



Overall business confidence

44%



Monthly change

-11 points



Trading Outlook

54%



Economic Optimism

33%

Business confidence reacts to global uncertainty, while firms focus on year ahead

- Fall in business confidence driven by global uncertainty
- Over half of firms have a positive trading outlook
- Nearly two thirds of businesses expect stronger output over the year ahead
- Investment appetite, staffing levels and wages remained stable
- East Midlands is the most positive region driven by increased customer demand

While overall business confidence fell 11 points to 44% in April, it remained above the long-term average of 30%, according to the Lloyds Business Barometer.

Economic confidence

Confidence in the wider economy saw the largest decline since April 2020, falling 17 points to 33%. Of those surveyed, 56% said they were optimistic about the wider economy (down nine points) and 23% were more pessimistic (up eight points). This sentiment was driven by rising inflation, global uncertainty and higher interest rates.

Trading outlook confidence

Businesses' own trading outlook weakened more modestly, recording a six-point fall to 54%. Sixty-three percent (down from 66%) expect stronger output over the year ahead, while 9% (up from 6%) foresee weaker activity. The main drivers behind businesses predicting a decrease in activity were economic uncertainty, higher cost pressures and weaker customer demand.

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Amanda Murphy, CEO for Lloyds Business and Commercial Banking said:

“Businesses told us their confidence fell as inflation pressures re-emerged, global uncertainty persisted and costs remained elevated. While sentiment declined, it remained above the long-term average, with nearly two-thirds expecting stronger output in the coming year.

“UK businesses are resilient and adept at deploying strategies to defend growth in uncertain conditions. Over the past month, we’ve seen them opt for flexibility wherever possible. They’re building contingency into their short and medium-term plans, rather than expecting a rapid return to normal. Protecting margins has become more important. That means tougher cost scrutiny and a greater focus on balancing growth with profitability.

“In this environment, as with other recent market disruptions, we continue to observe that sustainable success comes from discipline, resilience and clarity about what really drives long term value.”

Opportunities for growth

Businesses are seeing opportunities to grow in the coming year, with the majority looking to deploy new tech, invest in their teams, or evolve their products and services. Over a third of businesses said they were also considering entering new markets, a significant proportion - but lower than earlier in the year.

When it comes to investment opportunities, businesses’ appetite remains largely similar to previous months, with most firms looking to invest in technology, training and AI.

Staffing and wages more stable

Businesses surveyed reported more modest movement for staffing levels and wages. The majority of firms (57%) said they were planning to increase headcount, while 17% expect to reduce staffing levels. Only slightly more firms were anticipating smaller pay rises over the coming year.

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

“Business confidence fell back in April as firms assessed a more uncertain global backdrop. Fewer businesses said they were aspiring to enter new markets, 39% vs 43% in March, which also could be linked to heightened global uncertainty following the conflict in the Middle East.

“What’s encouraging to see is that firms own internal measures have remained more stable this month, suggesting that they adept at weathering uncertainty without resorting to significant changes.”

Regional insights

Business confidence declined across eleven of twelve UK regions and nations in April. The East Midlands was the most confident region, while Northern Ireland recorded the sharpest decline. Wales was the only nation to see an increase in confidence over the month.

Only two regions and nations are trending below the long-term average of 30% - South West and Northern Ireland. Firms in the most positive region, the East Midlands, said that stronger customer demand was driving their confidence in the wider economy as well as confidence in their own trading outlook.

Rank	Region/Nation	Apr-26	Change vs Mar	Rank change vs Mar
1	East Midlands	53%	-9pp	▲ 1
2	London	51%	-10pp	▲ 2
3	West Midlands	50%	-17pp	▼2
4	Scotland	48%	-3pp	▲ 5
5	North East	47%	-8pp	▲ 2
6	South East	44%	-1pp	▲ 5
7	East of England	42%	-14pp	▼1
8	Yorkshire & Humber	42%	-20pp	▼6
9	North West	38%	-15pp	▼1
10	Wales	37%	+8pp	▲3
11	South West	24%	-24pp	▼1
12	Northern Ireland	10%	-49pp	▼7

Contact



Ends

Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **1-16 April** by Ipsos. The full report for April can be found [here](#).
- To understand more about how the Business Barometer compares to other confidence surveys, read our report [here](#).
- 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 and Trade 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.

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