

Quarterly Economic Survey Report

Q4

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 10th November to 8th December 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 latest QES results reflect a challenging picture for Thames Valley firms as they navigate weakening demand and rising costs.

While the concerns about tax rises were higher before the Chancellors' Budget, the statement on November 26th did not fully ease these worries.

Businesses anticipate further price increases, driven primarily by rising labour costs due to legislation coming into practice rather than improved margins. Despite more firms signaling plans for workforce expansion, actual employment levels nationally and locally are slipping, and recruitment difficulties, though marginally eased, remain a defining constraint.

Persistent skills shortages and continued upward pressure on labour costs will shape pricing and workforce strategies.

Pre-Budget sentiment was dominated by weak demand and uncertainty; post budget businesses remain cautious, citing high tax burdens and ongoing hiring pauses.

Looking ahead to 2026, confidence is expected to stay subdued unless demand strengthens, further interest rate reductions materialise, and Government policies provide opportunities rather than obligations for business.

Paul Britton

CEO, Thames Valley Chamber of Commerce

The Quarterly Economic Survey (QES) remains a vital barometer for the UK's business community, capturing the real issues faced by companies across the Thames Valley and beyond. This Q4 2025 edition arrives at a time of considerable challenge, as businesses navigate a landscape marked by weakening demand, rising costs, and persistent uncertainty.

This quarter's findings highlight the mounting pressures on organisations of all sizes. Demand has softened, with many businesses reporting flat or declining orders and sales. This is compounded by a cautious consumer base, shaped by concerns over inflation and the broader economic outlook.

Rising costs present another obstacle. Labour costs have surged, driven by new legislation and ongoing skills shortages. Firms are also contending with elevated prices for fuel, utilities, and raw materials, while higher interest rates have increased the cost of finance. These pressures are squeezing margins and forcing difficult investment decisions.

Recruitment remains a defining constraint. Despite intentions to expand, many businesses cannot find the skilled staff they need, limiting growth and innovation.

As we look ahead, with Rachel Reeve's budget behind us, we are all hoping for greater certainty to help long-term decision-making.

Darren O'Connor

Partner, James Cowper Kreston

UK SALES AND ORDERS

THOUGHT THAT UK SALES HAD **INCREASED**



THOUGHT THAT UK ORDERS HAD **INCREASED**



OVERSEAS SALES AND ORDERS

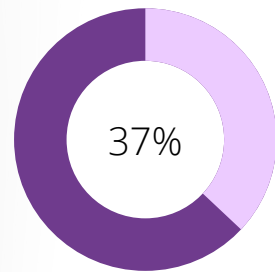
REPORTED OVERSEAS SALES HAVE **REMAINED CONSTANT**



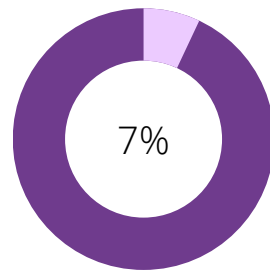
REPORTED AN **INCREASE** IN OVERSEAS ORDERS



