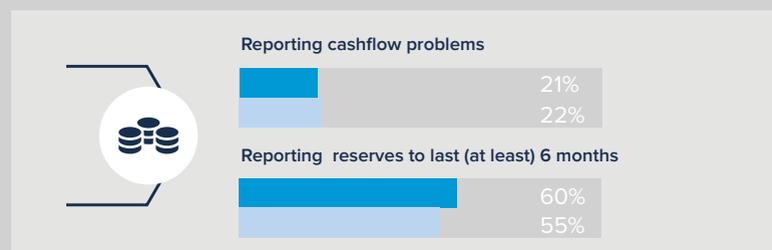
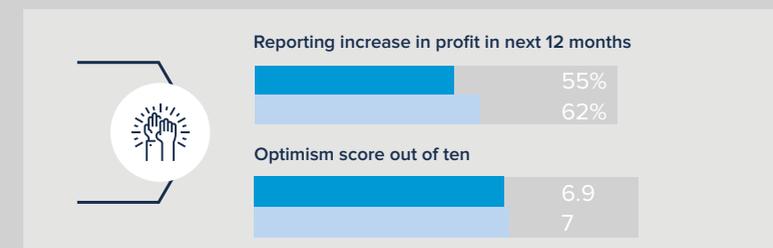
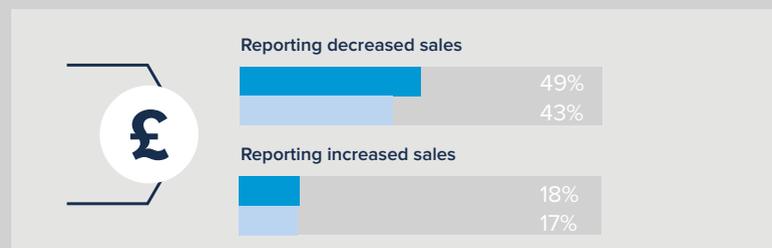
GC Business Survey

The main survey findings reported by businesses in Greater Manchester during May 2021.

The Growth Company exists to enable growth, create jobs and improve lives. To inform how we support GM businesses and the economy we continually monitor a range of data and intelligence to understand the impact of Covid-19, and other economic risks and opportunities.

A total number of **262** GM businesses participated in our GC Business Survey between **26th April and 24th May**. The findings are presented in this report.

The main impacts of the current economic climate on GM business



CURRENT FIGURES PREVIOUS REPORT (APRIL 2021)

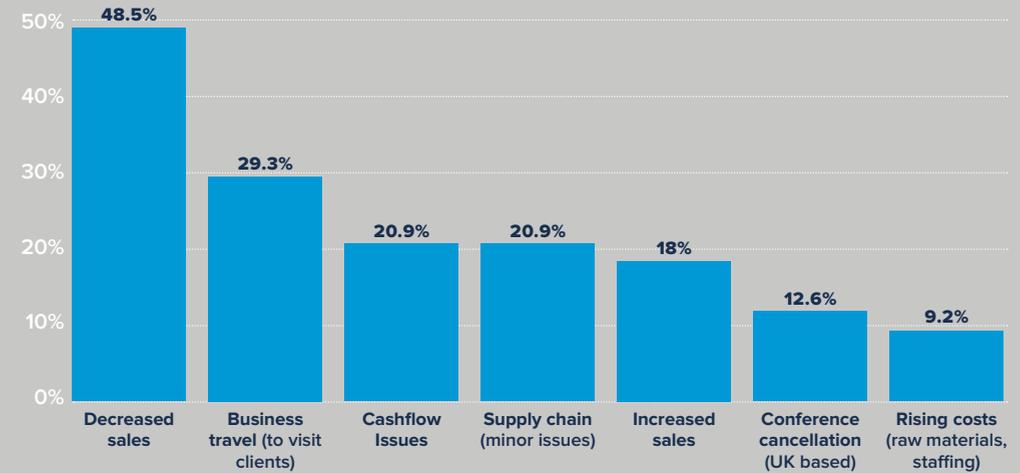
UK Economy expands, with continued improvement to future growth prospects

- **BOE expects significant growth for the UK economy in 2021.** The UK economy is expected to grow at its fastest rate for more than 70 years in 2021, according to new analysis by the Bank of England. The Bank of England predicts that the UK economy will grow by 7.25% in 2021, following a decline of 9.9% in 2020. The Bank expects the recovery to gather pace as the reopening of high streets paves the way for a mini-spending boom. The UK's rapid vaccine rollout is also expected to boost consumer confidence. The Bank now expects the unemployment rate to peak at 5.5% later this year, lower than the 7.75% it predicted in February.
- **PMI's remain at record levels.** The IHS Markit/CIPS UK Manufacturing PMI rose to 66.1 in May of 2021 from 60.9 in April, well above market forecasts. UK Services PMI rose to 61.8 in May 2021, from 61.0 in the previous month but slightly below market expectations. UK Construction PMI stood at 61.6 in April 2021, little-changed from the previous month's six-year peak.
- **UK Job vacancies rebound to highest post-covid.** UK job vacancies reached their highest level since the start of the Covid-19 crisis between February and April, according analysis by the Office for National Statistics (ONS). However, despite the rise in job vacancies over the past 12 months, the level remains around 128,000 below its pre-pandemic level in the January-to-March quarter of 2020. In addition, the unemployment rate fell slightly to 4.8% in the three months to March, down from 4.9% in February.
- **UK Company Liquidations.** According to the Government's Insolvency Service, the number of registered company insolvencies in April 2021 was 925:23% lower than the number registered in the same month in the previous year (1,199 in April 2020), and 35% lower than the number registered two years previously (1,429 in April 2019). Overall numbers of company and individual insolvencies have remained low since the start of the first UK lockdown, as a response to the coronavirus (COVID-19) pandemic in March 2020, when compared with pre-pandemic levels. This is likely to be partly driven by government measures put in place to support businesses and individuals during the pandemic

