



The
Growth
Company

Growth Company Business Survey

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

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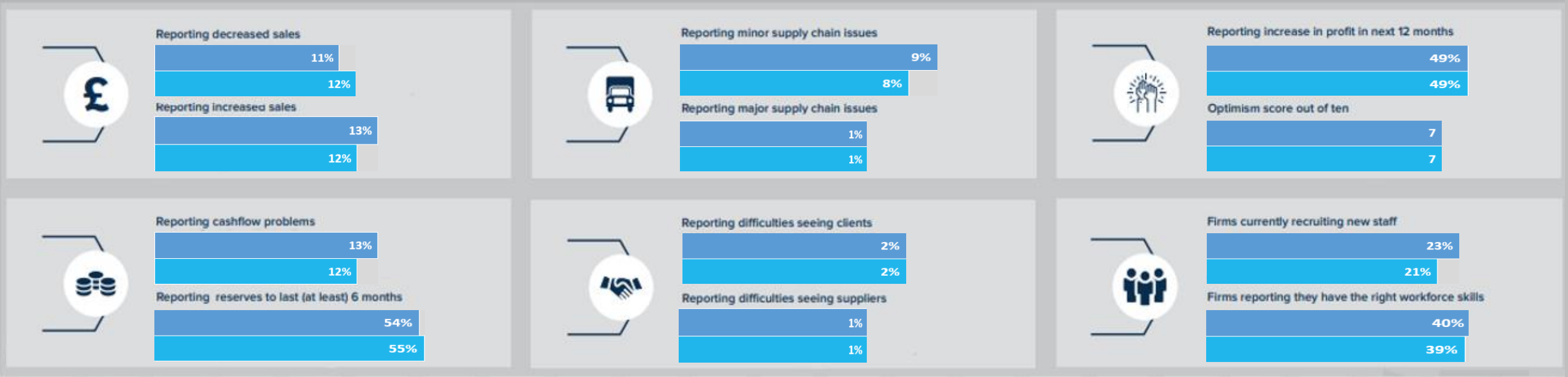
GC Business Survey

The main survey findings reported by businesses from 2nd February 2025 to 2nd May 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 **633 businesses** that participated in our GC Business Survey from **2nd February 2025 and 2nd May 2025**.

The main impacts of the current economic climate on businesses



▶▶ Previous month ▶▶ Current Month

Summary

The GC Business Confidence Index (GC-BCI) for April 2025 is at 7.0, similar to last quarter—the lowest since the post-COVID recovery—reflecting broader economic uncertainty. Confidence was highest in BFPS, Green tech, DCTs, Construction, while sectors like Health Social care, Life Sciences, and Manufacturing showed lower sentiment. Sales, and investment expectations dipped slightly, with firms in DCTs, Engineering, and Green Tech remaining most optimistic about growth and capital expenditure.

Despite a stable 55% of firms holding over six months of cash reserves, concerns persist around rising costs (30%), cashflow issues (12%), and late payments. Smaller firms and those in Construction, Education, Health & Social Care are more vulnerable to cashflow pressures and market uncertainties.

Firms continue to face challenges in accessing new sales opportunities (52%), developing new products/services (31%), and workforce development (18%). Key support areas include innovation (32%), business planning (30%), and sales and marketing (28%). Sector-specific needs include innovation and R&D in DCTs, Life Sciences, Manufacturing and Engineering.

Innovation activity remains strong, with 30% investing in improved services and 28% 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 Construction, Green Tech, and Retail and Wholesale, with 31% of firms adopting AI for tasks such as analytics, marketing, and automation.

Key Findings

The GC-BCI for April 2025 is 7.0 out of 10, the same as previous (7.0), and still the lowest score in the past three years after COVID, 2021/22 to 2024/25. Confidence levels are above average for Business Financial & Professional Services, Green Tech, DCTs, Construction. The lowest confidence was reported in Health & Social Care, Life Sciences and the latest responses continue to show increasing uncertainty (lower scores) in Manufacturing, Retail, and Logistics.

Sales and Profits: 12% (vs 13%) of firms reported an increase in sales. 49% (unchanged) expect profits to increase in the year ahead. 4% (unchanged) expect profits to decrease. The sectors most optimistic about future profitability are DCTs, Engineering, Green Tech, Health & Social Care; and lower in Retail, Manufacturing, Hospitality, Education, and Construction.

