

# East Midlands Economic Performance and Prospects Quarterly Economic Survey Q4 2024

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Midlands Chamber

**east midlands  
chamber**

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# 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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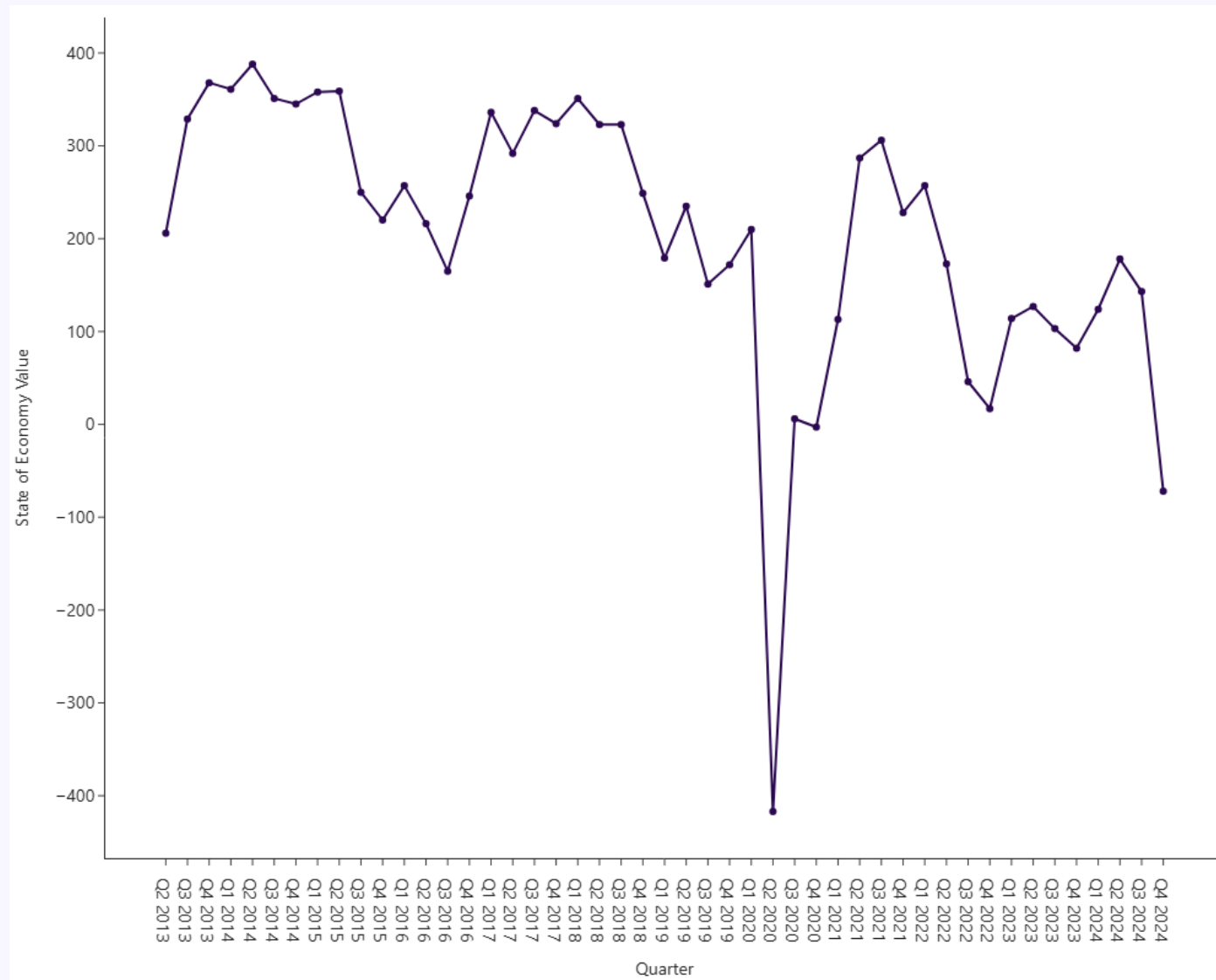
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Indicators	Net Value - Q3 2024	Net Value - Q4 2024	Net change over quarter	Direction of change
UK Sales	8 %	-3 %	-11 %	●
UK Orders	13 %	-15 %	-28 %	●
Overseas Sales	3 %	-3 %	-6 %	●
Overseas Orders	-1 %	-19 %	-18 %	●
Labour Force (Past 3 Months)	9 %	-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

