

Quarterly Economic Survey Report

Q1

QES | 2025

Produced by



In partnership with





The Quarterly Economic Survey (QES) is established as Britain's biggest and longest-running private business survey and has provided data since 1989.

The survey, a leading indicator, often picks up changes in the economy long before other surveys and official statistics and consistently mirrors trends in official data. It remains closely watched by both UK Government and the Bank of England.

It is a powerful tool for representing the voice of businesses in the Thames Valley to Government.

This survey ran from 17th February to 10th March 2025 and we asked businesses a series of questions on key economic indicators. We would like to thank all of those businesses who completed the survey.

The looming increase in National Insurance contributions has been a long-standing concern for businesses across the UK, and now in reality, it's adding to the growing challenges that firms are already facing. According to the latest results, taxes continue to be the top concern for businesses, with many reporting plans to cut back on investment and raise prices just to stay afloat.

In addition to domestic pressures, exporting businesses have recently faced a fresh blow with new tariffs imposed by the US, compounding the strain. These combined cost pressures, both at home and internationally, are creating a burden for businesses.

Sustained economic growth is increasingly dependent on the vitality of businesses, not government intervention. While some positive measures were introduced in the Spring Statement, the overall outlook remains one of short-term caution, but longer-term optimism. There is an urgent need for the government to deliver a comprehensive tax roadmap to help businesses navigate the current landscape. At the same time, a renewed focus on export promotion and navigating the increasingly complicated supply chain and administration associated with proof of origin of goods could provide much-needed momentum for business growth.

The introduction of the Employment Rights Bill further complicates matters, threatening to increase costs and administrative burdens at a critical time. While the government has made some positive amendments, there remain concerns, particularly from SMEs in sectors where employees and employers benefit from flexibility such as the Thames Valleys impressive film and TV production industry.

Paul Britton

CEO, Thames Valley Chamber of Commerce

There can be no doubt that we are in an uncertain economic and political environment. However, this quarter's Survey gives us a picture fairly consistent with that revealed in the last quarter's survey with one marked exception. This survey revealed that the biggest concern of businesses in the Thames Valley by a significant extent was that of taxation. Far more so than when taken in contrast to the national picture.

As we know, although there were no rises in headline corporation tax rates in the Budget last year, the increases in employer national insurance contributions are significant for many businesses – particularly those in hospitality, leisure and care businesses. When the survey closed, we were awaiting the Chancellor's Spring Statement and that may have influenced the concern around taxation.

The Survey also revealed a degree of confidence in the Thames Valley around overseas trade with 55% reporting that overseas sales were constant and 31% reporting that they were experiencing an increase in overseas sales orders. It was, of course, after this that the US tariff arrangements were unveiled and it will be interesting to see how businesses feel about the global trade landscape once the impact of these starts to be felt.

Sue Staunton

Managing Partner, James Cowper Kreston

UK SALES AND ORDERS

THOUGHT THAT UK SALES HAD **INCREASED**



THOUGHT THAT UK ORDERS HAD **INCREASED**



OVERSEAS SALES AND ORDERS

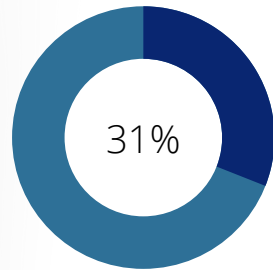
REPORTED OVERSEAS SALES HAVE **REMAINED CONSTANT**



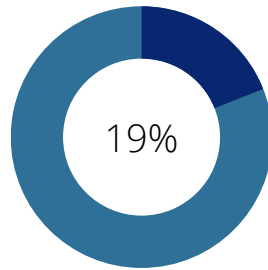
REPORTED AN **INCREASE** IN OVERSEAS ORDERS



