

East Midlands Economic Performance and Prospects Quarterly Economic Survey Q4 2024

**east midlands
chamber**

Derbyshire | Leicestershire | Nottinghamshire

QES Q4 2024

- 292 responses
 - 38% can be broadly classified as Manufacturers
 - 62% as Service Sector businesses
- Business Size
 - 38% of respondents were micro
 - 34% were small
 - 20% were medium-sized businesses
 - 8% of respondents were large businesses
- 46% of respondent businesses were active in international markets.

Performance at a glance

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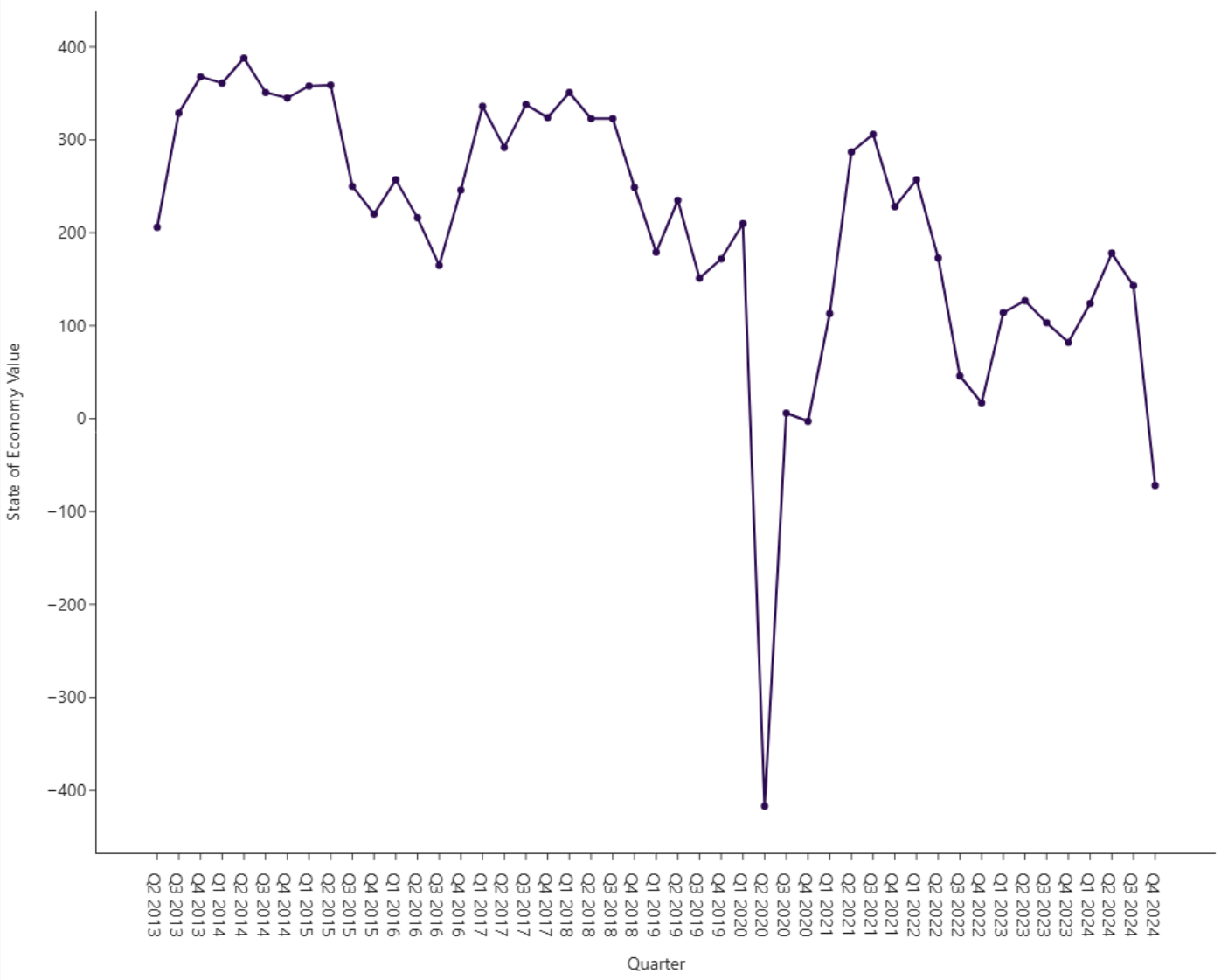
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Indicators	Net Value - Q3 2024	Net Value - Q4 2024	Net change over quarter	Direction of change
UK Sales	8 %	-3 %	-11 %	●
UK Orders	13 %	-15 %	-28 %	●
Overseas Sales	3 %	-3 %	-6 %	●
Overseas Orders	-1 %	-19 %	-18 %	●
Labour Force (Past 3 Months)	9 %	-1 %	-10 %	●
Cash Flow	-2 %	-17 %	-15 %	●
Workforce (Next 3 months)	18 %	-3 %	-21 %	●
Investment in Machinery	3 %	-15 %	-18 %	●
Investment in Training	14 %	-5 %	-19 %	●
Confidence Turnover	47 %	16 %	-31 %	●
Confidence Profitability	31 %	-7 %	-38 %	●
Future Prices	29 %	53 %	-24 %	●

