



The  
Growth  
Company

# Growth Company Business Survey

Results for the 2<sup>nd</sup> January 2025 to 2<sup>nd</sup> April 2025

[www.growthco.uk](http://www.growthco.uk)

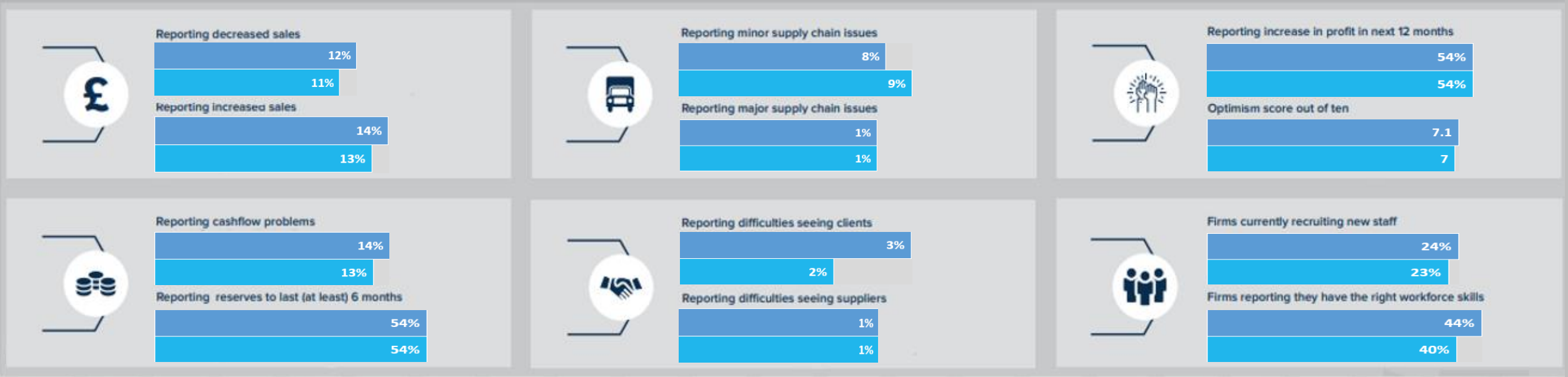
# GC Business Survey

The main survey findings reported by businesses from 2<sup>nd</sup> January 2025 to 2<sup>nd</sup> April 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 **776 businesses** that participated in our GC Business Survey from **2<sup>nd</sup> January 2025 and 2<sup>nd</sup> April 2025**.

## The main impacts of the current economic climate on businesses



▶▶ Previous month      ▶▶ Current Month

## Summary

The GC Business Confidence Index (GC-BCI) for March 2025 fell to 7.0—the lowest since the post-COVID recovery—reflecting broader economic uncertainty. Confidence was highest in BFPS and Hospitality, while sectors like Construction, Life Sciences, and Manufacturing showed lower sentiment. Sales, profits, and investment expectations all dipped slightly, with firms in DCTs, Manufacturing, and BFPS remaining most optimistic about growth and capital expenditure.

Despite a stable 54% of firms holding over six months of cash reserves, concerns persist around rising costs (31%), cashflow issues (13%), and late payments. Smaller firms and those in DCTs and Manufacturing are more vulnerable to cashflow pressures and market uncertainties.

Firms continue to face challenges in accessing new sales opportunities (51%), developing new products/services (32%), and workforce development (19%). Key support areas include innovation (33%), business planning (28%), and financial advice (19%). Sector-specific needs include innovation and R&D in Life Sciences and Marketing and Workforce Development in DCTs, BFPS, and Manufacturing.

Innovation activity remains strong, with 31% investing in improved services and 23% 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 DCTs and Manufacturing, with 34% of firms adopting AI for tasks such as analytics, marketing, and automation.

## Key Findings

**GC Business Confidence Index (GC-BCI):** The GC-BCI for March 2025 is 7.0 out of 10, lower than last quarter 7.1, the lowest score in the past three years after COVID recovery, 2021/22 to 2024/25. Confidence levels are above average for Business Financial & Professional Services, and Hospitality and the latest responses continue to show increasing uncertainty (lower scores in) Manufacturing, DCTs.

**Sales and Profits:** 13% (vs 14%) of firms reported an increase in sales. 49% (vs 54%) expect profits to increase in the year ahead. 4% (vs 3%) expect profits to decrease. The sectors most optimistic about future profitability are DCTs, Manufacturing, and Business Financial & Professional Services; and lower expectations in Engineering, Construction and Green Tech.

**Investment:** 26% (vs 29%) of firms expect to increase capital expenditure in the year ahead. DCTs, Manufacturing, Business Financial & Professional Services, Hospitality are most likely to increase cap-ex spending and expectations are lowest in Engineering, Other Service Activities, Construction.

