

States of Uncertainty...

**TARIFF
RATES**

*...ever
changing*

**QUALITY
SKILLS**

*...still
lacking*

**BUDGET
COSTS**

*...hitting
home*

**PERFECT
STORM**

*...costs
vs. sales*

Employment Costs...

Rise in NI & NMW started causing...

- Employers looking to reduce head count.
- Pushing wages up through the workforce.
- Raising prices to offset the increased costs.
- Added costs stopping recruitment.



We want to hear your views...

Each quarter Shropshire Chamber takes part in the British Chambers of Commerce national economic survey. In this report, you will see the results for Shropshire, trending from as far back as 2009. If you and your company would like to take part in these surveys, please contact policy@shropshire-chamber.co.uk giving your name, company name and the email to which invitations should be sent.

Please note this is only open to businesses in **Shropshire** and **Telford & Wrekin**, and Chamber Membership is not required to take part. Those in neighbouring counties should approach the British Chambers of Commerce to locate their nearest BCC Accredited Chamber.

This survey is open to businesses from all sectors including public sector and the third sector. The survey is open to any size of business from micro's, who employ no staff, to the very largest businesses. The data is used both locally and nationally to lobby those in power on the main topics of concern. The national survey is highly respected and is used by Central Government and the Bank of England to understand the economic situation and pressures facing businesses in the UK.

The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.

DOMESTIC (UK) SALES
INCREASES

UK Sales Past:

"We have seen a marked decline in sales in 2025."

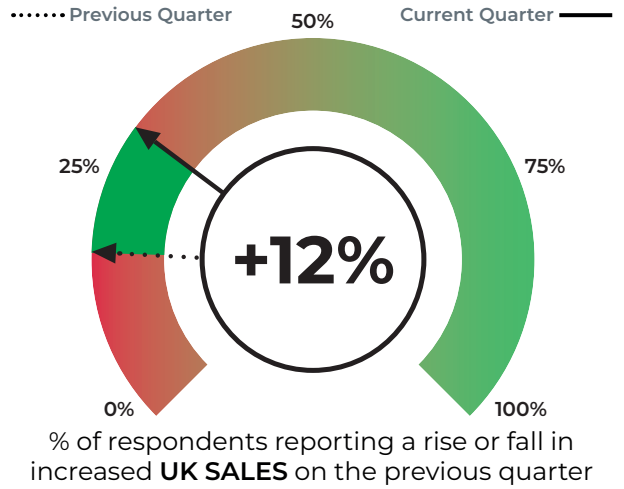
Retail / Wholesale Sector

"Noted a dramatic decline in sales orders, customers citing their increased costs as a reason not to have money in the budget."

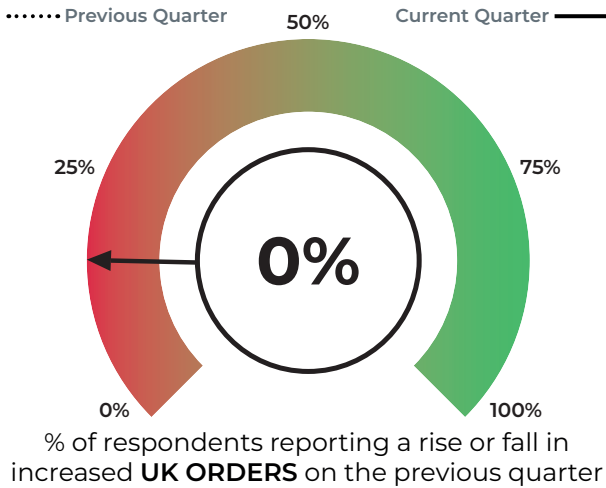
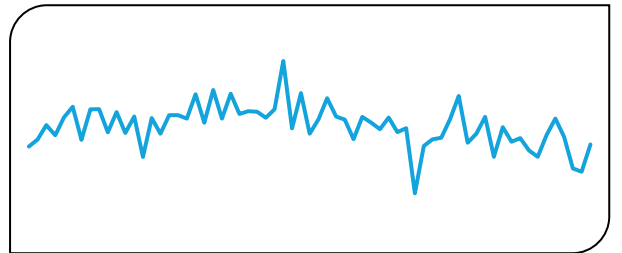
Professional Services Sector

"We're down by about 15% year-on-year, most likely due to record low levels of customer and business sentiment."