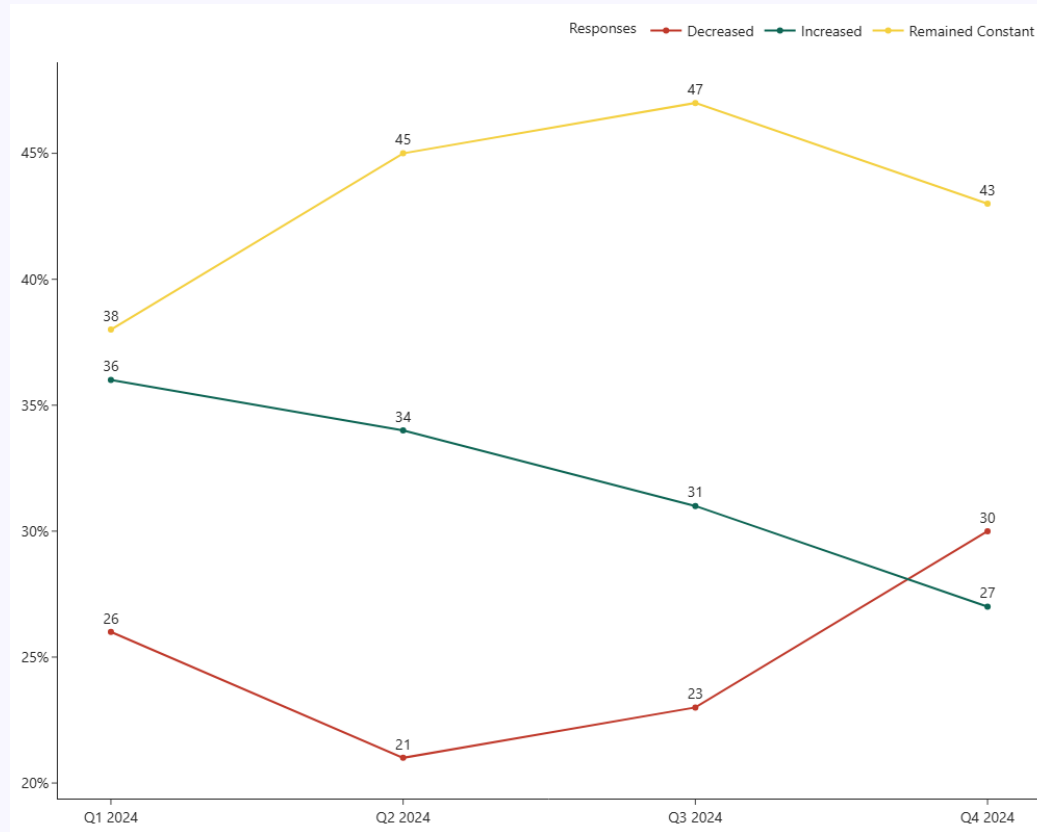
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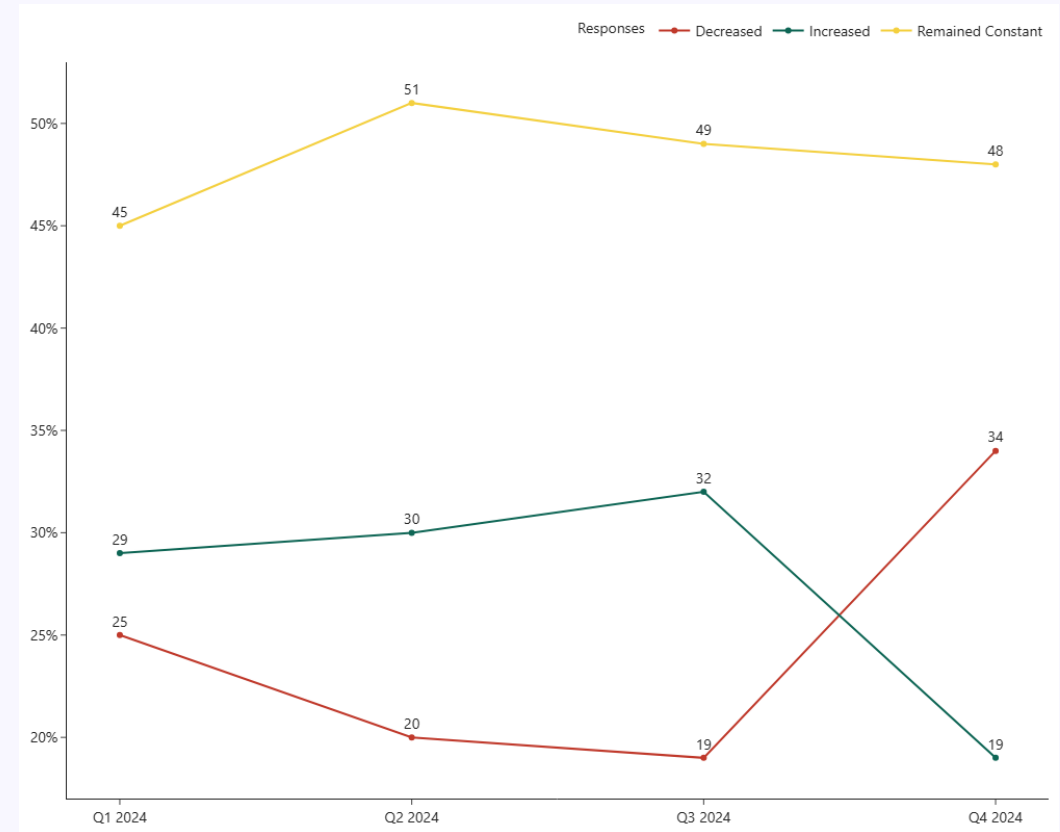