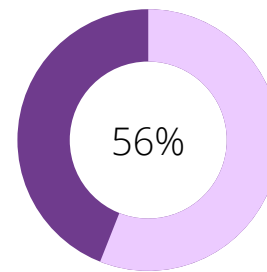
WORKFORCE



SAW THEIR
WORKFORCE **INCREASE**



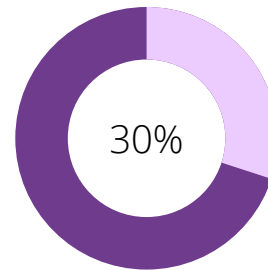
SAW THEIR
WORKFORCE **DECREASE**



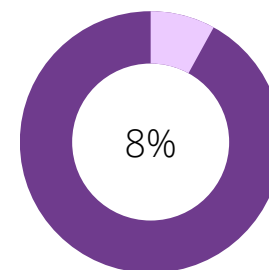
SAW THEIR WORKFORCE
REMAIN CONSTANT

OVER THE
PAST 3 MONTHS

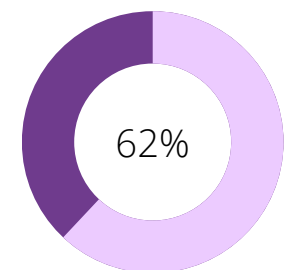
OVER THE NEXT
FEW MONTHS



EXPECT THEIR
WORKFORCE TO **INCREASE**



EXPECT THEIR
WORKFORCE TO **DECREASE**

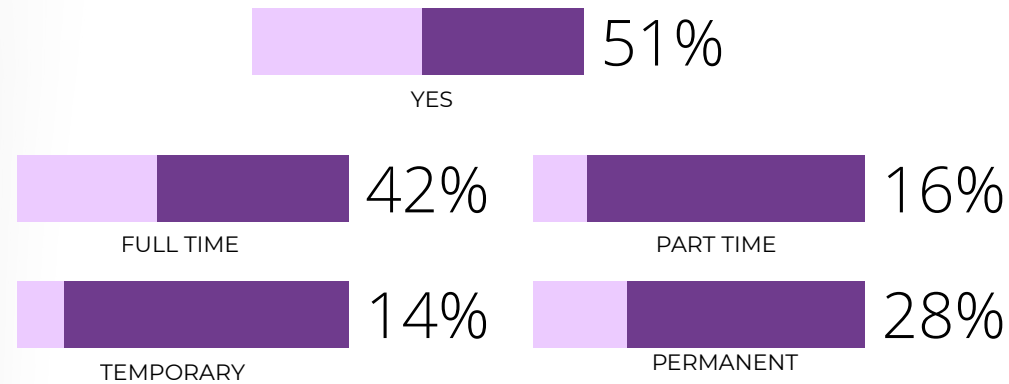


EXPECT THEIR WORKFORCE
TO **REMAIN CONSTANT**

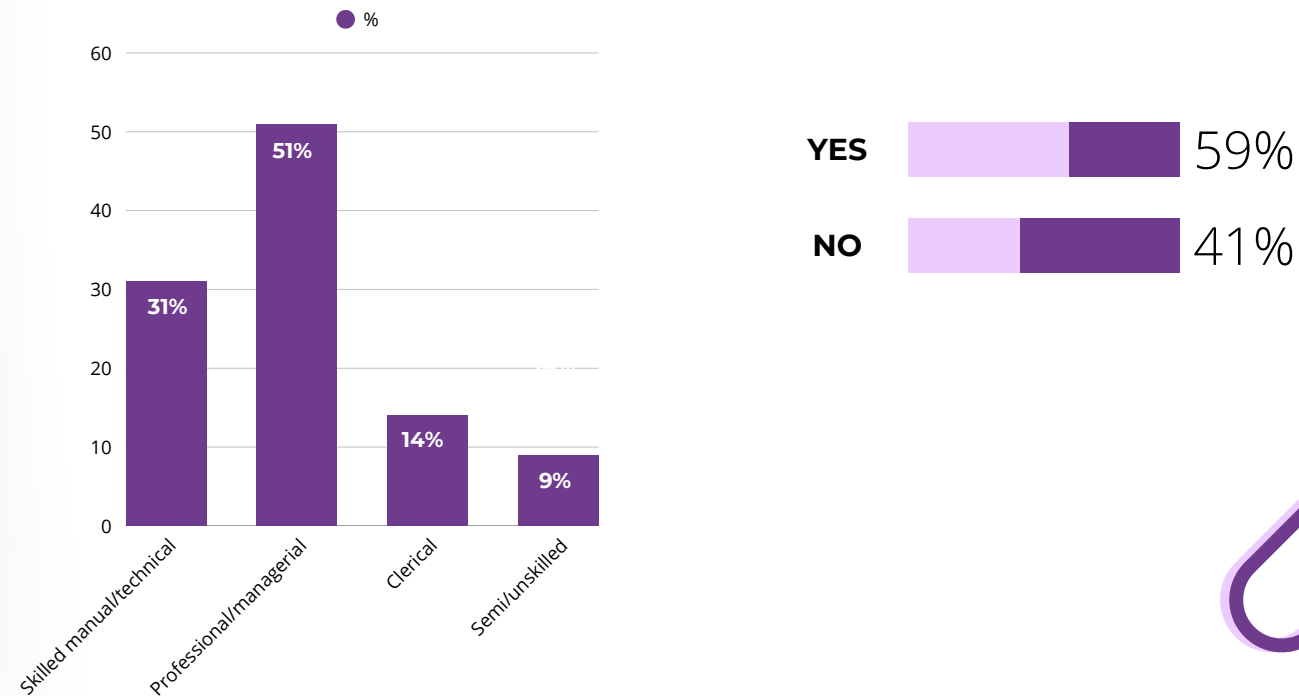


RECRUITMENT

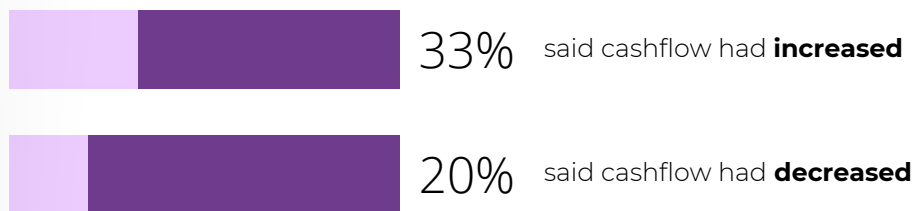
HAVE YOU ATTEMPTED TO RECRUIT STAFF OVER THE PAST 3 MONTHS?



