

# Middle East War Impacting Business...

“  
**INFLATION  
PRESSURES**  
*...hitting hard*

“  
**UTILITY  
COSTS**  
*...serious fear*

“  
**WAGE  
DEMANDS**  
*...rise again*

“  
**TAX  
BURDEN**  
*...weighs heavy*

# Domestic and International Pressures...

## Putting strain on businesses from every angle

- Staff asking for greater pay rises due to cost of living
- The uncertainty of rising utility costs
- Changes to employment costs and rules



## We want to hear your views...

Each quarter Shropshire Chamber takes part in the British Chambers of Commerce national economic survey. In this report, you will see the results for Shropshire, trending from as far back as 2009. If you and your company would like to take part in these surveys, please contact [policy@shropshire-chamber.co.uk](mailto:policy@shropshire-chamber.co.uk) giving your name, company name and the email to which invitations should be sent.

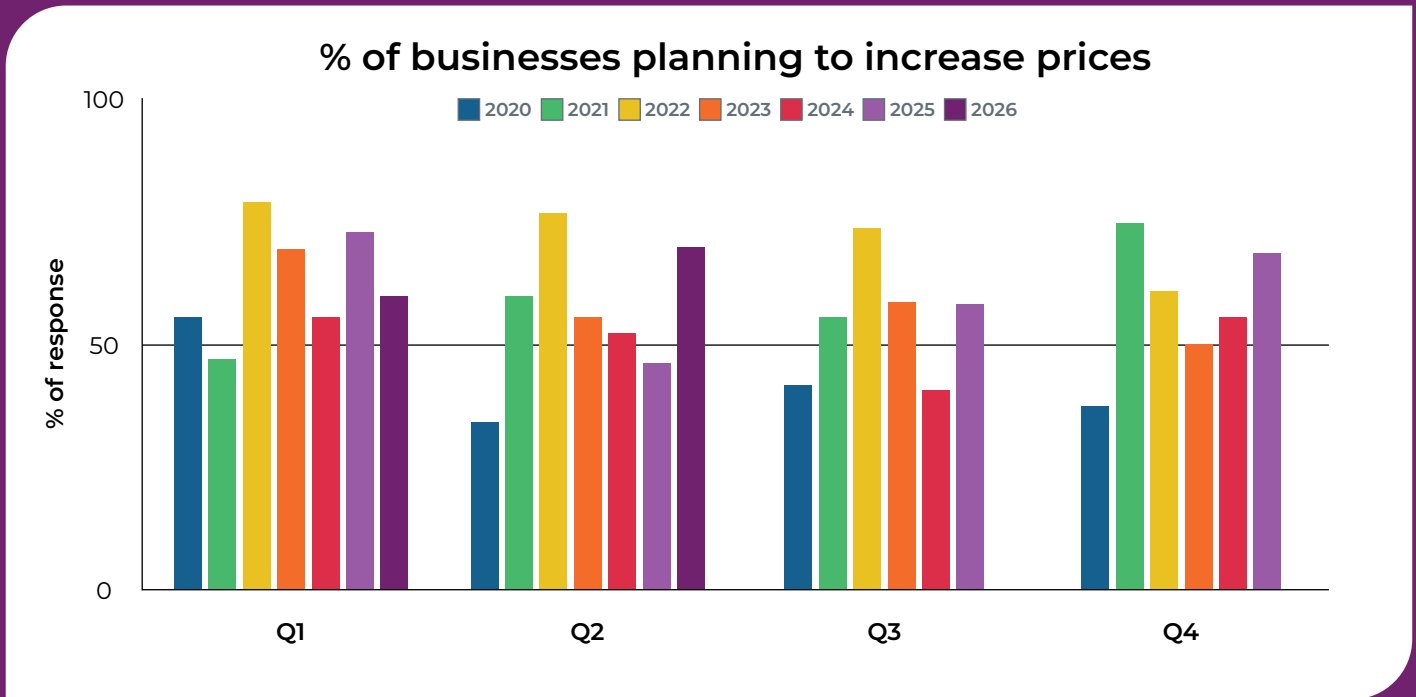
Please note this is only open to businesses in **Shropshire** and **Telford & Wrekin**, and Chamber Membership is not required to take part. Those in neighbouring counties should approach the British Chambers of Commerce to locate their nearest BCC Accredited Chamber.

This survey is open to businesses from all sectors including public sector and the third sector. The survey is open to any size of business from micro's, who employ no staff, to the very largest businesses. The data is used both locally and nationally to lobby those in power on the main topics of concern. The national survey is highly respected and is used by Central Government and the Bank of England to understand the economic situation and pressures facing businesses in the UK.

