

North East businesses show confidence boost before Autumn Statement

Optimism among North East companies rose last month to its highest level since February 2022, a snapshot survey suggests.

Business confidence across the region, measured by the Business Barometer from Lloyds Bank Commercial Banking, was boosted eight points to 48% in the first half of November, thought the results came before the Chancellor's Autumn Statement. Firms reported more confidence in their own prospects in a measure that was up seven points month-on-month to 51%.

And on the economy more generally, North East respondents reported more optimism with a reading nine points up to 46%. A net balance of 25% of businesses said they expected to hire more staff over the next 12 months, that was up two points. Firms also pointed to their top growth areas as investing in staff (41%), bringing in new technology (32%) and developing their offer (30%).

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Meanwhile, the country more broadly saw confidence rise from 39% to 42% – a third consecutive monthly increase. London firms reported the highest level at 56% followed by the [North West](#) (54%), Yorkshire and the Humber (50%) and the North East.

Hiring intentions were at their highest level since May 2022 as 35% of companies indicated they will increase staff levels

over the next 12 months, up three points month-on-month. Manufacturers reported the most prominent rise in confidence, up nine points to 45%, with construction firms reporting their first sentiment improvement in three months to 35%.

Martyn Kendrick, regional director for the North East at Lloyds Bank Commercial Banking, said: "As we near the year end, it's great to see confidence amongst businesses in the North East not only remain buoyant, but climb to its highest level since February 2022. With companies eyeing up more investment in their teams through training and new hires, I'm confident that 2024 will see an injection of new skills and jobs to the region.

"Couple this with plans for greater investment in technology and business offerings and it paints a hopeful picture for the region, which no doubt has its sights set on growth. We'll be by the side of businesses through this busy festive period and beyond."

Hann-Ju Ho, senior economist Lloyds Bank Commercial Banking, said: "Business confidence rising to a 21-month high shows the resilience of UK companies, as both trading prospects and economic optimism continue to rise. It's encouraging to see signs that wage expectations may be stabilising, even against the backdrop of hiring intentions increasing to an 18-month high. Price indicators in the survey are similarly up, with our data continuing to show that firms are still safeguarding their profit margins in response to past rises in interest rates, wage increase pressures, and the prospect of higher energy prices again this winter.

"Our next survey in December will reveal how firms are digesting the measures announced in the Chancellor's [Autumn Statement](#) last week as they navigate the busy festive season and make plans for 2024."