

# Recession fears slow but industry still face toughest trading conditions in 'recent history', says Chamber

The boss of one of the UK's biggest business bodies has said economic times remain tough despite news that the country might have avoided slipping into recession.

East Midlands Chamber [chief executive Scott Knowles](#) spoke as the Office for National Statistics reported the UK economy unexpectedly grew in November – albeit at a rate of just 0.1 per cent.

Experts at the ONS said the slight rise was supported by the technology sector and a strong showing by pubs and bars amid a boost from the winter World Cup in Qatar.

The construction sector saw growth fall away as it stayed flat for the month following a 0.4 per cent rise in October.

Elsewhere, manufacturing was the main cause of a 0.2 per cent decline in the production sector for the period.

Analysts had predicted the economy would shrink by 0.3 per cent for November, although the positive news still represented a slowdown in growth after GDP increased by 0.5 per cent in October.

The [East Midlands Chamber](#) represents businesses in Derbyshire, Leicestershire and Nottinghamshire. It has more than 4,000 members and employs 180 people from its head office in Chesterfield and other bases around the region.

Mr Knowles said: "It's reassuring the economy is performing better than expected and we may well stave off a recession at

the end of the year given the two months of small GDP growth in October and November.

“However, the situation remains very volatile and the three-month average, standing at -0.3 per cent, illustrates the current trajectory of the economy.

“Unprecedented energy costs, new trade barriers with the EU, and lasting damage caused by Covid lockdowns have created the hardest trading conditions for small businesses in recent history.

“The State of the Economy Index we produce as part of our Quarterly Economic Survey, providing an ‘at a glance’ picture showing the direction of travel for the East Midlands economy based on aggregated indicators, trended downwards throughout 2022 to its lowest level since the period of the second national lockdown in late 2020.

“When we look closely at the data in the final quarter of the year, domestic demand and international activity has softened, with cashflow deteriorating and investment intentions down. We’ve also seen a drop-off in businesses seeking to grow their workforce.

“Yet while the current situation is one of significant hardship, there are some signs of positivity as we enter 2023 – with a small rise in business confidence over profitability and turnover prospects due to a more consistent approach to policy from Westminster following a year of political instability.

“There is still much for Government to do in supporting businesses by ‘getting the basics right’, as we have outlined in our regional Business Manifesto for Growth, A Centre of Trading Excellence, by cultivating a wider business ecosystem geared around supporting success.

“This should focus on incentives to invest in people, support

certainty for firms by developing a long-term approach to business taxation and regulation, and ensure businesses and communities are digitally and physically connected locally and with the wider world.”

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