DID YOU EXPERIENCE ANY DIFFICULTIES FINDING SUITABLE STAFF?

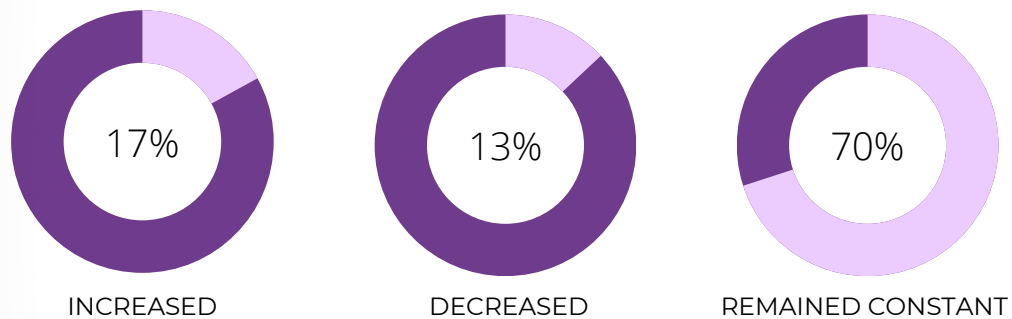


CASHFLOW

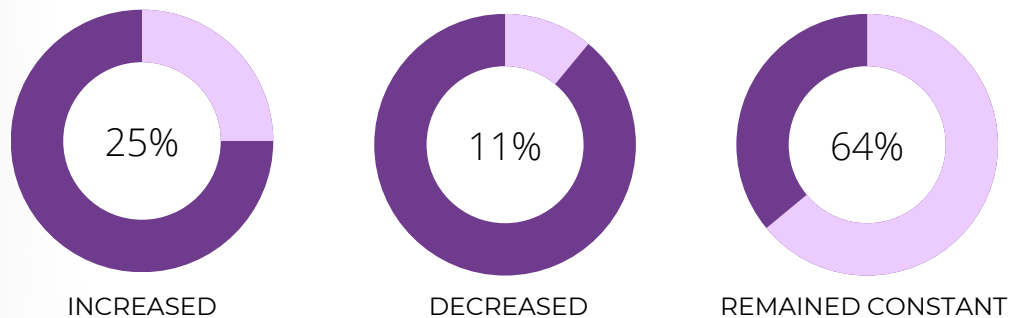


INVESTMENT

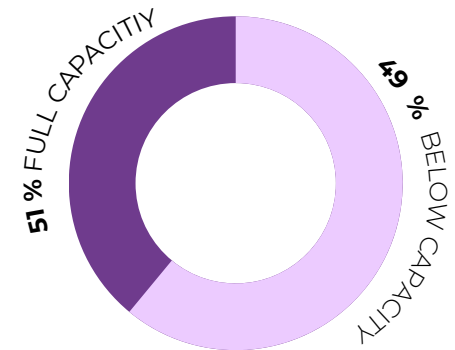
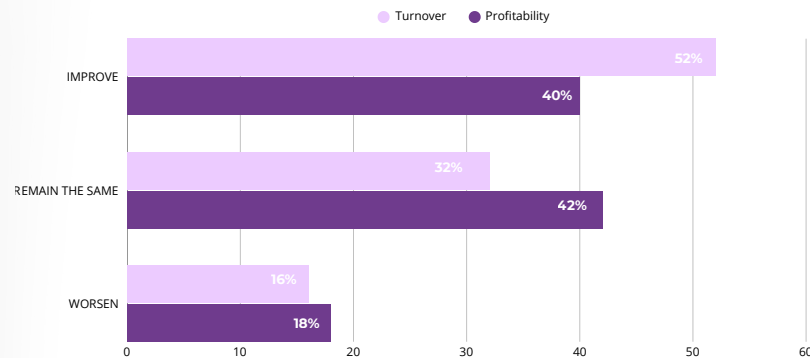
FOR **PLANT/MACHINERY/EQUIPMENT** HAS



