

Overall business confidence

39%



Monthly change

-10 points



Trading prospects

50%



Economic Optimism

28%

Business confidence falls but remains higher than start of the year

- Business confidence falls by 10 points to a three-month low
- Levels of confidence remain above the long-term average following rises in first quarter
- Economic optimism declined but remains higher than in January
- Trading prospects and staffing expectations saw a moderate fall
- The North East of England saw business confidence rise 16 points

After a strong first quarter, business confidence fell by 10 points in April to 39%, according to the latest Lloyds Business Barometer, though it remains higher than levels seen in first quarter and above the long-term average of 29%.

The decline was driven mainly by a drop in economic optimism, falling 13 points to 28%. Fifty-five per cent of businesses felt more optimistic about the economy, down from 60% last month, while 27% were less optimistic, leaving the net balance for economic optimism down thirteen points to 28%, the lowest level seen since the start of the year.

Trading Prospects

Businesses' own trading prospects declined by seven points to 50%, remaining close to last year's high of 56%, which was the highest level since 2017.

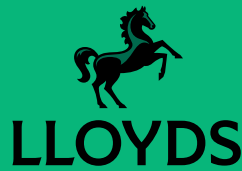
The Lloyds Business Barometer surveys 1,200 businesses monthly, providing early signals about UK economic trends both regionally and nationwide. Data this month was collected between 1 – 14 April. The results show that businesses confidence levels in April remain above the long-term average of 29%.

Employment Insights

Businesses reported a slight decline in hiring intentions, falling three points to 37%. Despite this dip, it remains one of the strongest levels since the pandemic. Pay expectations eased this month, but those

Contact

Charlotte Varney | charlotte.varney@lloydsbanking.com | 07799 474355



businesses predicting larger wage increases remain around the same level as seen this time last year.

Hann-Ju Ho, Senior Economist, Lloyds Commercial Banking, said:

"With the announcement of global tariffs from the United States on 2nd April and the market volatility that followed, it is unsurprising that business confidence saw an impact this month.

However, economic optimism remains higher than at the beginning of the year, showing businesses' resilience in the face of recent challenges and overall confidence is still well above the long-term average of 29%, an average taken from over 20 years of analysis."

Sector Insights

Confidence fell across the four broad sectors. Manufacturing confidence remained broadly unchanged from last month, falling by one point to 38%, while the construction sector saw the largest decrease in business confidence this month, declining 22 points to 26%. Retail confidence also fell by 13 points down to 45% and the service industry fell seven points to 40%, both now at three-month lows.

Regional Insights

Two of the UK's 12 regions and nations reported stronger business confidence, with the North East seeing the highest confidence levels, with the next biggest increase by the East of England. The North East saw a significant increase of 16 points to 59%, sitting above the region's three-month average, while the East of England increased 13 points to 42%.

Paul Kempster, Managing Director for Commercial Banking Coverage, Lloyds Business & Commercial said:

"The business barometer this month reflects the current volatility and challenges that exist in today's economic climate. As we've seen over the past decade however, UK businesses are resilient, managing through a number of challenging economic headwinds, so it is heartening to see that businesses in the North East and the East of England are more confident in April than they were in March.

We are committed at Lloyds to support businesses with a range of financial services designed to help firms navigate the ever-changing economic landscape. Helping them to seize opportunities as they arise and achieve their growth ambitions."

Contact

Charlotte Varney | charlotte.varney@lloydsbanking.com | 07799 474355



Pricing Insights

Businesses price expectations increased this month, rising seven points to 68% in April. Seventy percent of firms expect to raise their prices in the next 12 months, while an unchanged 2% plan to reduce them.

Ends

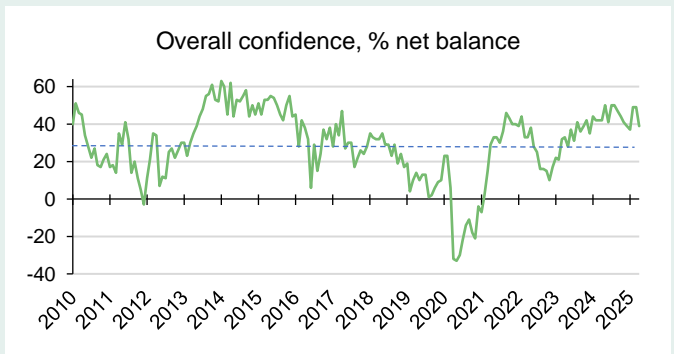
Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **1 – 14th April** by BVA BDRC.
- The survey covers the online responses of a sample of 1,200 UK companies each month from all industry sectors, regions and firm sizes with annual turnover above £250,000.
- The results are re-weighted to match proportions by sector, region and size of the total business population, as published by the Department for Business, Energy and Industrial Strategy and the Office for National Statistics.
- Net balances are calculated by deducting the percentage of negative responses from the percentage of positive responses.
- Prior to January 2018, the fieldwork was based on telephone responses of 200-300 companies with annual turnover above £1 million.