State of the Economy Index

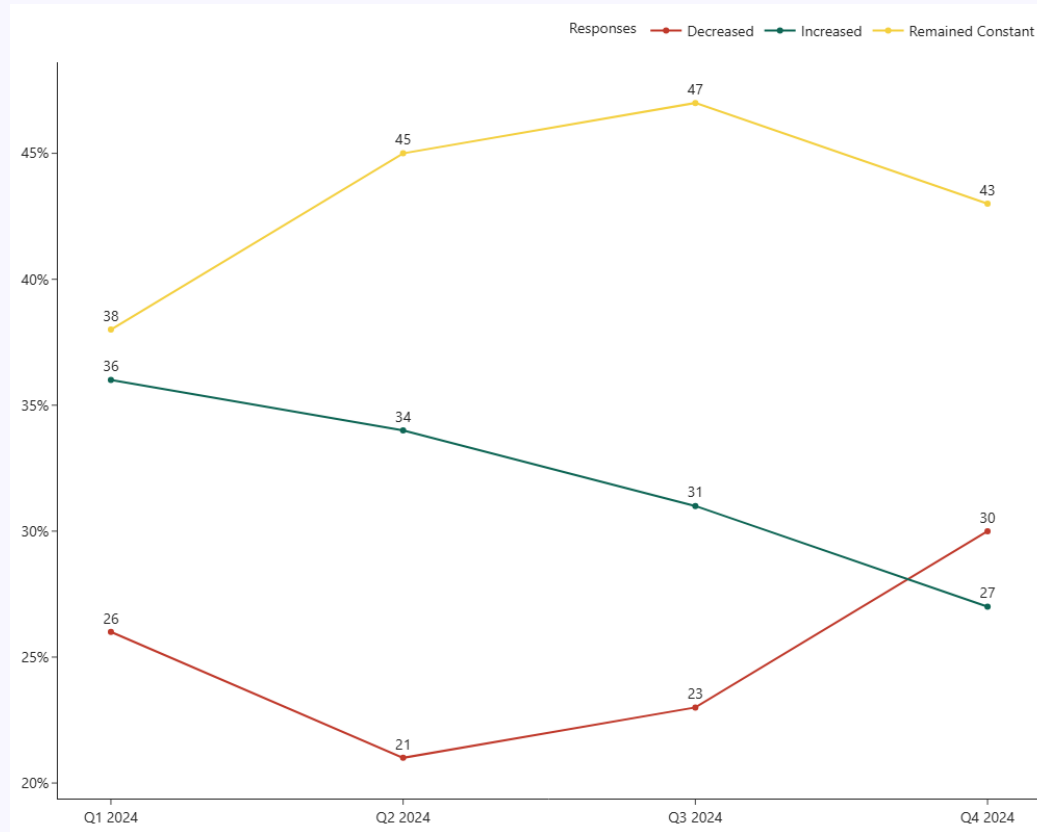
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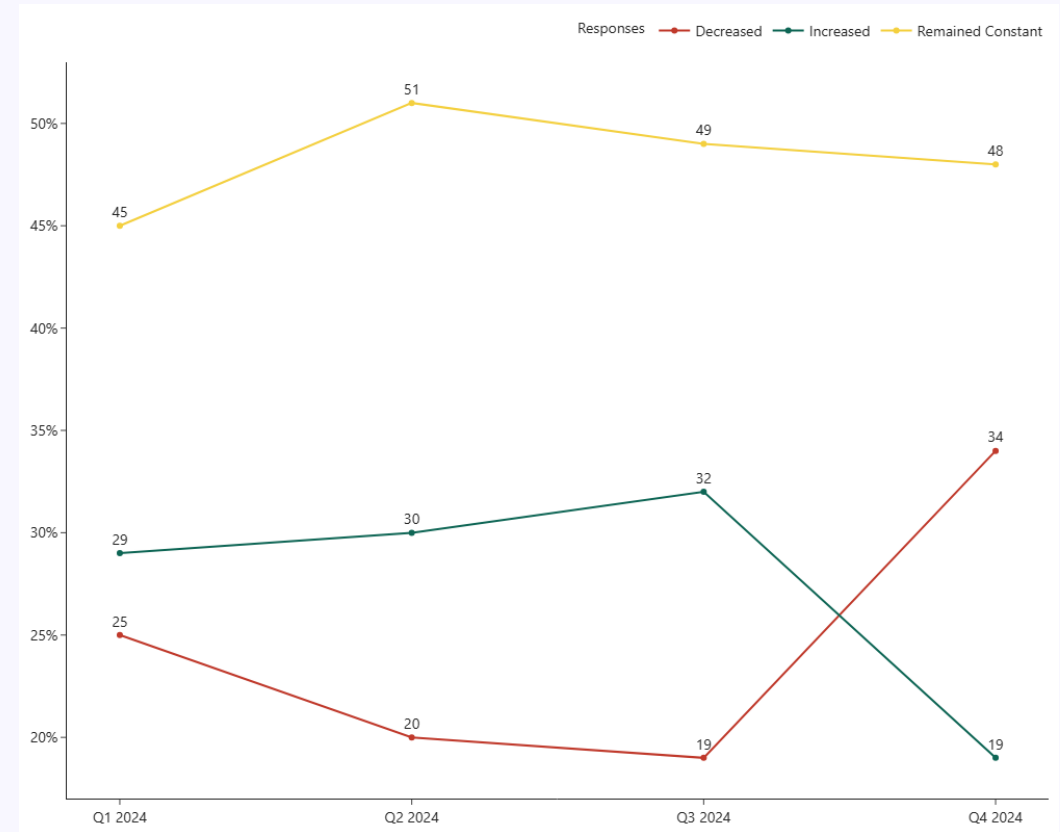