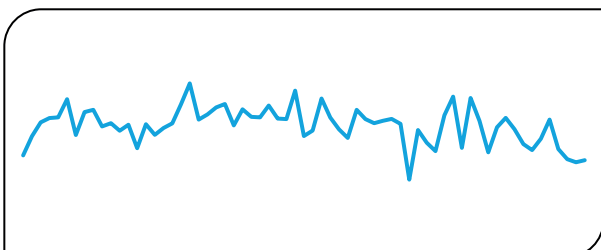
Retail / Wholesale Sector



2009 **UK Sales Past** **2025**



2009 **UK Sales Future** **2025**



UK Sales Future:

"We have found the market to be static at best over the past 12 months, but the outlook is better."

Manufacturing Sector

"Future orders don't stretch as far into the future as they used to - customers are increasingly reluctant to plan too far ahead."

Marketing / Media Sector

"Lower footfall, lower spending."

Retail / Wholesale Sector

EXPORT SALES INCREASES

Export Sales Past:

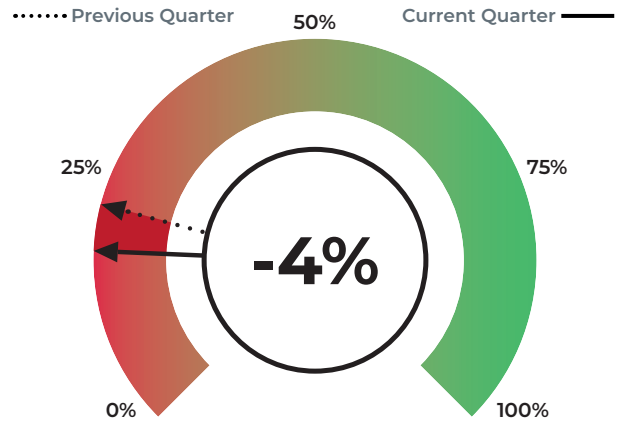
“Very difficult doing business now into Europe due to increased costs making us uncompetitive.”

Marketing / Media Sector

“There has been a drop in trade over the last 6 months.”

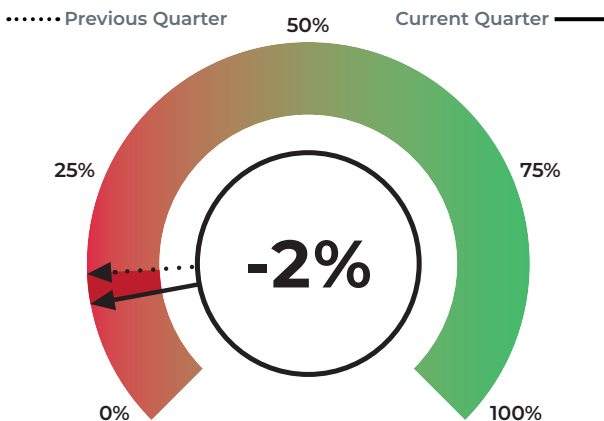
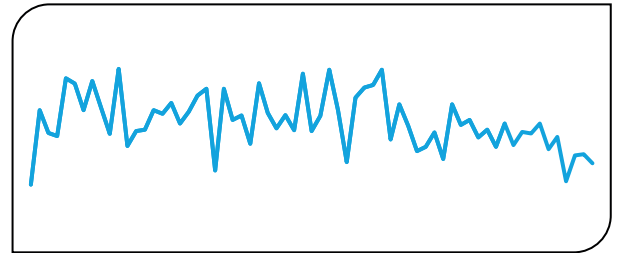
Retail / Wholesale Sector

52% reporting they have seen a reduction in their exports.



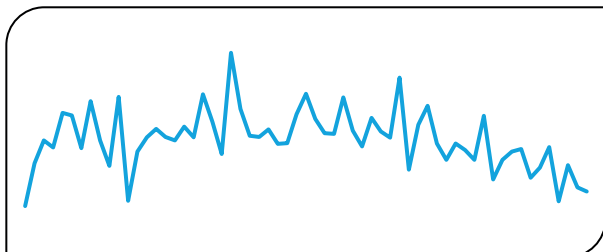
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009 Export Sales Past 2025



% of respondents reporting a rise or fall in increased **EXPORT ORDERS** on the previous quarter

2009 Export Sales Future 2025



Export Sales Future:

“Red tape with carnet’s [Export Documentation] having to be completed, plus all the new increases in business employment tax, combined with wage increases above inflation, are making life very difficult.”

Marketing / Media Sector

“It is just about impossible to forecast forward at this time.”

Professional Services Sector

Only 12% feel they will see an increase in their exports over the next few months.