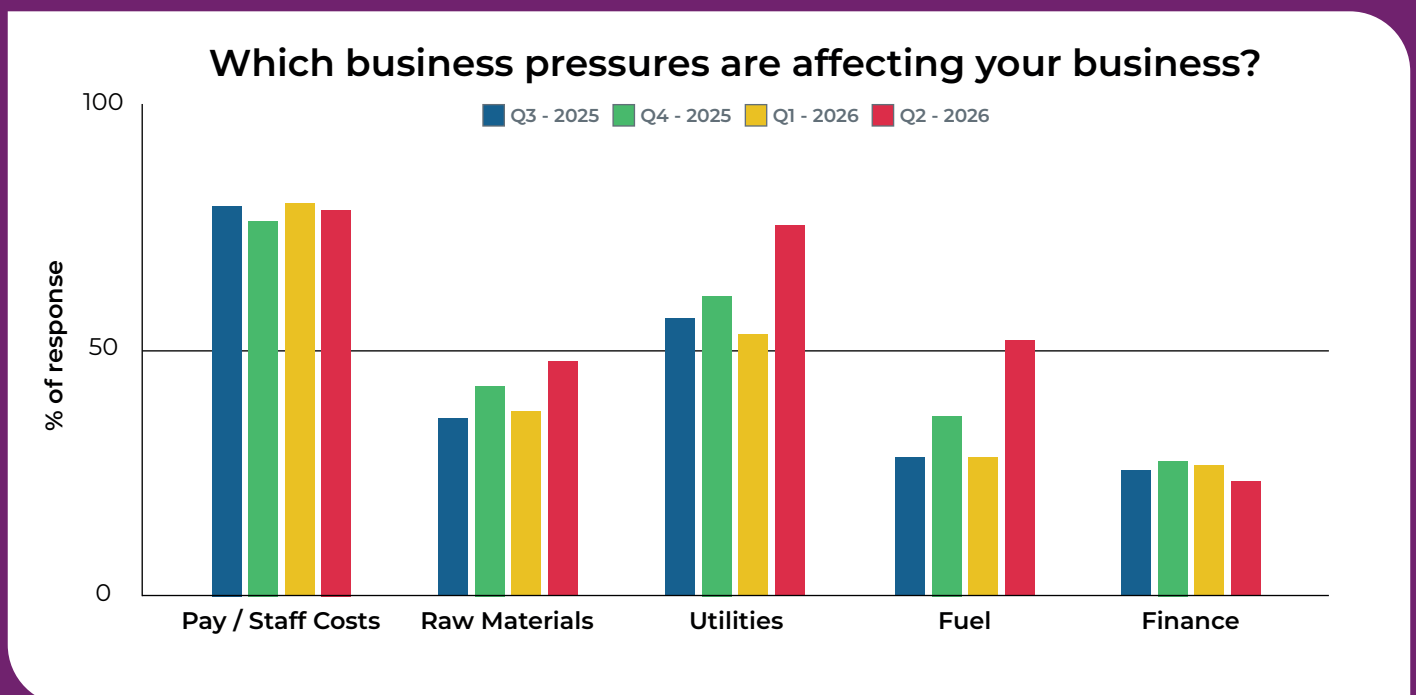
**The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.**

