



PRESS RELEASE

BUSINESS LEADERS SEEK TAX, TRADE AND SKILLS SUPPORT TO MEET CHALLENGES OF THE NEXT TWENTY YEARS

- Lloyds Bank reveals new study of business leaders' views on the next 20 years to mark 20th anniversary of its landmark Business Barometer survey
- Medium- to long-term ambitions to create new jobs (47%), set up new products and services (36%) and increase online sales (30%)
- 83% of firms expect the next 20 years to be more challenging than the previous two decades
- Businesses call for government to encourage sustainable practices through tax changes

Almost half (47%) of UK businesses said taking on new staff is their key ambition in the medium-term, according to new research to mark the 20th anniversary of the Lloyds Bank Business Barometer

The survey asked 600 businesses about the major challenges and opportunities faced in the last two decades and anticipated challenges up to 2040 and beyond.

Companies also highlighted developing new products and services (36%) and increasing online sales (30%) as major ambitions and priorities.

The survey found that businesses expect online purchasing (20%) and demand for instant products and services (18%) to be the biggest changes in consumer behaviour in the next 20 years, forcing them to be more creative and innovative in order to adapt to deliver quickly.

These predictions mirror the factors which businesses cited as having had the biggest impact on their operations in the past 20 years – chiefly greater access to information (24%) and more online purchasing (22%) changing customer behaviour.

However, firms are optimistic about further changes to consumer behaviour, with 38% reporting that advances in technology have had the biggest positive impact on their business in the past 20 years.

Challenges ahead

Despite a clear drive towards growth, a net balance of 83% of firms anticipate the next 20 years will be more challenging than the past two decades – which included the financial crisis and resulting credit crunch, recession, the Brexit referendum and the global pandemic.

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Some of the challenges that businesses see themselves facing can be linked back to the pandemic, including rising costs (23%) and the ability to recruit staff (11%). In addition, one in ten (11%) businesses see the need to keep up with technological developments as their biggest challenge in the next two to three years.

Government provision of greater access to more vocational-based learning was seen by 44% of firms as being a way to help mitigate these challenges. However, companies believe that future growth opportunities will need to be supported by more favourable taxation to encourage sustainable business practices (52%) and new trade agreements with major trading partners (48%).

Paul Gordon, Managing Director for SME and Mid Corporates, Lloyds Bank Commercial Banking, said: “The Business Barometer has provided unique insights into the views of British businesses for 20 years. In that time, we have seen a seismic shift in the economic context in the UK, as well as the extraordinary ability of business leaders to adapt and evolve to meet changing market needs.

“Perhaps it is not unsurprising that, having faced a quite unprecedented period of late and enormous change over the last twenty years, the majority of business leaders feel the next twenty years will be more challenging. To help them through this, businesses are looking for support on skills, finance, trade and taxation to navigate in this environment. One thing that is clear is that our businesses and business leaders are incredibly resourceful and resilient and are adept at facing into constant change. They tell us they are gearing up for growth and expect to increase headcount, enhancing their service offering or utilising new technologies. We’ll be by their side over the months and years ahead as they deliver on their ambitions.”

ENDS

Notes to editors

The Business Barometer 20th Anniversary survey was conducted with 600 firms between 1st December and 9th December.

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