

Number of companies falling into administration in South West rises

The number of South West companies falling into administration jumped by 15% last year, according to new research. Analysis of notices on public records site *The Gazette* by Interpath Advisory reveal there were 116 administrations in 2023 across the region – up from 101 cases the year before.

The most impacted sectors were retail (19 cases), building and construction (16 cases) and industrial manufacturing (14 cases).

There were fewer administrations in the South West than across the UK as a whole, however, which saw a 25% rise over the year with 1,307 companies collapsing.

According to Interpath, sluggish growth, persistent high interest rates, and fragile consumer sentiment continued to impact British businesses.

Lee Swinerd, head of Interpath Advisory's Bristol team, said: "The number of administrations continues to rise as the financial challenges of recent years take their toll on businesses.

"For many South West companies, 2023 was difficult, despite signs towards the latter end of the year that some of the prevailing economic headwinds might be starting to lessen. We've seen a steady and incremental uplift of insolvency activity over the course of the past 12 months and the start of 2024 hasn't provided much cheer for management teams in the region."

Mr Swinerd said the outlook for businesses in 2024 remained

“precarious”, but it was not “all doom and gloom”.

He added: “Inflation is proving sticky but didn’t rise as many had expected, we have a resilient domestic labour market and there’s a lot of liquidity in the debt market, which means borrowers continue to have plenty of options.

“Nevertheless, 2024 will likely remain a period of elevated interest rates by historic standards, and weak consumer confidence will continue to impact those sectors already feeling the pinch. To navigate this, South West businesses should look to recognise warning signs and cash pinch points early, and seek appropriate advice.”

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