

South West confidence 'slowly' rising, Federation of Small Businesses finds

Confidence levels among smaller firms in the South West are rising "slowly but surely" from record lows, according to the Federation of Small Businesses (FSB).

The FSB said a quarterly survey of its members in the region had found, while still in negative territory, there had been a noticeable upwards shift in confidence, with the deficit being more than halved.

Twice as many companies who took part said they were likely to take on staff rather than decrease their headcount in the coming months, while nearly four in 10 firms said they were aiming to grow either rapidly or moderately in the current quarter.

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The FSB said despite these positive signs, the South West still has the overall lowest confidence levels in the country, and investment ambitions were "at a low ebb". General economic conditions were perceived as the greatest barrier to growth over the next year, followed by consumer demand and utility costs.

FSB regional policy chair Craig Carey-Clinch, said the more hopeful signs overall should be "cautiously welcomed".

Mr Carey-Clinch said: "We are still a long way from where we want to be and our amazing South West businesses still have a myriad of issues to deal with but let's hope this upward turn in regional attitudes are at least the foundation for a more

optimistic outlook for the year ahead.”

The UK’s biggest business group said the regional report was in line with the results of its national survey, which it said showed levels of business positivity among SMEs recovering “strongly” after record-breaking lows reported at the turn of the year.

Martin McTague, the FSB’s National Chair, said: “This report shows that small firms may be about to turn the corner and rebound after the pandemic and the energy crisis, with confidence recovering alongside improved optimism for the next quarter.

“However, there are still plenty of dark clouds on the horizon that could dampen small business recovery. The prospect of further interest rate rises is causing significant disquiet, at the same time that costs remain at serious highs.”

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