



The
Growth
Company

Growth Company Business Survey

Results for the 2nd April 2025 to 2nd July 2025

www.growthco.uk

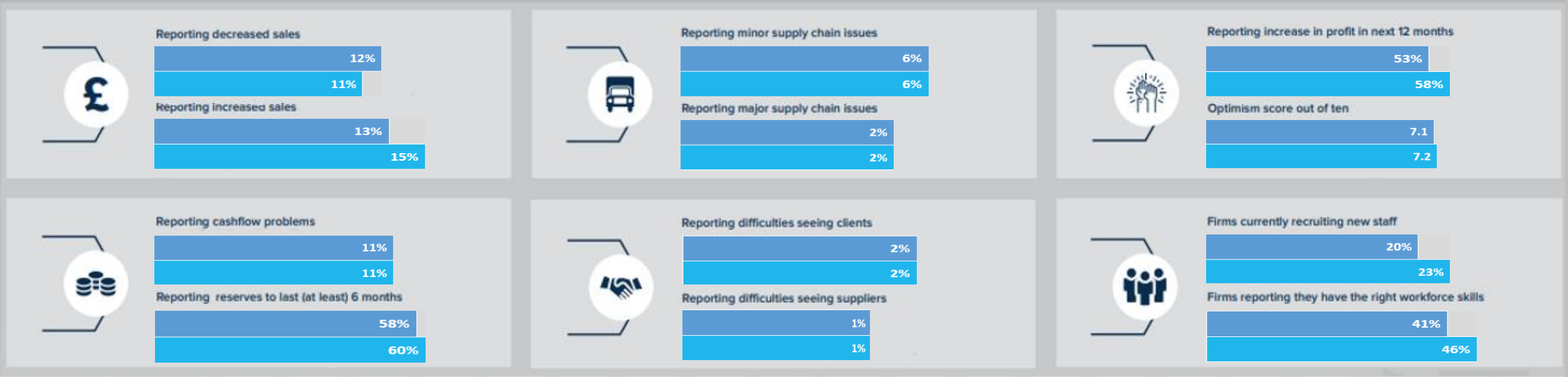
GC Business Survey

The main survey findings reported by businesses from 2nd April 2025 to 2nd July 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 **708 businesses** that participated in our GC Business Survey from **2nd April 2025 and 2nd July 2025**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

Summary

The GC Business Confidence Index (GC-BCI) for June 2025 is at 7.2, slightly increased compared to previous quarter 7.1, showing slight optimistic outlook. Confidence was highest in Business Financial & Professional Services, Manufacturing and Engineering, DCTs, Construction, Hospitality, and Retail and Business Financial & Professional Services, Manufacturing and Engineering, DCTs, Construction, Hospitality, and Retail; and below average confidence was reported in Green-Tech, Health & Social Care, Life Sciences, Education and Logistics showed lower sentiment. Sales, and investment expectations have increased in firms, with firms BFPS, DCTs, Hospitality, Construction remaining most optimistic about growth and capital expenditure.

60% of firms holding over six months of cash reserves which have increased compared to last quarter, concerns persist around rising costs (28%), cashflow issues (11%), and late payments which have fallen since last quarter showing optimistic outlook. Smaller firms and those in Green Tech, Health Care, and DCTs are more vulnerable to cashflow pressures and market uncertainties.

Firms continue to face challenges in accessing new sales opportunities (49%), developing new products/services (30%), and workforce development (23%). Key support areas include innovation (30%), business planning (34%), and sales and marketing (31%). Sector-specific needs include innovation and R&D in DCTs, Life Sciences, Manufacturing and Engineering. Followed by Innovation activity remains strong, with 34% investing in improved services and 29% increasing investment in R&D. However, workforce skill gaps persist, especially among smaller SMEs, in areas like specialist skills and time management. Digital investment is rising, particularly in Manufacturing, Engineering and Hospitality.

41% have adopted AI into business. 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): GC-BCI fell for June 2025 stands at 7.2 out of 10, showing an increase from the previous quarter's figure of 7.1. Confidence levels are above average for Business Financial & Professional Services, Manufacturing and Engineering, DCTs, Construction, Hospitality, and Retail; and the lower than average confidence was reported in Green-Tech, Health & Social Care, Life Sciences, Education and Logistics.

Sales and Profits:15% (vs 13%) of firms reported an increase in sales. 58% (vs 53%) expect profits to increase in the year ahead. 2% (vs 3%) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Hospitality and Retail; and lower in Manufacturing & Engineering, Education, Green-Tech, Health & Social Care and Construction.

Investment: 31% (vs 29%) of firms expect to increase capital expenditure in the year ahead. Construction, DCTs, Health Care, and Hospitality are most optimistic, and investment expectations are lowest in Retail, Life-Sciences, BFPS, Green-Tech, and Manufacturing & Engineering.

