



The
Growth
Company

Growth Company Business Survey

Results for the 2nd May 2025 to 2nd August 2025

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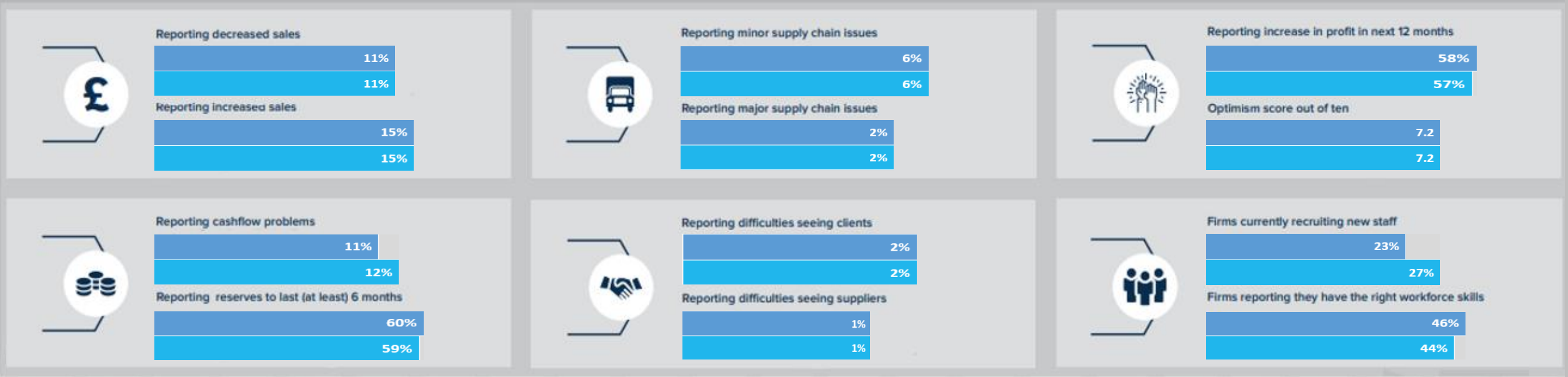
GC Business Survey

The main survey findings reported by businesses from 2nd May 2025 to 2nd August 2025

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 economic risks and opportunities.

The largest regular sub-regional monthly business survey publication of its kind, the following findings are based upon a total of **825 businesses** that participated in our GC Business Survey from **2nd May 2025 and 2nd August 2025**.

The main impacts of the current economic climate on businesses



▶▶ Previous month ▶▶ Current Month

Summary

The GC Business Confidence Index (7.2) remained stable in July 2025, with confidence highest in BFPS, Construction, Manufacturing, Engineering, DCTs, Hospitality, and Retail, and lower in Green-Tech, Health & Social Care, Life Sciences, Education, and Logistics. Sales performance was unchanged, with 15% of firms reporting increases and 57% expecting profit growth, particularly in BFPS, DCTs, Hospitality, Retail, Green-Tech, and Other Services. Lower future profit sentiment was seen in Manufacturing & Engineering, Education, Health & Social Care, and Construction.

Capital investment expectations stayed at 30%, led by DCTs, Engineering, Green-Tech, Health Care, and Hospitality, with lowest expectations in Retail and Manufacturing. Cashflow issues were reported by 12% of firms, more common in micro businesses, especially in DCTs, Green-Tech, Hospitality, Manufacturing, and Logistics. Most firms (59%) have cash reserves exceeding six months, though reserves are lower in Health Care, Manufacturing, Green-Tech, and DCTs. Exports were reported by 22% of firms, with 15% entering new markets, especially in DCTs, Engineering, Green-Tech, and Manufacturing.

Recruitment activity increased to 27%, driven by larger SMEs and sectors such as BFPS, Green-Tech, and Retail, while DCTs, Life Sciences, Hospitality, and Engineering were less active. Firms highlighted ongoing support needs in business planning (35%), sales & marketing (33%), innovation (31%), workforce development (30%), and financial advice (22%).