# Headline News...

## Price vs Cost Comparison

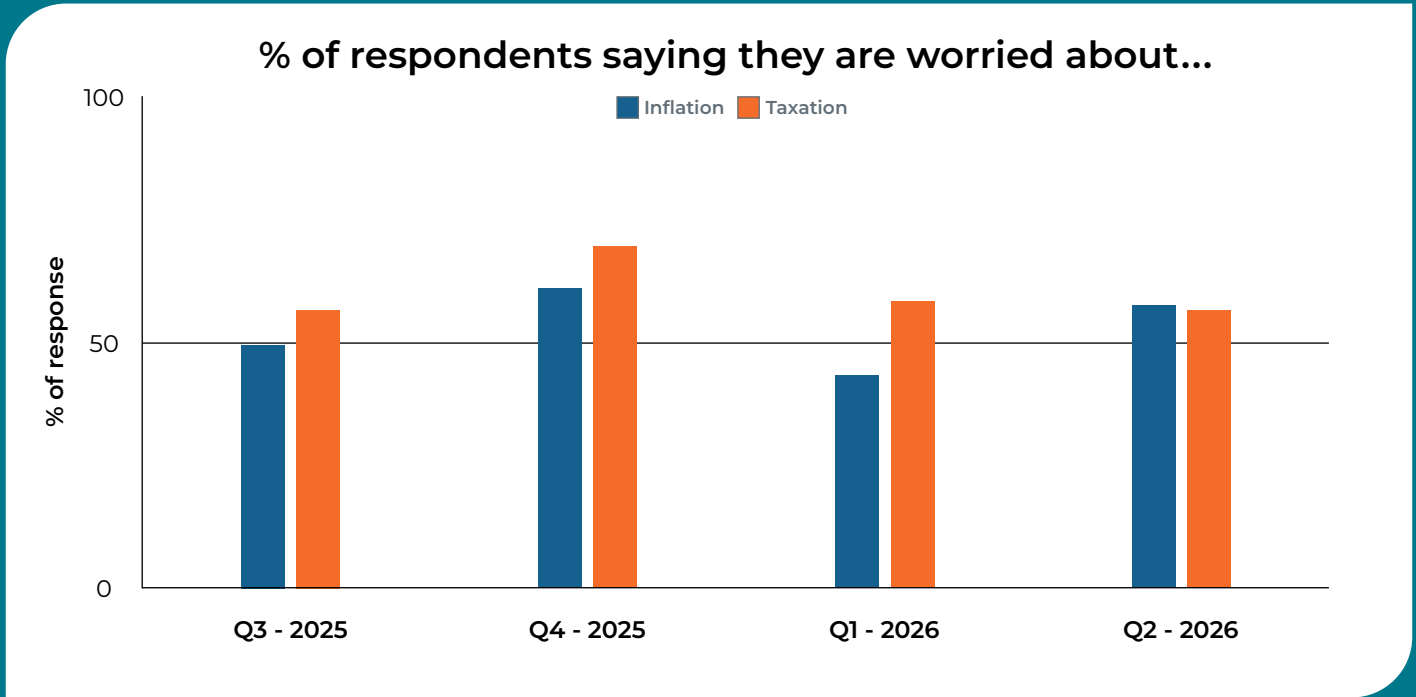


## Business Pressures Affecting YOU

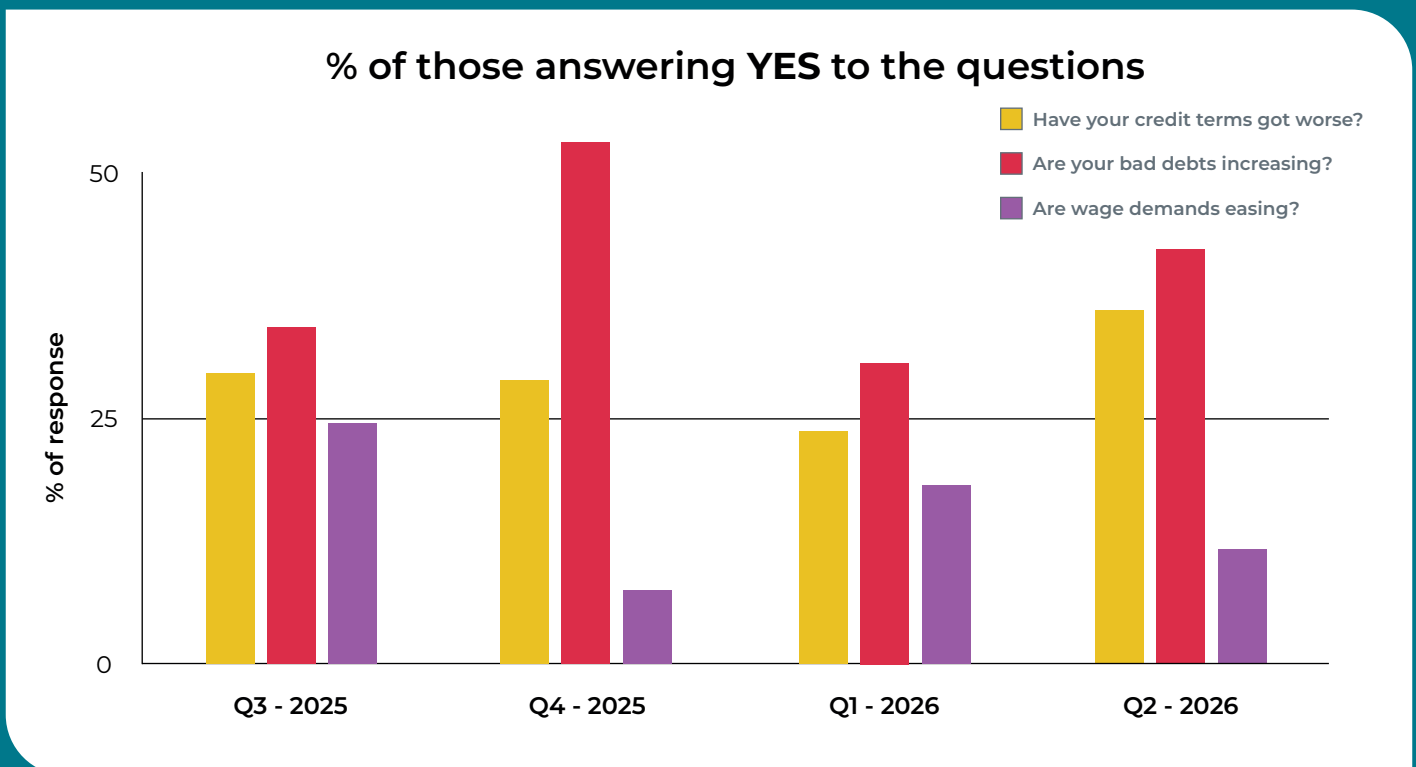


## Headline News...

### Inflation and Taxation Fears



### Credit Terms, Bad Debts and Wage Demands



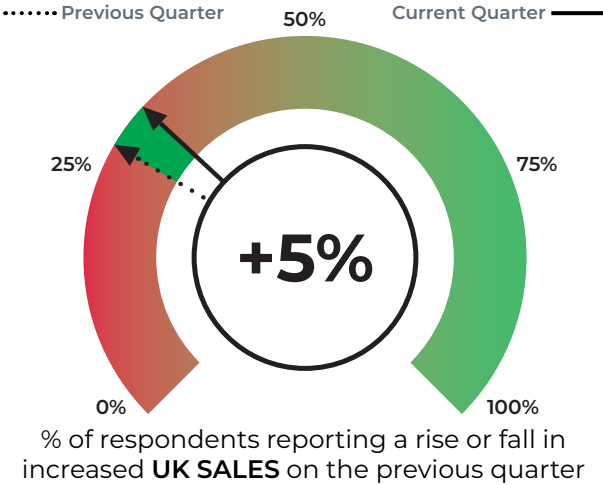
## DOMESTIC (UK) SALES INCREASES

### UK Sales Past:

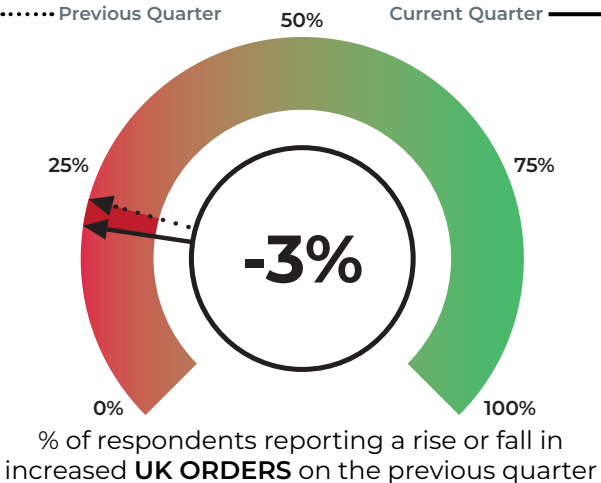
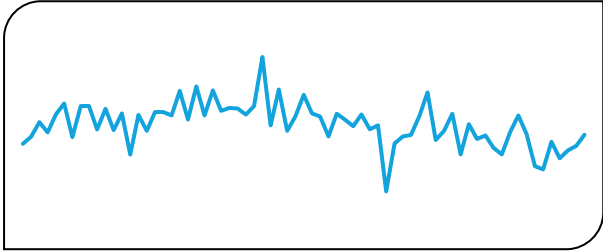
*"The steel 'safe guarding' tariffs pose a real threat to UK manufacturers that consume metal. This protects up-stream steel producers while making down-stream manufacturers uncompetitive."*  
Manufacturing Sector

*"Stocking produce in farm shops, pubs and other shops - orders have dramatically dropped this year."*  
Retail & Wholesale Sector

