



The
Growth
Company

Growth Company Business Survey

Results for the four weeks up to the 4th of December 2021

www.growthco.uk

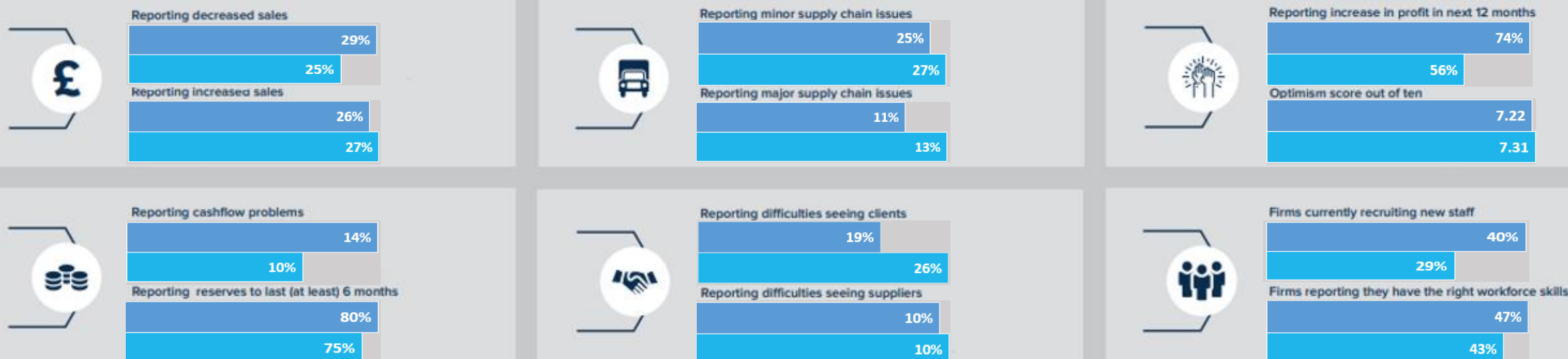
GC Business Survey

The main survey findings reported by businesses in November 2021

The Growth Company exists to enable growth, create jobs, and improve lives. To inform how we support 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.

The largest regular monthly business survey of it's kind, the following findings are based upon a total of 317 businesses that participated in our GC Business Survey from **1st November to 4th December 2021**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