43% have adopted AI into business which increased by 2%. Firms were most likely to have implemented AI into data analytics, whilst replacing admin tasks, sales and marketing systems, and for automating production processes.

Key Findings

GC Business Confidence Index (GC-BCI) for July 2025 stood at 7.2 out of 10, the same as last quarter. Confidence levels are above average for Business Financial & Professional Services, Construction, Manufacturing, Engineering, DCTs, Hospitality, and Retail; and lower-than-average confidence was reported in Green-Tech, Health & Social Care, Life Sciences, Education, and Logistics. The latest confidence figures show increasing levels of uncertainty (a rising proportion of lower score ratings) in Green-Tech and Health & Social Care.

Sales and Profits:15% (unchanged) of firms reported an increase in sales over the survey period. 57% (vs 58%) expect profits to increase in the year ahead. 2% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Hospitality, Retail, Green-Tech and Other Services; and future profit sentiment was lower in Manufacturing & Engineering, Education, Health & Social Care, and Construction.

Investment: 30% (unchanged) of firms expect to increase capital expenditure in the year ahead. DCTs, Engineering, Green tech, Health Care, and Hospitality are most optimistic, and expectations are lowest in Retail, and Manufacturing.

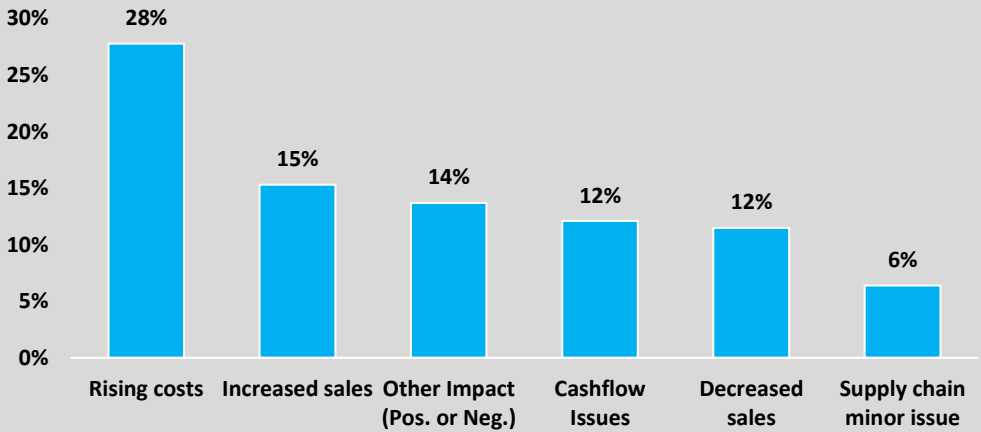
Cashflow Issues & Cash reserves: 12% (vs 11%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher risk reported in DCTs, Green-Tech, Hospitality, Manufacturing, and Logistics. 3% (unchanged) of firms reported late payments. 59% of firms (vs 60%) report having cash reserves to last over 6 months. Reserves were highest in the BFPS, Construction, Hospitality, Retail, and Engineering, while Health Care, Manufacturing, Green-Tech, DCTs had the lowest reserves to last over 6 months.

Trade: 22% of firms (vs 24%) export goods or services, with 15% (unchanged) expanding into new markets, a trend particularly notable in the DCTs, Engineering, Green-Tech, Manufacturing. Additionally, 10% (vs 11%) of firms engaged in overseas trade are looking to expand in their current markets.

