

Overall business confidence

44%



Monthly change

-3 points



Trading Outlook

56%



Economic Optimism

31%

Business confidence falls but UK firms with international outlook remain more optimistic

- Economic optimism dropped to 31%, below a 12-month average of 38%
- International firms notably more confident than their domestic counterparts
- Business confidence amongst Manufacturers fell by 10 points to 33%, vs a 12-month average of 46%
- Hiring intentions for the year ahead rose modestly

Business confidence fell in June by three points to 44%, below the 12-month average of 47%, according to the Lloyds Business Barometer. The business confidence figure is an average of economic optimism and trading outlook.

Domestic firms reported lower confidence in both their economic optimism and trading outlook, citing cost pressures (up 2 points) and global uncertainty (up 7 points) as factors affecting economic optimism. Firms that trade internationally were more confident in both their economic optimism and trading outlook.

Economic optimism

Optimism in the wider economy fell four points to 31% in June, below the 12-month average of 38%. In June, 55% said they were optimistic (no change from May), while those who felt more pessimistic increased by four points to 24%. The main factors cited by firms remained consistent with previous months, with rising inflation and cost pressures up three points, and continuing global uncertainty up four points.

Trading outlook

Businesses' own trading outlook decreased by two points in June to 56%, compared to a 12-month average of 57%. Sixty-four percent of firms (down two points vs May) expect stronger output over the year ahead, while the share expecting weaker activity remained unchanged at 8%. Among firms expecting weaker activity, the main factors remained consistent with May and April: economic uncertainty, and continuing cost pressures.

Domestic vs International

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Domestic firms reported lower confidence in both their economic optimism and trading outlook. Their economic optimism fell 21 points to 3%, an 18-month low and significantly below the 12-month average of 20%. This was driven by expected weaker trading activity and higher cost pressures. Their trading outlook fell 11 points to 37%, compared to a 12-month average of 42%. Firms cited cost pressures, global uncertainty, and tighter financial conditions as factors affecting confidence in the wider economy.

By contrast, firms that trade internationally were more confident in both their economic optimism and trading outlook. Their optimism in the wider economy increased eight points to 47%, compared to a 12-month average of 49%. This was driven by stronger customer demand, as well as improved financial conditions. Their positive trading outlook rose five points to 68%, compared to a 12-month average of 65%. This was driven by increased investment plans, improved supply chain conditions and stronger customer demand.

Hiring intentions

Hiring intentions for the year ahead rose for the first time in three months. The share of firms planning to increase their workforce increased two points to 55%, while those anticipating headcount reductions fell three points to 14%. Firms intending to hire cited the need to meet strengthening demand and expand capacity.

Investment appetite

The number of businesses open to investment opportunities dropped three points to 34%, compared to 12-month average of 35%. Most continue to cite training (41%), technology (39%), and AI (31%) as their priority areas.

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

“While cost pressures and global uncertainty continue to weigh on business confidence, international firms are much more confident with many seeing signs of supply chain disruption easing and strengthening customer demand.

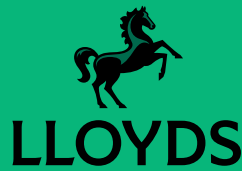
“More broadly, we’ve recently seen an uptick in investment towards energy security and efficiency to support long-term resilience. Where firms are hiring, they’re recruiting highly specialist skills to meet strengthening demand and expand capacity.”

Sector insight

Business confidence amongst manufacturing firms dropped 10 points to 33%, compared to a 12-month average of 46%. This was driven by a 16 point decrease in economic optimism with firms pointing to global uncertainty, higher costs and tighter financial conditions. Retail firms recorded an eight point drop in confidence to 45%, compared to a 12-month average of 49%. This was mainly driven a 12 point decrease in economic optimism

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with firms pointing to by global uncertainty, higher costs and tighter financial conditions.

Business confidence amongst construction firms increased two points to 46%, compared to a 12-month average of 47%. Services firms remained stable for the second month at 45%, against a 12-month average of 47%.

Hann-Ju Ho, Senior Economist, Lloyds Commercial:

“The June data shows a more uneven picture across sectors than in May. Manufacturing and Retail both saw significant declines in confidence, with Manufacturing in particular dropping sharply and now sitting below its 12-month average likely reflecting a mix of softer demand and ongoing cost challenges. Retail also fell from a strong reading in May, driven by a fall in economic optimism.