Investment: 25% (vs 26%) of firms expect to increase capital expenditure in the year ahead. Engineering, Green Tech, Health & Social care, Hospitality, Manufacturing are most optimistic on cap-ex spending and expectations are lowest in Retail & wholesale, Life Sciences, DCTs, BFPS, Construction

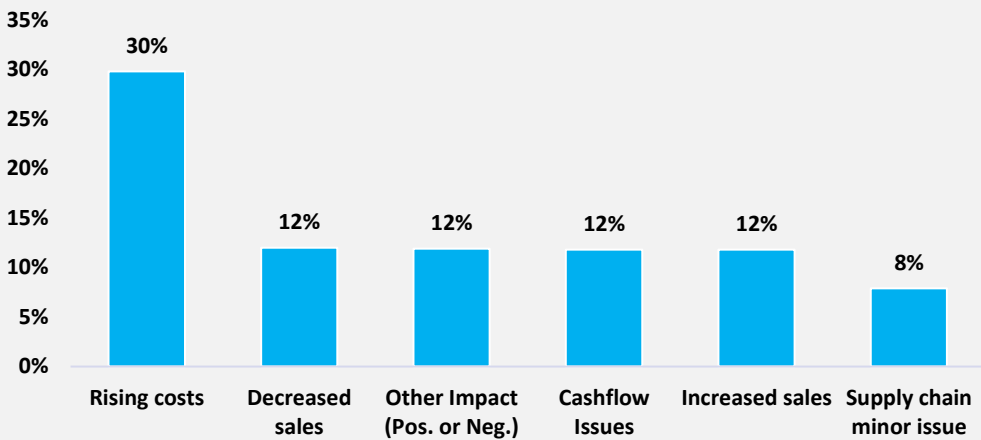
Cashflow Issues & Cash reserves: 12% (vs 13%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher cashflow risks in Construction, Education, Health & Social Care. 3% (vs 4%) of firms reported late payments from suppliers and customers. 55% of firms (vs 54%) report having cash reserves to last over 6 months, with 78% of SMEs (0–49 employees) similarly reporting cash reserves for this duration. Reserves were highest in Manufacturing, Financial & Professional Services and lowest in Logistics and Engineering.

Trade: 21% of firms (unchanged) export goods or services, with 16% (vs 17%) expanding into new markets, a trend particularly notable in the DCT, Manufacturing, and BFPS sectors. Additionally, 9% (vs 10%) of firms engaged in overseas trade are looking to expand in their current markets.

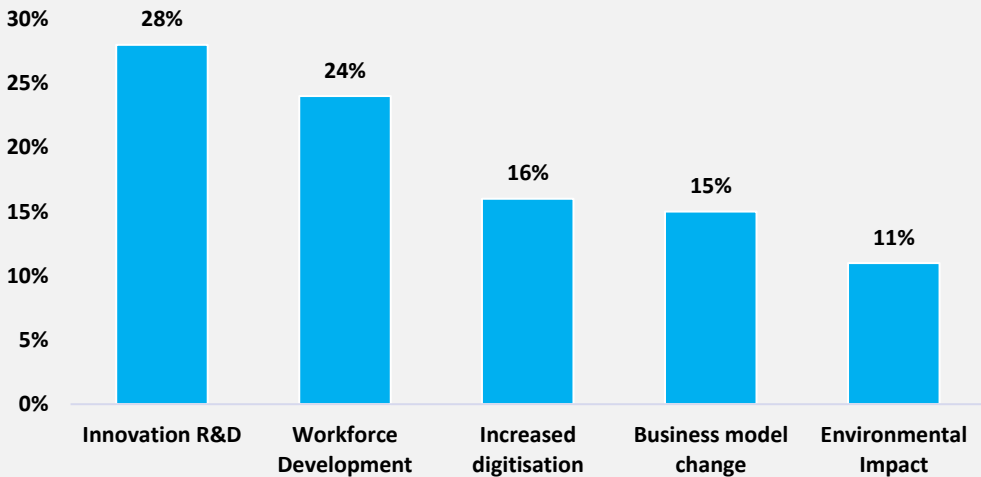
Future Support Needs: include innovation 32% (vs 33%), business planning 30% (vs 28%), sales & marketing 28% (unchanged), workforce development & skills 23% (vs 25%) and financial advice 17% (vs 19%).

Recruitment and Skills: 21% (vs 23%) of firms are currently recruiting new staff. Recruitment rates are higher amongst SMEs than other sizes of business. By sector, recruitment is more active in DCTs, Business Financial & Professional Services, and Manufacturing. Life Sciences and Engineering sectors were least likely to be recruiting.