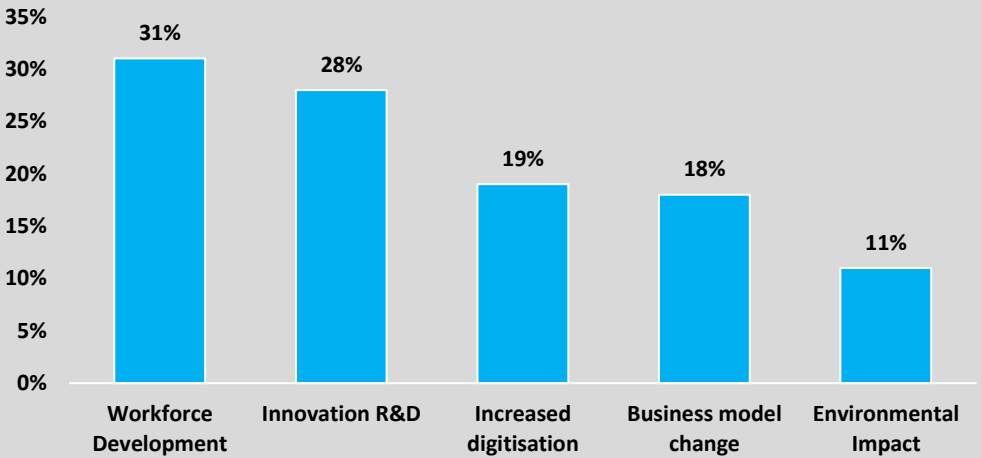
Future support needs include business planning 35% (vs 34%), sales & marketing 33% (vs 31%), innovation 31% (vs 30%), workforce development 30% (vs 28%) and financial advice 22% (vs 21%).

Recruitment and Skills: 27% (vs 23%) of firms are currently recruiting new staff. Recruitment rates (% recruiting) are higher amongst SMEs (50 – 249 employees). By sector, recruitment is more active in BFPS, Green-Tech, and Retail, whereas DCTs, Life sciences, Hospitality, and Engineering sectors were the least likely to be currently recruiting between May and July.

