

# BUSINESS CONFIDENCE SURVEY RESULTS

April 2025

**ArmstrongWatson®**

Accountants, Business & Financial Advisers

[www.armstrongwatson.co.uk](http://www.armstrongwatson.co.uk)



# INTRODUCTION

The results of Armstrong Watson’s second Business Confidence Survey of 2025, suggest a notable shift in business sentiment amongst some clients.

While challenges such as customer demand, regulatory changes, and competition remain significant concerns, and the impact of new US tariffs and the increase in the National Minimum Wage are new areas of concern for many businesses, the survey, conducted in April, indicates that some clients have a more optimistic outlook compared to the start of the year, with improvements in the economic outlook, trading conditions, and workforce plans.

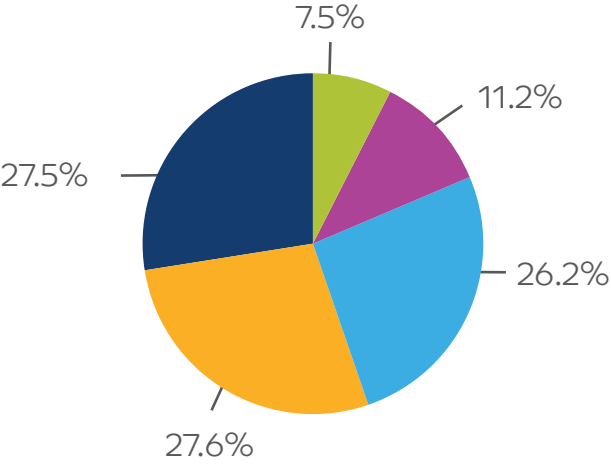
It comes a month after the Institute of Chartered Accountants in England and Wales’ (ICAEW) latest business confidence survey, which, in contrast, showed confidence overall continued to fall. The ICAEW did point out, however, that sentiment varied widely across sectors, with manufacturing, engineering, property, retail and wholesale in negative territory, while sentiment in IT and communications, construction, and energy, water and mining, improved.

80 of our clients participated in our Business Confidence Survey and as follows are the results:

## 1 | BUSINESS OUTLOOK

How do you feel about the overall economic outlook for your business in 2025?

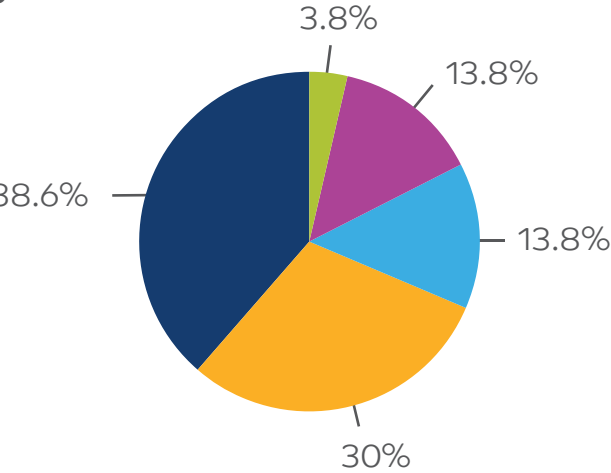
Option	Responses
Very optimistic	7.5%
Very pessimistic	11.2%
Somewhat pessimistic	26.2%
Neutral	27.6%
Somewhat optimistic	27.5%



## 2 | TRADING CONDITIONS

How do you expect trading conditions to change?

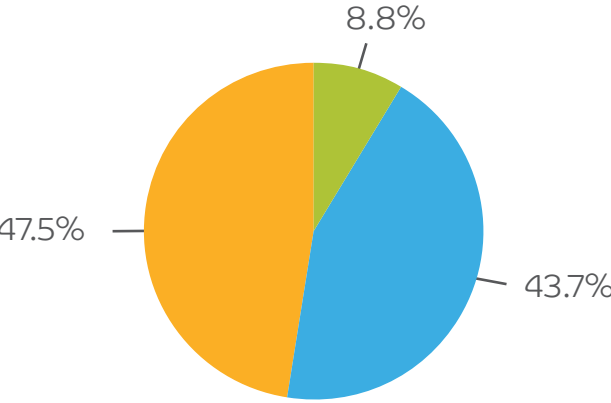
Option	Responses
Significantly improve	3.8%
Significantly worsen	13.8%
Slightly improve	13.8%
Remain the same	30%
Slightly worsen	38.6%



## 3 | IMPACT OF NEW TARIFFS INTRODUCED BY THE US

How do you anticipate new Tariffs introduced by the US will affect your business?