# Sales and Orders: UK

## Sales

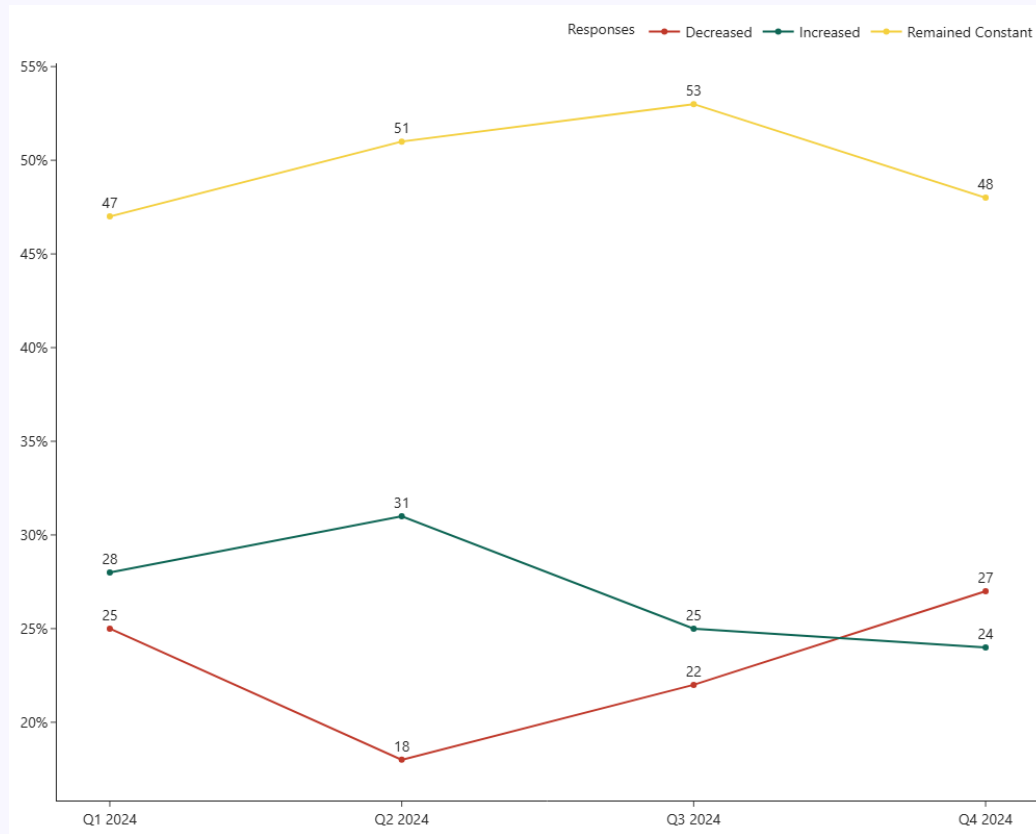


## Orders

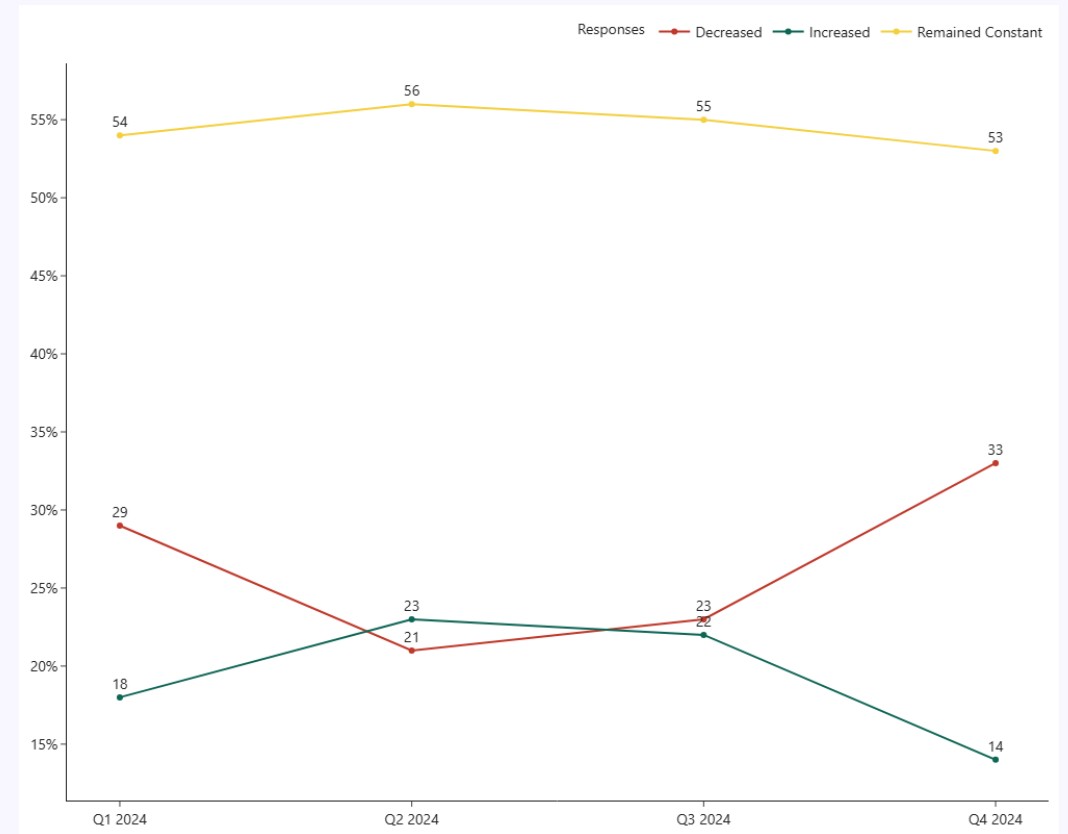


# Sales and Orders: Overseas

## Sales

