



The
Growth
Company

Growth Company Business Survey

Results for the eight weeks up to the 28th of January 2022

www.growthco.uk

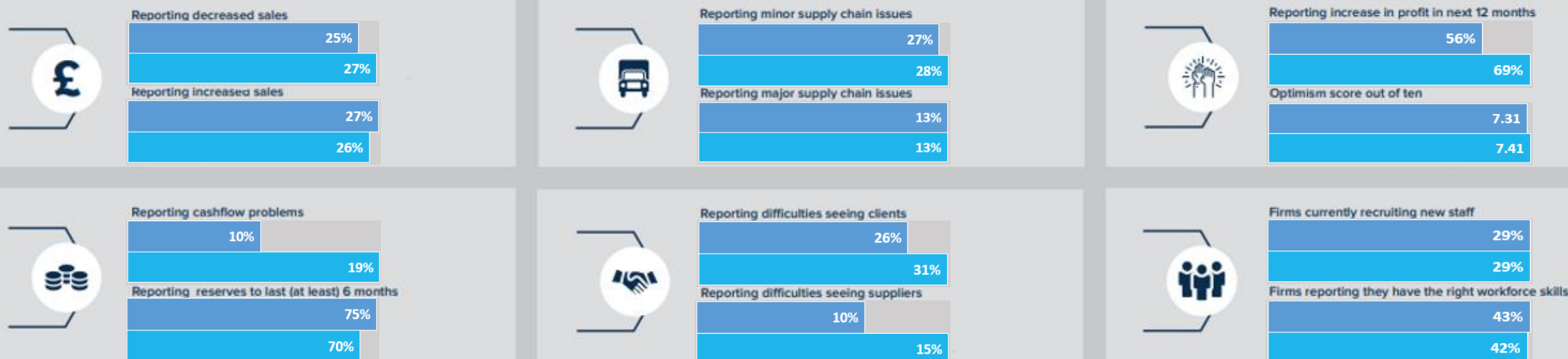
GC Business Survey

The main survey findings reported by businesses in December 2021 and January 2022

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 449 businesses that participated in our GC Business Survey from **6th December 2021 to 28th January 2022**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

Survey summary

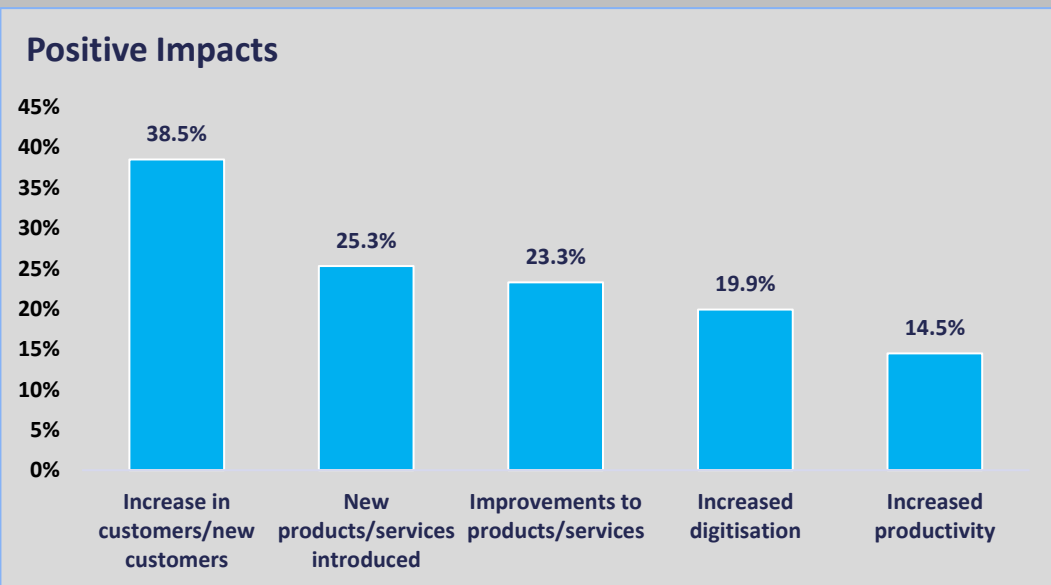
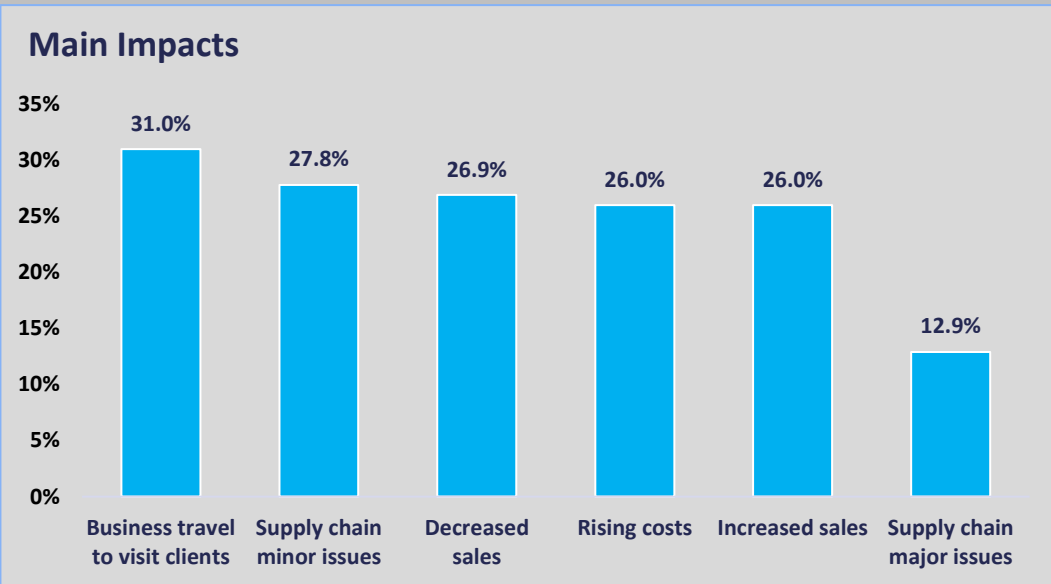
- The latest findings from the GC Business Survey indicate that while confidence remains high, there are certain indicators which suggest economic headwinds lie ahead, in particular rising costs and inflation and ongoing supply chain risks.