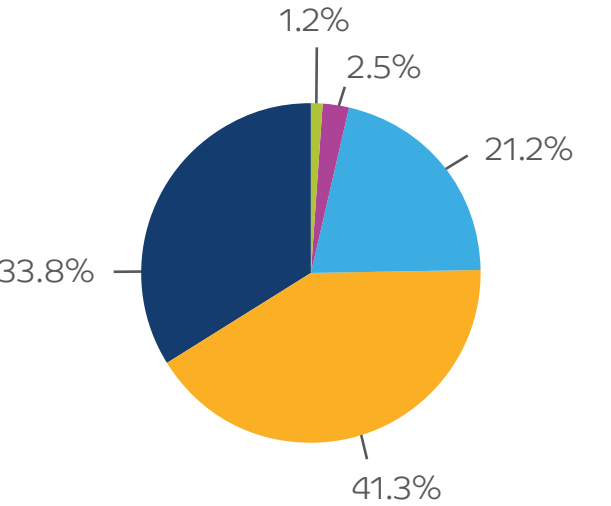
Option	Responses
Very negatively	8.8%
Somewhat negatively	43.7%
No impact	47.5%



## 4 | NATIONAL MINIMUM WAGE AND SALARY COSTS

How do you anticipate the increase in the National Minimum Wage/Salary costs will affect your business?

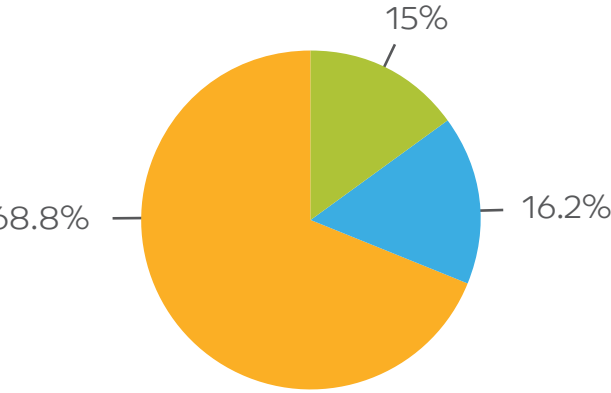
Option	Responses
Very positively	1.2%
Somewhat positively	2.5%
very negatively	21.2%
Somewhat negatively	41.3%
No impact	33.8%



## 5 | RECRUITMENT AND WORKFORCE

Do you plan to increase, maintain, or decrease your workforce in 2025?

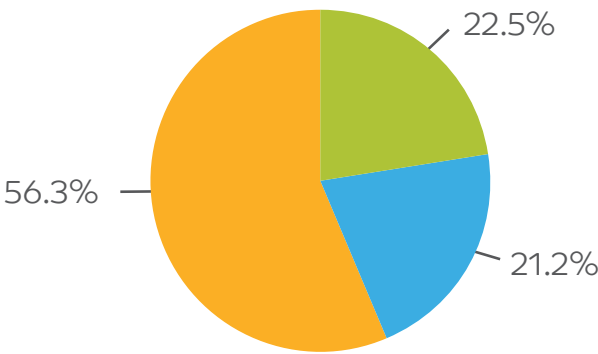
Option	Responses
Increase	15%
Decrease	16.2%
Maintain	68.8%



6 | HIGHER EMPLOYERS’ NATIONAL INSURANCE

How will the increase in employers’ national insurance contributions impact your business’s recruitment decisions?

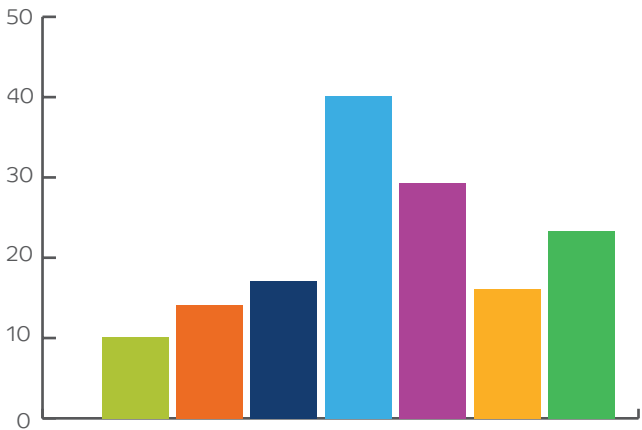
Option	Responses
Slightly increase hiring	0%
Slightly decrease hiring	22.5%
Significantly decrease hiring	21.2%
No impact on hiring	56.3%



