



The
Growth
Company

Growth Company Business Survey

Results for four weeks up to 28th June

www.growthco.uk

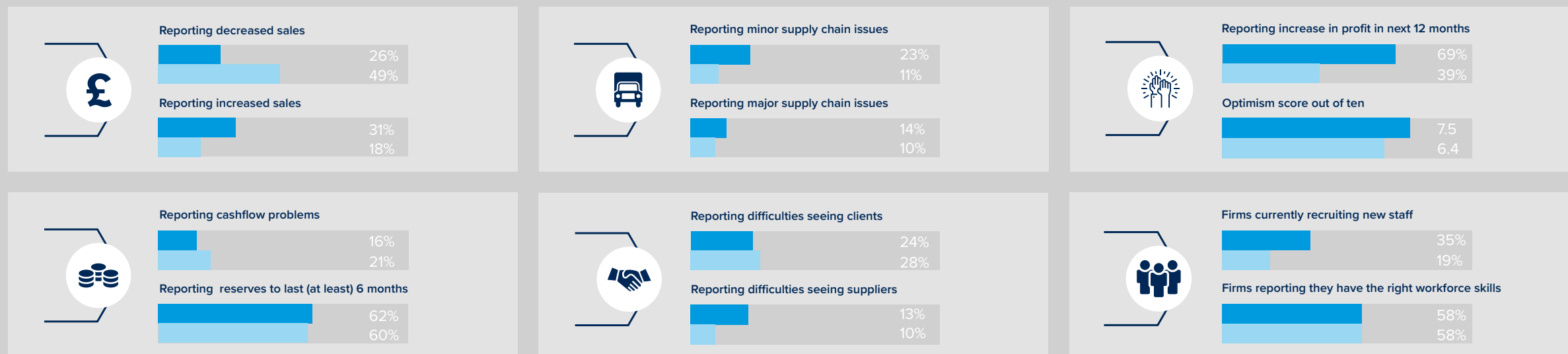
GC Business Survey

The main survey findings reported by businesses in Greater Manchester during June 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 **241** GM businesses participated in our GC Business Survey between **21st May and 28th June**. The findings are presented in this report.

The main impacts of the current economic climate on GM business



● CURRENT FIGURES ● PREVIOUS REPORT (MAY 2021)

Continued progress with UK economy and employment rate.

- **UK economic growth revised higher by CBI.** The CBI now expects UK GDP to rise by just over 8% this year, and 6% in 2022 (up from 6% and 5.2% previously). This means that the economy recovers all its COVID-related losses by the end of 2021 – a year earlier than previously expected.
- **Consumer Price Inflation (CPI) increased to 2.1% in May**, it's highest level for two years and above the Bank of England's 2% target. The ONS said the rise was driven by the rising cost of fuel and clothing. The Bank of England said that it expected inflation to go above 3% for a temporary period and therefore voted to keep unanimously to keep interest rates at 0.1%, a historic low.
- **Purchasing Managers Indices'.** Cost pressures experienced by UK firms increased to the highest level in 13 years between May and June, according to a survey by IHS Markit/CIPS. Preliminary PMI stats for June show continued expansion of activity in UK Services & Manufacturing.
- **HMRC.** There were 197,000 more people in pay-rolled employment in May compared with April, the largest increase since 2014 according to the Office for National Statistics (ONS). The unemployment rate also fell by 0.1% to 4.7% in the three months to April. However, the number of employees on payrolls is still around half a million below its pre-pandemic level. The ONS also said that the number of workers on company payrolls in the accommodation and food services sector, aged under 25, or living in London remains "well below" pre-pandemic levels.

GM firms report improved optimism with labour market skills challenges:

The headline survey findings show record levels of sales and profitability confidence amongst firms throughout June 2021. Just over 70% of firms expect sales and profitability to improve looking ahead. 31% of firms are reporting 'increased sales' as the top headline impact for the first time since the survey began.

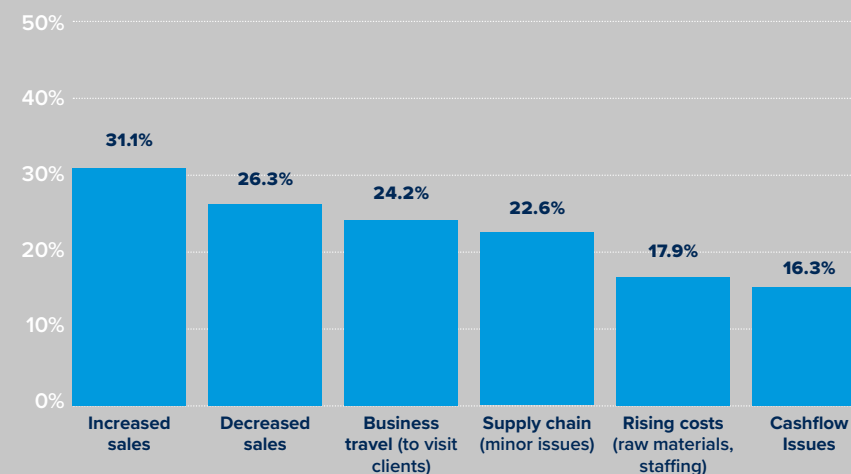
Optimism amongst firms has reached a record high, despite some caveats raised by firms around inflationary pressures and skilled labour shortages. Inflationary pressures are confined to the manufacturing sector, but skills shortages remain a broad-based concern amongst firms in the survey. The most acute skills shortages are reported by some of the best performing firms in terms of turnover and profitability.