HEADLINES – TOP 5 ISSUES

- **Confidence** remains high. The GC-Confidence Index remains above 7, for consecutive 7 months.
 - **Rising costs** of raw materials still a key issue – rising strongly since October from 20% to 26%.
 - **Investment** intentions still remain strong despite pressure on profits / business bottom line.
 - **Current focus** of business is on growing customers and business planning for the year ahead.
 - **Future support areas** focus on business planning, financial advice, marketing & workforce skills.
- 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 getting access to new domestic sales opportunities (63% vs 60% previously), developing business models/approaches to business planning (47% vs 37%), managing overall finances of the business (41% vs 33%), and developing new products or services, innovations (38% vs 39%).
 - These challenges are reflected in terms of businesses’ investment priorities and areas of support. 53% of firms expect to increase Capex spend in the year ahead (41% last month). 57% (vs 51% last month) of firms expect to increase their allocation towards investing in workforce development and skills, followed by innovation (57%, vs 46%) and digital transformation (52%, vs 50%).

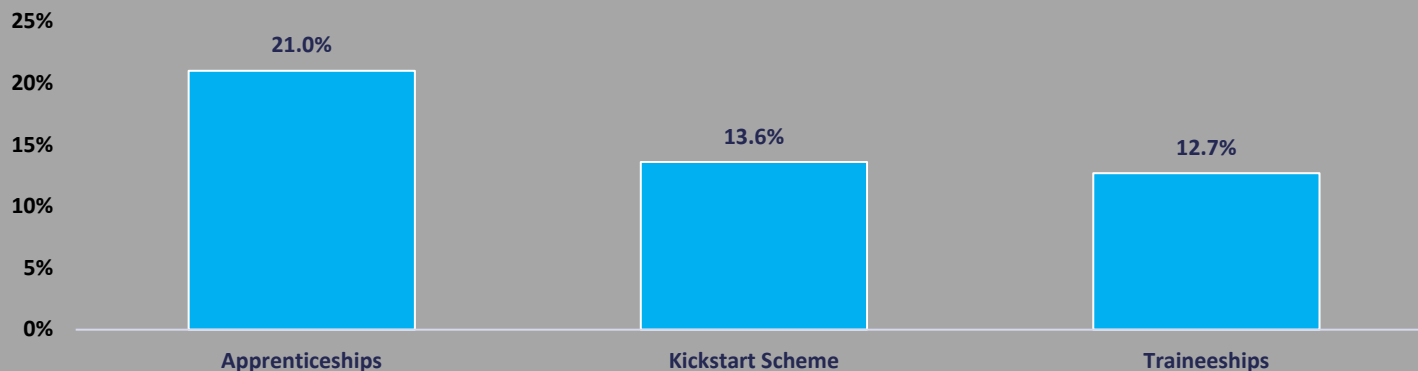
Economic overview

