



The
Growth
Company

Growth Company Business Survey

Results for 4 Weeks up to the 1st of November 2021

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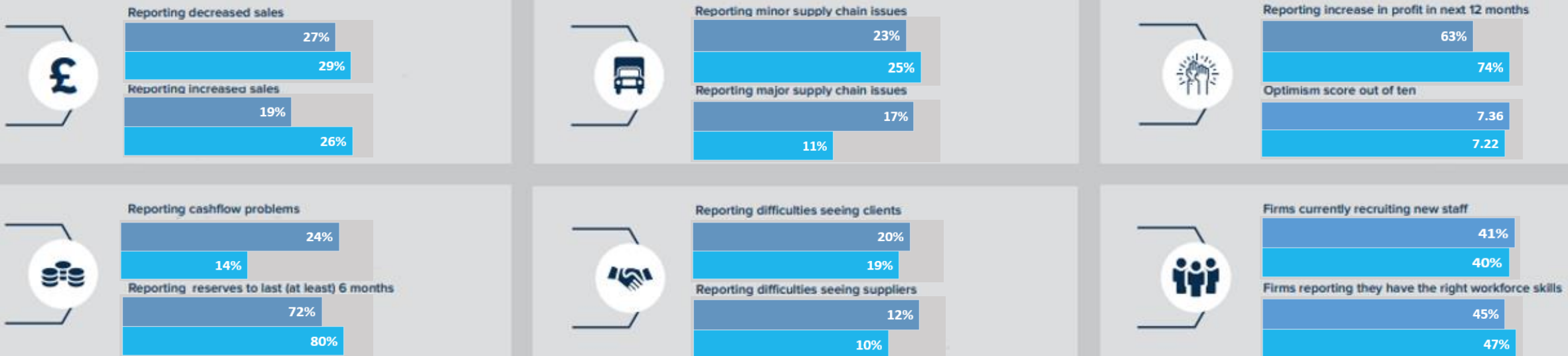
GC Business Survey

The main survey findings reported by businesses in Greater Manchester during October 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 of 147 businesses participated in our GC Business Survey between **1st October – 1st November**. The findings are presented in this report.

The main impacts of the current economic climate on GM Business



■ Previous Month ■ Current

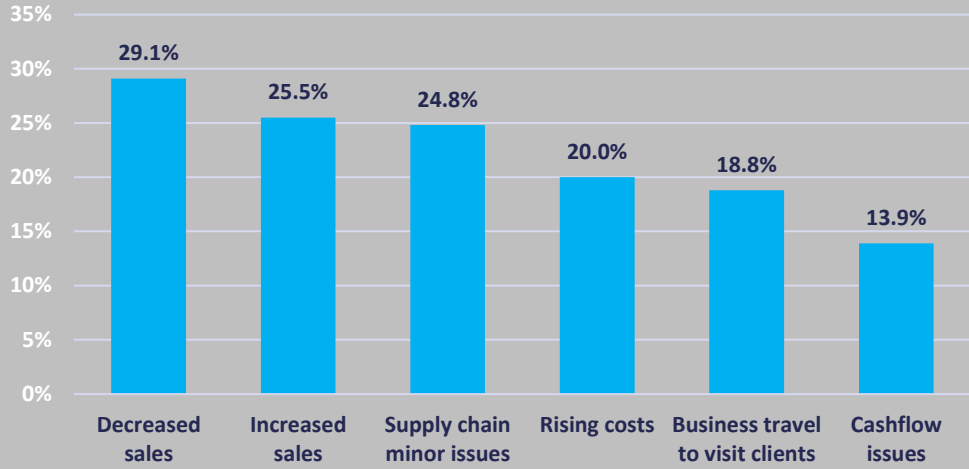
SURVEY SUMMARY

- **The latest findings from the GC Business Survey** indicates that GM businesses are holding up well in terms of financial stability, with 80% of firms stating that they have cash reserves to last over 6 months (up 8% on the previous month) and an increase in firms reporting increased sales (26% vs 19% previously). These firms also saw a leap in profit expectations, with the proportion expecting an increase up 10% on the previous month. However, challenges and risks remain. These include continued minor supply chain issues (25% of businesses, up 2% on the previous month) and rising costs still affect 20% of firms, albeit 7% lower than previously.
- **Many comments from businesses focus on labour and raw material shortages, rising prices and inflation/pricing pressures.** This provides context for other key challenges faced by businesses including gaining access to new domestic markets (51%), developing businesses models and planning (46%) and addressing skills gaps and workforce development (38%). These challenges are also reflected in terms of businesses' investment priorities and areas of support, as 41% expect capital expenditure to increase, 56% expect investment in workforce development, and digital transformation (45%) - showing the need to boost productivity in the workforce, systems and sales through new platforms, innovation and digitalisation.