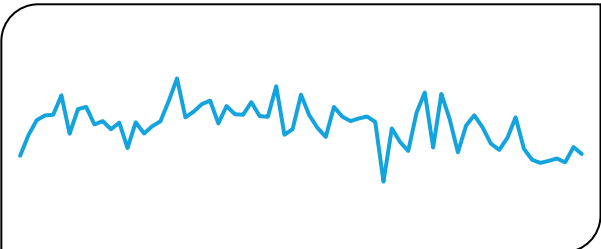
*"UK Sales/Services; our footfall is down, but people are still happy to book ahead for occasions like birthdays etc."*  
Hospitality Sector



2009      UK Sales Past      2026



2009      UK Sales Future      2026



### UK Sales Future:

*"Current Middle East crisis has killed all our orders to the region. Projects in the UK are either delayed or push back to next year. If this continues I will need to close the business in 3 months."*  
Manufacturing Sector

*"We are noticing a hesitancy among businesses to engage our services. The budget is there, they are not going to a competitor, but instead appear to be taking more time to take that final decision taking a project across the line. Instability seems to be making this issue much more prevalent among UK customers."*  
Marketing Sector

## EXPORT SALES

### INCREASES

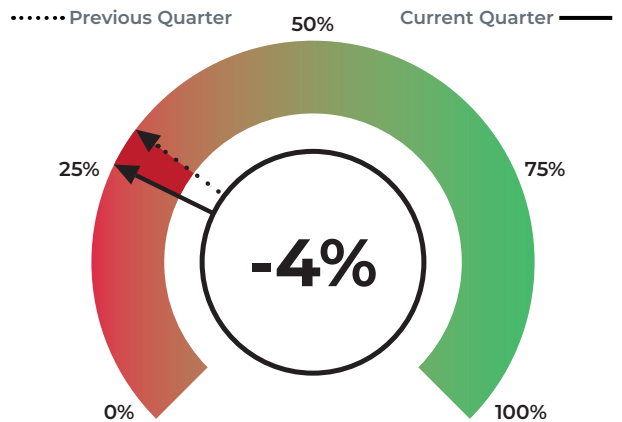
#### Export Sales Past:

*"Brexit continues to dampen European exports; Trump's tariffs have halved our US exports."*

Manufacturing Sector

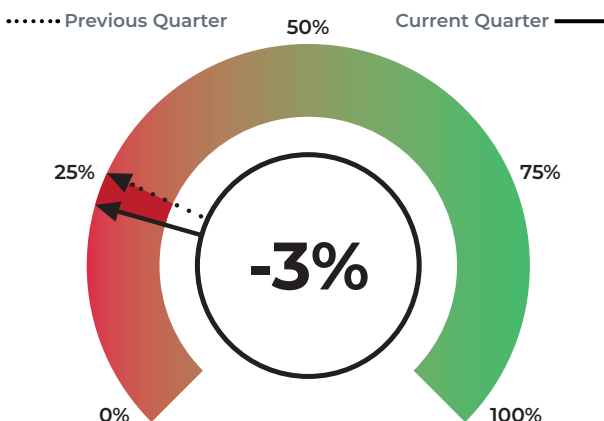
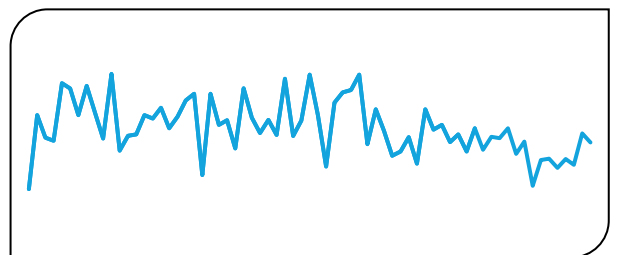
*"UK Sales; we predominately sell to the UK hospitality sector. Due to the current climate, projects are being put on hold, to being delayed until next year. This has had a massive impact on our sales and future orders. Export Sales; we supply directly to the Middle East and North America, again due to the current situation and the NA tariffs, our sales and sales forecast has seen a massive drop."*

Manufacturing Sector



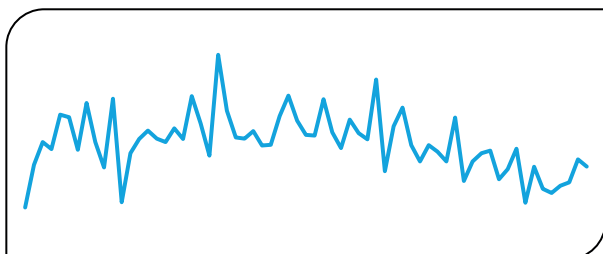
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009      Export Sales Past      2026



% of respondents reporting a rise or fall in increased **EXPORT ORDERS** on the previous quarter

2009      Export Sales Future      2026



#### Export Sales Future:

*"We are pro-actively looking abroad for sales (without any useful or tangible support from the UK Government). We also innovate, develop and promote new products, again with very little support. It is these activities which ensure improvement in turnover."*

Manufacturing Sector

*"Need to remain competitive in worldwide markets - passing on price increases is not possible."*

Manufacturing Sector

*"Business and consumer confidence, impacted more by press coverage than reality; export constraints (Brexit and US tariffs)."*