Main Impacts

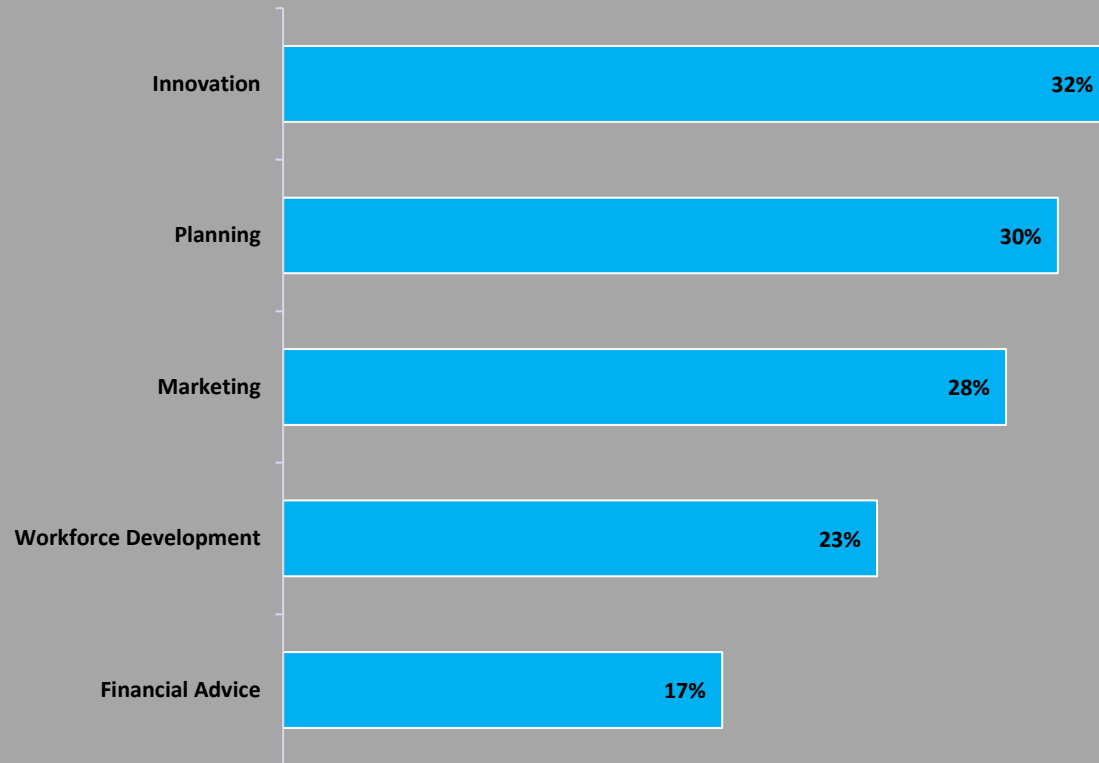


Areas to increase investment

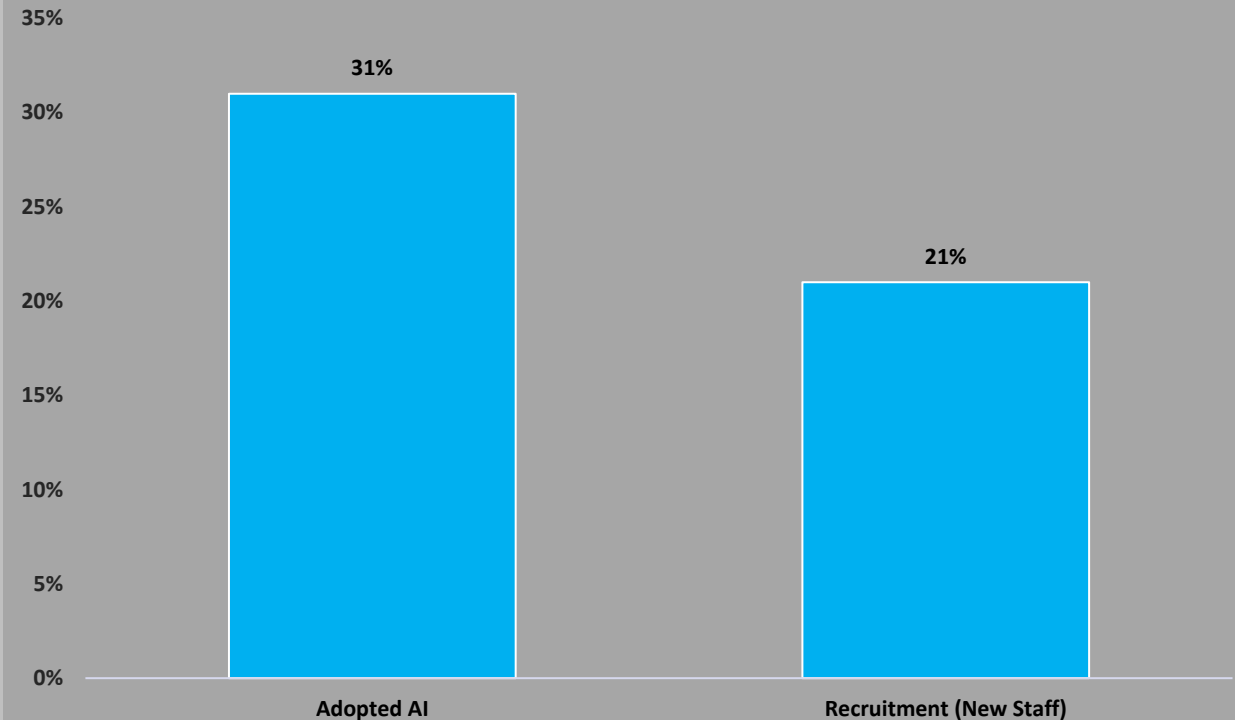


Interest in business support

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>