Sales and Orders: UK

Sales

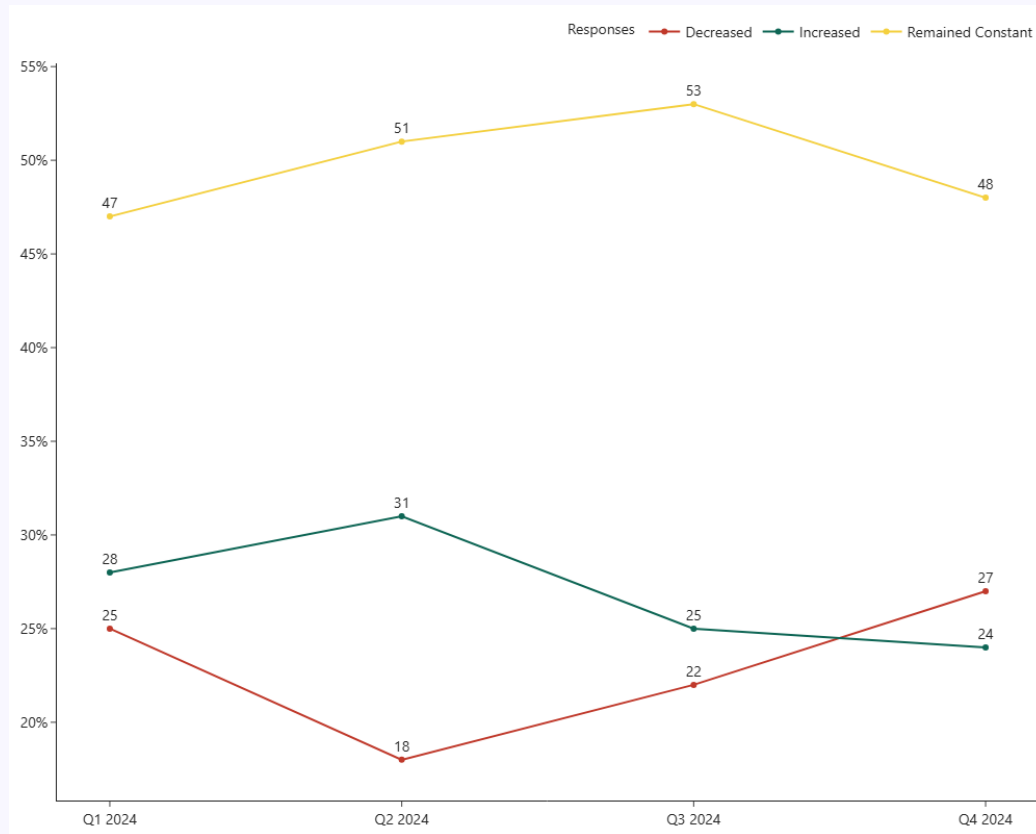


Orders

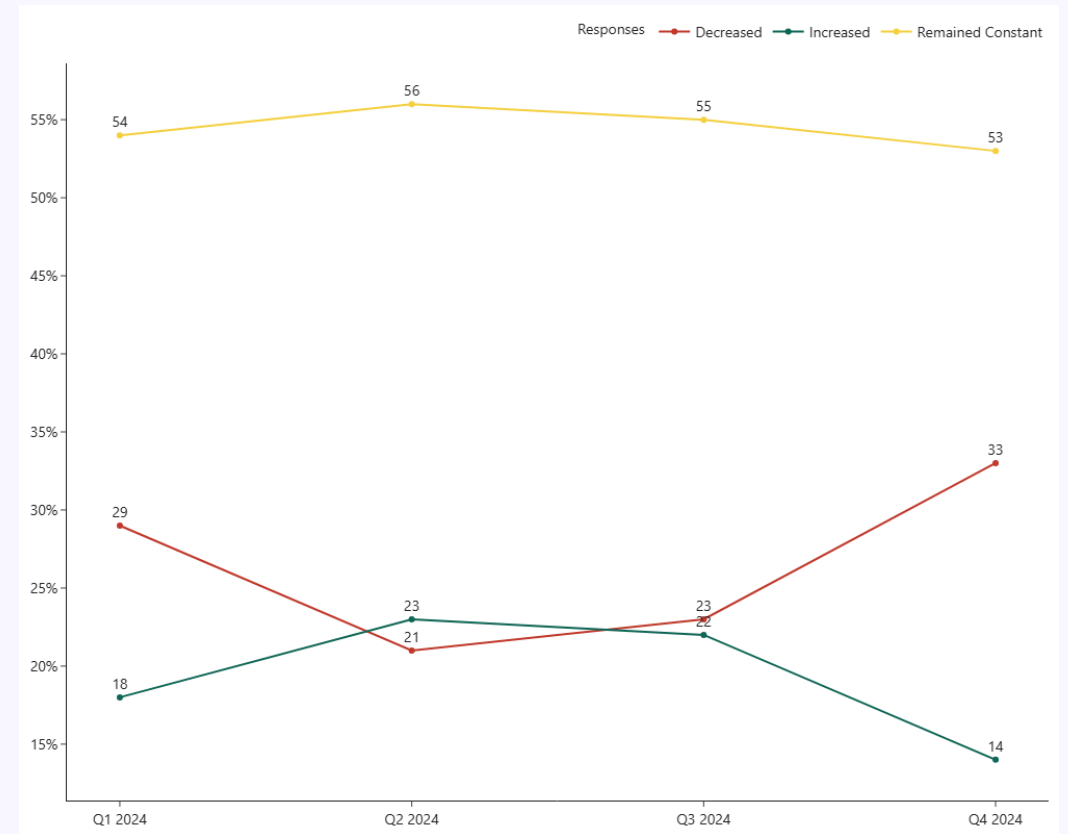


Sales and Orders: Overseas

Sales

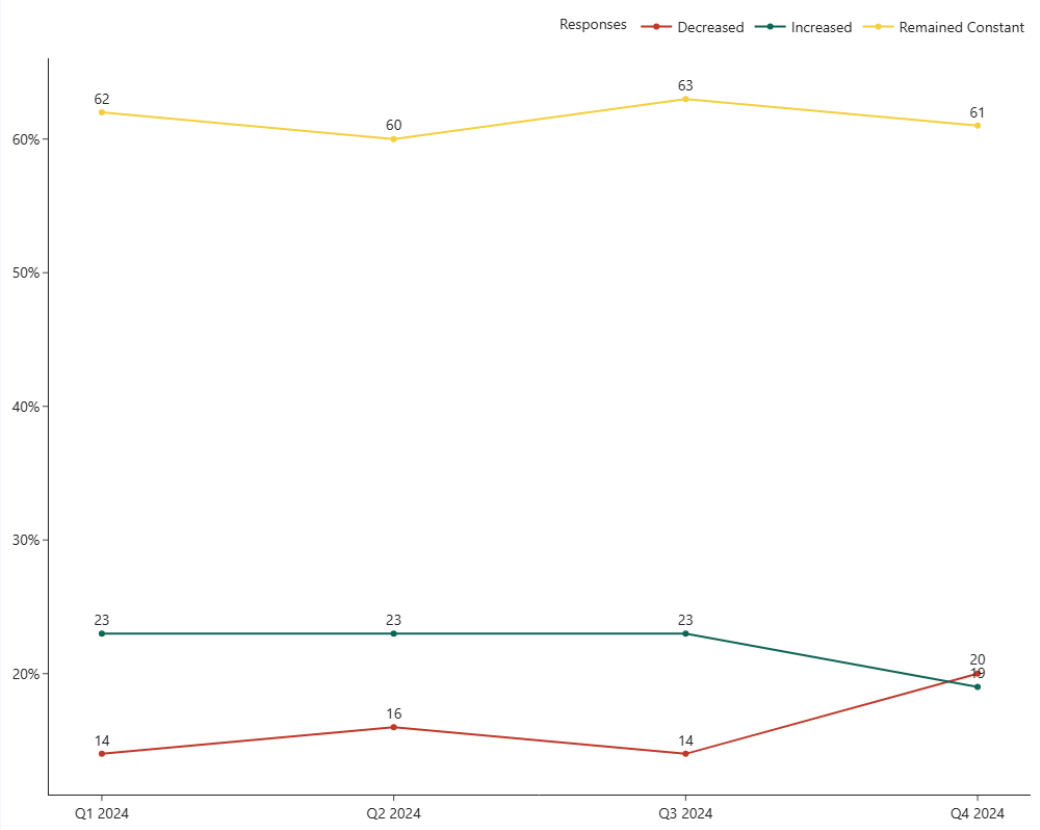


Orders