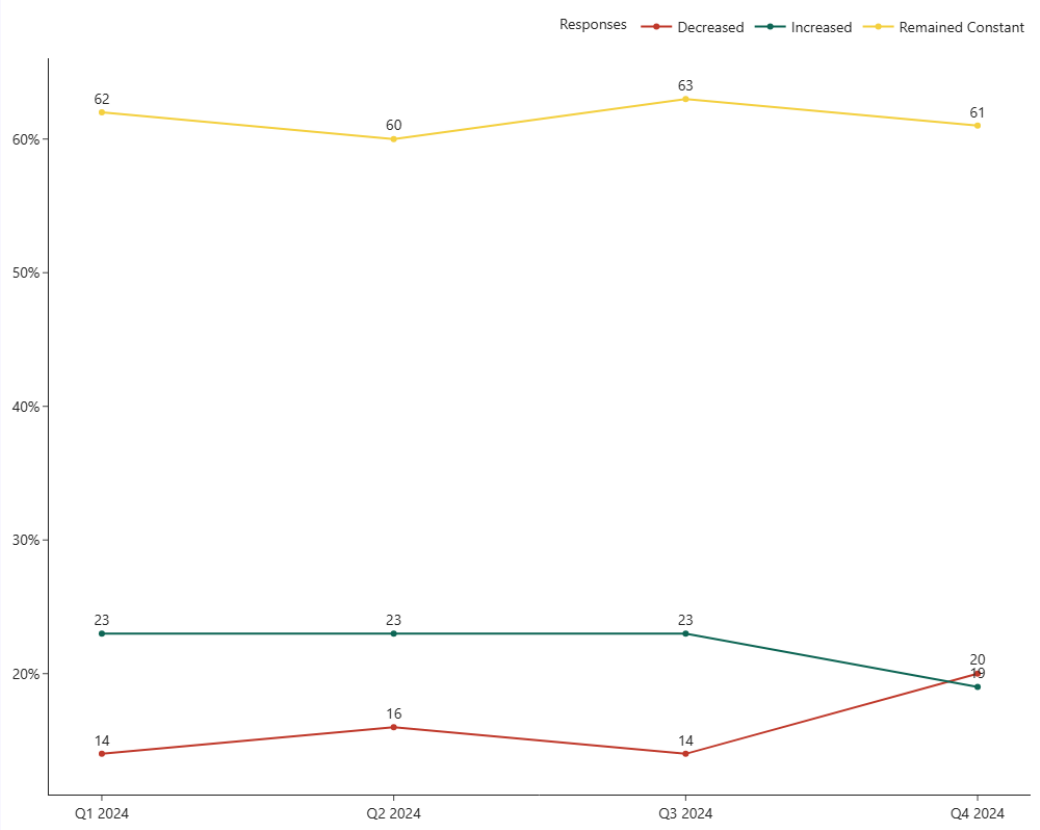


## Orders

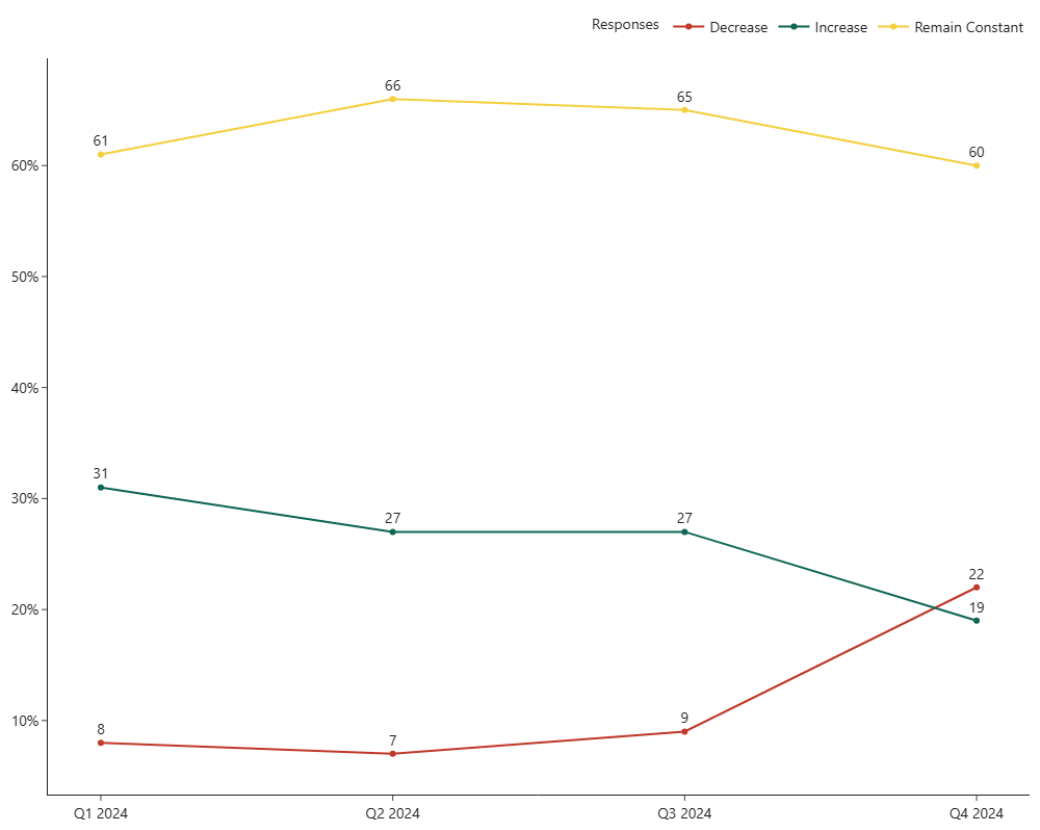


# Workforce

## Past employment

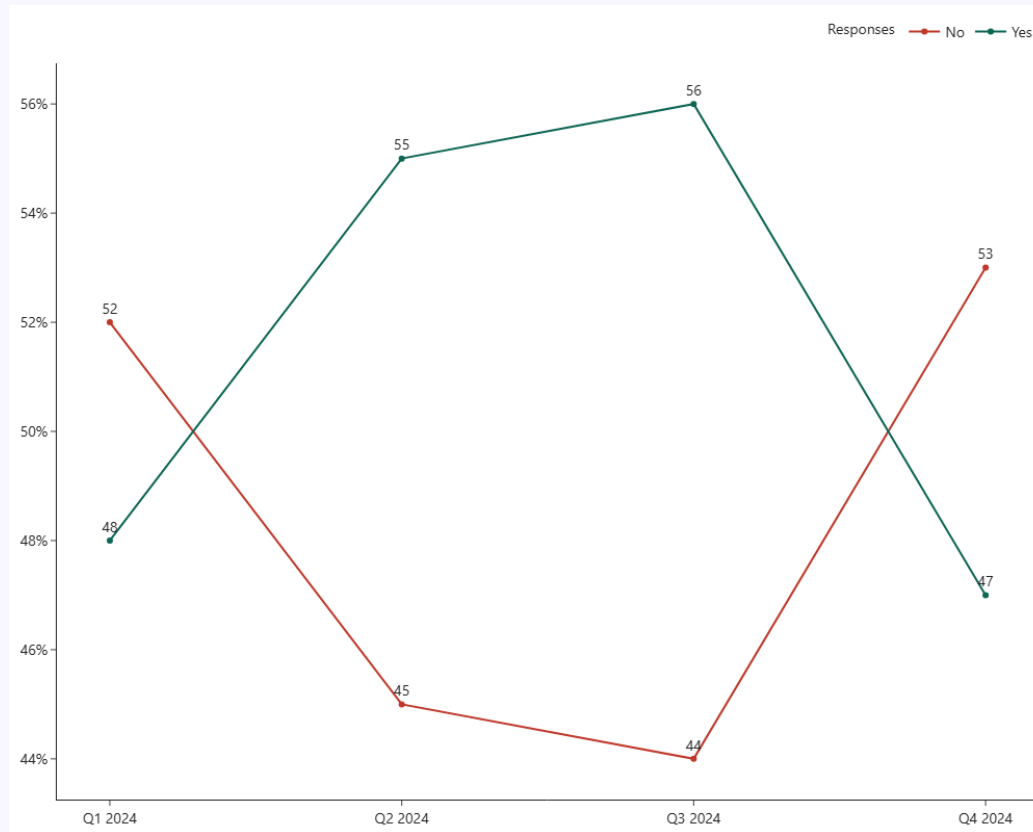