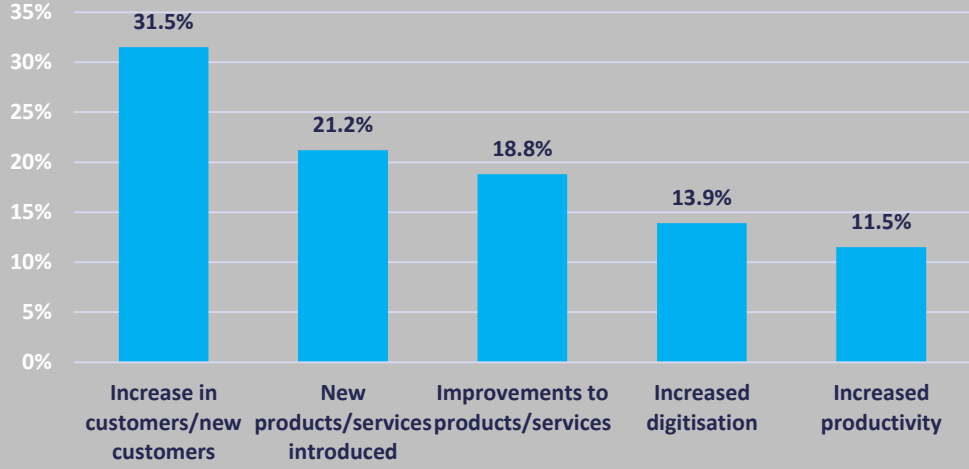
ECONOMIC OVERVIEW

- **The UK economy** grew by 0.4% in August, according to the Office for National Statistics. The ONS said the services sector made the largest contribution to economic growth. Arts, entertainment and recreation grew by 9%, boosted by sports clubs, amusement parks and festivals. There was also more demand for hotels and campsites. The economy is now 0.8% smaller than it was before the pandemic. In travel, air transport and rail both grew in August, but both are below pre-crisis levels.
- **Inflation.** The Consumer Prices Index including owner occupiers' housing costs rose by 3.8% in the 12 months to October 2021, up from 2.9% in the 12 months to September; and by 4.2% in the 12 months to October 2021, up from 3.1% in September. Housing and household services were the areas which increased the most, with further contributions from other areas, including transport, restaurants and hotels, education, furniture and household goods, and food and drink.
- **The IHS Markit/CIPS UK Manufacturing** PMI stood at 57.8 in October 2021, little-changed from a preliminary estimate of 57.7 and above September's seven-month low of 57.1. Production rose only marginally and at the slowest pace for eight months, due to supply chain delays alongside shortages of raw materials, and shortages of staff and certain skills. On the price front, input output costs are rising at record rates.
- **The IHS Markit/CIPS UK Services** PMI jumped to 58.0 in October 2021, up from 55.4 in the previous month and defying market expectations of 54.5, a preliminary estimate showed. The latest reading pointed to the fastest expansion in the sector since July, although still softer than the peak seen in May, on the back of a sustained boost to client spending following the roll back of pandemic restrictions, including an expansion of export sales.
- **The IHS Markit/CIPS UK Construction** PMI declined to 52.6 in September 2021, missing market expectations of 54.0 and moving further away from the 24-year high seen in June. The latest reading signalled only a moderate expansion of total construction output and the weakest speed of recovery for eight months, due to a combination of supply chain issues and softer demand.
- **The number of UK job vacancies** reached 1.1 million between July and September, the highest level since records began in 2001, according to the Office for National Statistics. The largest increase in vacancies was in the retail sector and in motor vehicle repair. The ONS said the number of employees on payrolls showed another monthly increase, rising 207,000 to a record 29.2 million in September. The UK unemployment rate was estimated at 4.5%, compared with 4% before the pandemic.