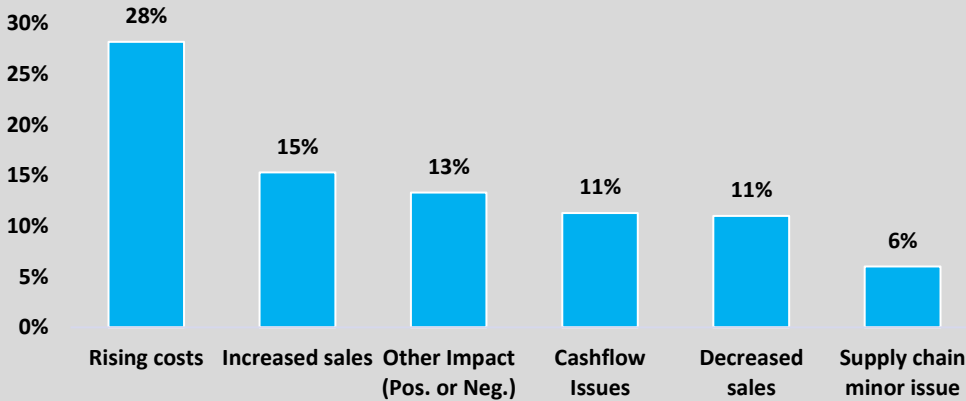
Cashflow Issues & Cash reserves: 11% (unchanged) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher cashflow risks reported in Hospitality, Education, Construction, Health & Social Care, Manufacturing, and Logistics. 3% (vs 4%) of firms reported late payments.60% of firms (vs 58%) report having cash reserves to last over 6 months, with 67% of SMEs (10–249 employees) reporting cash reserves for this duration. Reserves were highest in the BFPS, Construction, Hospitality, Retail, and Engineering, while Health Care and DCTs had the lowest 6+mths reserves.

Trade: 24% of firms (vs 21%) export goods or services, with 15% (vs 13%) expanding into new markets, a trend particularly notable in the DCTs, Manufacturing and BFPS. Additionally, 11% (vs 10%) of firms engaged in overseas trade are looking to expand in their current markets.

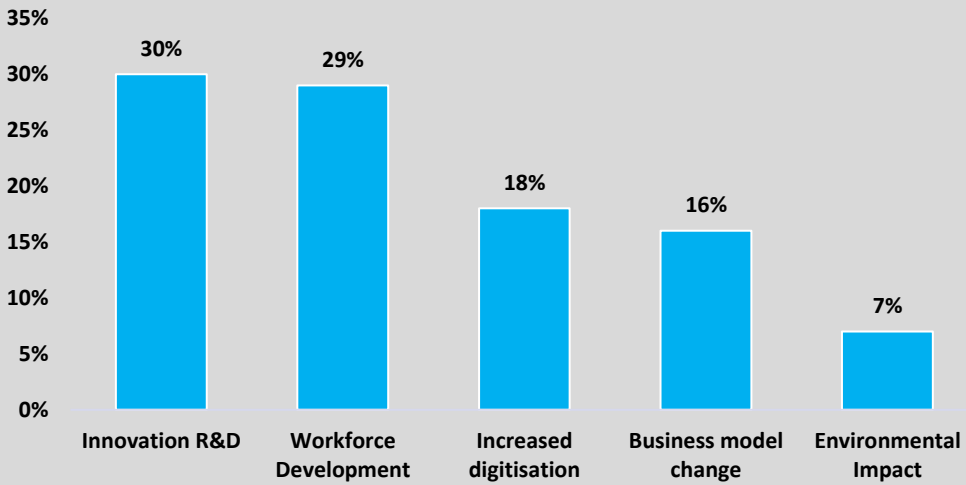
Future support needs include business planning 34% (vs 32%), sales & marketing 31% (vs 29%), innovation 30% (unchanged), workforce development 28% (vs 25%) and financial advice 21% (unchanged).

Recruitment and Skills: : 23% (vs 20%) of firms are currently recruiting new staff. Recruitment rates (% recruiting) are higher amongst SMEs than other size of businesses. By sector, recruitment is more active in BFPS, Retail, Education, Construction, and Hospitality. Life Sciences, DCTs and Engineering sectors were the least likely to be currently recruiting between April and June.