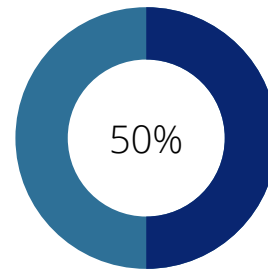
WORKFORCE



SAW THEIR
WORKFORCE **INCREASE**



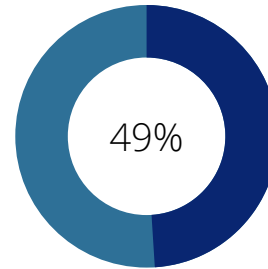
SAW THEIR
WORKFORCE **DECREASE**



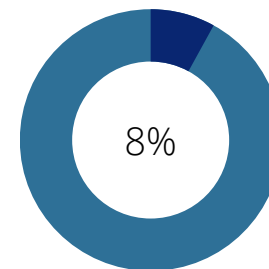
SAW THEIR WORKFORCE
REMAIN CONSTANT

OVER THE
PAST 3 MONTHS

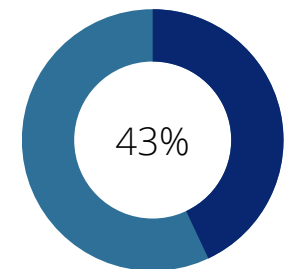
OVER THE NEXT
FEW MONTHS



EXPECT THEIR