Manufacturing Sector

## WORKFORCE PAST & FUTURE INCREASES

### Workforce Past:

*"Had to let one person go due to uncertain future workload."*

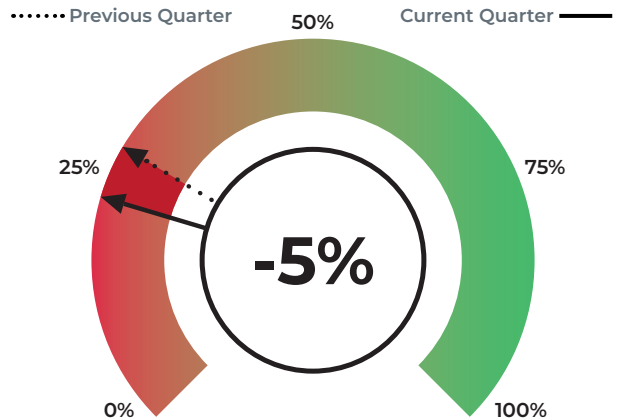
Professional Services Sector

*"We are currently increasing our Telford based workforce by 150."*

Professional Services Sector

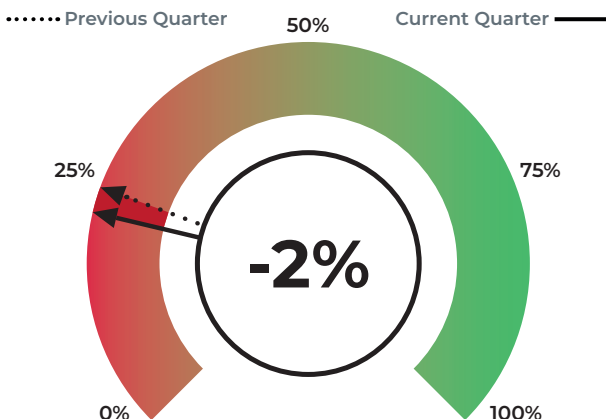
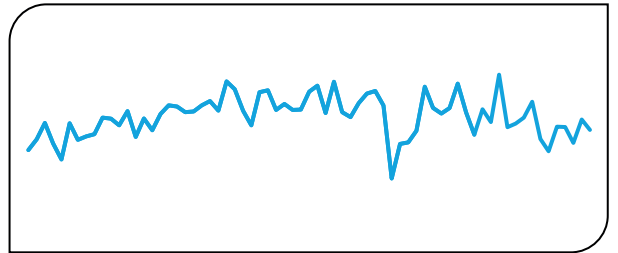
*"Government policy has made it unpalatable to take the financial risk of trying to recruit more staff. We prefer to bring in fractionals or contractors, if and when needed."*

Marketing Sector



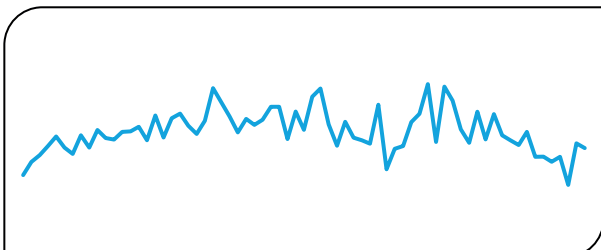
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009      Workforce Past      2026



% of respondents expecting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009      Workforce Future      2026



### Workforce Future:

*"We have not actively recruited to replace staff who have organically left, as the work flow doesn't demand it at present. Numerous projects are on hold, but the hesitancy we are seeing in business, has deterred us from recruiting in the near future. No staff appear to have plans to leave, which is why we hope to remain constant. We would like to hire to diversify some of our business, but we are also among those holding back at the moment which is frustrating."*

Marketing Sector

*"Very difficult to get skilled fabricators/welders."*

Manufacturing Sector

## SKILLS & RECRUITMENT

### Companies Recruiting:

2017 Recruited 2026

Faced Difficulties

*“Increase in minimum wage is a big problem. We have employed many young people in the past, but whilst this is still something we will do in the future, we do it with great caution and after much consideration.”*

Manufacturing Sector

*“Many companies’ potential for expansion will be affected by the recent conflicts and the additional costs imposed by the Government.”*

Construction Sector



2017 Part-Time Full-Time Temporary Permanent 2026

### Staff Types:

*“Our full-time staff remain consistent, part-time hours are less available.”*

Hospitality Sector

*“It was difficult to find someone with every skill set we required, but we did find someone who met most of the requirements. The job role was amended as a result.”*

Service Sector

### Post Types:

2017 Clerical Professional - Managerial Skilled Manual-Technical Semi-Skilled & Unskilled 2026

*“There is a shortage of qualified lawyers in Shropshire within certain areas of law.”*

Professional Services Sector

*“Limited interest to an advert for office admin role.”*

Construction Sector

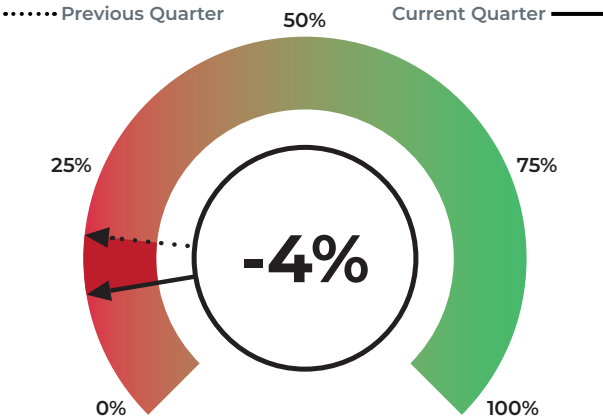
## CASH FLOW INCREASES

### Cash Flow:

*“Cash flow down, costs up... business rates are killing us and alcohol duty rises too.”*  
Retail & Wholesale Sector

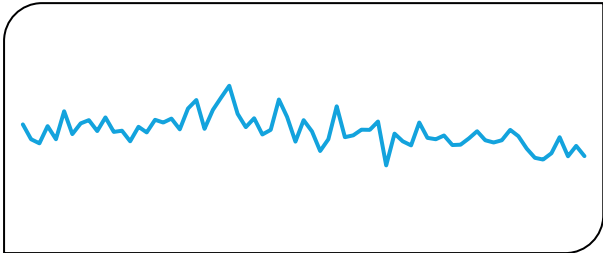
*“We haven’t had the spare cash flow to reinvest.”*  
Hospitality Sector

*“As a charity, our overheads for utilities, labour and fuel will continue to increase, causing financial pressures.”*  
Charity Sector