WORKFORCE PAST & FUTURE

INCREASES

Workforce Past:

“Job flow in UK is very slow. We are also seeing an increase in candidates being made redundant in the West Midlands.”

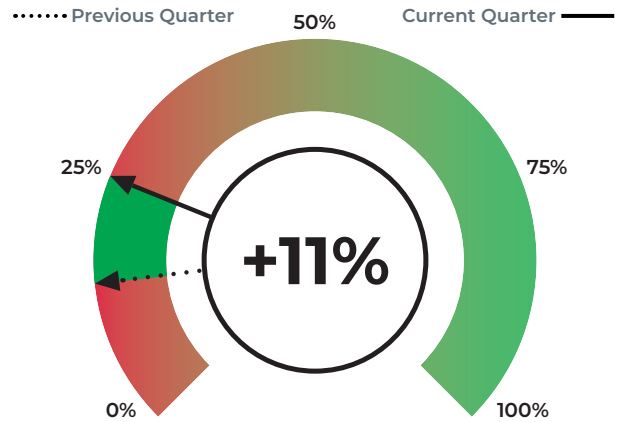
Professional Services Sector

“Temporary workers have been reduced dramatically.”

Professional Services Sector

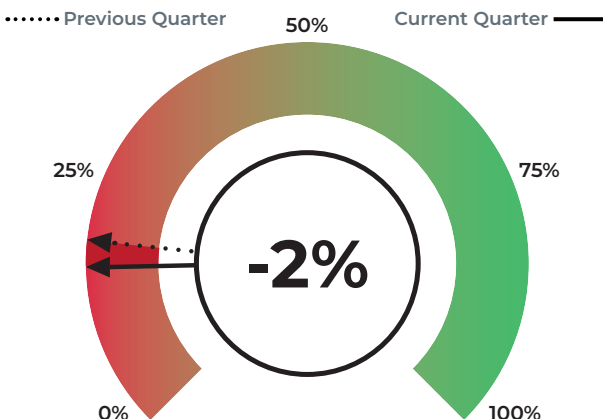
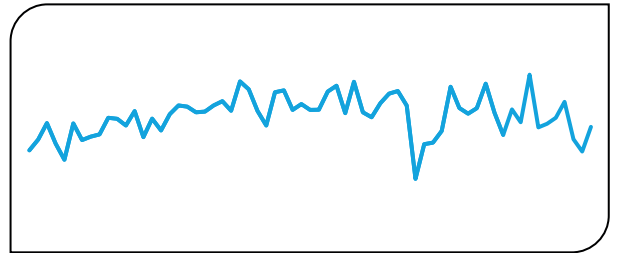
“We are however, thinking of making one of our staff redundant because of the cost of employing them.”

Professional Services Sector



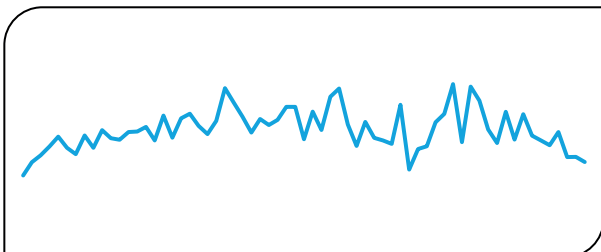
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009 **Workforce Past** 2025



% of respondents expecting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009 **Workforce Future** 2025



Workforce Future:

“May recruit to replace, but depends on sales forecast realisation.”

Professional Services Sector

“We are investing in new people and apprenticeships.”

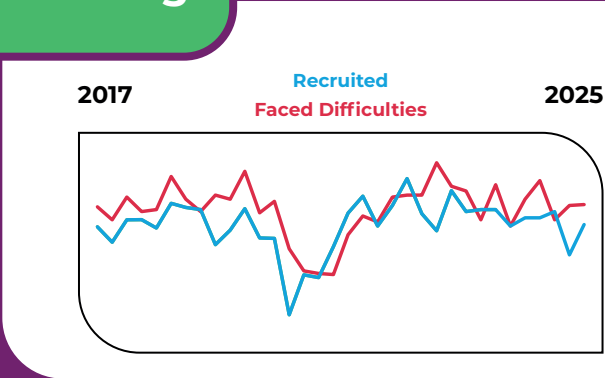
Construction Sector

“Planned expansion has been shelved due to rising employment costs - NI and minimum wage increases plus changes to employment law reducing flexibility. Redundancies are likely, to keep a control on our overheads.”