FOR **TRAINING** HAS



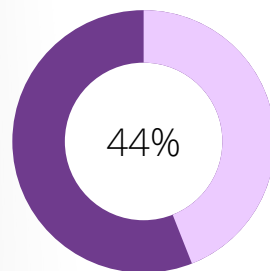
TURNOVER AND PROFITABILITY



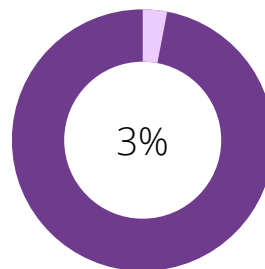
FIRMS ARE CURRENTLY RUNNING AT

OVER THE NEXT 3 MONTHS

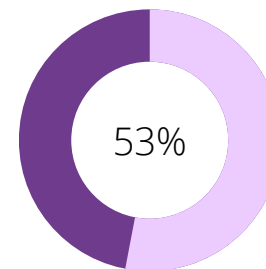
EXPECTANCY OF PRICE OF GOODS/SERVICES



INCREASE



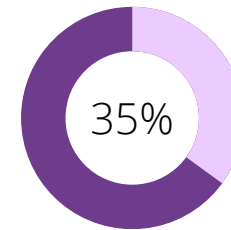
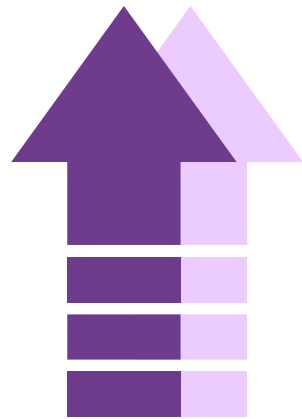
DECREASE



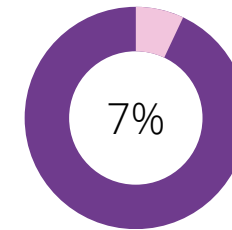
REMAIN THE SAME



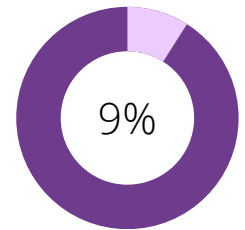
PRICE RISE PRESSURES



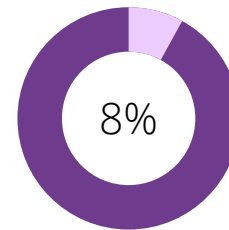
LABOUR COSTS



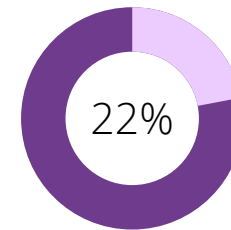
FINANCE COSTS



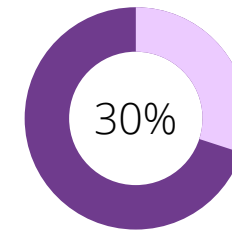
RAW MATERIALS



FUEL

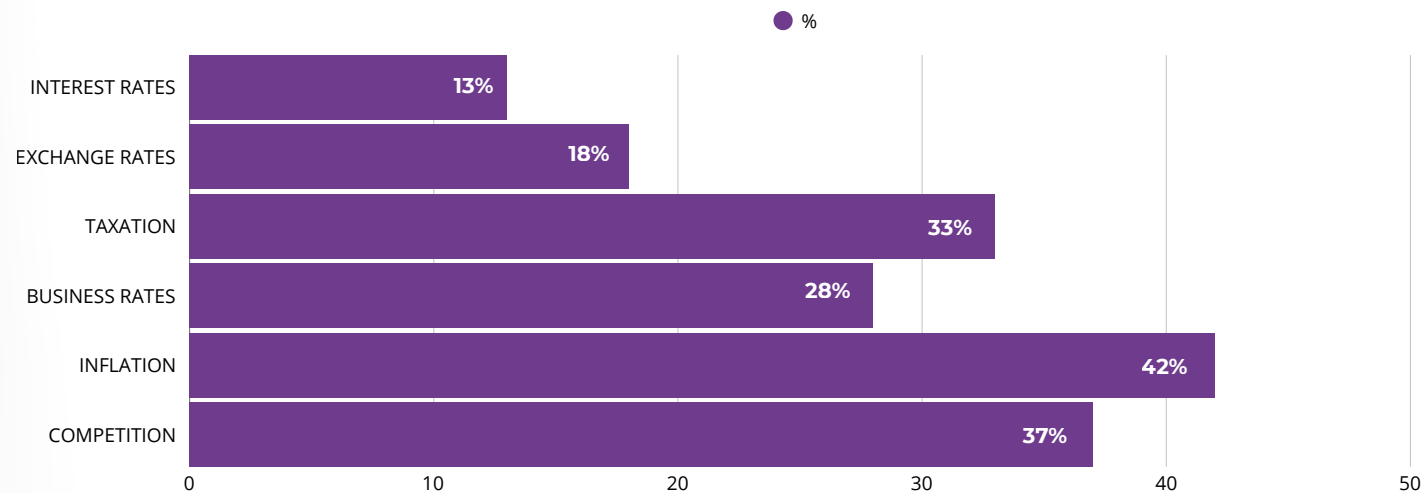


UTILITIES



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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