

Welsh firms expecting to be more successful in 2023 than this year

The majority of Welsh businesses expect to be more successful in 2023 than this year despite challenging economic forecasts, according to the latest data from Lloyds Bank.

Almost two-thirds of businesses (64%) said they are confident they would have greater success in the coming 12 months, compared to the past year. More than quarter (28%) were not confident about being more successful in 2023, and 3% expected their business to perform at the same level in the next year.

Firms in Wales projected a more upbeat outlook for 2023, with almost half (49%) expecting a higher turnover than in 2022. One in five businesses (20%) expect turnover to increase by between 5% and 19%, and 10% anticipate turnover to increase by more than 20%.

When businesses were asked what they would do to fuel growth, 86% said they were planning an investment drive. Businesses reported that funding would be used to develop their company (51%), improve sustainability (32%), and invest in new technology (31%).

Alongside investment, Welsh businesses plan on making several New Year's resolutions. These include keeping a closer eye on costs (49%), followed by expanding in new markets (36%). A quarter (25%) said they are planning to retain existing staff, with 17% set to invest in paying bonuses and short-term incentives. Nearly a third (30%) are intending to target growth from their existing customer base.

Dave Atkinson, regional director for Wales at Lloyds Bank, said: "It's pleasing to see so many Welsh businesses readying

themselves for a strong year. Buoyed by a busy festive season, the country's thriving hospitality and leisure sectors will be hoping to lay the foundations to keep momentum going as we enter 2023.

"While firms will rightly be mindful of costs and carefully considering where their business will benefit most from investment, it's encouraging that they are focusing on both existing customers and new markets as routes for growth. Having financial flexibility will be key for businesses as they expand their offering, and we will be here to help them maintain the cashflow they need to unlock new opportunities."

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