WORKFORCE TO **INCREASE**



EXPECT THEIR
WORKFORCE TO **DECREASE**

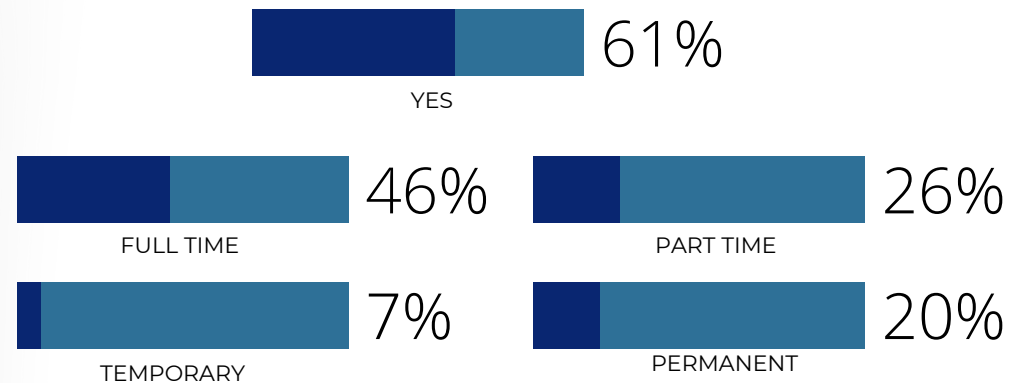


EXPECT THEIR WORKFORCE
TO **REMAIN CONSTANT**

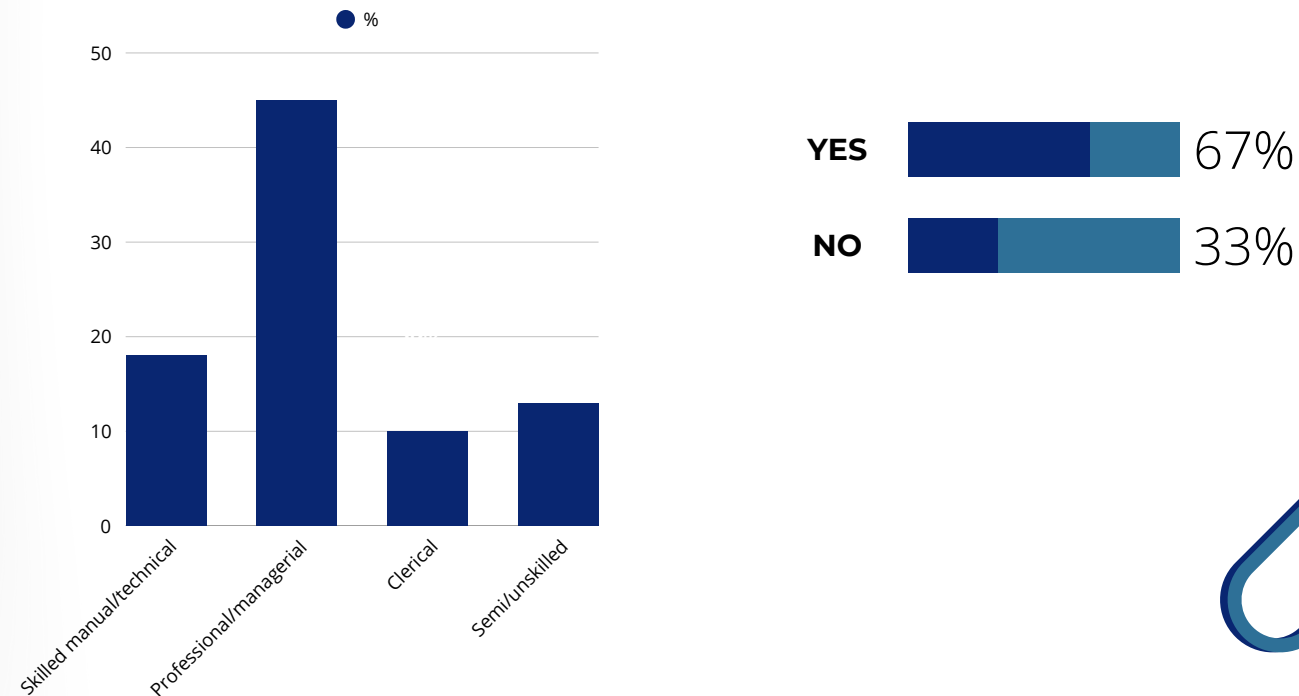


RECRUITMENT

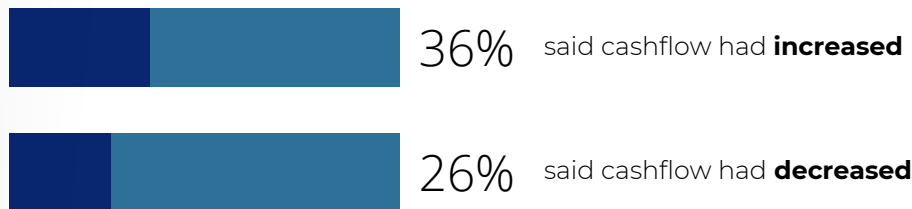
HAVE YOU ATTEMPTED TO RECRUIT STAFF OVER THE PAST 3 MONTHS?



DID YOU EXPERIENCE ANY DIFFICULTIES FINDING SUITABLE STAFF?