“By contrast, construction saw a modest improvement in confidence and was the only sector to report stronger expectations for its own trading outlook. Services remain broadly steady, although the underlying picture is mixed, with stable demand offset by continued cost pressures.

“Overall, while some sectors are holding up, the data suggests that uncertainty is still feeding through unevenly and weighing more heavily on parts of the economy than others.”

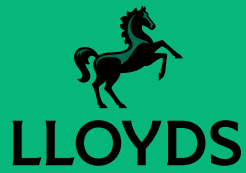
Regional insights

Business confidence was highest in the East Midlands and London, both posting monthly increases of two points and eight points respectively. Despite a 15-point decline, the North East ranked third at 54%, maintaining its position among the more confident regions. Sentiment fell most in the East of England and the West Midlands, pointing to renewed softness in parts of the country.

Rank	Region/Nation	Jun-26	Change vs May	Rank change vs May
1	East Midlands	56%	+2pp	▲ 2
2	London	55%	+8pp	▲ 5
3	North East	54%	-15pp	▼ 2
4	Northern Ireland	49%	+2pp	▲ 3
5	Scotland	48%	-2pp	▲ 1
6	Yorkshire & Humber	47%	+5pp	▲ 3
7	South West	44%	+22pp	▲ 5
8	North West	43%	-11pp	▼ 5
9	West Midlands	38%	-24pp	▼ 7

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10	South East	35%	-6pp	0
11	Wales	32%	+9pp	0
12	East of England	23%	-31pp	▼ 9

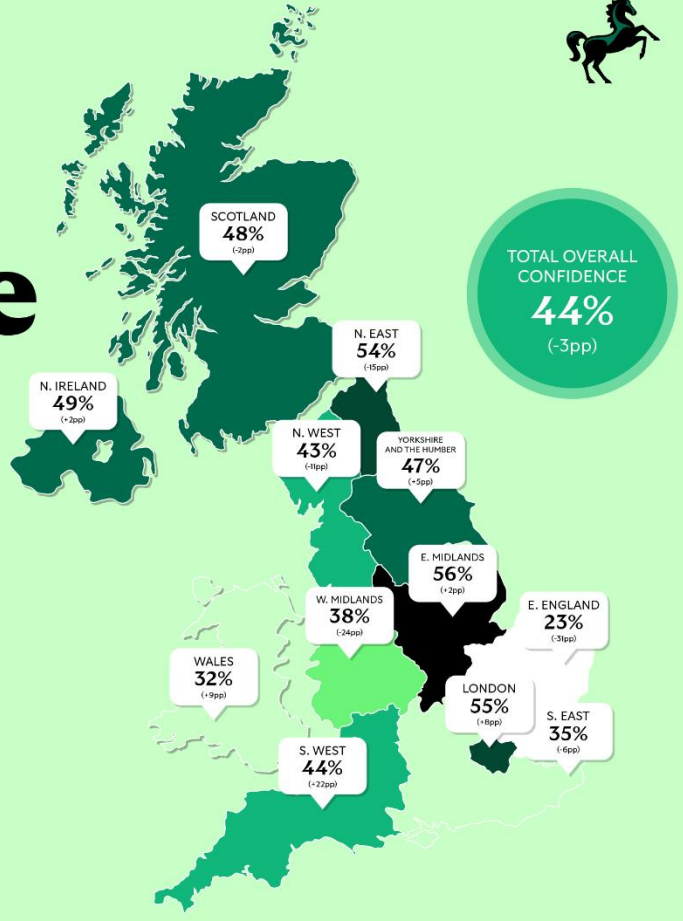
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Notes to Editors

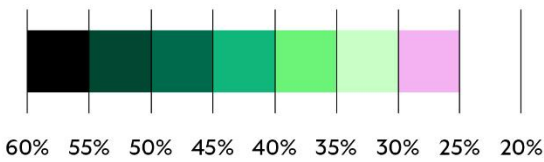
- The fieldwork for the Lloyds Bank Business Barometer was conducted during **1 – 15 June** by Ipsos. The full report for May can be found [here](#).
- To understand more about how the Business Barometer compares to other confidence surveys, read our report [here](#).
- International firms are defined in the survey data as UK businesses that export, or import or do both. Domestic firms only trade within the UK.
- The survey has been running since 2002 and 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.
- We provide in depth regional press releases for eleven of the UK's regions and nations.