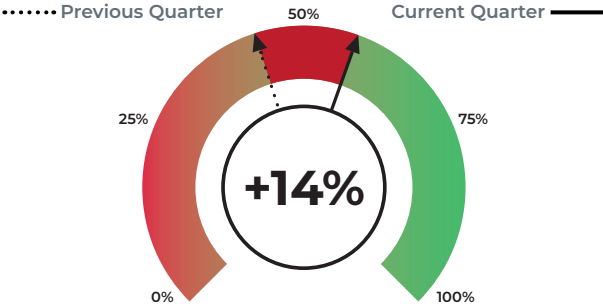


% of respondents reporting a rise or fall in increased **CASH FLOW** on the previous quarter

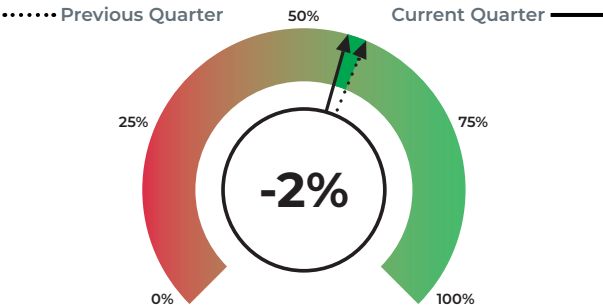
2009      Cash Flow      2026



## FEAR FACTORS



% of respondents seeing **INFLATION** as a fear factor compared to last quarter



% of respondents seeing **TAXATION** as a fear factor compared to last quarter

### Fear Factors:

*“Decrease in sales and future orders has been heavily affected by instability in the global market resulting from the conflicts in Ukraine and Iran. These ongoing geopolitical tensions have created uncertainty across supply chains, leading to fluctuations in pricing, reduced material availability, and delays in delivery schedules. As a result, customers are acting more cautiously with purchasing decisions and postponing future commitments until market conditions become more stable.”*  
Construction Sector

*“Business rates, labour, electricity - all destroying small businesses.”*  
Retail & Wholesale Sector

## INVESTMENT INCREASES

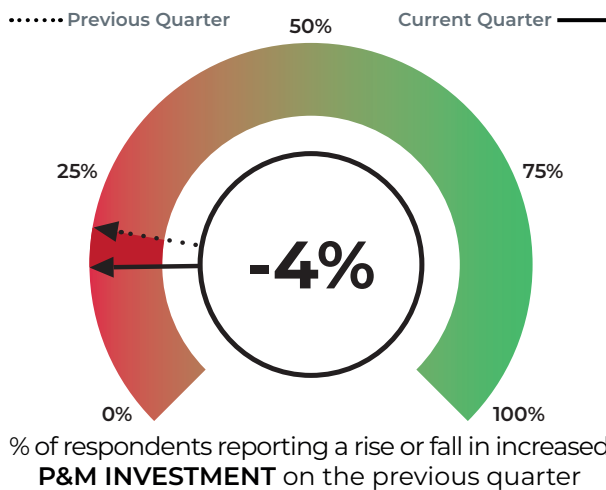
### Plant & Machinery:

*"We have had to reduce investment in Plant & Machinery over the past 3 months due to huge increases in taxation and employment costs. There is no profit left for re-investment in the business or our employees, after the increases in costs to our business."*

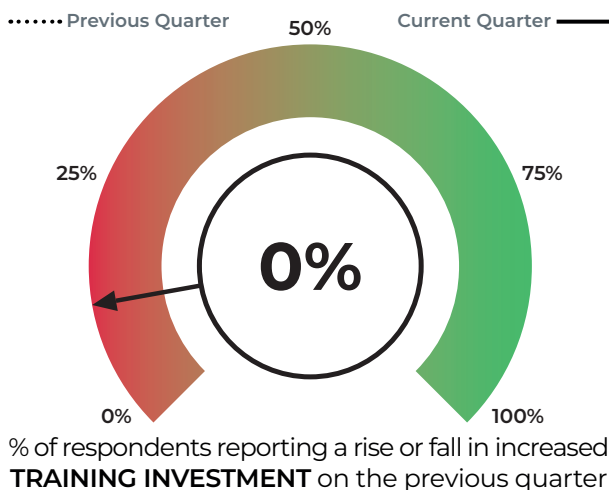
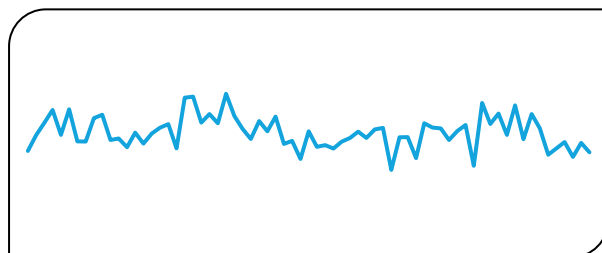
Manufacturing Sector

*"Increases in finance costs impact our clients looking to develop land and buildings. Additional costs also impact client willingness to make planning applications, such as planning fees, relatively high pre-application fees and costs of specialist reports - all create barriers to development."*

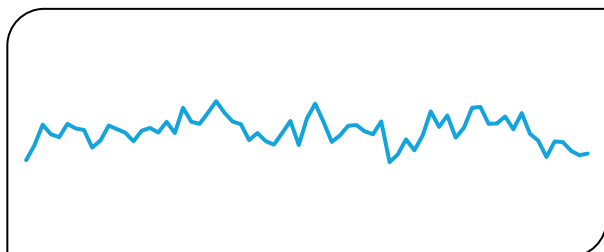
Professional Services Sector



2009      **Plant & Machinery**      2026



2009      **Training**      2026



### Training:

*"We still continue to invest and train in our business."*

Construction Sector

*"We have also reduced expenditure in training due to the huge increase in costs."*

Manufacturing Sector

*"We will attempt to keep training at current levels, but if costs increase further, we may have to decrease our investment in training."*

Manufacturing Sector

CONFIDENCE  
INCREASES

Turnover  
Confidence:

*“With a new fundraiser in place we do expect an increase in turnover, but there are added costs as a result.”*