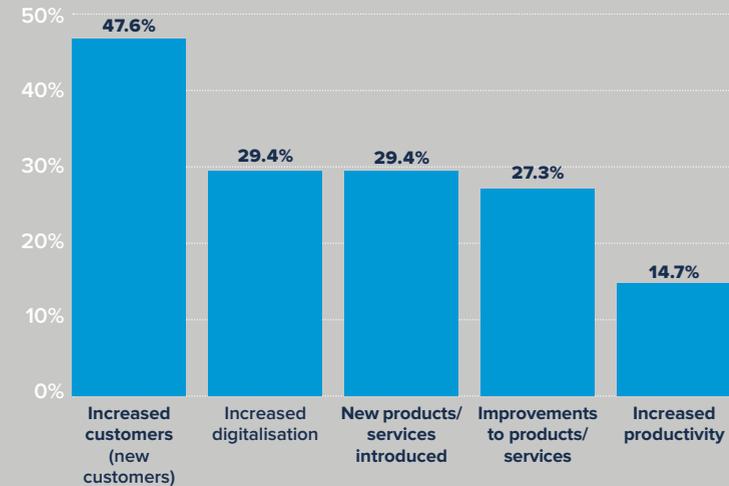
GM businesses report continued stability and rising business confidence.

- Firms reporting increased sales and improving business confidence around profitability is currently at a record level since the survey began in March 2020.
- Cashflow indicators have improved considerably, with the majority of larger firms faring better than smaller firms in terms of cash reserves lasting for 6 months or longer.
- A quarter of all firms participating in the survey are actively recruiting for positions. External labour market intelligence from Adzuna shows that vacancies were up in the last week in Greater Manchester (up to 46,000 by 24th May).
- In terms of return to workplace intentions, around a third of firms in the survey do expect to bring employees back to the office in the next 2 weeks. However, risk/hygiene assessments and implementing social distancing remains the main concern for survey respondents.

Main Impacts

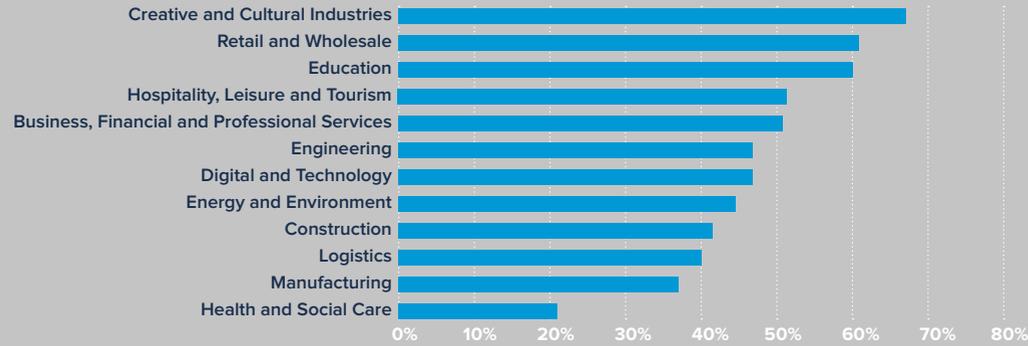


Positive Impacts

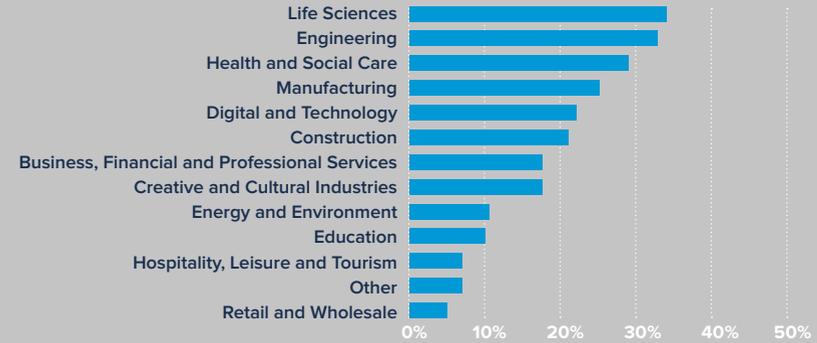


Current challenges and opportunities: main impact variables by sector (last 2 months)