- UK GDP grew by 1.1% in Q3 (easing from 5.4% in Q2), before growing by 0.1% in October.** Both figures were below consensus expectations of 1.5% and 0.4% respectively. The emergence of the Omicron variant in the UK dampened demand for consumer services in the run-up to Christmas, as well as expectations for the next three months. While there is still uncertainty regarding the variant, recent COVID-19 waves have tended to lead to progressively lower economic impacts as people live and work with the virus.
- UK inflation rose to 5.4 per cent in December, the highest rate in 30 years.** The headline rate of output prices showed positive growth of 9.3% on the year to December 2021, down from 9.4% in November 2021. The headline rate of input prices showed growth of 13.5% on the year to December 2021, but down from 15.2% in November 2021. Main contributors: petroleum and energy costs, mostly affecting the transport sector.
- The number of job vacancies in September to November 2021 continued to rise** to a new record of 1.2m an increase of 434,500 from the pre-coronavirus January to March 2020 level, with 13 of 18 industry sectors showing record highs.

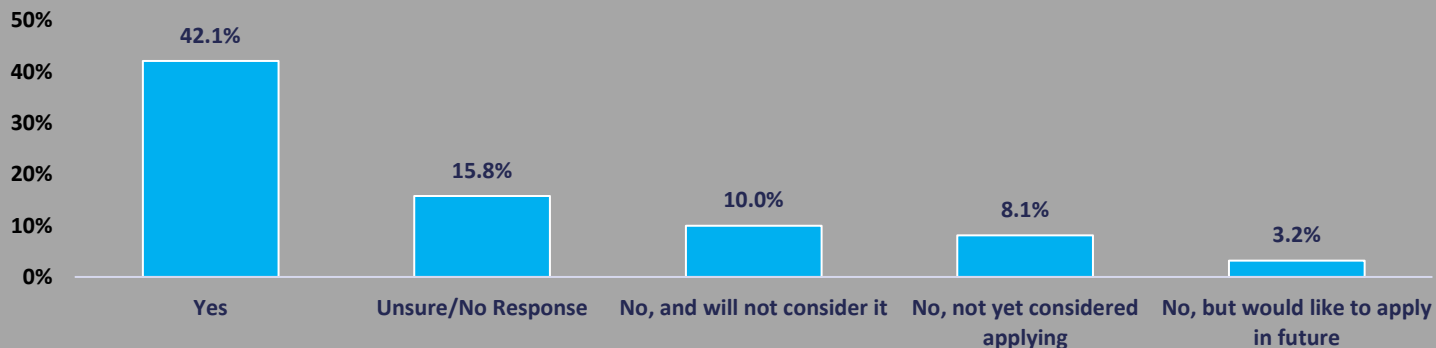


Interest in business support and training

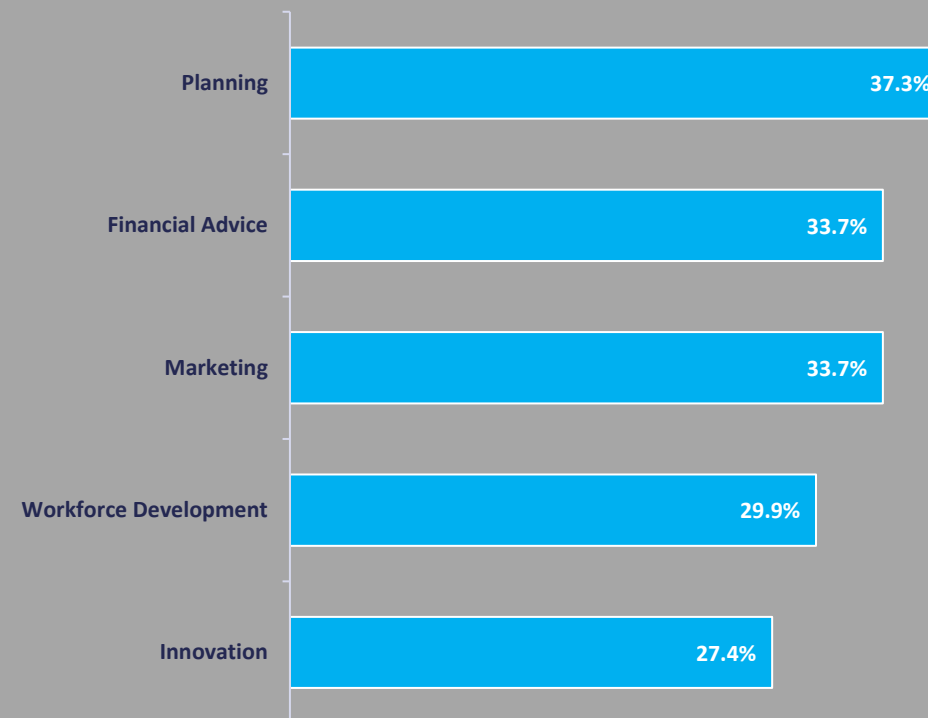
Percentage of respondents interested in the following initiatives



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>