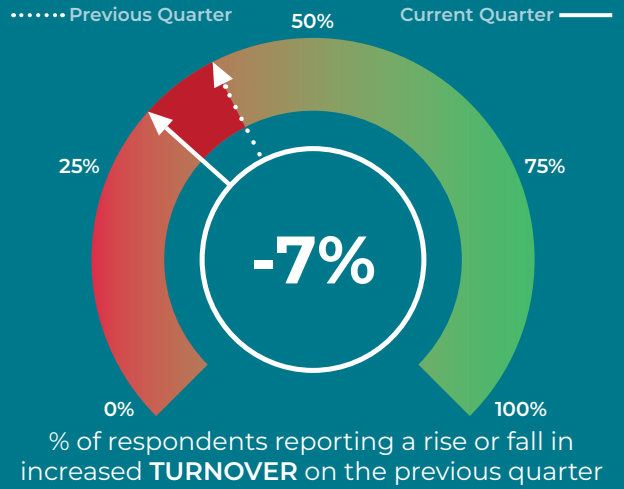
Services Sector

*“Our Public Sector offering continues to increase at pace.”*

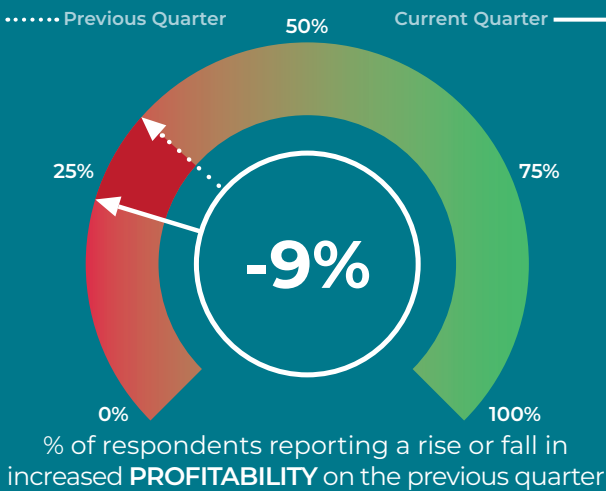
Professional Services Sector

*“Due to the current economic pressures and environmental issues, our business has continued to grow, month on month, over the past 6 years due to changing consumer habits.”*

Retail & Wholesale Sector



2009      Turnover      2026



2009      Profitability      2026



Profitability  
Confidence:

*“Trying to maintain turnover, but increases in wages and other costs are likely to reduce profitability slightly.”*

Professional Services Sector

*“Profitability is threatened by employment costs (including National Insurance) and interest rates. Net profitability is reduced by high corporation tax and so this limits investment and expansion. It also prevents the accumulation of a company contingency fund to sustain the company in the event of external economic shocks.”*

Manufacturing Sector

## CAPACITY | PRICE vs COST

### Capacity:

*"I think to stand still, we will have to work harder. Although I am hopeful of a turnover increase, more marketing might be required."*

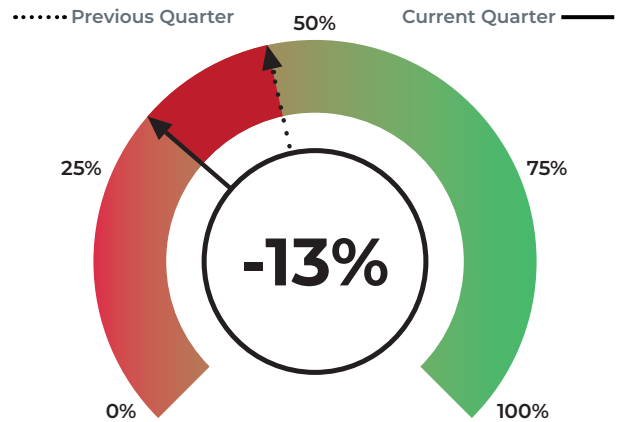
Professional Services Sector

*"Slower market affected by world and country events."*

Construction Sector

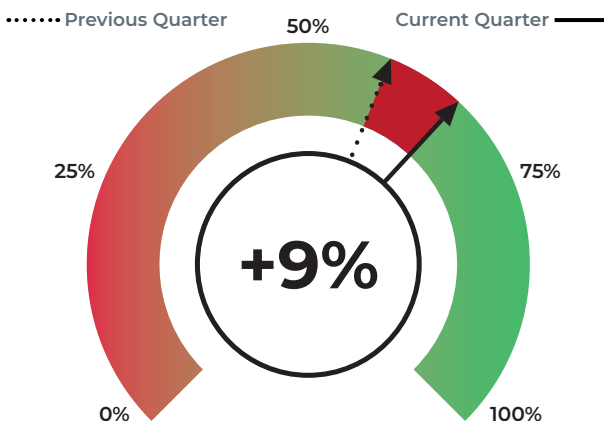
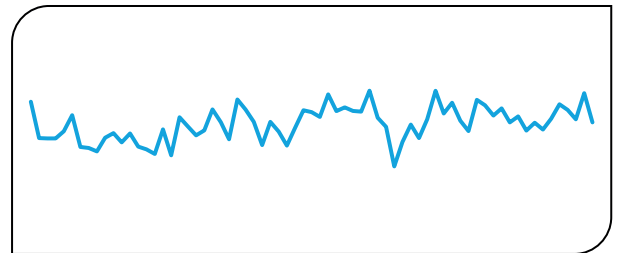
*"Until the conflicts are resolved, we will continue to see instability."*

Construction Sector



% of respondents reporting a rise or fall in **FULL CAPACITY WORKING** on the previous quarter

2009      Full Capacity      2026



% of respondents expecting to **INCREASE PRICES** compared to the previous quarter

### Price vs Cost:

*"We're having to tighten our belts and cut out all non-essential spend, to avoid having to pass extra running costs onto our customers."*

Marketing Sector

*"Costs are constantly increasing, but our ability to recoup through putting our prices up is limited, as customers are already voicing their concerns over the quoted price."*

Retail & Wholesale Sector

*"We cannot continue to soak up 100% of ever-escalating running costs as we have been desperately trying to do over the past 18 months."*

Marketing Sector



## ADDITIONAL QUESTIONS

### Business Pressures:

1

Have your credit terms got worse?