Marketing / Media Sector

SKILLS & RECRUITMENT

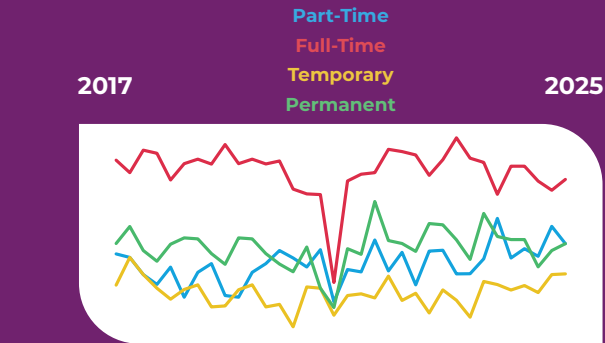
Companies Recruiting:



“I'd like to increase the workforce but cannot do so at present.
Professional Services Sector

“Clients are reducing staff requirements due to rising costs of employees minimum wage increases over recent years, NI increases, rising costs etc.” Professional Services Sector

“The ongoing economic landscape remains challenging, the government changes with the NI increase has had an adverse affect on recruitment activities. The changes proposed in the Employment Rights Bill will continue to hinder recruitment and new job opportunities.”
Professional Services Sector

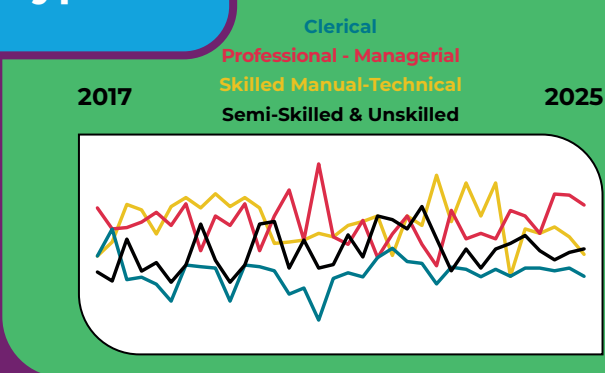


Staff Types:

“We were seeking part-time and flexible sales executives, but most wanted full-time salaries with packages we simply cannot afford.”
Marketing / Media Sector

“Hard to find experienced applicants. Expectant salaries are very high as well, even from inexperienced applicants.”
Professional Services Sector

Post Types:



“The skill levels across all sections of recruitment requirements has dropped. We look for assembly experience for our lower skilled roles and we are finding it difficult. Other specialist areas such as skilled engineers and finance staff are hard to identify with the appropriate skills.” Manufacturing Sector

“Still need more skilled fabrication and welding staff.” Construction Sector

CASH FLOW INCREASES

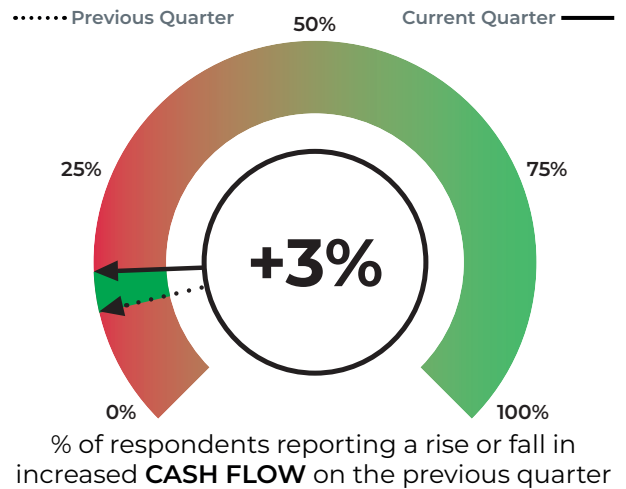
Cash Flow:

“Trying to preserve cash in the bank as margins and profitability has been squeezed by increased costs. Any investment in new equipment and training would currently compromise the security of the business and our ability to honour our responsibilities to HMRC and our employees.”

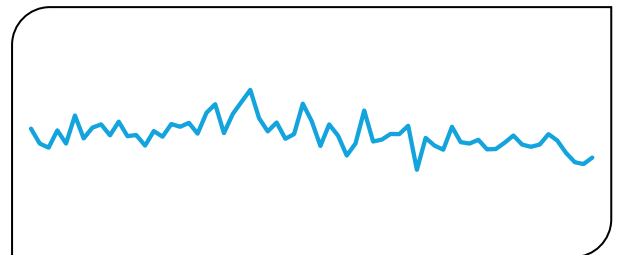
Retail / Wholesale Sector

“Business rates have increased by £300 a month since April which has had detrimental effects on cash flow. I am now looking to reduced costs through buying less products which is having a negative effect on suppliers and make savings where ever possible.”