In terms of recruitment, just over a third (35%) of firms are actively recruiting. One of the highest recordings on record since the survey started in February 2020.

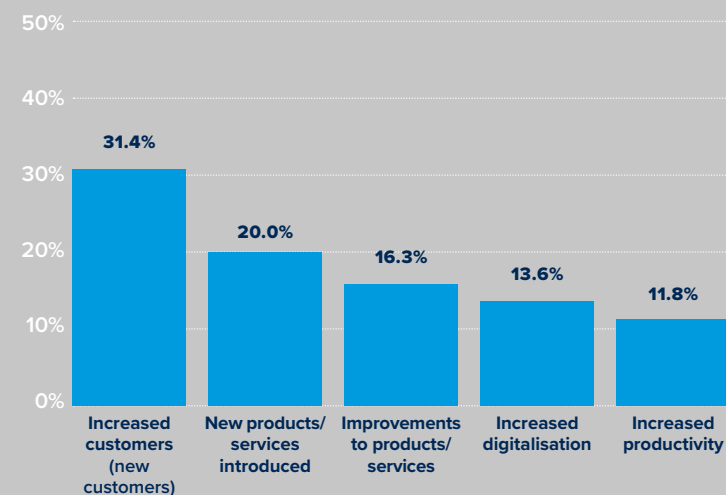
Cash flow impacts have decreased to a 4-month low, with just under two thirds of firms reporting they have cash reserves to sustain them for 6 months or longer (remained fairly consistent over the last 2 months).

The return to workplace intentions remain weighted towards the majority of firms (60%) expecting their employees to be back in the office this year, and just over 10% of firms expecting to adopt a hybrid approach indefinitely with both on-premise and home-based working for employees.

Main Impacts

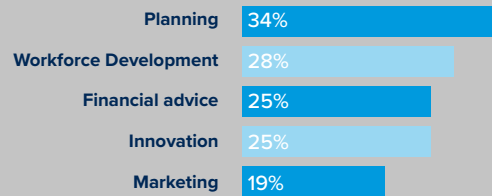


Positive Impacts

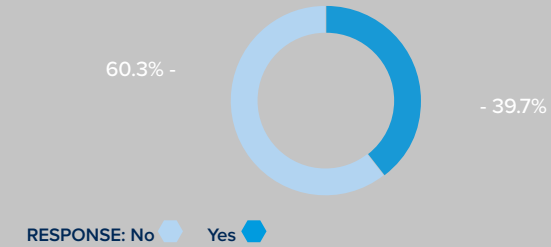


Areas of interest and business support

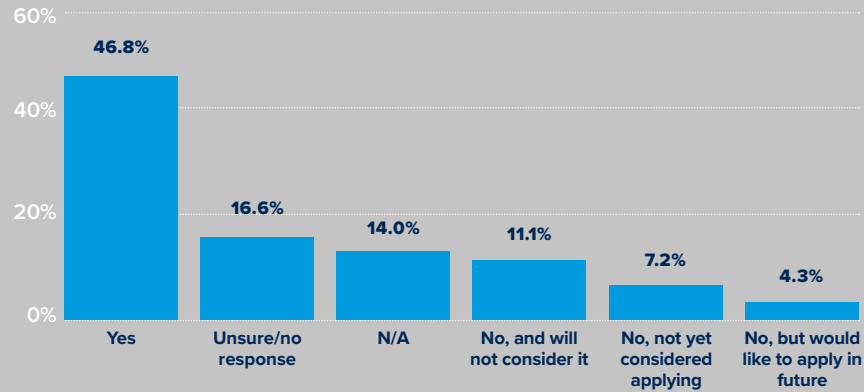
Top 5 areas for business support in the future



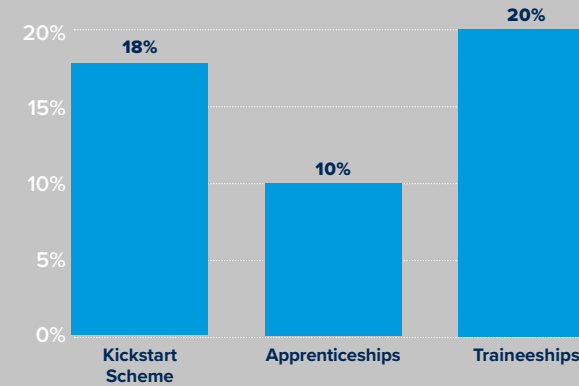
% of respondents furloughing staff



Firms accessing government loans and grants for assistance



% 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: Sabirah.Chowdhury@growthco.uk