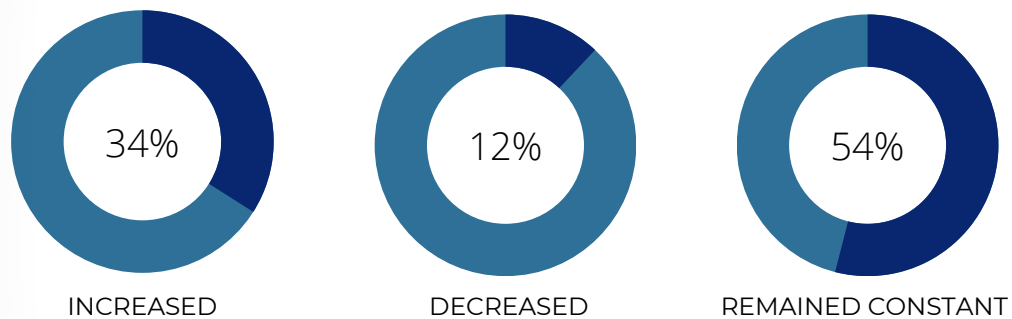


CASHFLOW

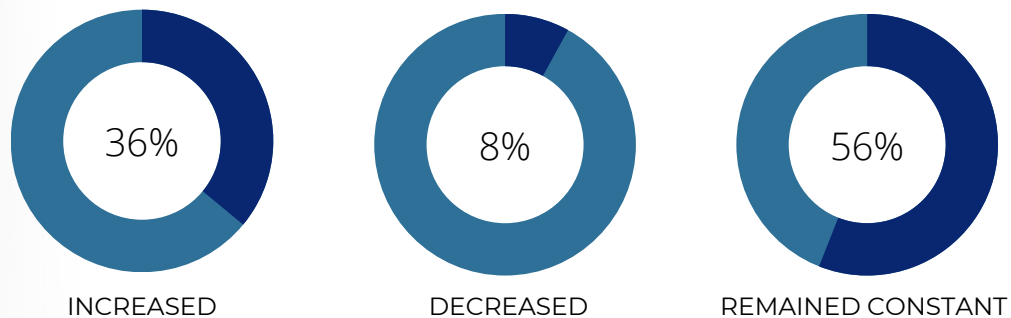


INVESTMENT

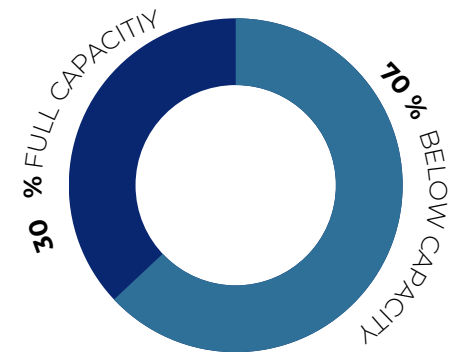
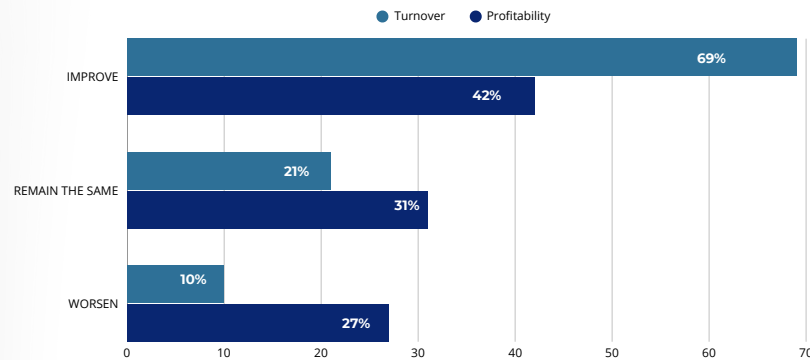
FOR **PLANT/MACHINERY/EQUIPMENT** HAS