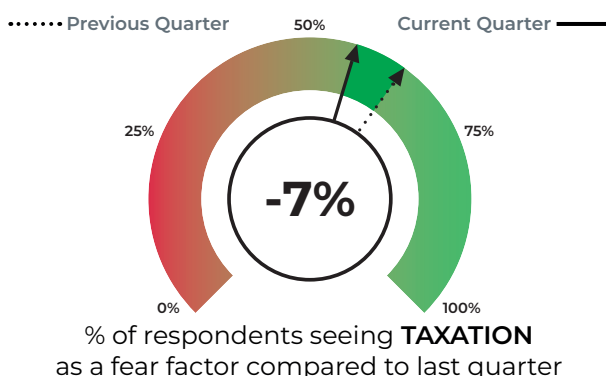
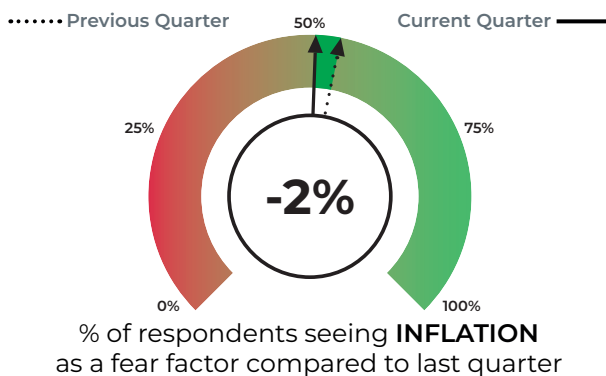
Retail / Wholesale Sector



2009 Cash Flow 2025



FEAR FACTORS



Fear Factors:

“Daily things outside our control are impacting businesses and it is sapping confidence.”

Professional Services Sector

“It’s a continuing battle to get our bills paid, legislation should be brought in for 30 day eom payment terms.”

Services Sector

“We’ve had to write off more revenue in the past 12 months than at any time in the last decade, due to companies going out of business.”

Marketing / Media Sector

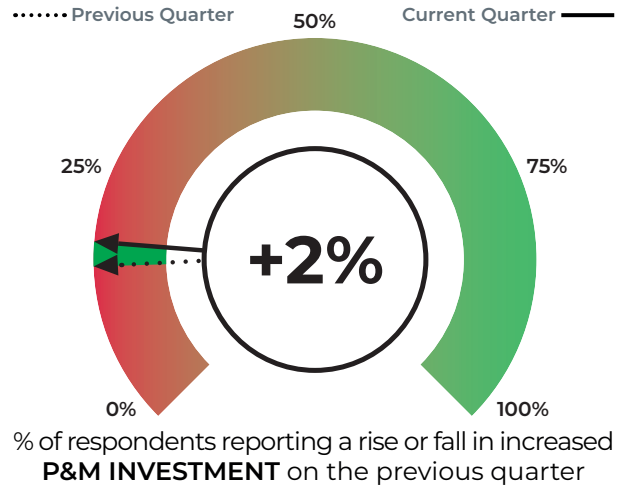
INVESTMENT INCREASES

Plant & Machinery:

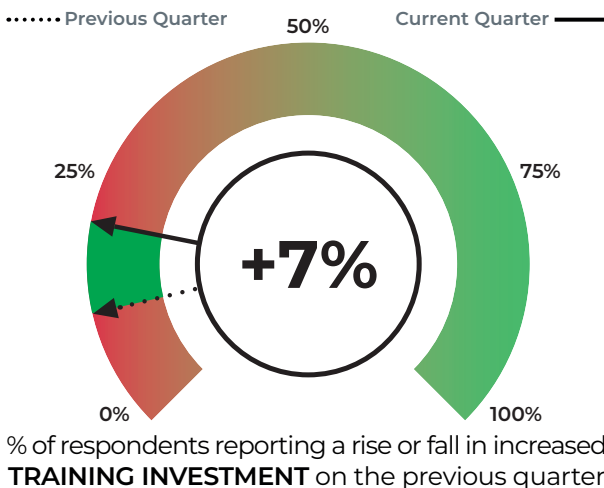
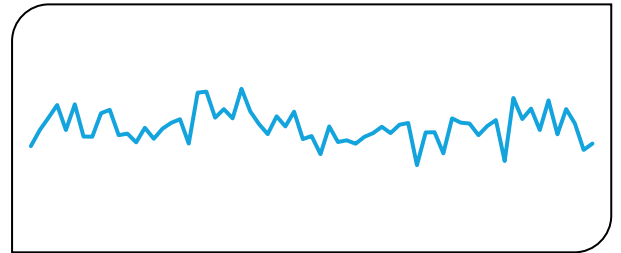
“Wholesale arm of the business has grown hence new equipment.”
Hospitality Sector