## Future employment

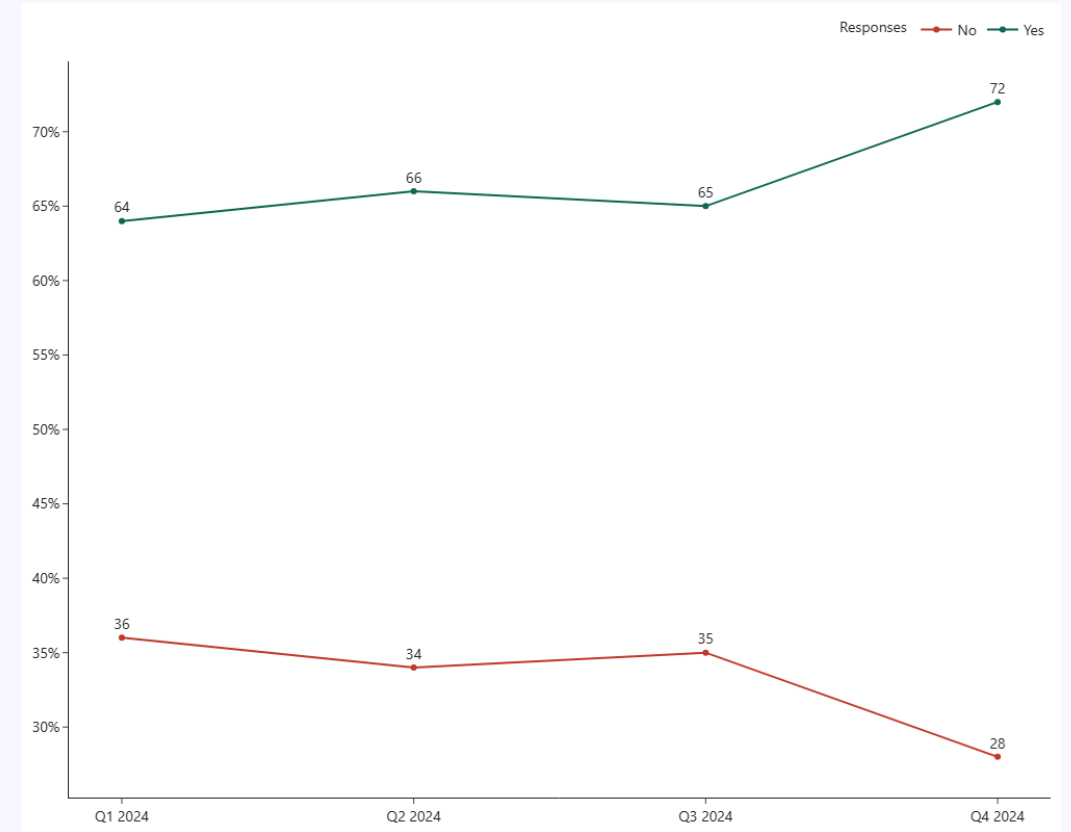


# Recruitment

## Have you attempted to recruit?



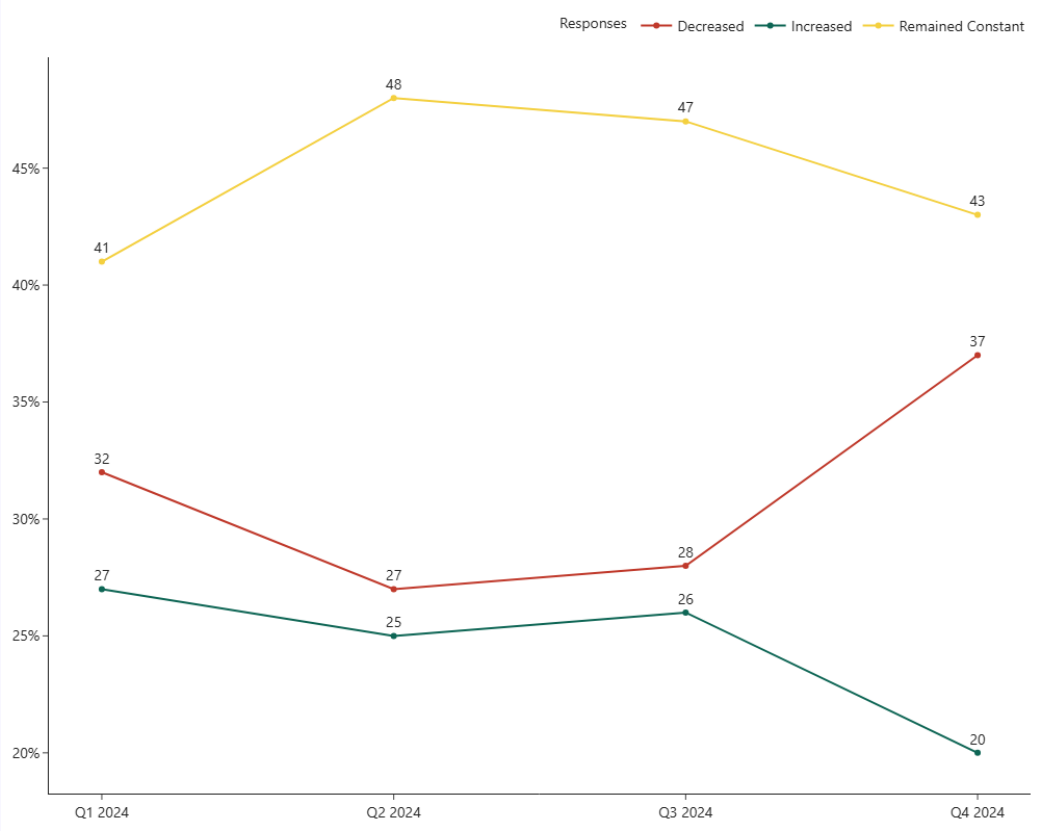
## If yes, did you struggle?