FOR **TRAINING** HAS



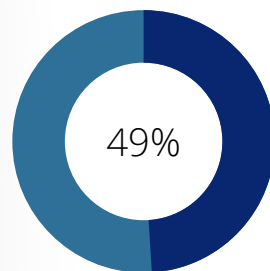
TURNOVER AND PROFITABILITY



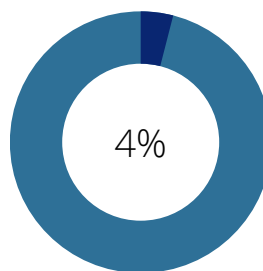
**FIRMS ARE CURRENTLY
RUNNING AT**

OVER THE NEXT 3 MONTHS

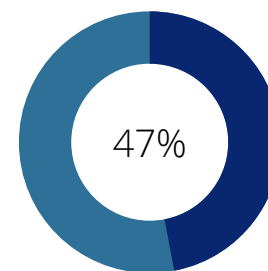
EXPECTANCY OF PRICE OF GOODS/SERVICES



INCREASE



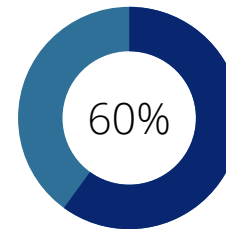
DECREASE



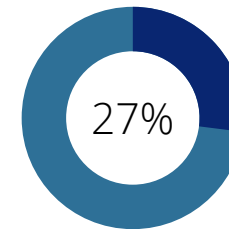
REMAIN THE SAME



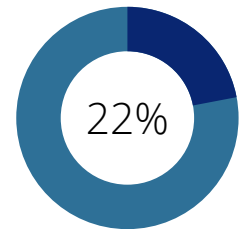
PRICE RISE PRESSURES



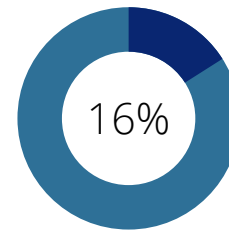
LABOUR COSTS



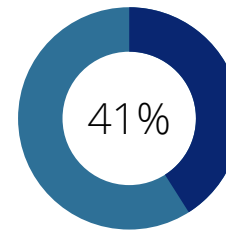
FINANCE COSTS



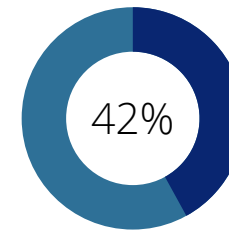
RAW MATERIALS



FUEL

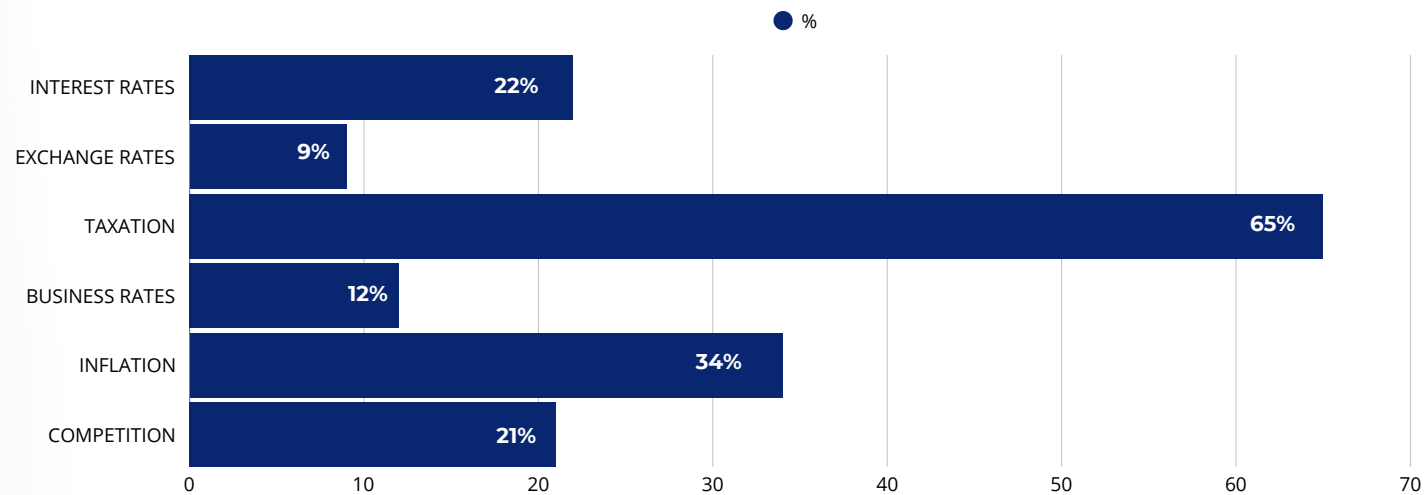


UTILITIES



OTHER OVERHEADS

FACTORS AFFECTING BUSINESS



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If you are interested in getting involved or would like to find out more about the QES report please contact: **TimMajor@tvchamber.co.uk**

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