

The background features a stylized line graph with several upward-trending arrows, rendered in a lighter shade of blue against a darker blue background. The arrows are connected by a continuous line, suggesting a positive growth trend.

# **BRITISH BUSINESS CONFIDENCE GOING UP?**

March 2023

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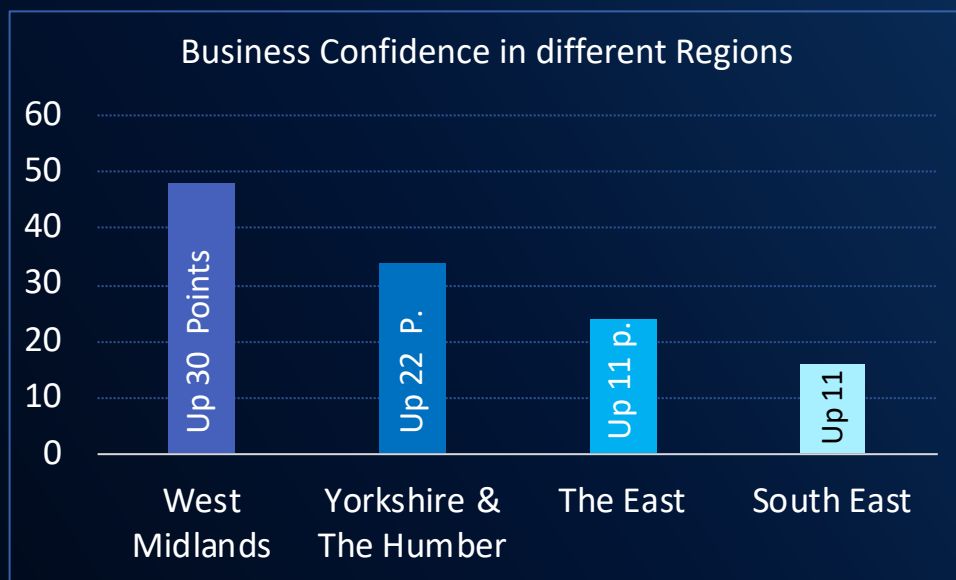
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Are the gloomy  
colours of the  
British Economy  
going to remain  
dull for a while yet,  
or are there some  
positive changes  
shining through?

In between the negative data whizzing by, there are also glimpses of encouraging news in this still rather relatively new year 2023.

According to Lloyds Banking Group latest report, businesses confidence, which went up greatly at the end of 2022 and January 2023, dropped slightly in February to 21% by just one point.

The biggest increase was seen in the West Midlands, which rose to 48%, (up 30 points from December 2022). Yorkshire & The Humber rose to 34% (up 22 points), the East 24% (up 9 points), and the South East 16% (up 11 points)



The different sectors are reacting differently to the current environment.

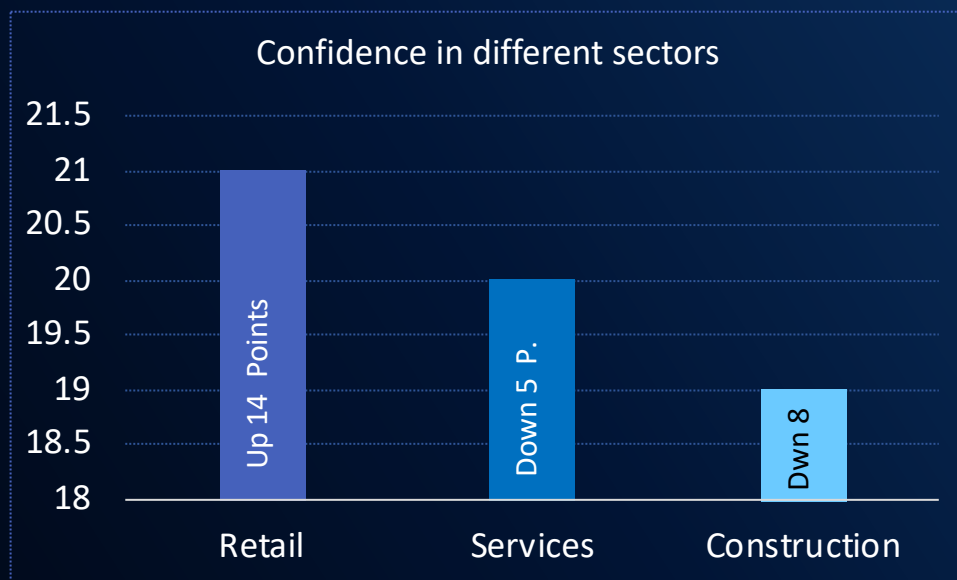
The report shows how Retail confidence reached 21%, rising for the first time in three months. (up 14 points)

