

Humber businesses given downbeat verdict on prospects in UK economy

Most businesses in the Humber are operating below full capacity as the UK's economic headwinds continue to affect trade, a new survey suggests.

The quarterly economic survey from the Hull & Humber Chamber of Commerce for its Quarterly Economic Survey showed a drop in most of the areas where businesses were questioned. Both domestic sales and orders fell, and though exports recovered slightly from the previous quarter, they were still in negative territory.

The number of firms expecting to recruit new staff fell and rising prices, including pay settlements were also cited as a cause for concern by many businesses. Other areas of worry for businesses were interest rates and cashflow.

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The Chamber's external affairs director, David Hooper, said: "The last quarter of the year left businesses with much to think about for 2024 as most sectors took a fall as confidence failed to return, despite inflation appearing to level out and begin to drop. Business confidence was low among Humber businesses, with many expecting turnover and profit to fall in the early part of the New Year.

"Only 30% of firms said they were working at full capacity, with many expecting to see their prices increase in response to higher raw material costs and pay claims by staff, with the drop in inflation still to feed into the local economy.

Recruitment was also down, as was training and investment, so businesses are still very much consolidating or treading water to see what a New Year and potential change of Government will bring in 2024.”

The Hull & Humber Chamber of Commerce represents more than 2,000 members in the Humber area, including nearly three-quarters of the area’s larger companies. Its quarterly survey feeds into a larger poll assembled by the British Chambers of Commerce network.

National surveys have this week highlighted unexpected growth in the UK’s service sector but tougher conditions in both manufacturing and construction. A separate report last week said that the value of UK takeover and merger deals slid to its lowest level since the financial crisis over the past year amid the gloomy economic backdrop.