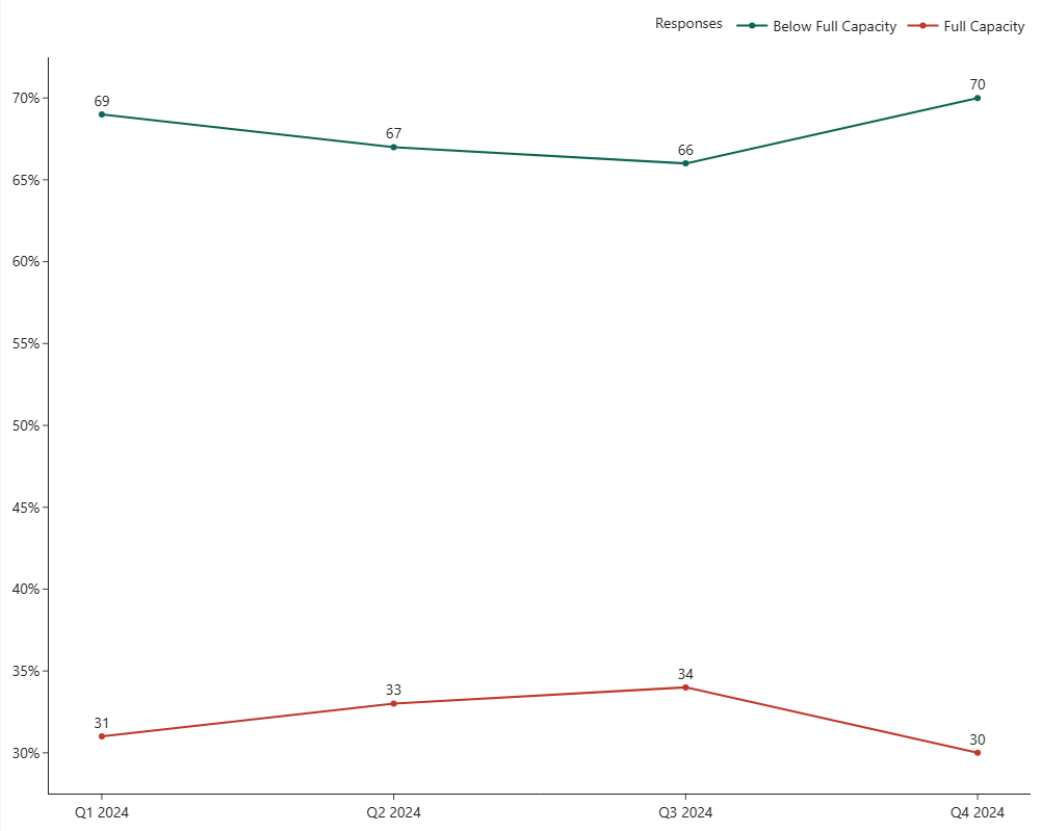


# Cashflow and Capacity

## Changes to Cashflow

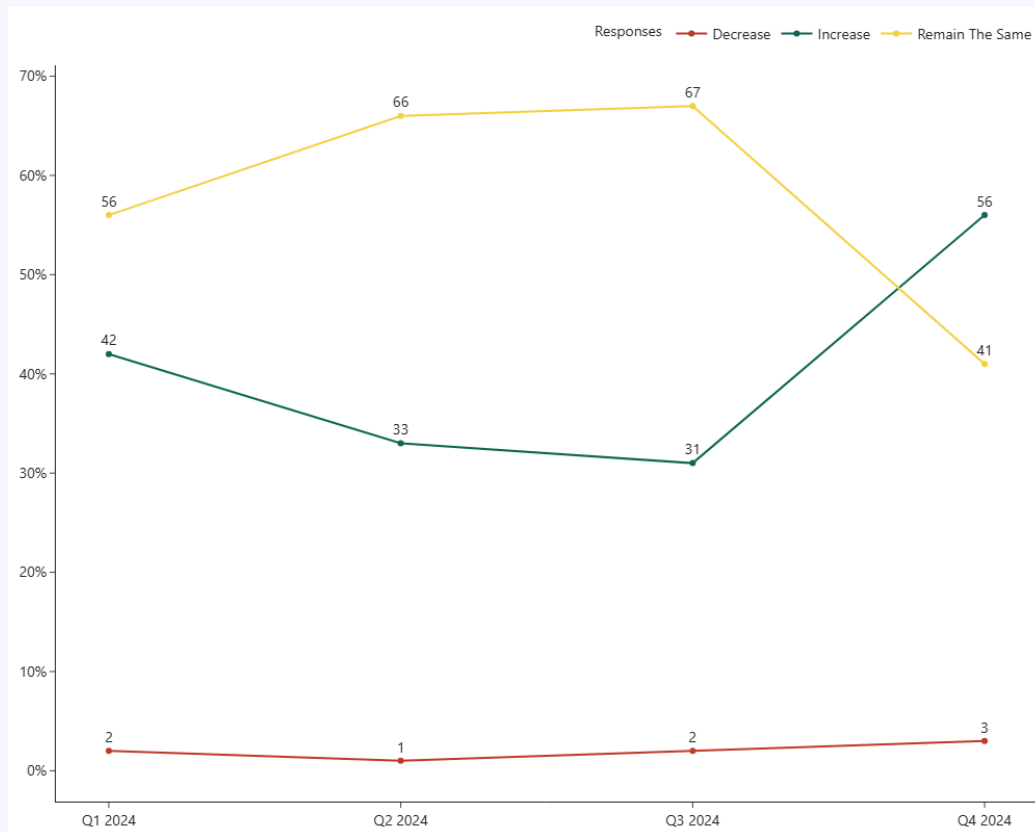


## At or Below capacity

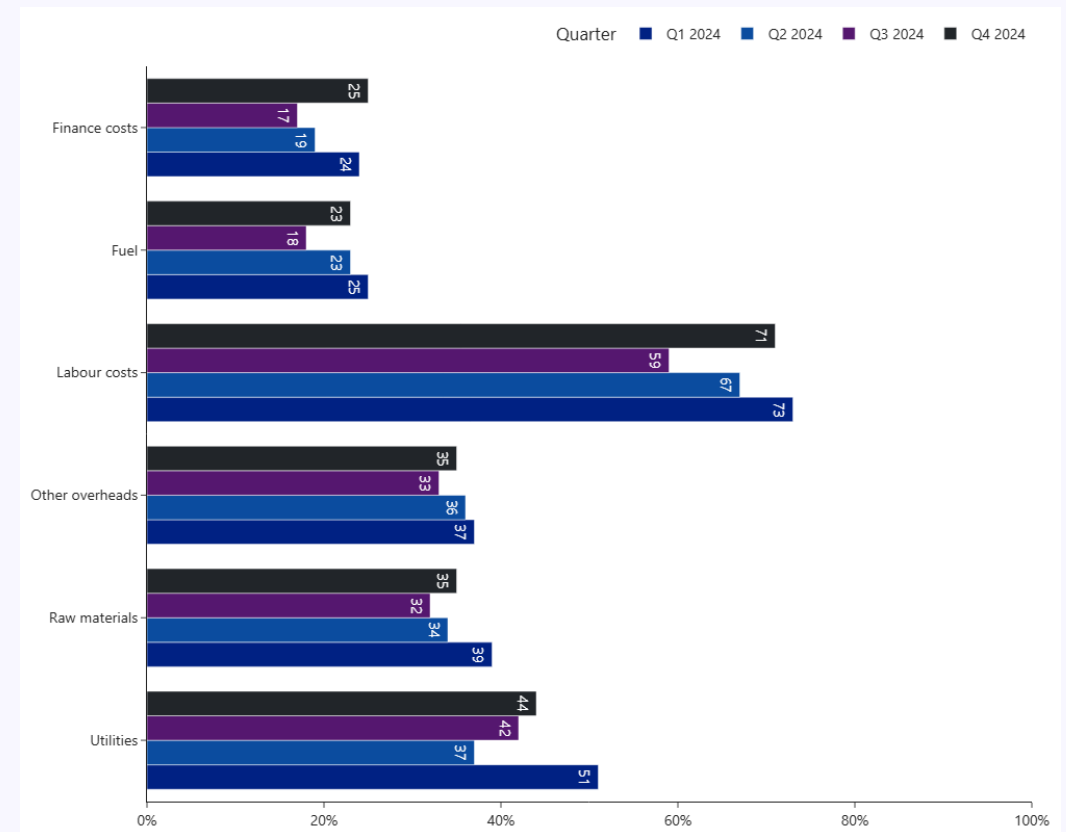