On the other hand, Construction confidence fell to 19% (down 8 points), and the Services sector fell to 20% (down 5 points)

Retail has suffered so many changes within the last few years, particularly during the pandemic, where businesses were at the mercy of the fluctuating demands of the market.

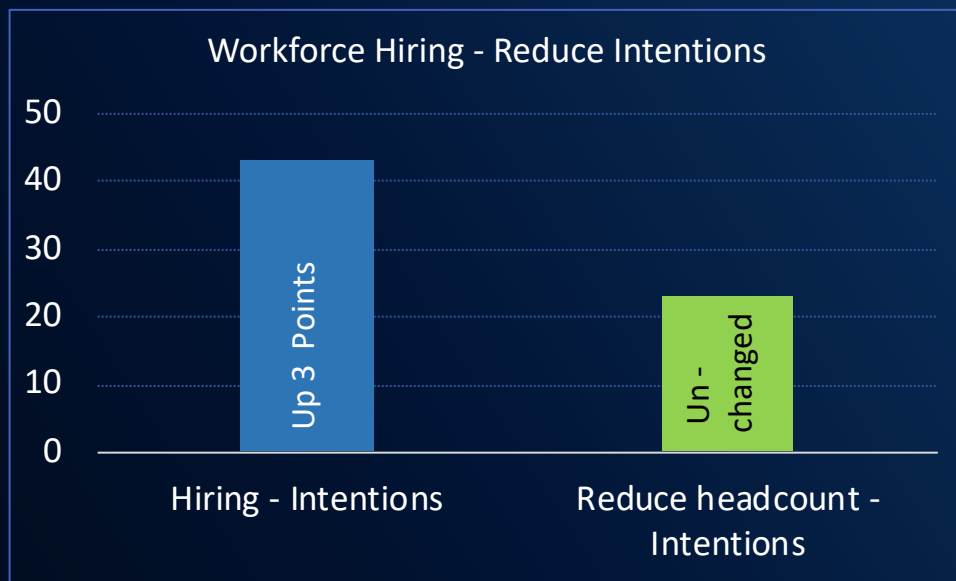
Retailers had to stay resilient, step back and innovate in order to improve on their very old systems.

Re-inventing themselves did set them back, but just lead them to a better place.



There are also a few examples that could indicate how the landscape may be starting to improve.

As an example, the report mentions slight changes in behaviour by British business; whilst the intention to reduce their workforce, stays at 23% (unchanged from December 2022), the hiring intentions have moved up consistently to reach 43% (up three points since December 2022), which also looks very positive, mainly after so many months of stagnation that we have witnessed in the recent past in this field, and where businesses have been reluctant in hiring new staff.



“Business confidence has lost a little momentum this month, following the strong gains seen recently. Firms are feeling more cautious about the wider economy. However, confidence in their own trading prospects continues to strengthen, helped by tentative signs that wage and other cost pressures may be reducing.

While inflation appears to be tapering, pressures on consumers will need to ease further to help make it a more stable environment for businesses to operate.

Hann-Ju Ho, Senior Economist Lloyds Bank  
Commercial Banking (February 2023)

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With that news in mind, at Pro Commercias, we focus on the positive and look to find much needed savings for businesses in places perhaps companies do not know exist.

To find out how much you could be saving, feel free to get in touch.

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