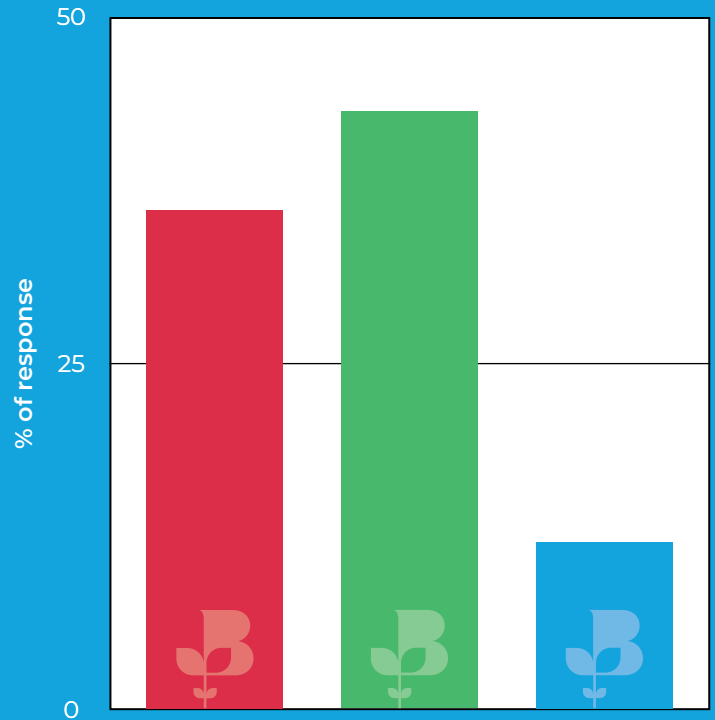
2

Are your bad debts increasing?

3

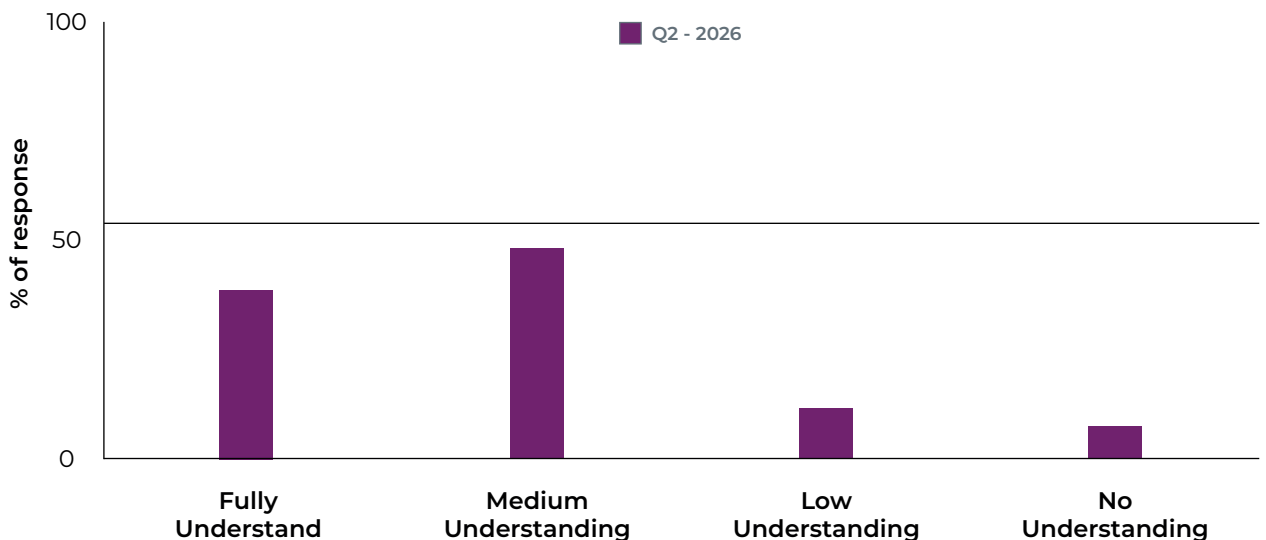
Are wage demands easing?

Graph shows the % of those who said YES to each question



### Net Zero Targets:

How well do you understand the Government's Net Zero targets?



# your voice MATTERS!

The greater the voice, the greater the influence we can have to support you

- ✓ Confidential
- ✓ Highly Respected
- ✓ Informs Government



Contact us  
TODAY!

Contact [policy@shropshire-chamber.co.uk](mailto:policy@shropshire-chamber.co.uk) today to have your name added to the Chamber survey invite list

## About the QES

The **Quarterly Economic Survey (QES)** is the flagship economic survey from the **British Chambers of Commerce**. **Shropshire Chamber** is responsible for the collection of data, for the survey, in both Shropshire and Telford & Wrekin. The data gives Shropshire Chamber vital economic indicators, facts which are used to lobby, inform Chamber strategy, as well as to support the local business community.

The national collated data, the largest and most highly respected survey of its type, is used to inform and lobby Government departments, assist the Bank of England, and inform a wide variety of other relevant bodies and economists. The survey happens four times per year.

## Every Single Business Voice Matters!

The greater the voice, the greater the influence we can have to support you and your business. **All businesses from Shropshire / Telford & Wrekin are welcome**, Chamber member or not, sole trader to multinational. It is anonymous to ensure you can speak freely.

If you would like to discuss partnering with us for the next **Quarterly Economic Survey**, please contact **Ruth Ross** on:  
[r.ross@shropshire-chamber.co.uk](mailto:r.ross@shropshire-chamber.co.uk)