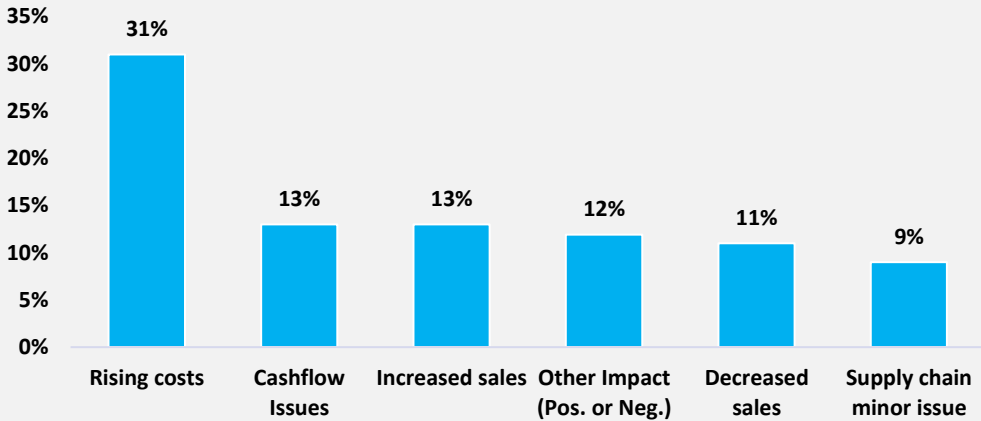
**Cashflow Issues:** 13% (vs 14%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher cashflow risks in DCTs, Manufacturing. 54% of firms (unchanged) report having cash reserves to last over 6 months Reserves were highest in Manufacturing, Financial & Professional Services and DCTs, and lowest in Engineering, and Green-Tech.

**Trade:** 21% of firms (unchanged) currently export goods or services, with 17% (vs 20%) expanding into new markets, a trend particularly notable in the DCTs and Manufacturing

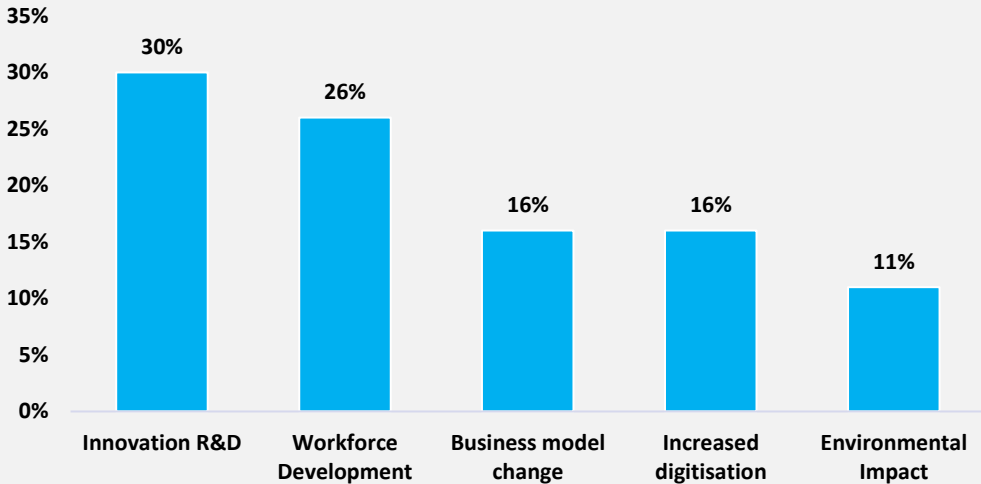
**Future Support Needs:** include innovation 33% (vs 35%), business planning 28% (vs 31%), sales & marketing 28% (vs 29%), workforce development & skills 25% (unchanged) and financial advice 19% (vs 22%).

**Recruitment and Skills:** 23% (vs 24%) of firms are currently recruiting new staff, recruitment rates are higher amongst SMEs than other businesses. By sector, recruitment is more active in DCTs, Business Financial & Professional Services, and Manufacturing. Life Sciences and Engineering sectors are least active