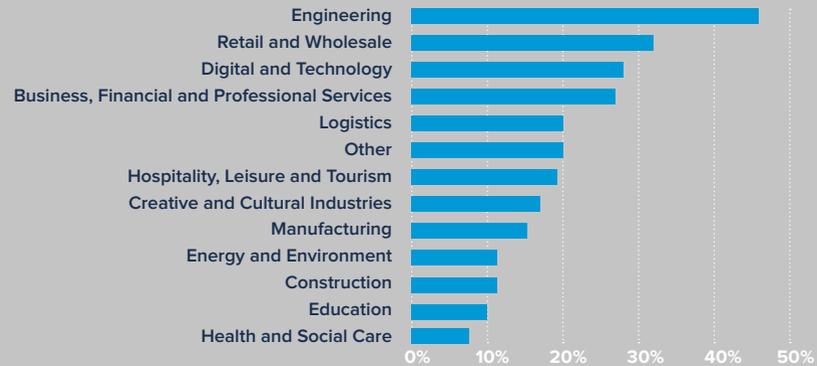
% of respondents impacted by decreased sales



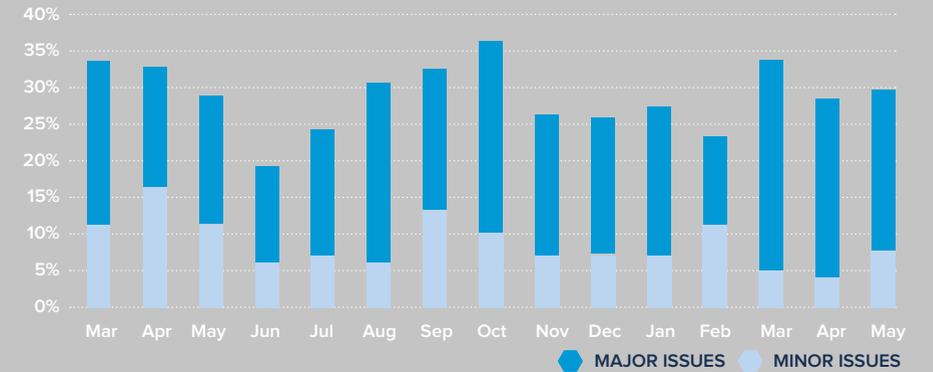
% of respondents impacted by increased sales



% of respondents impacted by cashflow issues



% of respondents impacted by major and minor supply chain disruption

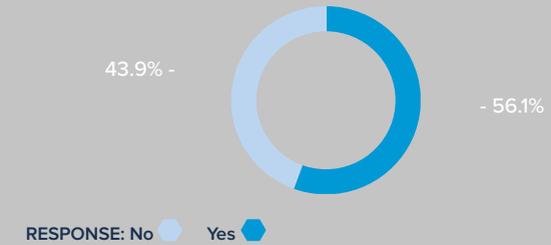


Areas of interest and business support

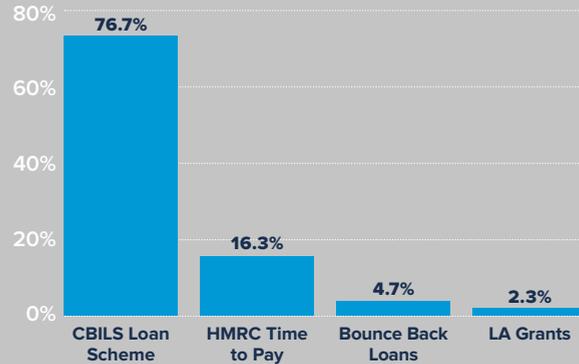
Top 5 areas for business support in the future



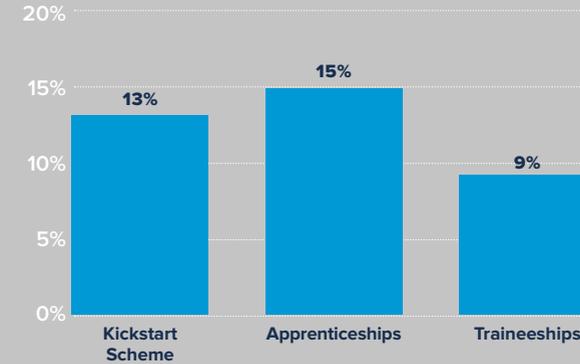
% of respondents furloughing staff



Firms receiving the following types of government support



% of respondents interested in the following three initiatives



Access support from the Growth Company

As a market leader in business and economy surveys, the Growth Company has engaged with firms throughout the pandemic and remains uniquely placed to provide invaluable intelligence on the challenges faced by business. Our survey intelligence reports provide regular weekly input to central Government, as well as supporting a variety of local stakeholders in planning their response. Here are some of the ways we can support you:

- Advice and support on navigating Covid-19 business challenges: www.businessgrowthhub.com/coronavirus

- Guidance and practical business support on EU Exit: www.businessgrowthhub.com/eu-exit
- Support for businesses and individuals within the hospitality, leisure and tourism industry across GM through skills, training and recruitment: www.talenthub.growthco.uk

For more information on the results presented here, or to take part in future surveys, please contact: Muhammad.Uzman@growthco.uk