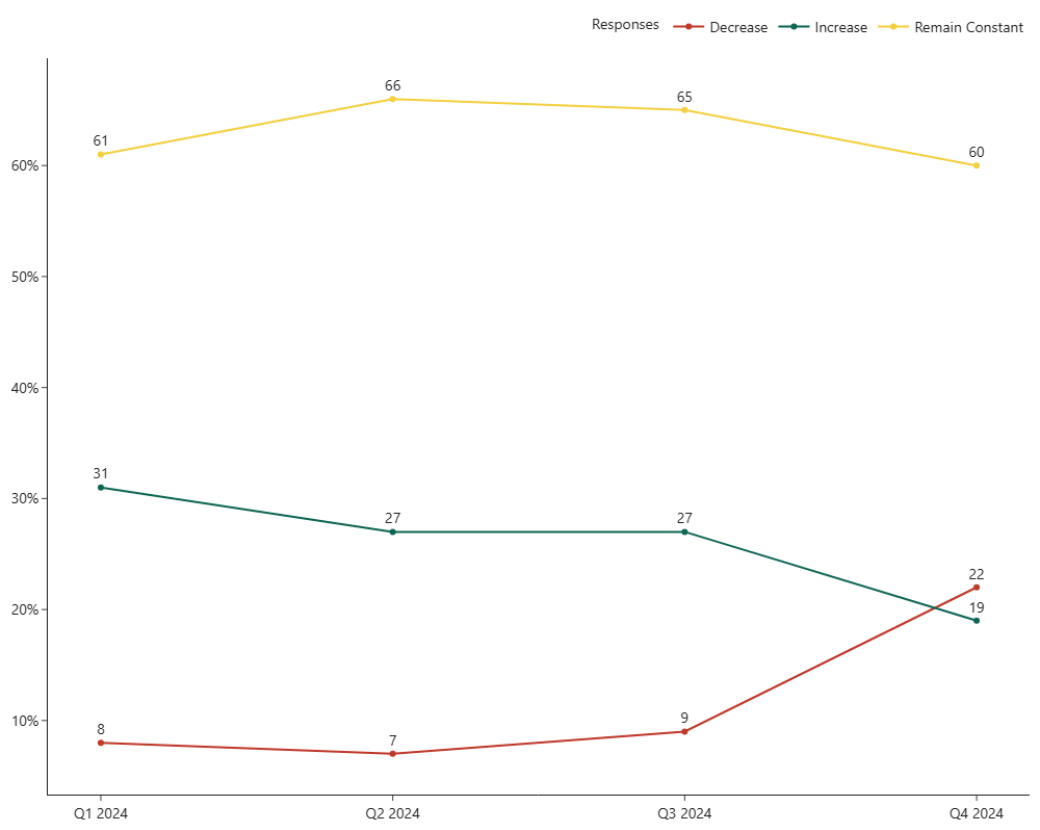


Workforce

Past employment

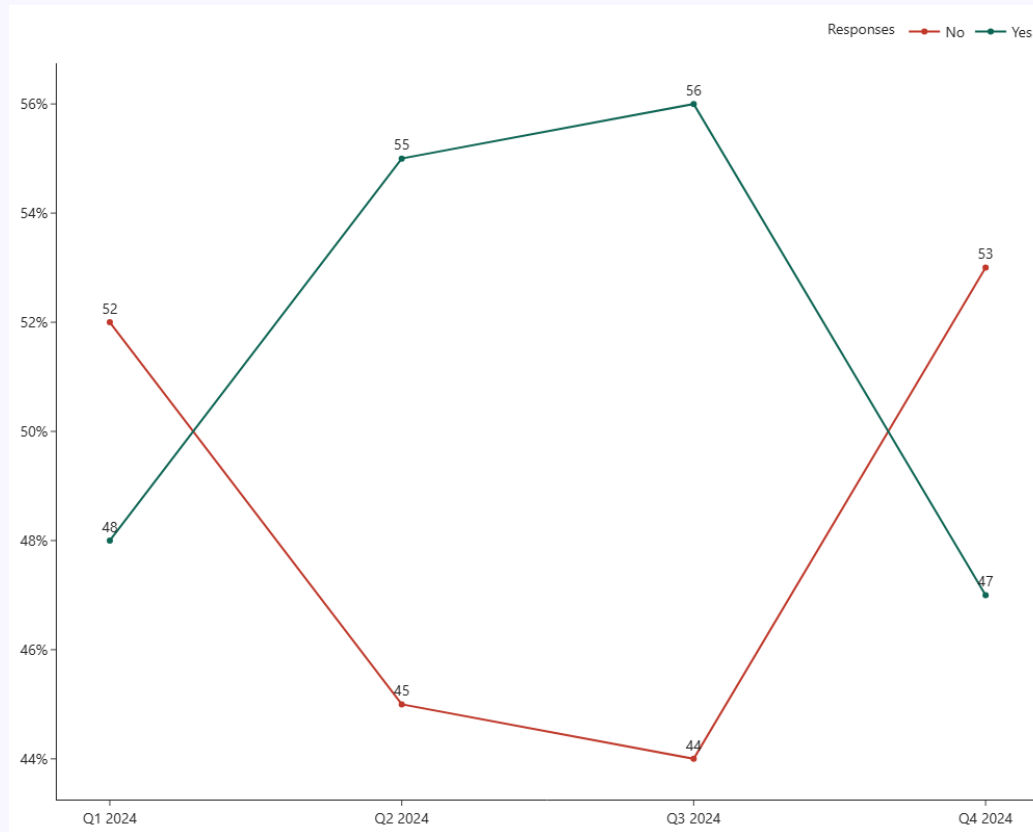


Future employment

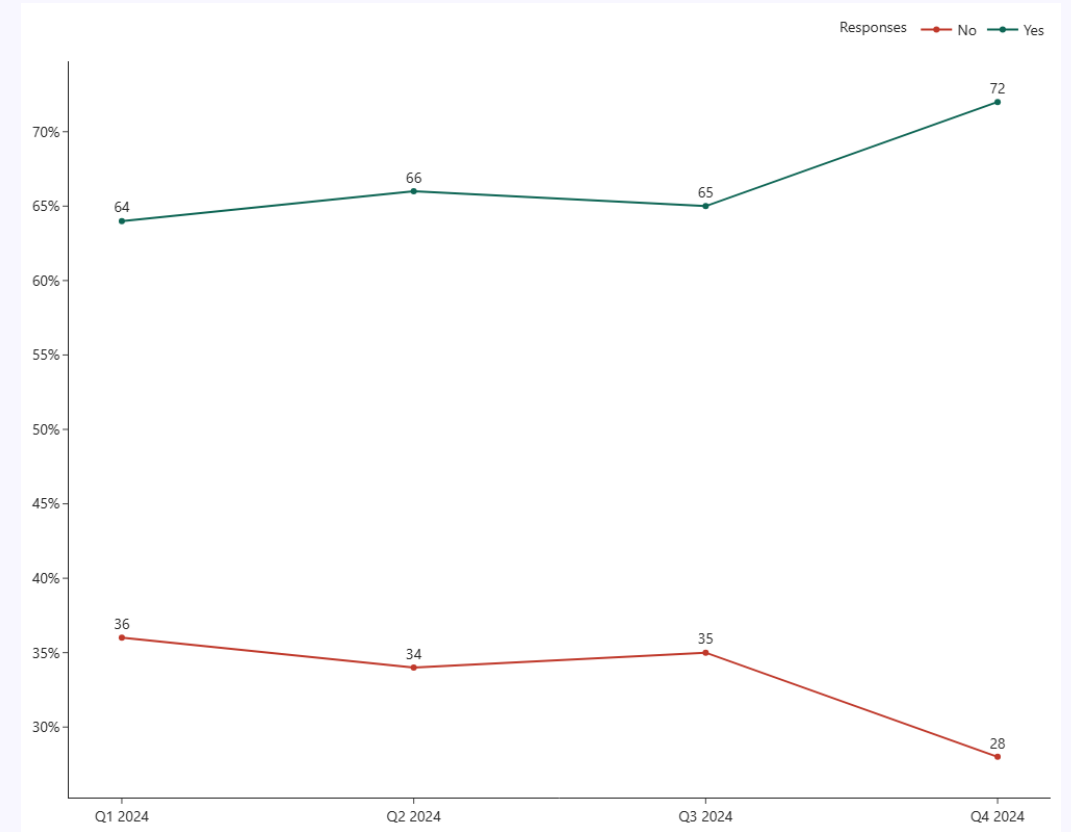


Recruitment

Have you attempted to recruit?

