



# *ICAEW Business Confidence Monitor* <sup>TM</sup> (*BCM*)

31 MARCH 2022

# *What the report looks at*

- **Trend of UK Business Confidence** by Industry Sector and UK Region
- **Regional Business Performance Indicators**
- **Factors Affecting Business Performance** – national data on challenges to business performance

The issues we track are:

Competition in the marketplace	Staff turnover	Bank charges	Transport problems	Regulatory requirements
Customer demand	Availability of management skills	Your access to capital	Non-transport infrastructure problems (postal services, communication services, etc.)	Government support for business
Your ability to expand into new areas	Availability of non management skills	Late payment from customers		Tax burden

# *Number of Interviews on which data are based*

Q1 2022		Total	1000		
Business Sizes		Industry Sectors			
Micro (<10)	116	Agriculture & Fisheries	15	IT & Communications	77
Small (10-49)	183	Energy, Water & Mining	56	Banking, Finance & Insurance	128
Medium (50-249)	201	Manufacturing & Engineering	127	Property	84
Large (250+)	500	Construction	82	Business Services	129
		Retail & Wholesale	132	Other Service Activities*	108
		Transport & Storage	62		

\* = Hotels & Catering, Health & Education and Other Service Activities

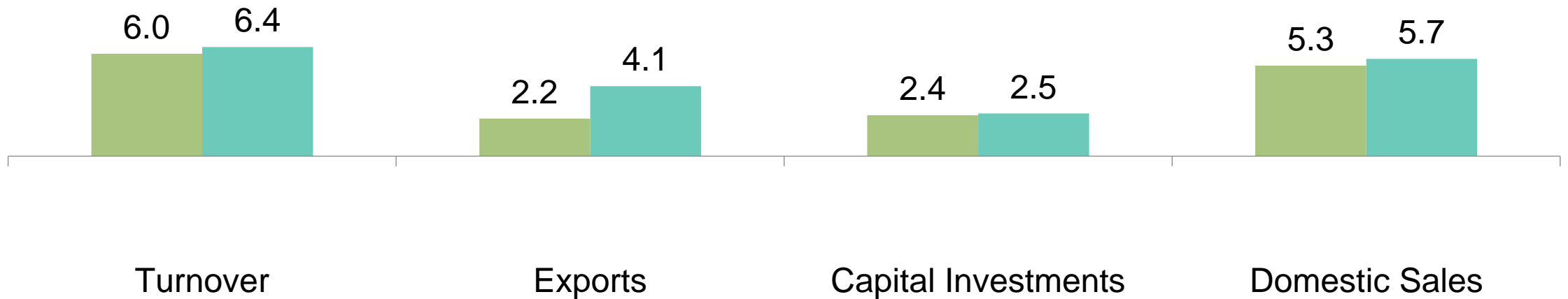
## **BCM Q1 2022: the context.**

- **BCM Survey period:** 18<sup>th</sup> October to 14<sup>th</sup> January 2022.
- **Covid:** The Omicron variant hit 'social consumption' in December, plus people isolating hit output generally. But experience suggests there will be a full rebound.
- **GDP:** A strong outturn in November meant that GDP surpassed pre-pandemic levels for the first time. However, output probably fell back in December due to Omicron.
- **Sectors:** Growth largely driven by consumer-facing sectors and health services.
- **Inflation:** Rising fuel and energy prices and a difficult comparison period have pushed up CPI inflation. December saw the biggest annual jump since March 1992.
- **Retailing:** Retail activity picked-up in November, probably reflecting the stronger than usual Black Friday sales and the build-up to Christmas.
- **Labour market:** Employment increased and headline unemployment fell during November. Vacancies rose to a record 1,247,000 in October to December 2021
- **Policy:** A significant tightening of fiscal policy is underway. The MPC has also started to tighten monetary policy, raising the Bank Rate to 0.25% in December.

# *UK average – % change*

■ ... over last 12 months

■ ... expected next 12 months



# *London average – % change*

■ ... over last 12 months

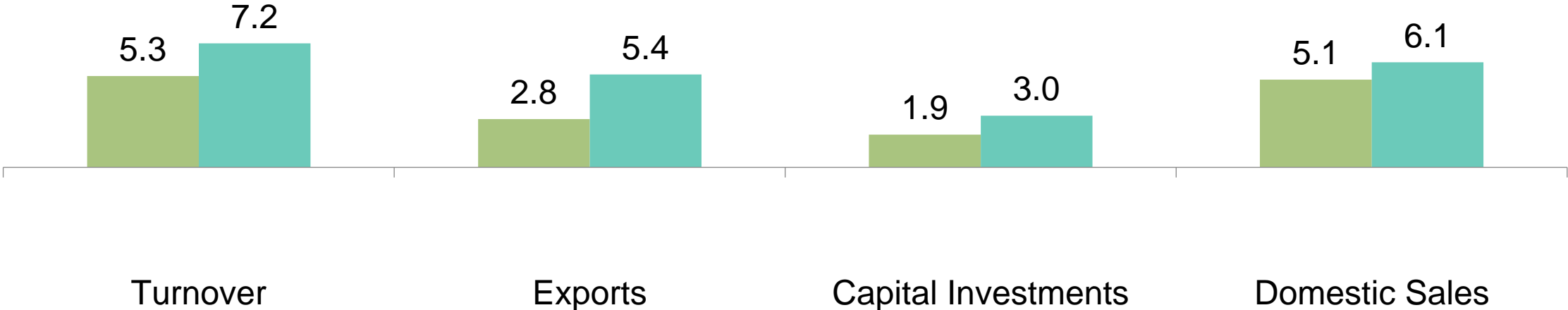
■ ... expected next 12 months



# *South East average – % change*

■ ... over last 12 months

■ ... expected next 12 months

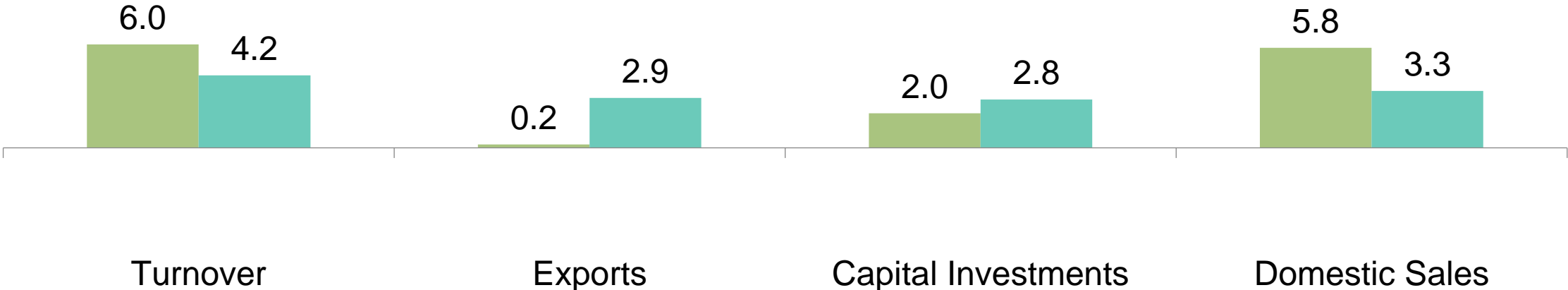




# *South West average – % change*

■ ... over last 12 months

■ ... expected next 12 months





**ICAEW**