“Invested heavily in plant last year, so having to recoup costs this year.”
Manufacturing Sector

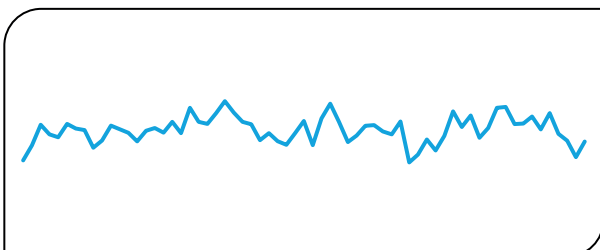
“It damaged UK consumer and business confidence, meaning our prospects hold back on making big ticket purchases with us.”
Retail / Wholesale Sector



2009 **Plant & Machinery** 2025



2009 **Training** 2025



Training:

“We believe you can only improve your business by improving productivity, so we continually train.”
Professional Services Sector

“Part of the business has grown, so training for staff is being completed.”
Hospitality Sector

Only 19% expect to increase their training budget despite the clear need to upskill or train.

CONFIDENCE INCREASES

Turnover Confidence:

"We are a DOT consulting company and our business is growing every week."

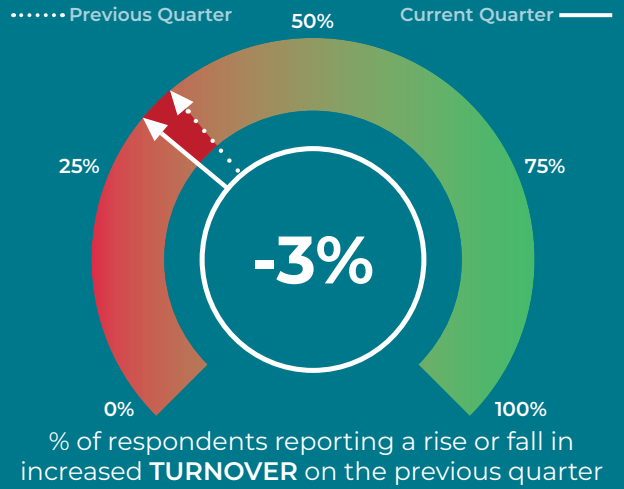
Professional Services Sector

"Cutting plans back to manage costs and reduce overheads. All investment is on hold going forward."

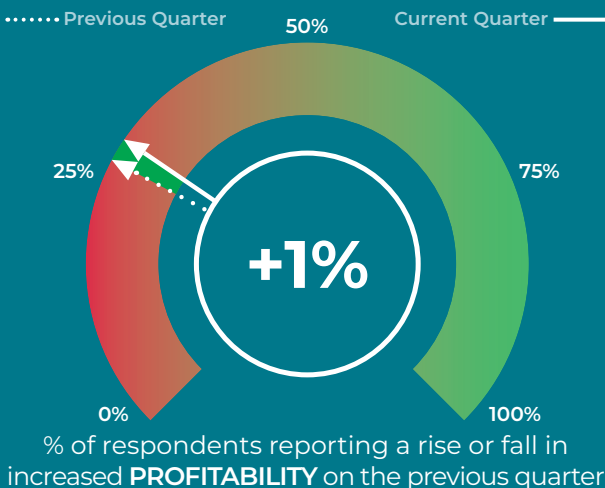
Marketing / Media Sector

"All input costs have increased, but our margins (gross and net) have been squeezed to remain competitive. The spike in electricity costs (the opportunistic profiteering of Scottish Power), wages, NI contributions and huge increase in the price of gold have resulted in a perfect storm for the business."

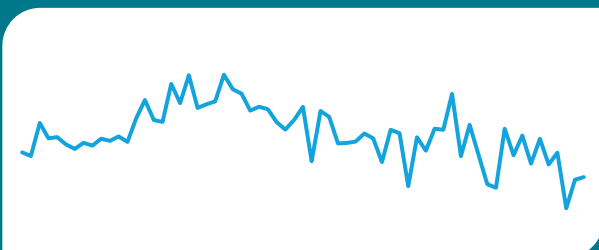
Retail / Wholesale Sector



2009 Turnover 2025



2009 Profitability 2025



Profitability Confidence:

"We are being cautious as we are experiencing a downturn in sales."