Contact

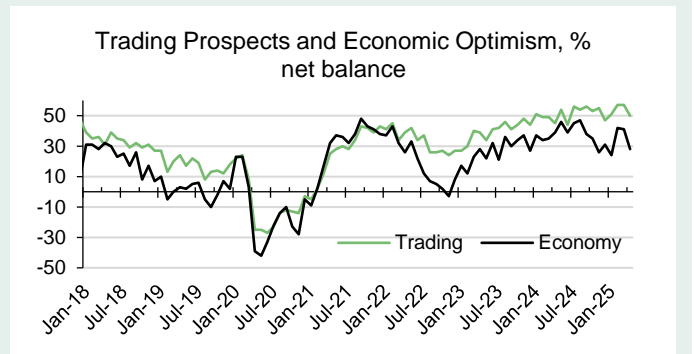
Charlotte Varney | charlotte.varney@lloydsbanking.com | 07799 474355

Chart 1: Sentiment starts Q2 on a low note



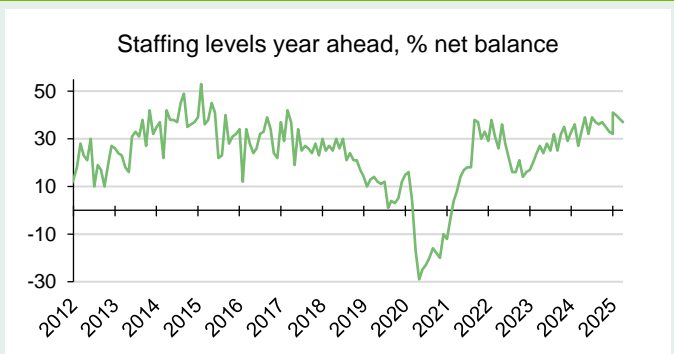
Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Chart 2: Future activity outlook dims



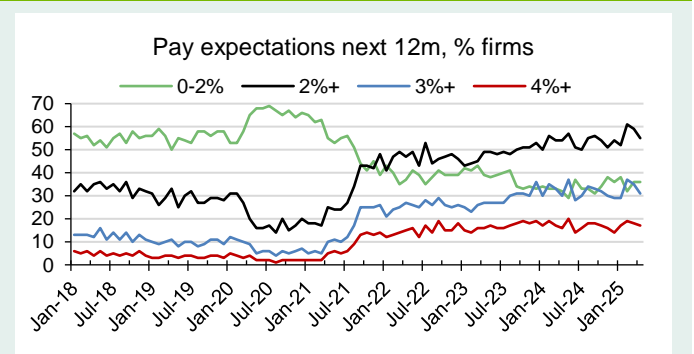
Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Chart 3: Net balance of staffing expectations falls



Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Chart 4: Wage growth projections ease



Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Chart 5: Surge in firms planning to raise prices

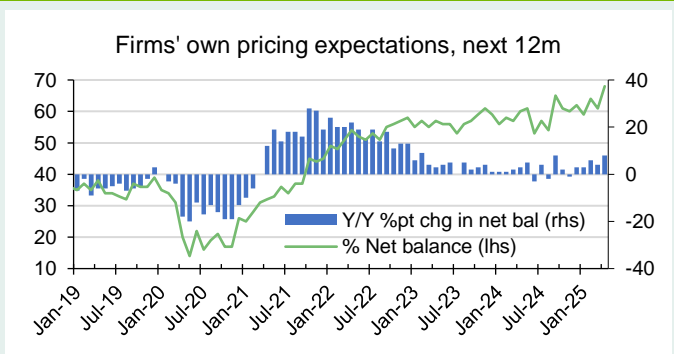
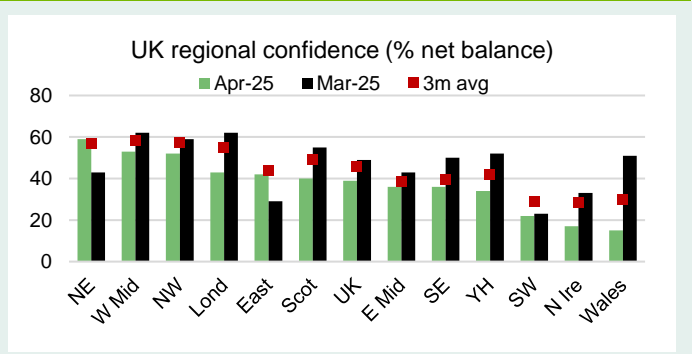


Chart 6: North East and East of England see confidence rise

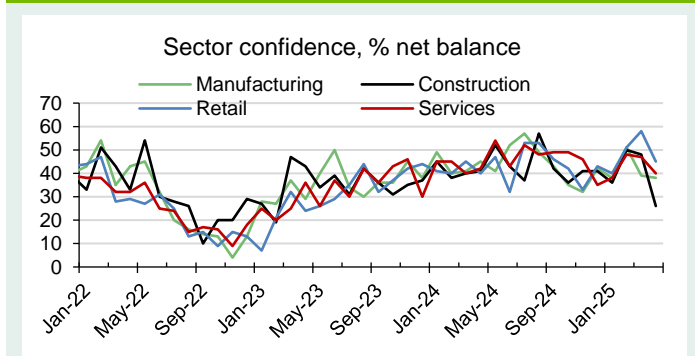


Contact

Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Chart 7: Construction hits two-year low



Source: Lloyds Bank Business Barometer (April 2025), BVA BDRC

Contact

Charlotte Varney | charlotte.varney@lloydsbanking.com | 07799 474355