Main Impacts

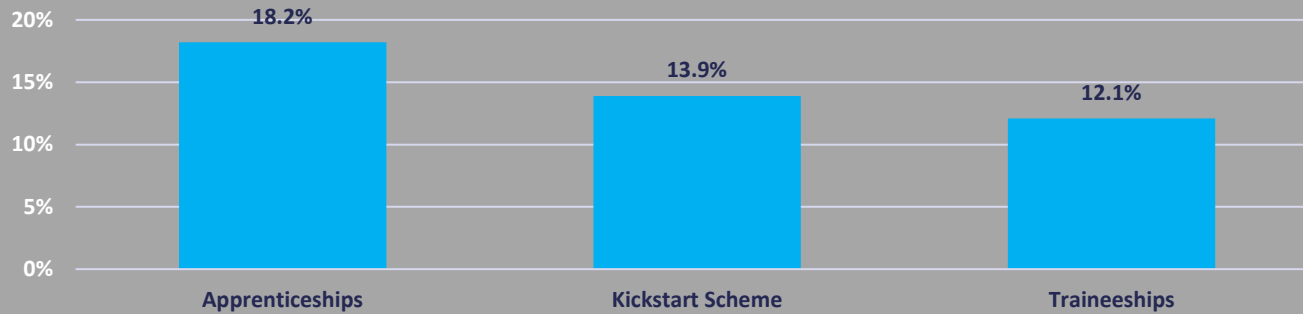


Positive Impacts

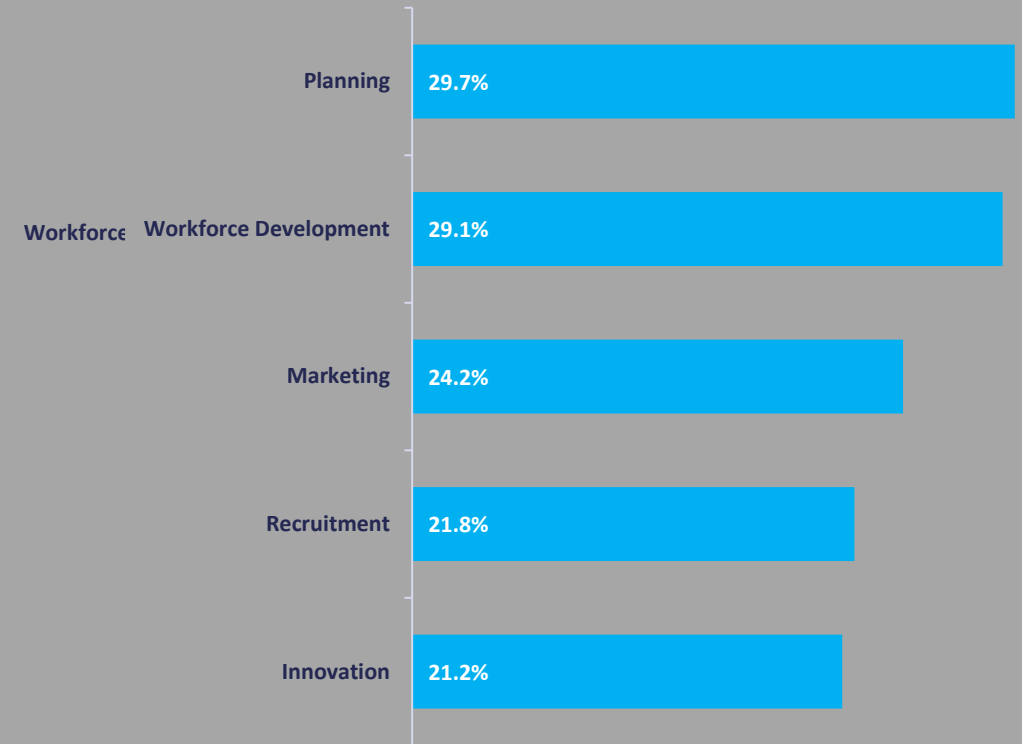


Interest in business support and training

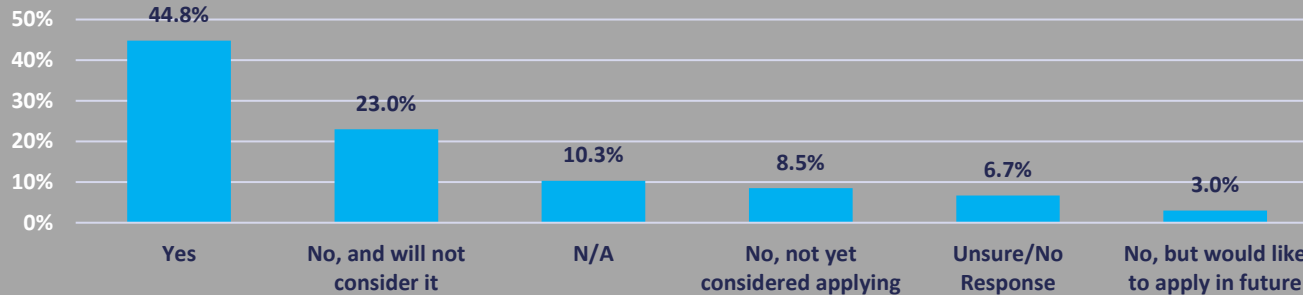
% of respondents interested in the following 3 initiatives



Top 5 areas for business support in the future



Firms accessing government loans and grants for assistance



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.

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

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: www.talenthub.growthco.uk