Retail / Wholesale Sector

"We're on our knees, no profit at all."

Hospitality Sector

"Staff costs are a prime driver in this - very large increase in minimum wage and increase in employers NI has meant that we have shelved plans to grow our workforce because we can't maintain profit with these increased costs."

Hospitality Sector

CAPACITY | PRICE vs COST

Capacity:

"I have got to make changes where I can, just to survive. The Government's plans and actions are very short sighted."

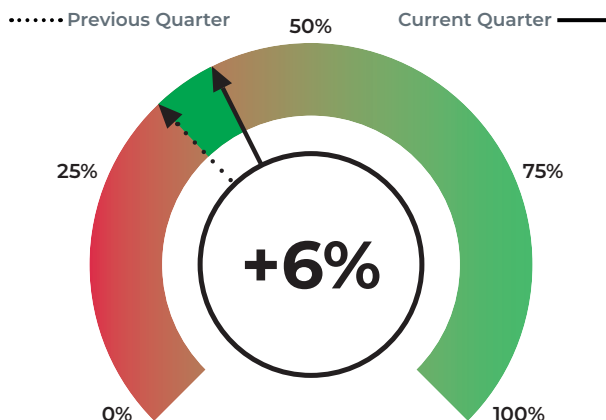
Retail / Wholesale Sector

"We would love to grow our business and take on an additional person. Sadly confidence in the recruitment sector is low and we are cautious."

Professional Services Sector

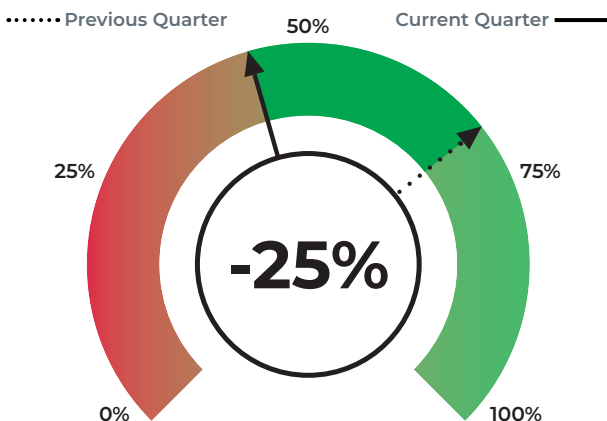
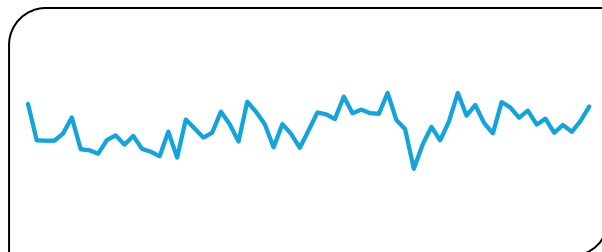
"Depends upon the housing sector - if that improves so will we, if it goes down, so will our production."

Manufacturing Sector



% of respondents reporting a rise or fall in **FULL CAPACITY WORKING** on the previous quarter

2009 Full Capacity 2025



% of respondents expecting to **INCREASE PRICES** compared to the previous quarter

Price vs Cost:

"Suppliers own costs have increased primarily due to government intervention so these suppliers will need to pass costs on to our business."

Hospitality Sector

"Rising material and plant costs impacting."

Construction Sector

"Depends upon what the government do - if they raise business costs, so will all our suppliers."