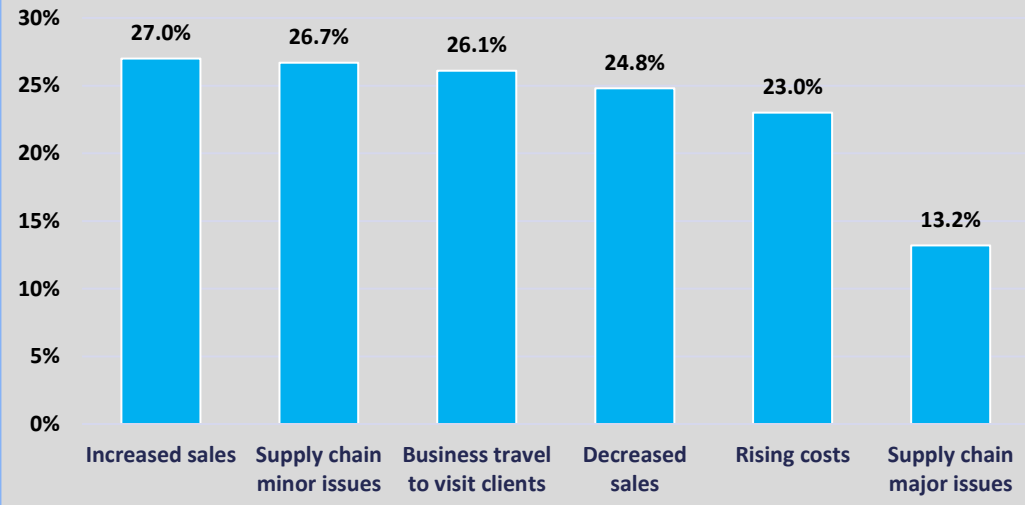
Survey summary

- The latest findings from the GC Business Survey indicates that businesses continue to report high levels of confidence for the year ahead, despite a rise in the proportion reporting rising costs, and a significant fall in the proportion of firms reporting that they expect profits to increase in the year ahead.
- These headlines reflect the main findings of other national business sentiment and Purchasing Manager Surveys – with rising inflation and risks of an increase in virus will continue to exert pressure on confidence and sentiment. However, for now, there are signs that businesses are having a good run up to Xmas - with variation by sector - favourably for Manufacturing and Digital Industries, less so for Hospitality, Tourism, and Leisure.
- Whilst hiring in the run up to Xmas has been particularly strong, there are signs that this may be starting to ease off. However, firms still report that they are unlikely to make any redundancies in the near future. Firms were also more tentative – this month – about returning all staff to their main place of work.
- Many comments show a continued focus on labour and raw material shortages, rising prices and inflation pressures. This provides context for other key challenges faced by businesses including gaining access to new domestic markets (60%), developing new products and services (39%) and developing the business model and planning (37%).
- These challenges are reflected in terms of businesses’ investment priorities and areas of support. 41% expect capital expenditure to increase, 51% expect investment in workforce development, followed by digital transformation (50%) and innovation (46%) - showing the need to boost productivity of the workforce, systems and sales through investment in new platforms, innovation and digitalisation.

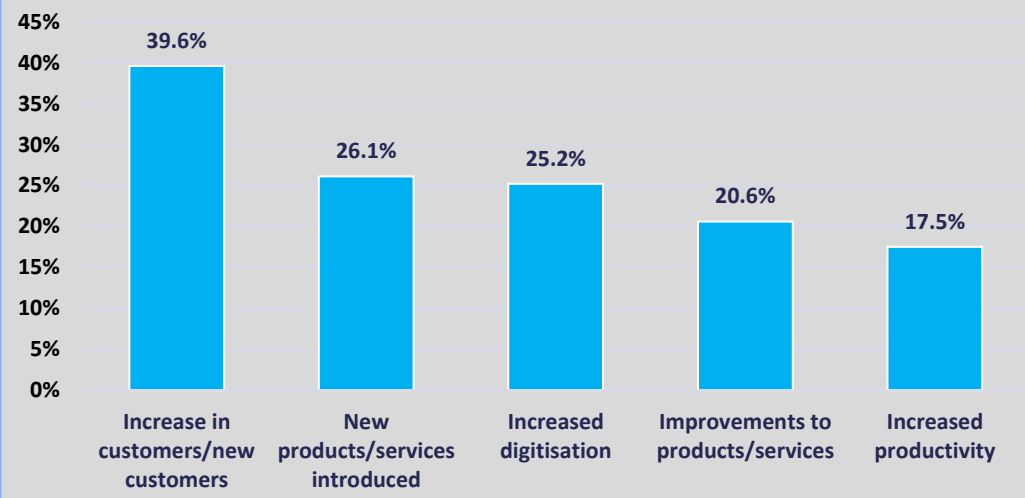
Economic overview

- The economy grew 6.6% year-on-year in the third quarter of 2021 according to the Office for National Statistics, slowing from a record 23.6% growth in Q2 following the easing of coronavirus restrictions (The latest month-on-month growth was 0.6% in September 2021, and a revised 0.2% in August 2021. GDP is 2.1% below where it was before the pandemic in the last quarter of 2019.
- The annual inflation rate in the UK jumped to 4.2% in October of 2021, the highest since December of 2011 and above market forecasts of 3.9%. The main upward pressure came from the cost of housing and utilities, reflecting a global surge in energy costs. Inflation is expected to be 4.5% in November, and remain around that level through winter.
- British firms reported the highest rise in costs of production on record in November, according to the monthly Purchasing Managers Index data compiled by IHS Markit. While all private sector businesses were hit equally by the higher input costs, only manufacturers reacted by accelerating the rate at which they increase their own charges. The price of goods rising at the highest rate in 20 years.