7 | KEY BUSINESS CHALLENGES:

What are the key challenges your business is currently facing? (Select all that apply)

Option	Responses
Access to finance	12.5%
Changes to Global Tarifs	17.5%
Competition	21.2%
Customer Demand	50%
Regulatory Changes	36.2%
Supply Chain Issues	20%
Other	28.8%

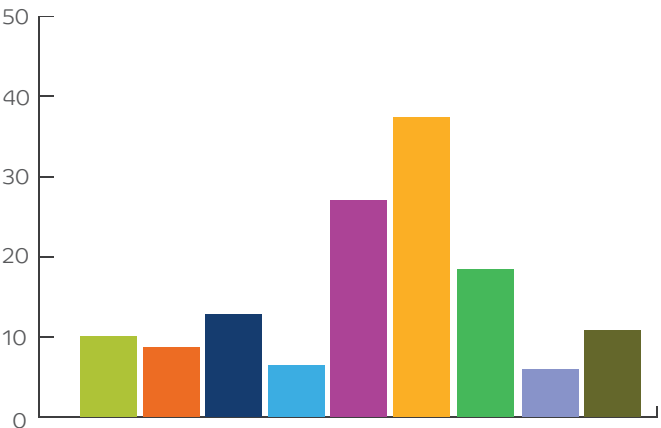


8 | SUPPORT AND RESOURCES NEEDED

What type of support or resources would be most beneficial to your business in 2025?

(Select all that apply)

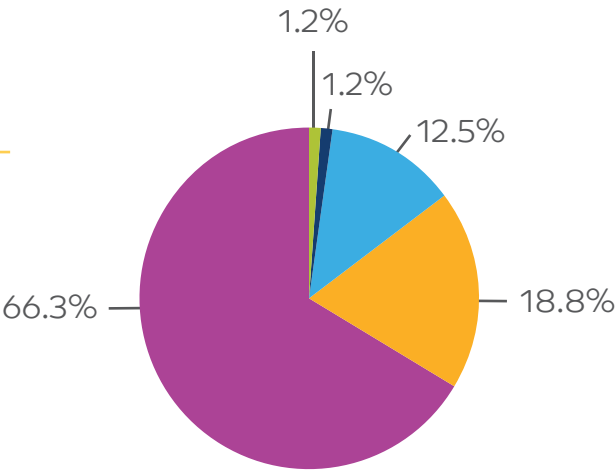
Option	Responses
Cyber Security	12.5%
HR & recruitment	11.2%
Digital transformation	16.2%
Market Analysis	8.7%
Financial Advice	33.7%
Tax Planning	46.2%
Funding	22.5%
Restructuring and Insolvency	7.5%
Other	13.6%



9 | AGRICULTURE AND BUSINESS PROPERTY RELIEF

How will changes to BPR and/or APR relief influence your commitment to capital expenditure?

Option	Responses
Significantly increase commitment	1.2%
Slightly increase commitment	1.2%
Slightly reduce commitment	12.5%
Significantly reduce commitment	18.8%
Have no influence on commitment	66.3%



SUMMARY OF FINDINGS

The survey found the percentage of businesses feeling very optimistic about the economic outlook for 2025, whilst still low, has more than doubled, increasing from 3.45% in January to 7.5% in April. However, there are still more businesses that feel somewhat or very pessimistic (37.5%) about the economic outlook.

The latest survey also asked businesses about new challenges, including the impact of new US tariffs. Almost 9% reported that they would be very negatively impacted and 43.75% said they would be somewhat negatively affected, showing this is a significant concern for many.

The survey identifies several key challenges faced by businesses. Growing challenges include customer demand, which rose from 28.9% to 50%, regulatory changes, (+12% from January), supply chain issues (+11%), competition (+10%), and access to finance, which increased by 4%.

As a result of the challenges they face and recent changes to legislation, almost half of the businesses surveyed (46%) indicated a significant need for support with tax planning. Respondents also expressed a growing need for support and resources in other areas, including financial advice (33.75%), funding (22.5%) and digital transformation (16.5%).

Businesses are showing a growing intention to expand their workforce, with the percentage planning to increase their workforce rising from 8.05% in January to 15% in April. The number of businesses that now report planning to reduce their workforce has dropped from 35.63% to 16.25%. Stability in workforce plans is also evident, with those intending to maintain their workforce increasing from 56.32% to 68.75%. However, whilst these results are positive, they do appear to buck the trend of most recent ONS (Office for National Statistics) figures, which suggest that the number of payrolled employees has steadily decreased over recent months.