

# QUARTERLY ECONOMIC SURVEY Q4 2025

**Business confidence has continued to weaken.** The BCC's Quarterly Economic Survey (QES) for Q4 2025 - the UK's largest independent survey of business sentiment, made up of 4,644 respondents - shows that confidence among firms has continued to weaken, with taxation remaining the biggest concern. Additionally, more businesses now expect to have to raise prices in 2026.

Taxation remains the top concern, cited by 63% of respondents

Over half (52%) of firms expect to rise prices over the next three months

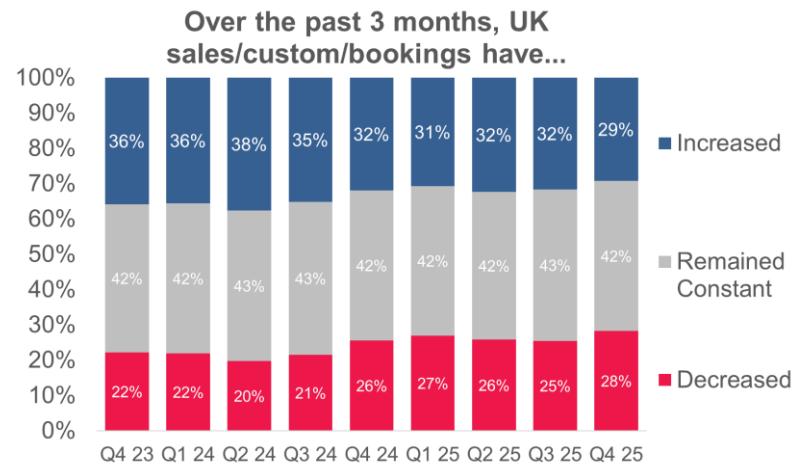
Confidence and investment levels remain low



## Domestic Sales

The percentage of responding businesses reporting increased domestic sales has fallen to 29%, from 32% in Q3.

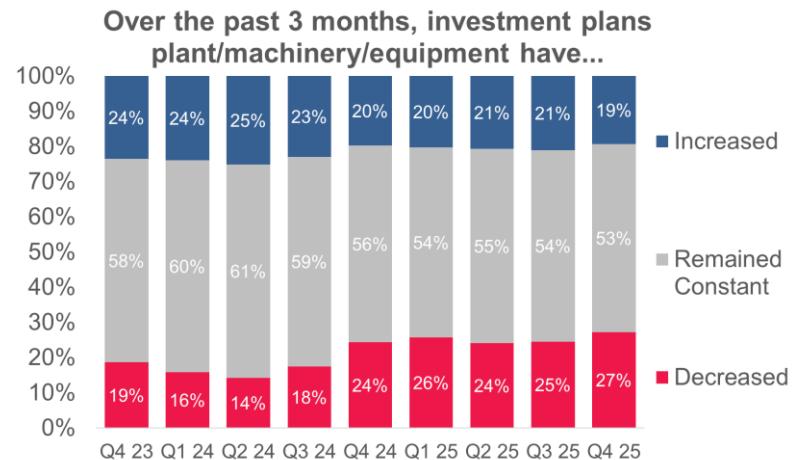
42% reported no change and 28% reported a decrease. Sectoral breakdowns show increased sales were at their lowest among hospitality (22%) and manufacturers (23%).



## Investment

Overall, 27% of businesses say they have seen decreased investment in machinery and equipment. 53% report no change, while only 19% have increased their plans.

The issue is more marked in certain sectors. Over a third of hospitality firms (37%) and retail businesses (36%) report scaling back investment plans



BRITISH CHAMBERS OF COMMERCE

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Over half of firms (52%) are expecting to raise their prices in the next three months, up significantly from the previous quarter (44% in Q3).

As measured as a percentage balance, the services sector stands at +48% while the manufacturing sector stands at +54%.

