

New Humber business survey results 'not pretty', Chamber says

Results from a survey of businesses in the Humber area are "not pretty", the Chamber of Commerce says.

The Hull and Humber Chamber's quarterly survey for the last three months of 2024 found the optimism of the previous period evaporating, to be replaced by worries over higher overheads.

The survey found domestic sales and orders both dropping significantly, though exports fared slightly better. The number of firms who said their workforce had decreased in the last three months increased, though just over half the respondents reported trying to recruit staff in the survey period.

Cashflow was highlighted as an ongoing challenge and profit expectations dropped 16 points to -39.

Chamber chief executive Dr Ian Kelly said: "The quarter three figures showed a slightly improved picture with many indicators showing something of a bounce back, but our Quarter 4 results have seen the majority of those gains go into reverse. It is clear that increased costs caused by higher overheads and a substantial increase in the cost of employing staff thanks to Rachel Reeves' first Budget are weighing heavily on the minds of business leaders across the Humber region.

"Most firms say they are now planning to increase their prices in the coming months, while at the same time cutting investment in training and equipment. Cashflow and profit expectations are also down as firms look for ways to reduce the impact of higher overheads in the midst of a tightening

economy, not helped of course, by the Bank of England's decision in December to delay a further cut in interest rates which had been hinted at by the Governor of the Bank of England, Andrew Bailey, when he met with senior Chamber Business Leaders at a private lunch in Grimsby in October."

The survey comes at a time of mixed economic news for the UK. Inflation fell slightly this week to give a boost to Chancellor Rachel Reeves but GDP figures showed only a small level of growth in the economy.

Next week regional unemployment figures will give another insight into the state of the economy at a local and national level.