Main impacts

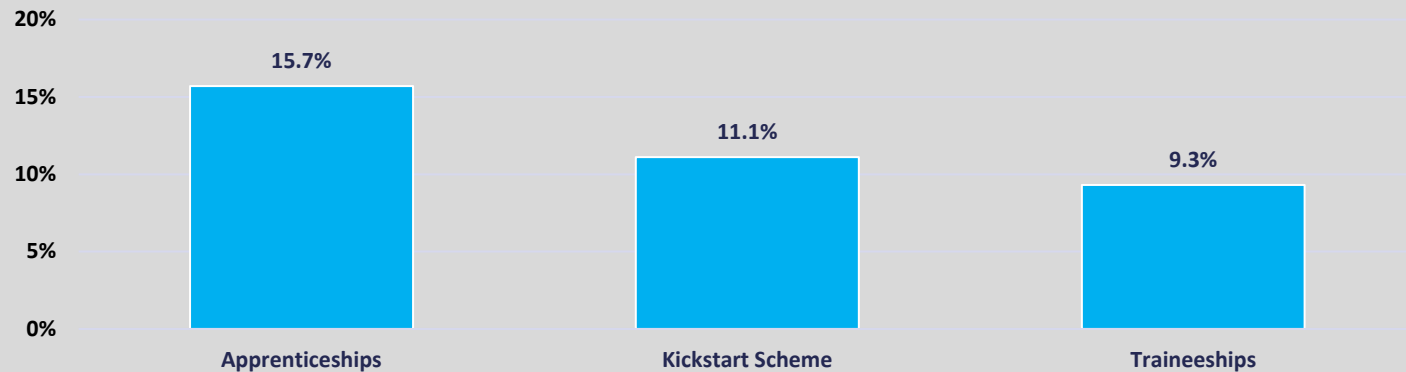


Positive impacts

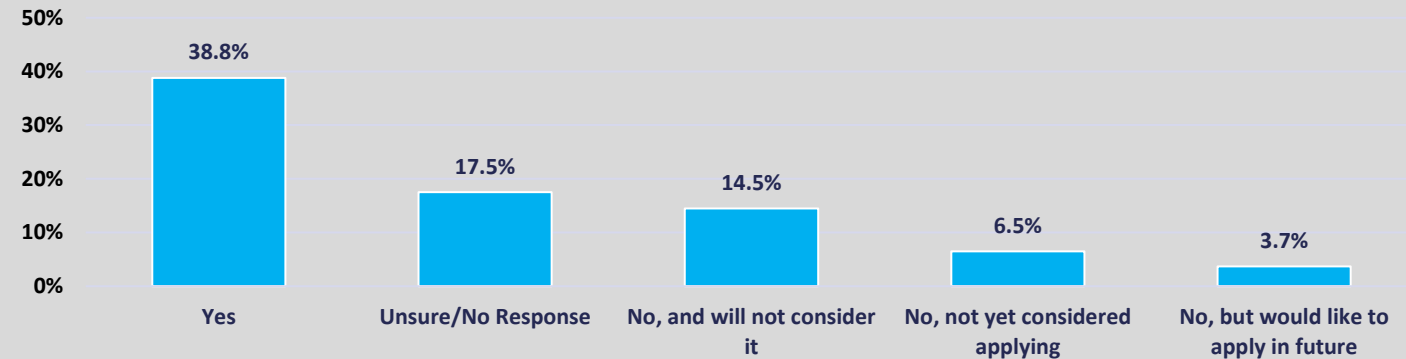


Interest in business support and training

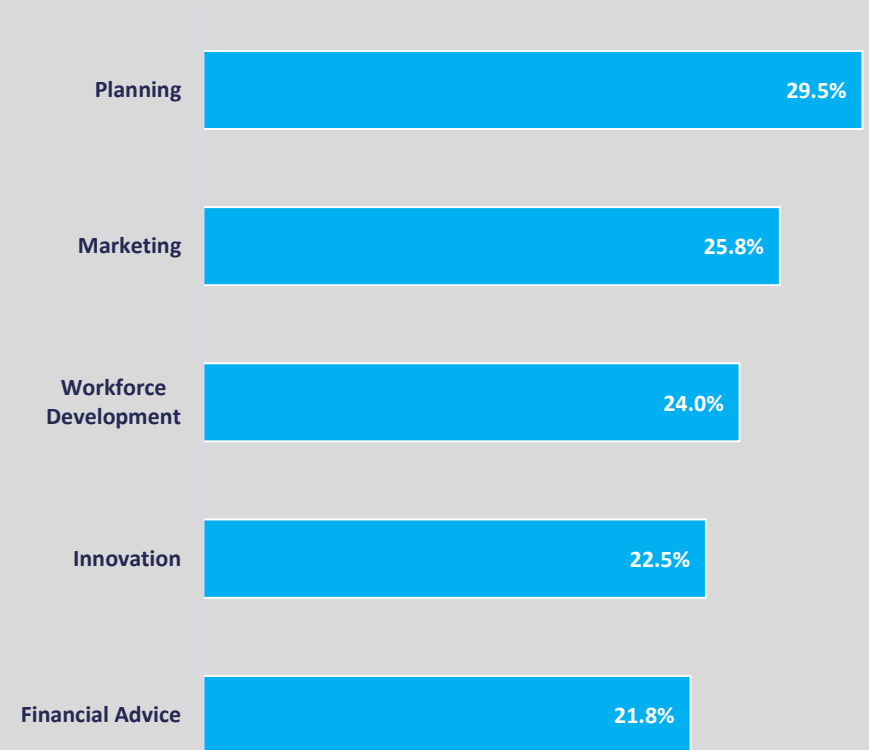
Percentage of respondents interested in the following initiatives



Firms accessing government loans and grants for assistance



Top 5 areas for business support in the future



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
- Help for training staff and finding new talent: <https://www.businessgrowthhub.com/services/support/people-skills-and-talent>