# Prices

## Pricing intentions

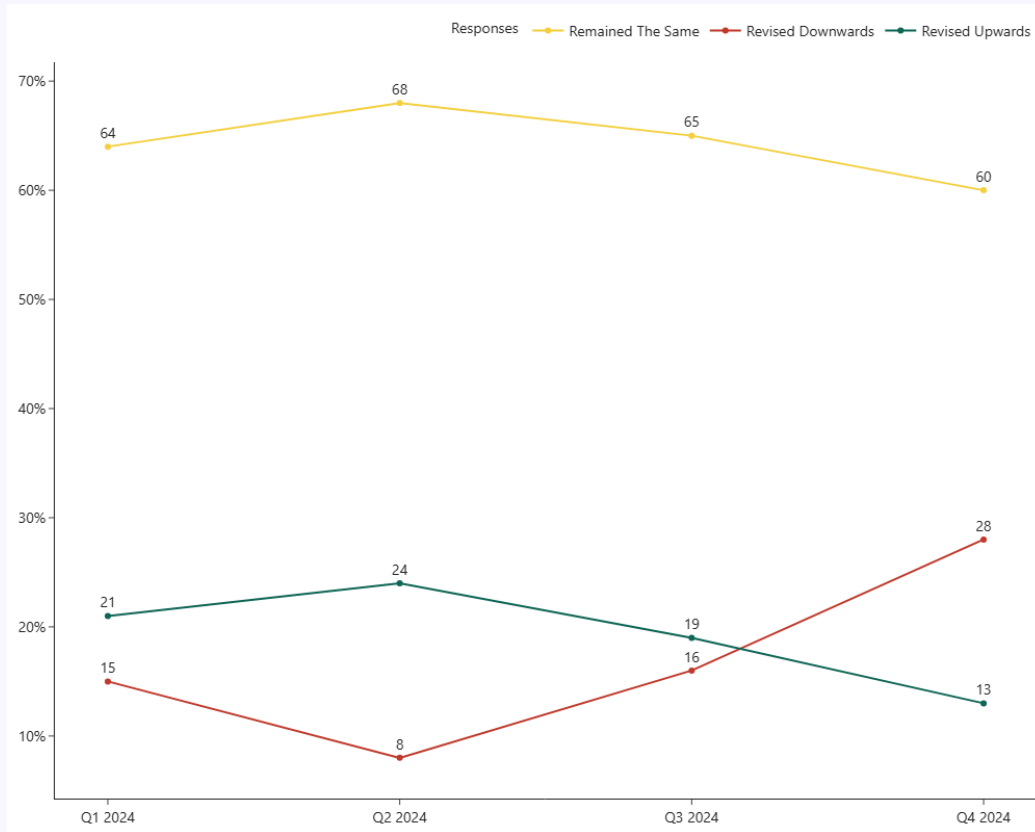


## Drivers of intentions

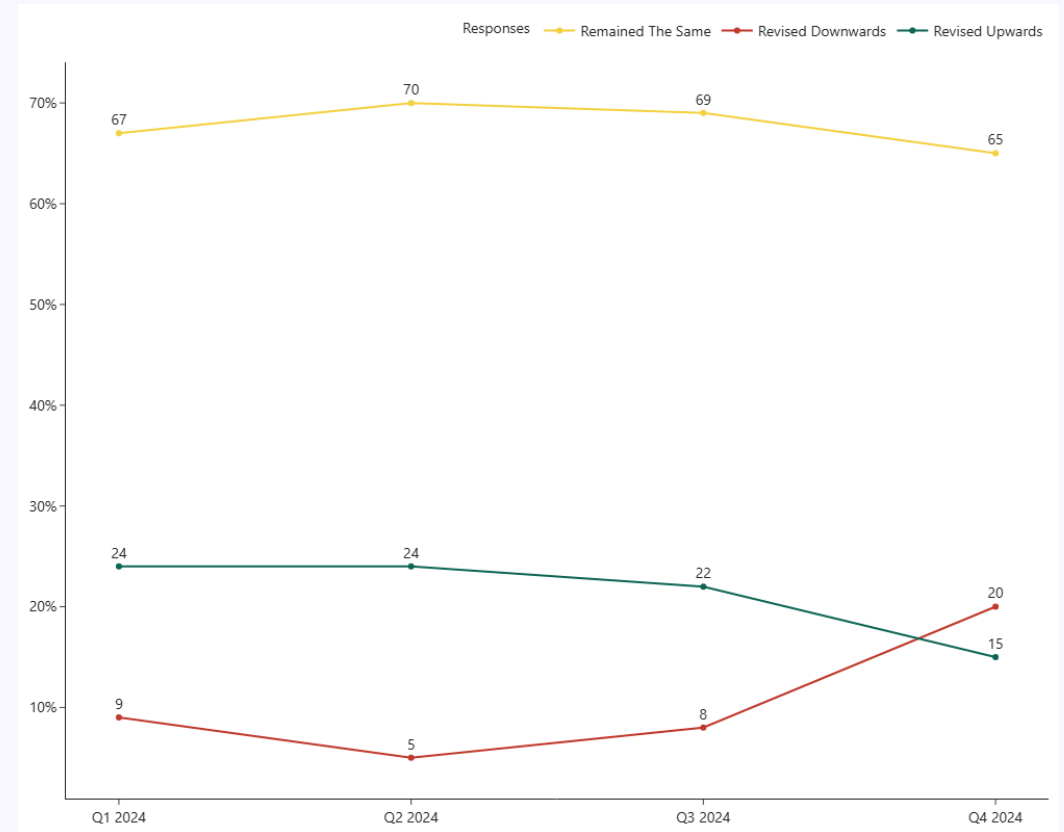


# Investment Intentions

## Plant, machinery, equipment

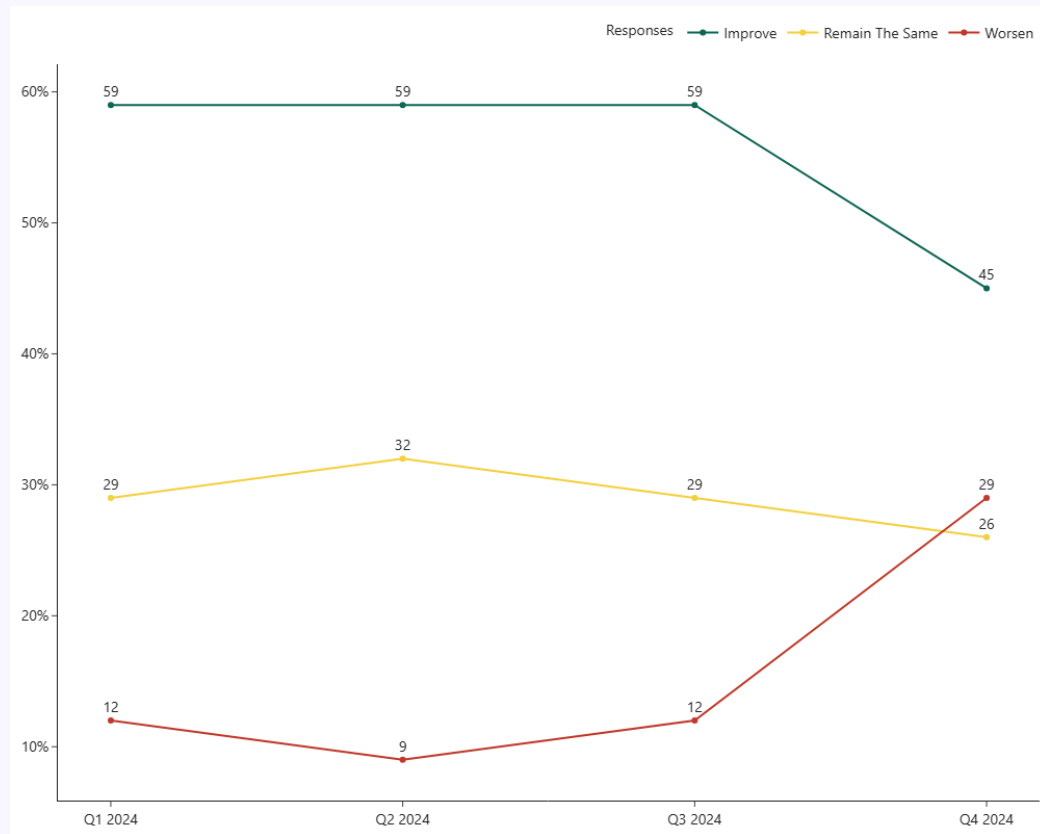