Main Impacts

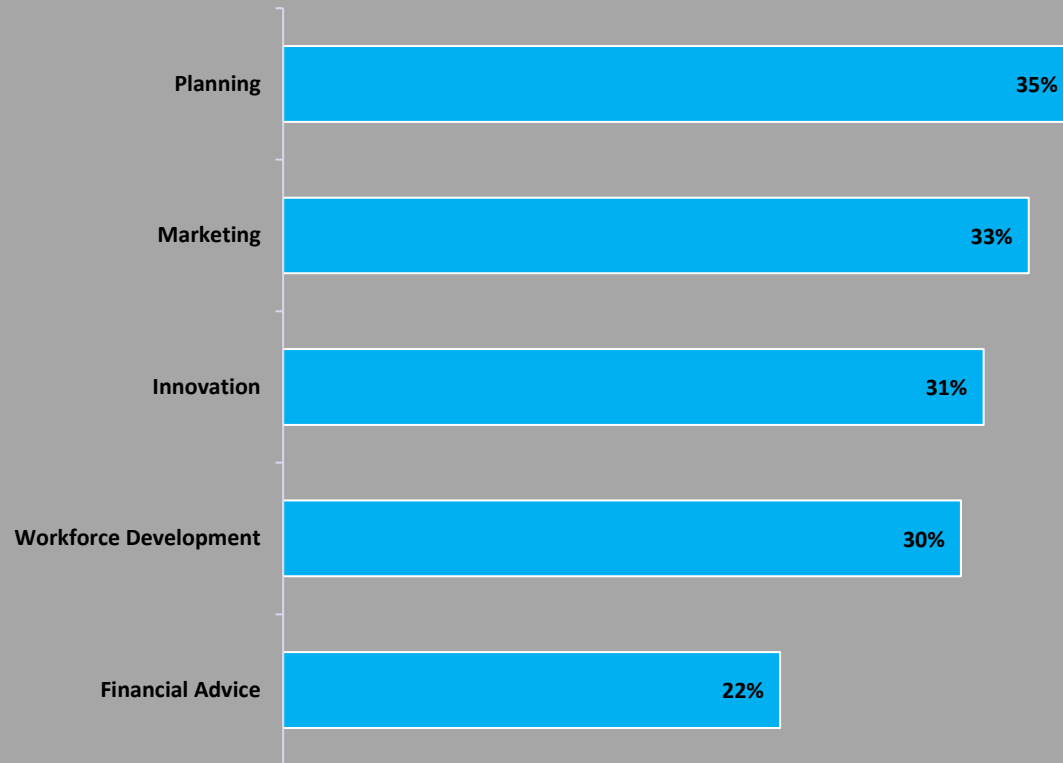


Areas to increase investment

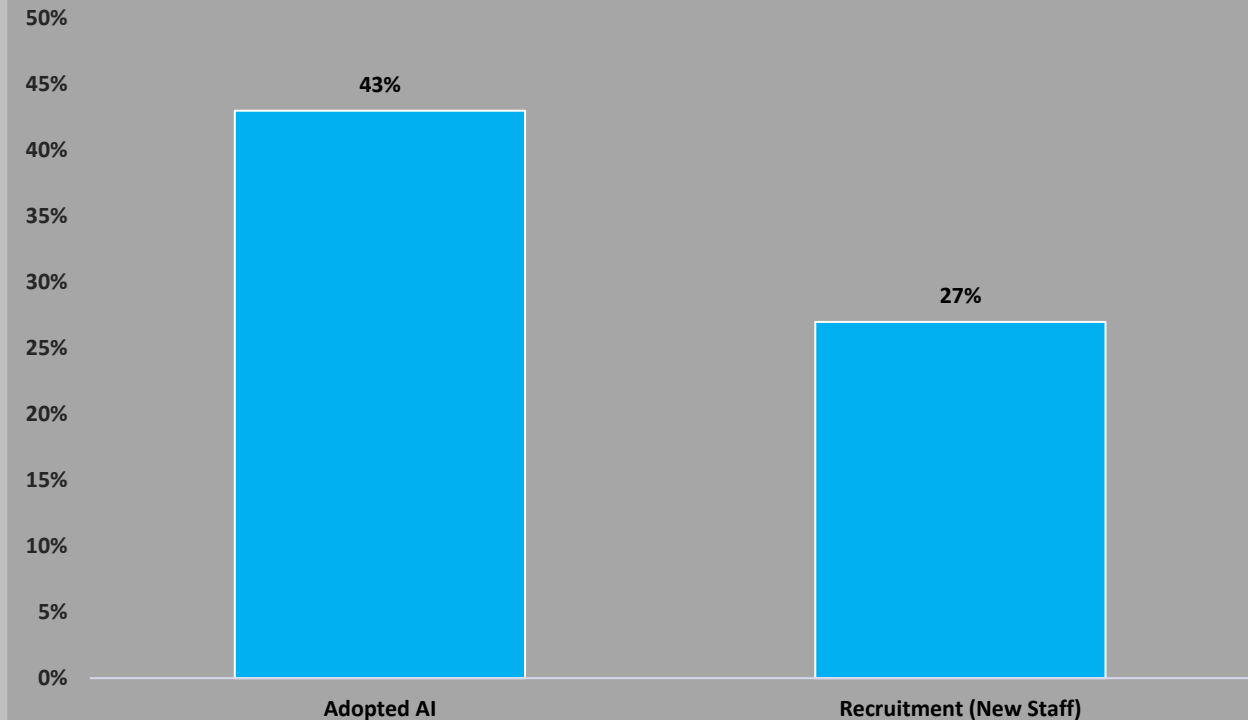


Interest in business support

Top 5 areas for business support in the future



Percentage of respondents interested in the following 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.

For more information on the results presented here, or to take part in future surveys, please contact: Jake.spires@growthco.uk or Atharva.Joshi@growthco.uk

Here are some of the ways we can support you:

- Guidance and practical business support
<https://www.businessgrowthhub.com/support/services>
- Help for training staff and finding new talent:
<https://www.businessgrowthhub.com/support/services/people>
- Advice to reduce carbon, boost your competitiveness, and save money
<https://www.businessgrowthhub.com/support/services/sustainability>