Main Impacts

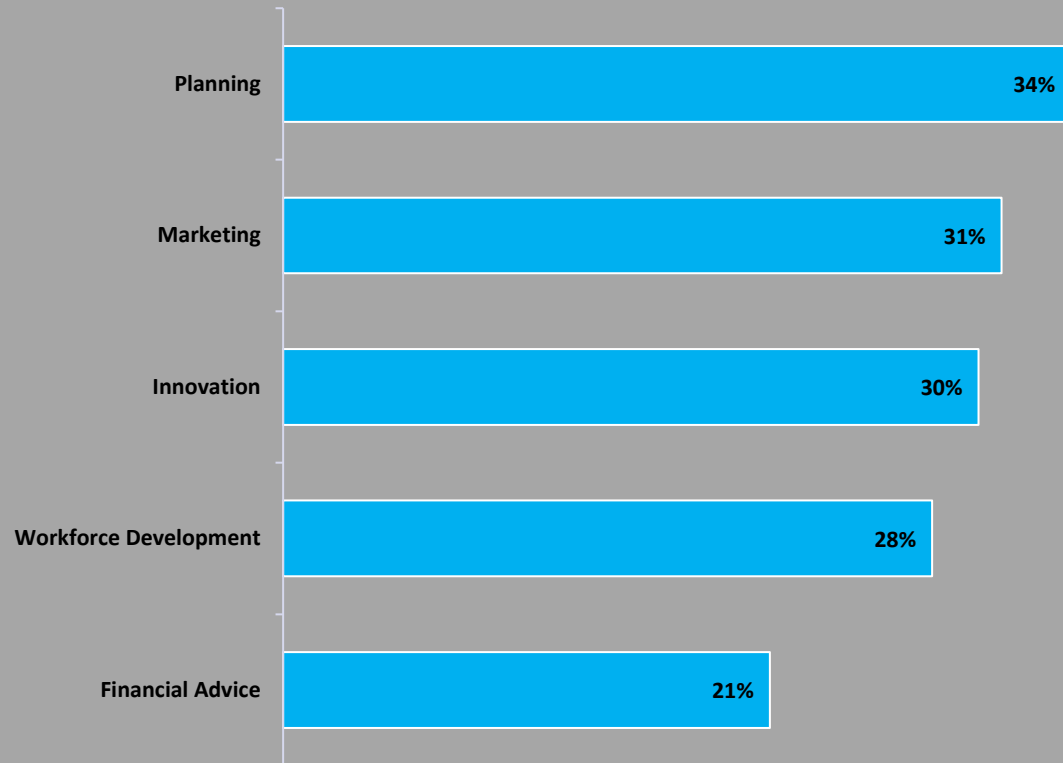


Areas to increase investment

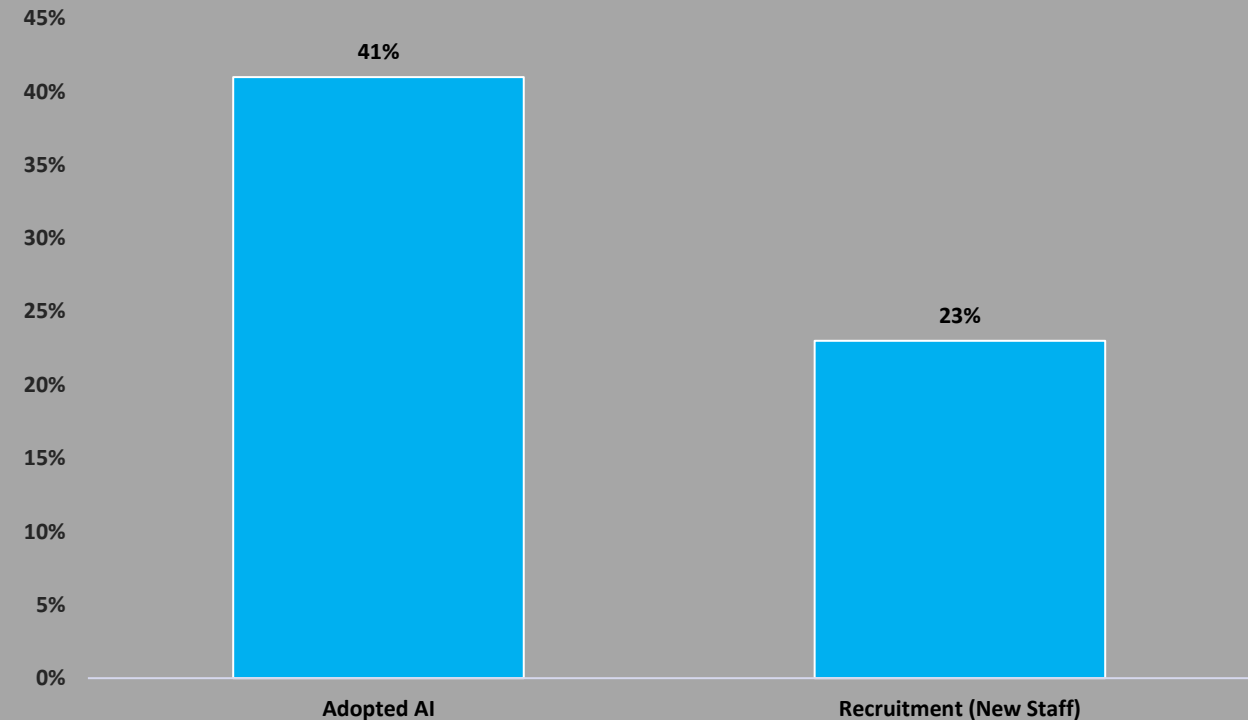


Interest in business support

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>