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This report looks at the following areas:



"The tentative dates set by the government to reopen the economy over the coming months provide hope that businesses are over the worst that the pandemic has brought them financially. However, it will still take time for things to return to prepandemic levels with businesses likely to still need support and guidance on how to best recover from the severe shock."

- Lewis Cone, Senior B2B

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ECONOMIC OVERVIEW

 Annual GDP growth falls by record low in 2020 due to COVID-enforced economic shutdowns

Figure 1: Annual GDP growth rate, 2016-20, (% change)

- Bank rate set at a record low of 0.1%
 - Figure 2: Bank rate, by date of adjustment, 2008-20, (%)
- CPI 12-month rate shows signs of rising but remains low...
 - Figure 3: Consumer Price Index, January 2020-21, (12-month rate, %)
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 A third of small businesses' finances are 'tight' or 'struggling/in trouble' with many expecting to have to borrow to survive

Figure 5: Current finance situation of the business, June 2018 vs June 2019 vs June 2020, (% of respondents)

 Business turnover grew between the start of 2019 and 2020 but is likely to have stalled in 2021...

Figure 6: UK business turnover, at the start of 2020, by business sector, (£m)

...as company insolvencies are likely to rise when government support schemes are removed

Figure 7: Underlying company insolvencies in England and Wales, Q3 2018-Q4 2020, (units, seasonally adjusted)

 Private sector profitability falls and investment levels expected to decline

Figure 8: UK PNFCs net rate of return, Q3 2018-Q3 2020, (% return)

Figure 9: UK total business investment, Q3 2018-Q3 2020, (chained volume measures and not seasonally-adjusted, £bn)

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

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SPECIAL FOCUS: B2B FINANCE

 Net lending significantly rose in 2020 driven by the COVID support schemes...

Figure 10: UK MFIs' net loans to non-financial businesses, Q1 2019-Q4 2020, by size of business, (£m, not seasonally adjusted)

 ...although credit availability and demand remained unchanged at Q4 2020

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Business confidence bounces back from almost decade-low level

Figure 14: Business confidence index, Q4 2019-Q1 2021*, (index figure)

- General consensus implies economic rebound from Q2 2021 and beyond
- March 2021 Budget
- Purchasing Managers' Index Surveys
- Four stage 'roadmap' out of lockdown offers hope for businesses
- Businesses given extension to repay COVID support loans which should reduce financial burden

APPENDIX - ABBREVIATIONS

Abbreviations

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