Prices

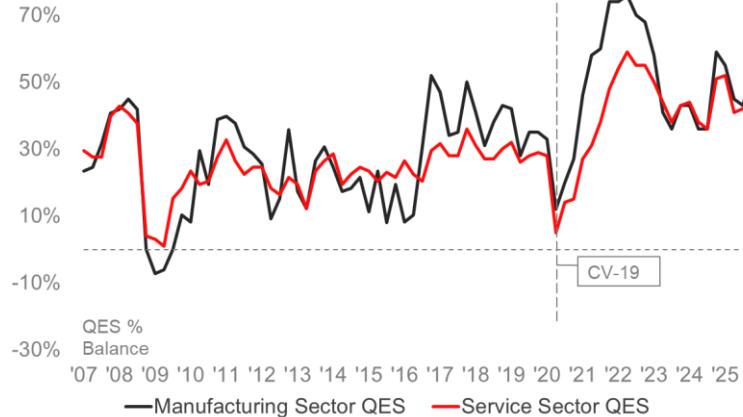


Tax remains the biggest concern for business, cited by 63% of firms, up from 59% in Q3. That's the same level of concern in Q4 2024, after the previous Budget.

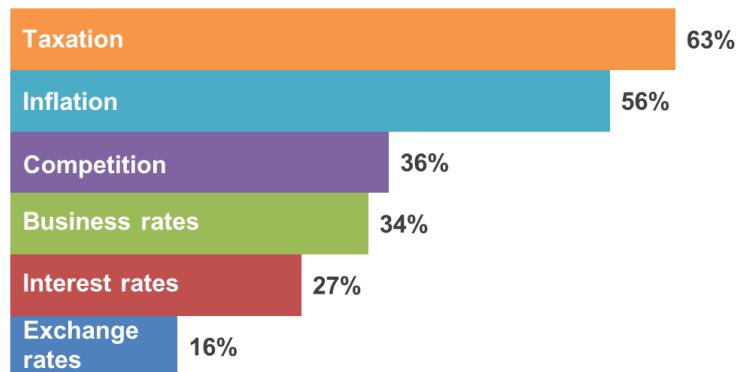
Concern about inflation remains high, cited by 56% of firms, broadly similar to Q3.

External factors

## Balance of firms expecting their prices to rise



## External factors of greater concern than three months ago



## The view from businesses:

## Pre-Budget

*"Market sentiment has been badly affected by uncertainty caused directly by the government in the run up to the budget."* **Micro services firm in Hertfordshire**

*"Rise in employer national insurance contributions had an impact on overhead costs which reduces investment in our current employees."* **Medium construction firm in Greater Manchester**

## Post-Budget

*"Now that we have visibility on the current position, we can at least move forward, but confidence remains subdued."* **Medium professional services firm in Liverpool**

*"The impact of employer national insurance and doubling of business rates continues to hit hard. Food inflation continues to hit our cost base, as does an increase in electricity prices."* **Micro transport firm in Hampshire**

# QUARTERLY ECONOMIC SURVEY Q4 2025

“Our data shows more clouds have gathered over business confidence, and the outlook for SMEs in 2026 is unsettled.

“Firms tell us they are worried about tax, struggling to invest and fearing they’ll have to put their prices up in the months ahead. Firms’ confidence in their turnover growth has stubbornly stuck below 50% for the last 12 months.

“After a long period of uncertainty and speculation heading into the Budget, concerns about major new tax rises eased somewhat in the aftermath. However, a Budget fundamentally light on growth measures did little to boost business confidence, and sentiment overall has worsened since the previous quarter.”

**David Bharier, Head of Research at the British Chambers of Commerce**

## ABOUT QES Q4 2025

4,644 business respondents from across the UK

Responding businesses employ over one million people

76% are in the service sector, 24% in the manufacturing sector

Around 44% are exporters

91% are SMEs

Fieldwork took place between 10 November - 8 December 2025

### Methodology

QES asks businesses if they have seen an increase, decrease, or no change in a range of metrics such as domestic sales, cash flow, and investment.

QES results are often presented as balance figures – the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is above 0, it indicates overall expansion of activity and if the figure is below 0, it indicates overall contraction of activity.

For example, if 50% of firms told us their sales increased and 18% said their sales decreased, the balance for the quarter would be +32% (an overall expansion). If 32% told us their sales increased and 33% said their sales decreased, the balance would be -1% (an overall contraction).

### For more information:

Contact David Bharier, Head of Research at the British Chambers of Commerce for any queries or to understand how your organisation may benefit from the BCC Insights Unit  
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If you would like to enquire about local data, you can find your local Chamber of Commerce here  
<https://www.britishchambers.org.uk/page/join-a-chamber>