## Main Impacts

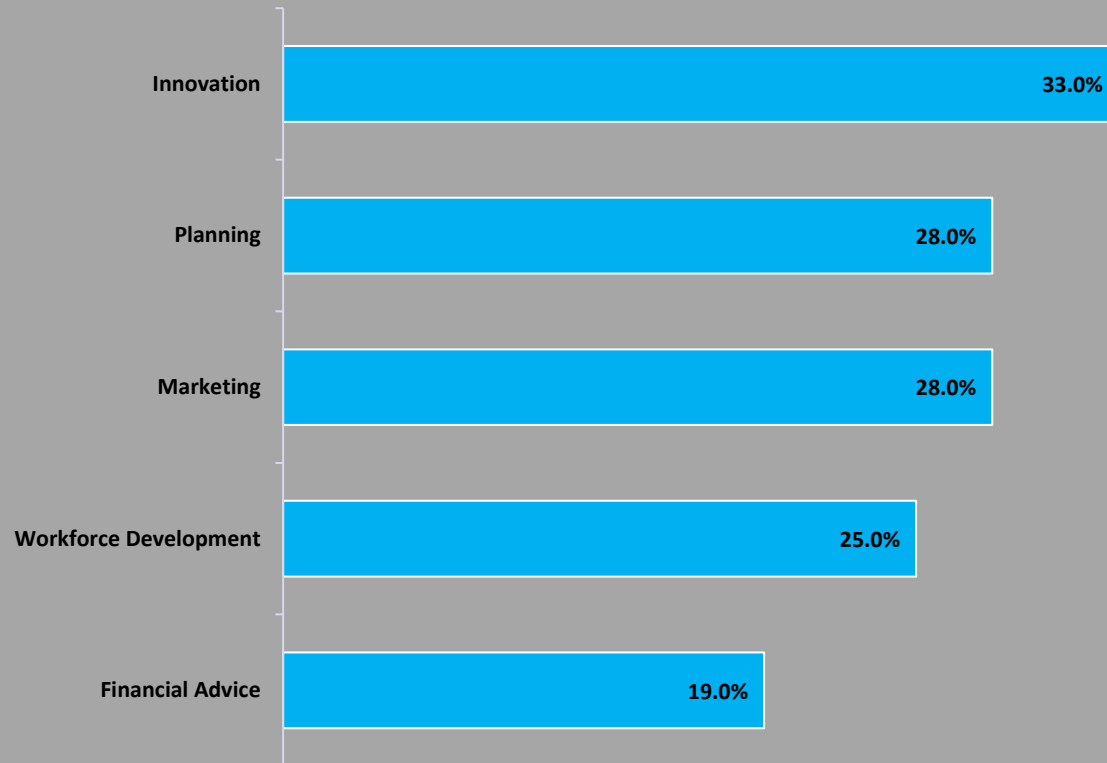


## Areas to increase investment

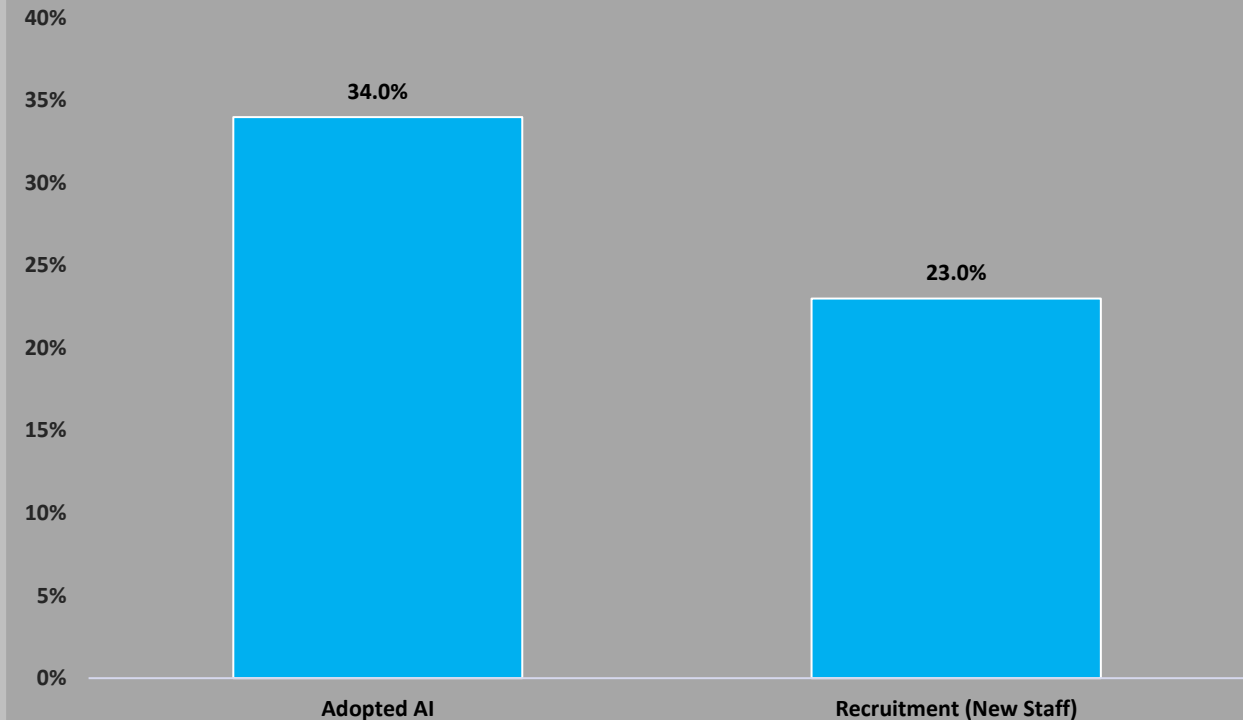


# Interest in business support

## 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](mailto:Jake.spires@growthco.uk) or [Atharva.Joshi@growthco.uk](mailto: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>