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Overall Business Confidence

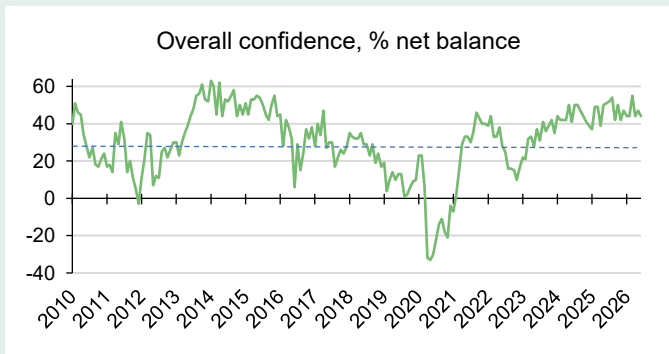


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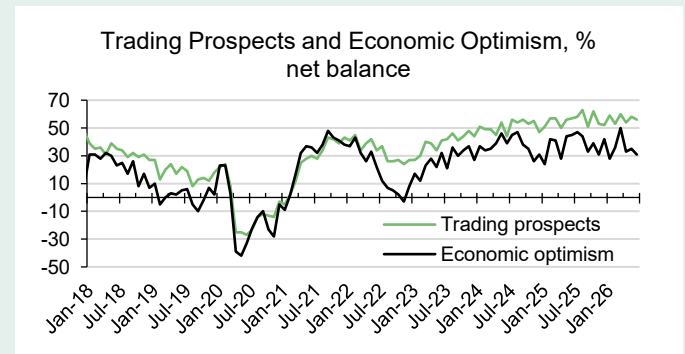
The fieldwork for the Lloyds Bank Business Barometer was conducted during 1st-15th June by Ipsos. The survey covers the online responses of a sample of 1,200 UK companies each month from all industry sectors, regions and firm sizes with annual turnover above £250,000. Figures show overall business confidence in each region as a percentage and the month-on-month change.

Chart 1: Confidence takes a modest step back



Source: Lloyds Business Barometer (June 2026), Ipsos

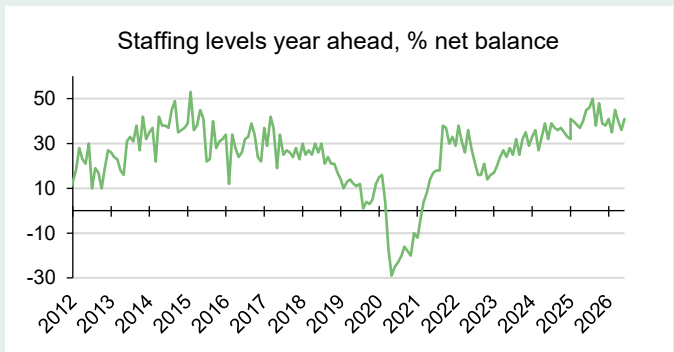
Chart 2: Resilient firms, more cautious economic outlook



Source: Lloyds Business Barometer (June 2026), Ipsos

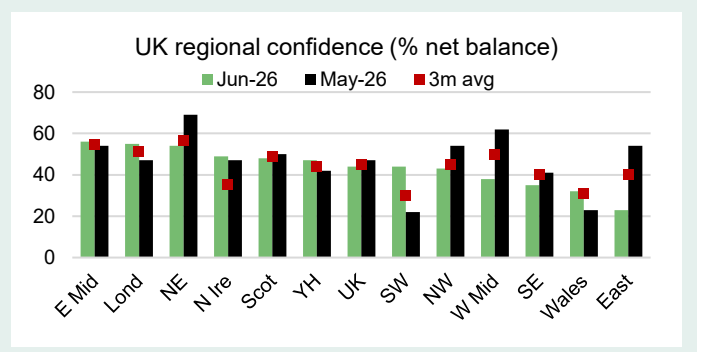
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Chart 3: Staffing plans pick up



Source: Lloyds Business Barometer (June 2026), Ipsos

Chart 4: Gains and declines offset



Source: Lloyds Business Barometer (June 2026), Ipsos

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