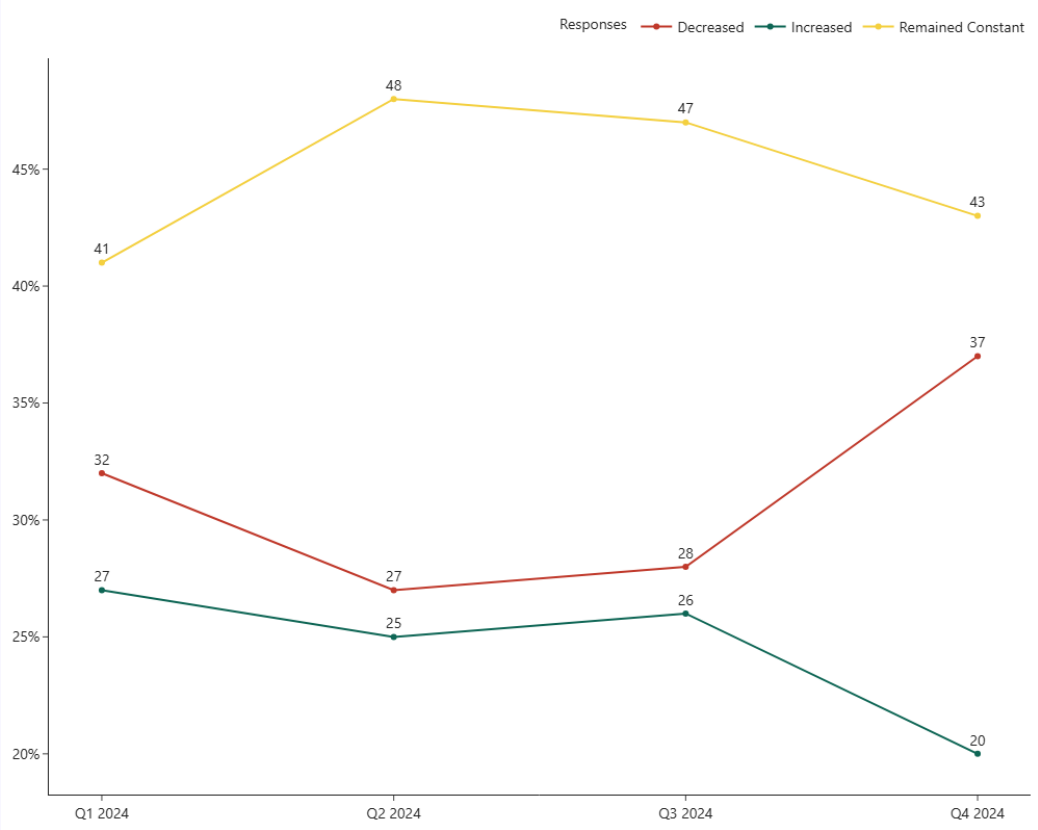


If yes, did you struggle?