Manufacturing Sector

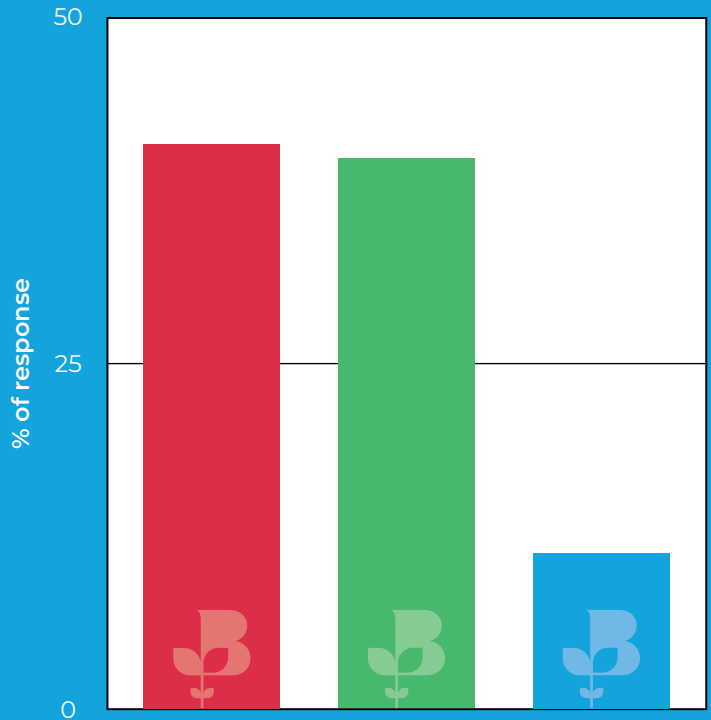


ADDITIONAL QUESTIONS

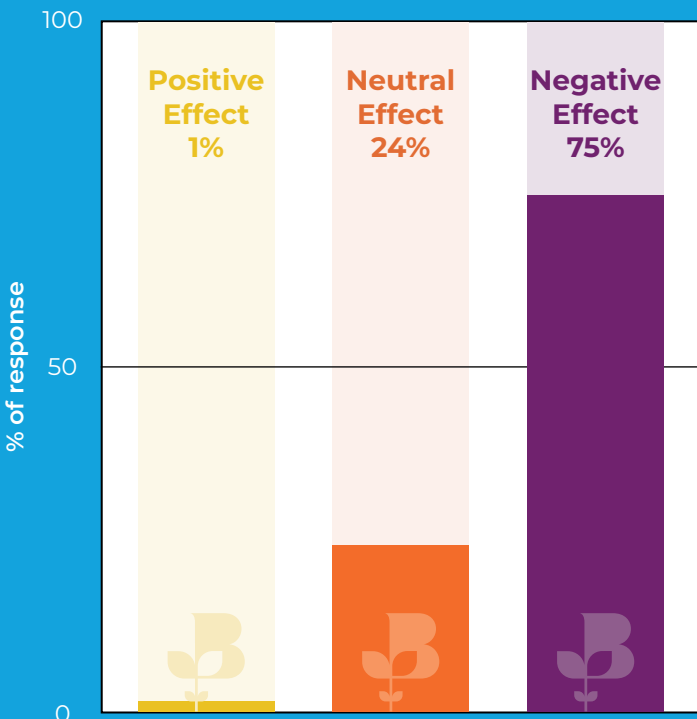
Business Pressures:

- 1 Have your credit terms got worse?
- 2 Are your bad debts increasing?
- 3 Are wage demands easing?

Graph shows the % of those who said YES to each question



Has the Budget had a...



Budget Blues:



"The budget has been one the worst for Small Businesses. The effect of the NI increases etc. has just caused a snowball effect for everyone to increase prices. I could do with an extra member of staff, but it's too expensive to employ someone. The Business Rates increase has been shocking and really short sighted by the Government. They say they want to put more money in people's pockets? Well not small business owners, and there will be no jobs. I have written to my local MP but have not even had a reply. Small Businesses are easy targets."

Retail / Wholesale Sector

your voice MATTERS!

The greater the voice, the greater the influence we can have to support you

- ✓ Confidential
- ✓ Highly Respected
- ✓ Informs Government



Contact us
TODAY!

Contact policy@shropshire-chamber.co.uk today to have your name added to the Chamber survey invite list

About the QES

The **Quarterly Economic Survey (QES)** is the flagship economic survey from the **British Chambers of Commerce**. **Shropshire Chamber** is responsible for the collection of data, for the survey, in both Shropshire and Telford & Wrekin. The data gives Shropshire Chamber vital economic indicators, facts which are used to lobby, inform Chamber strategy, as well as to support the local business community.

The national collated data, the largest and most highly respected survey of its type, is used to inform and lobby Government departments, assist the Bank of England, and inform a wide variety of other relevant bodies and economists. The survey happens four times per year.

Every Single Business Voice Matters!

The greater the voice, the greater the influence we can have to support you and your business. **All businesses from Shropshire / Telford & Wrekin are welcome**, Chamber member or not, sole trader to multinational. It is anonymous to ensure you can speak freely.

If you would like to discuss partnering with us for the next **Quarterly Economic Survey**, please contact **Ruth Ross** on:
r.ross@shropshire-chamber.co.uk