## Training

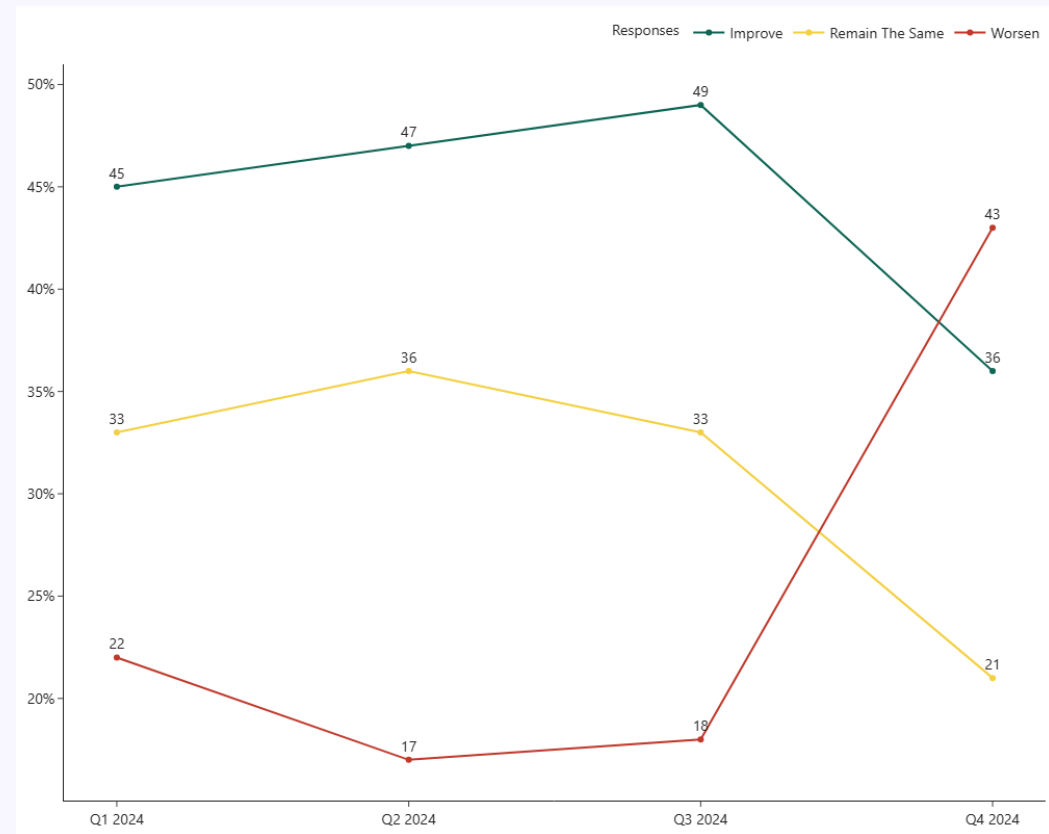


# Confidence

## Turnover

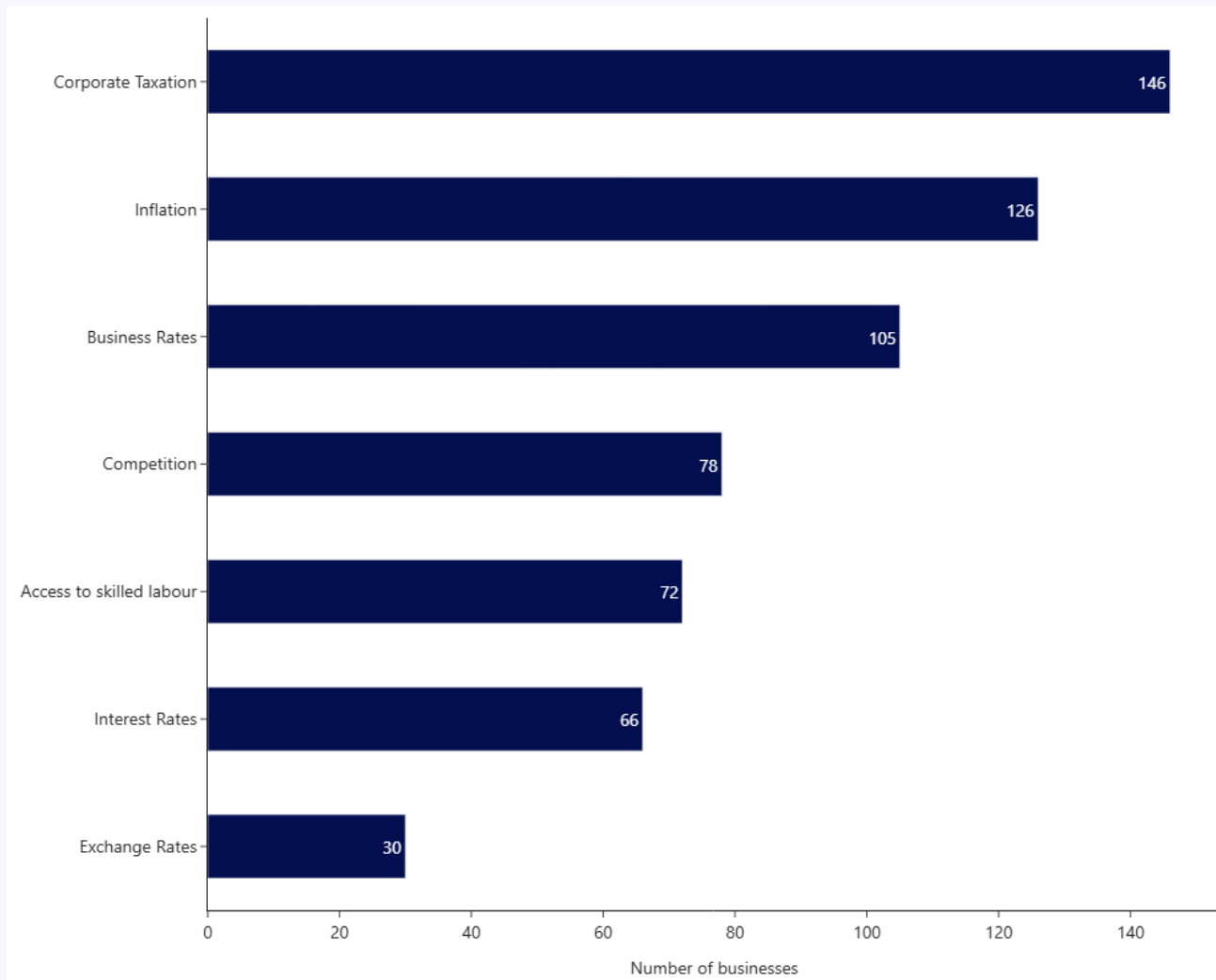


## Profitability



# 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.