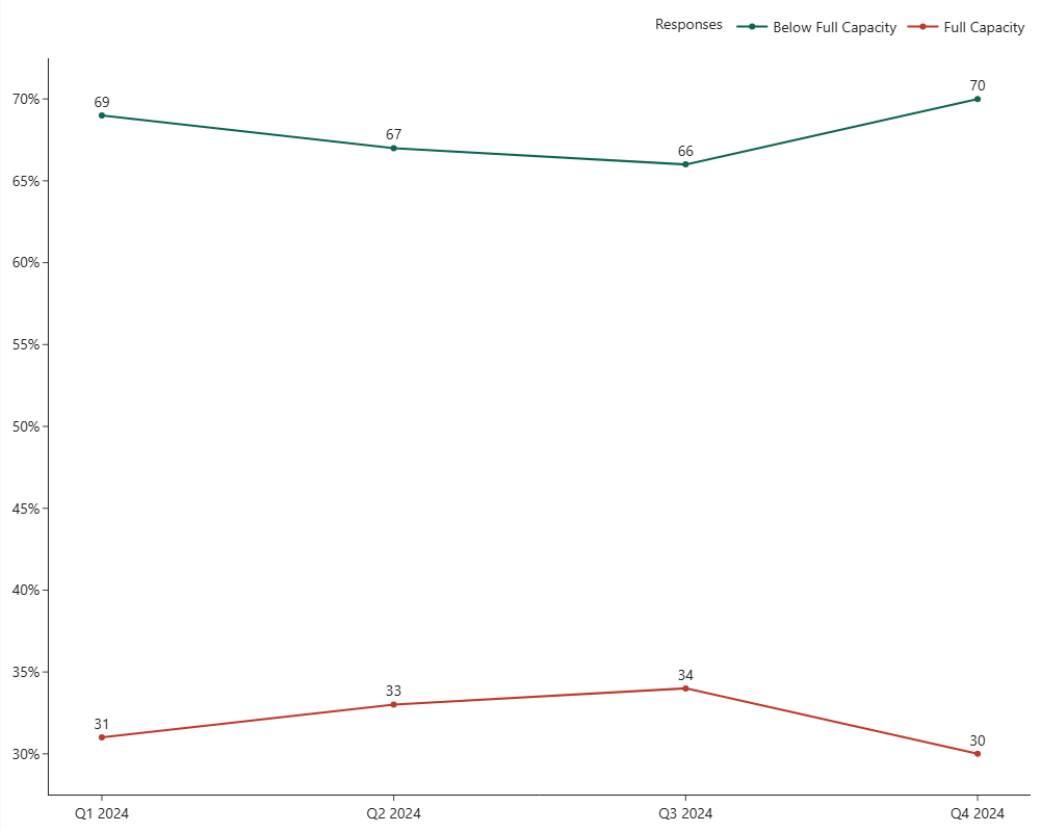


Cashflow and Capacity

Changes to Cashflow

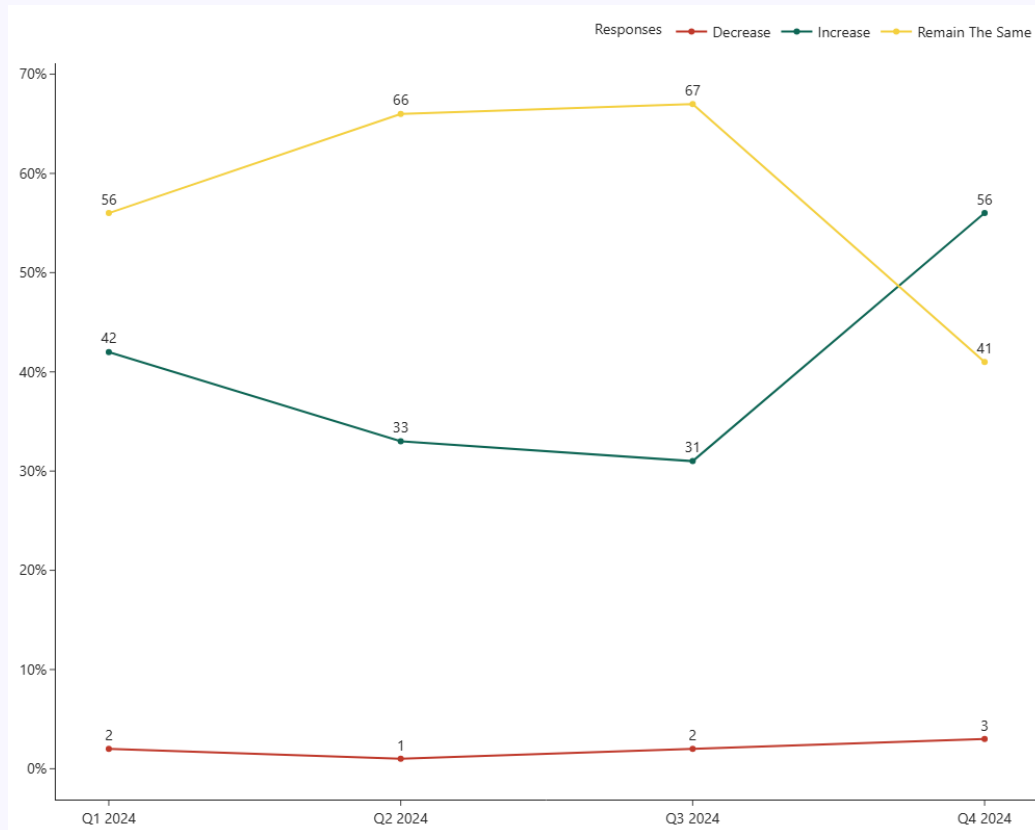


At or Below capacity

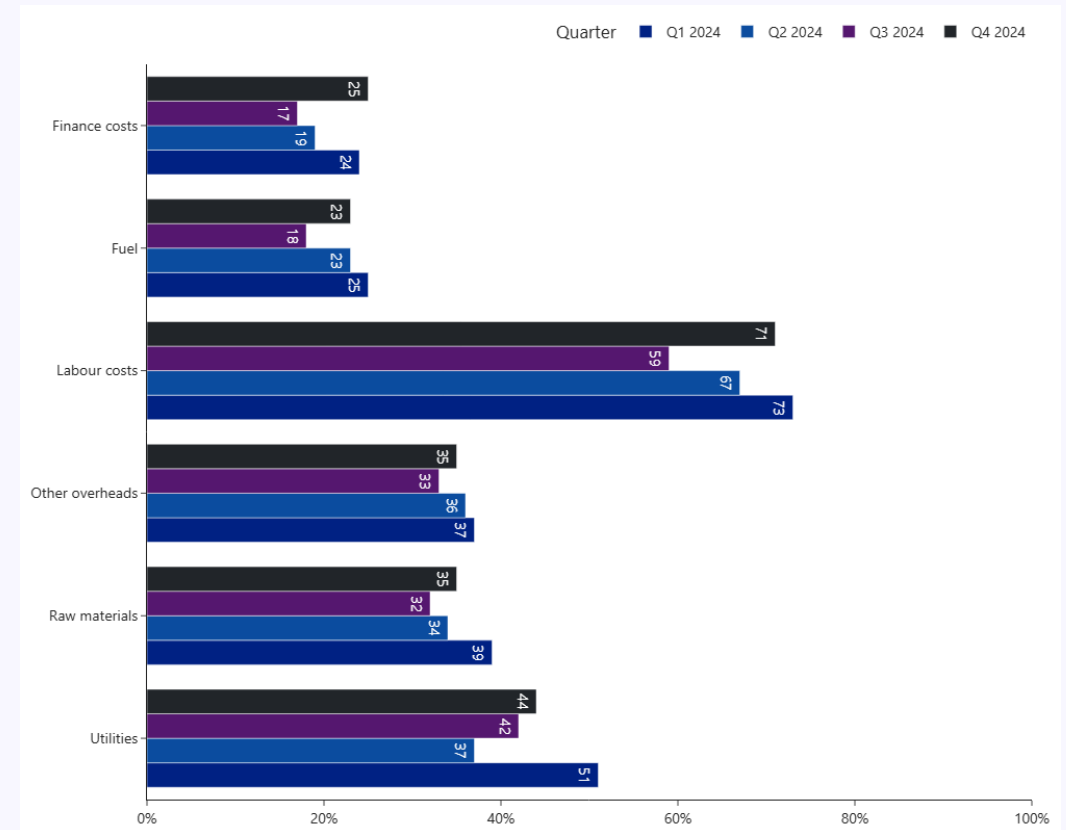


Prices

Pricing intentions

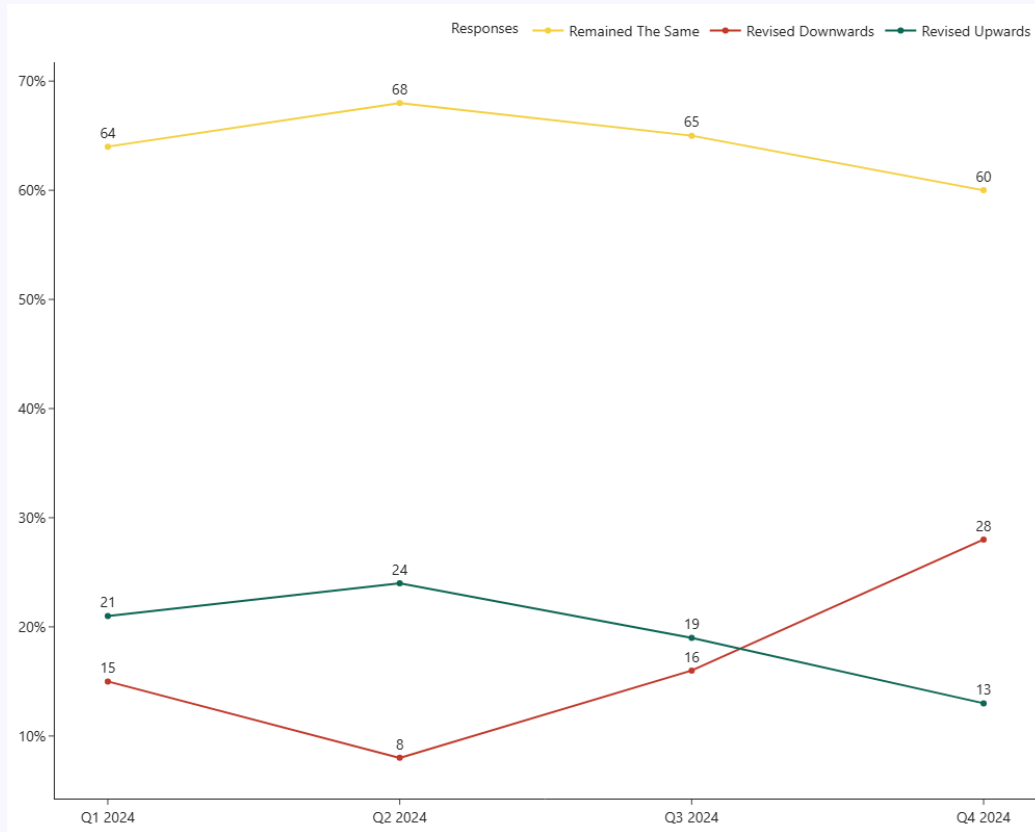


Drivers of intentions

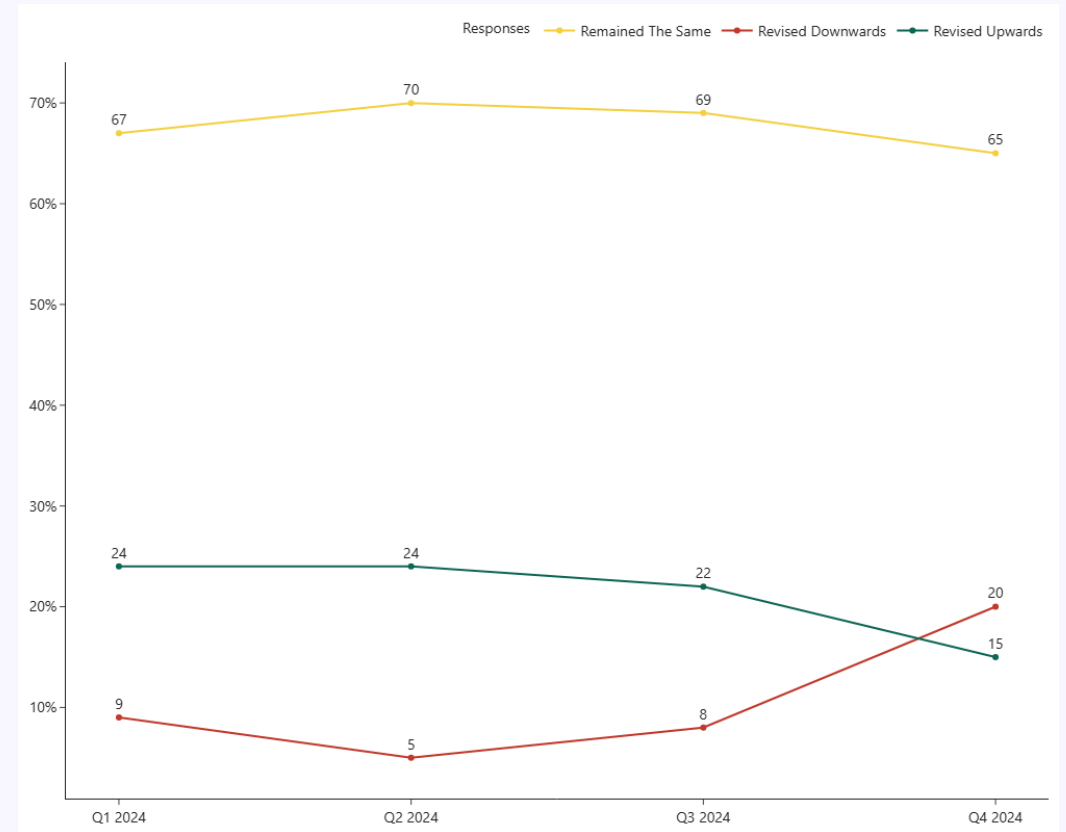


Investment Intentions

Plant, machinery, equipment

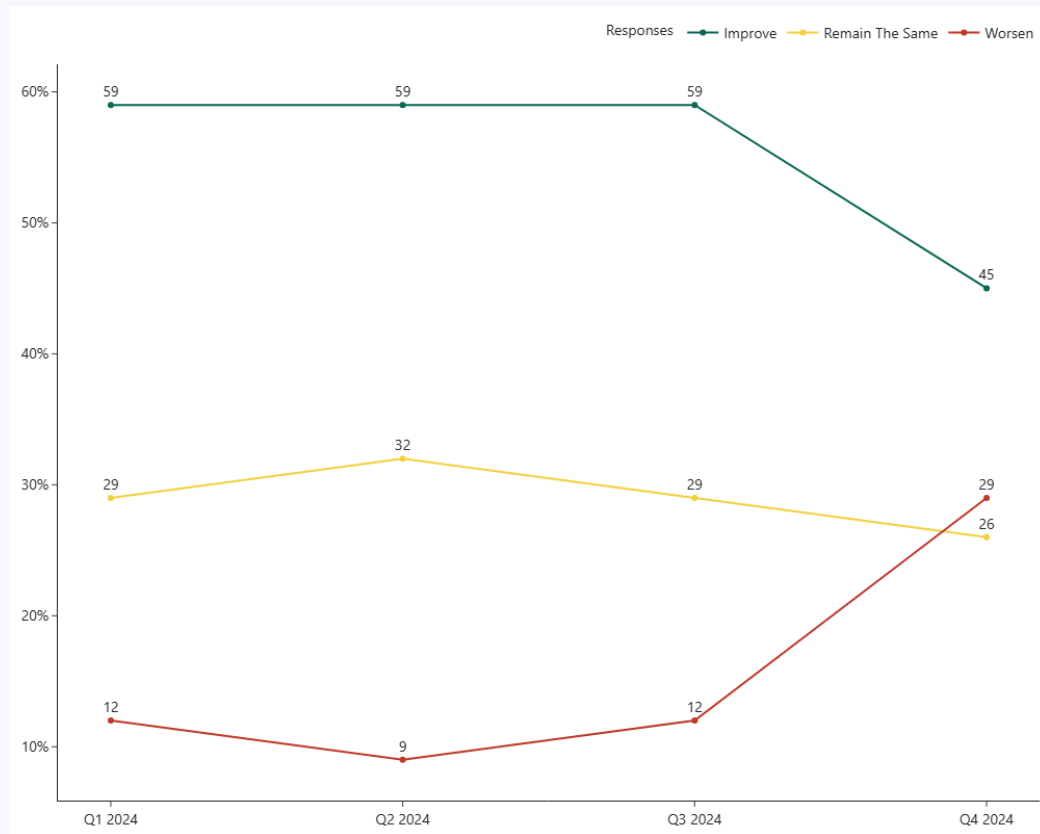


Training

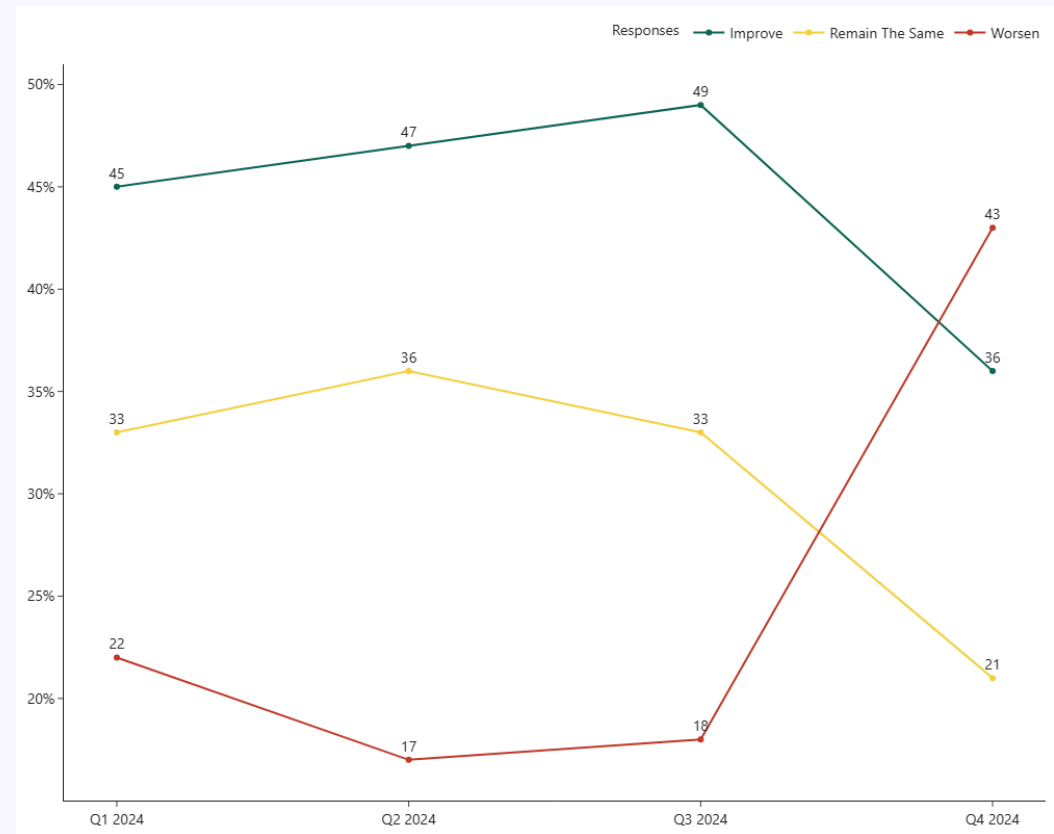


Confidence

Turnover

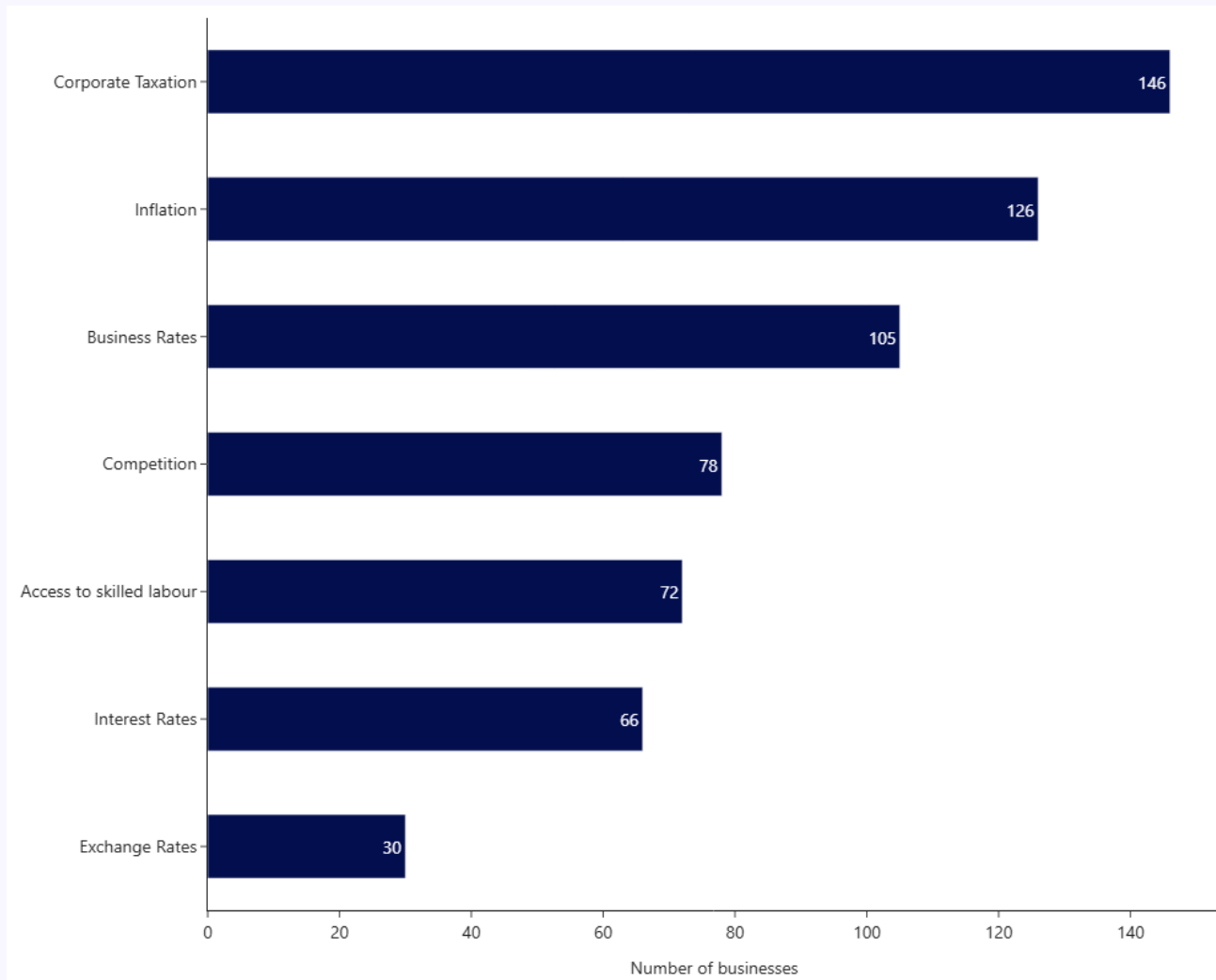


Profitability



Growing concerns...?

What's more of a concern to you now than 3 months ago?



QES Q4 2024 top concerns are:

- 1) Corporate Taxation
- 2) Inflation
- 3) Business Rates
- 4) Competition
- 5) Access to skilled labour
- 6) Interest Rates
- 7) Exchange rates

Overall Trends and Strategic Implications

The results paint a difficult picture of business conditions, with decline in all key indicators pointing to economic challenges:

Demand Weakness: Declines in UK and overseas sales and orders indicate weakening demand, both domestically and internationally.

Financial Pressures: The sharp drop in cash flow and declining confidence in profitability suggest that businesses are under significant financial strain.

Reduced Investment: Cuts to machinery and training investment reflect businesses' focus on cost containment at the expense of long-term growth.

Workforce Contraction: Declines in current and planned workforce figures highlight shrinking employment opportunities and reduced operational capacity.

Inflationary Pressures: The rise in future prices suggests that businesses expect cost pressures to continue and are preparing to raise prices, which could impact demand further.