

HEADWINDS



The challenges facing UK businesses in 2022

9.4%

CPI: Driven by rising energy bills, petrol and diesel prices, food prices and the cost of used cars, prices continue to rise at their fastest rate for more than 40 years

-3%

According to the ONS, the 'real value' of pay fell by 3% between April and June 2022 - the Bank of England (BoE) worries about 'wage-price-spiral' that would exacerbate inflation

1.75%

The BoE increased interest rates to 1.75% in August 2022 - the biggest rise in 27 years

0.6%

GDP fell by 0.6% in June 2022, after growth of 0.4% in May 2022, and was up 1.9% in the 12 months to June 2022. Fewer working days in June cited by ONS.

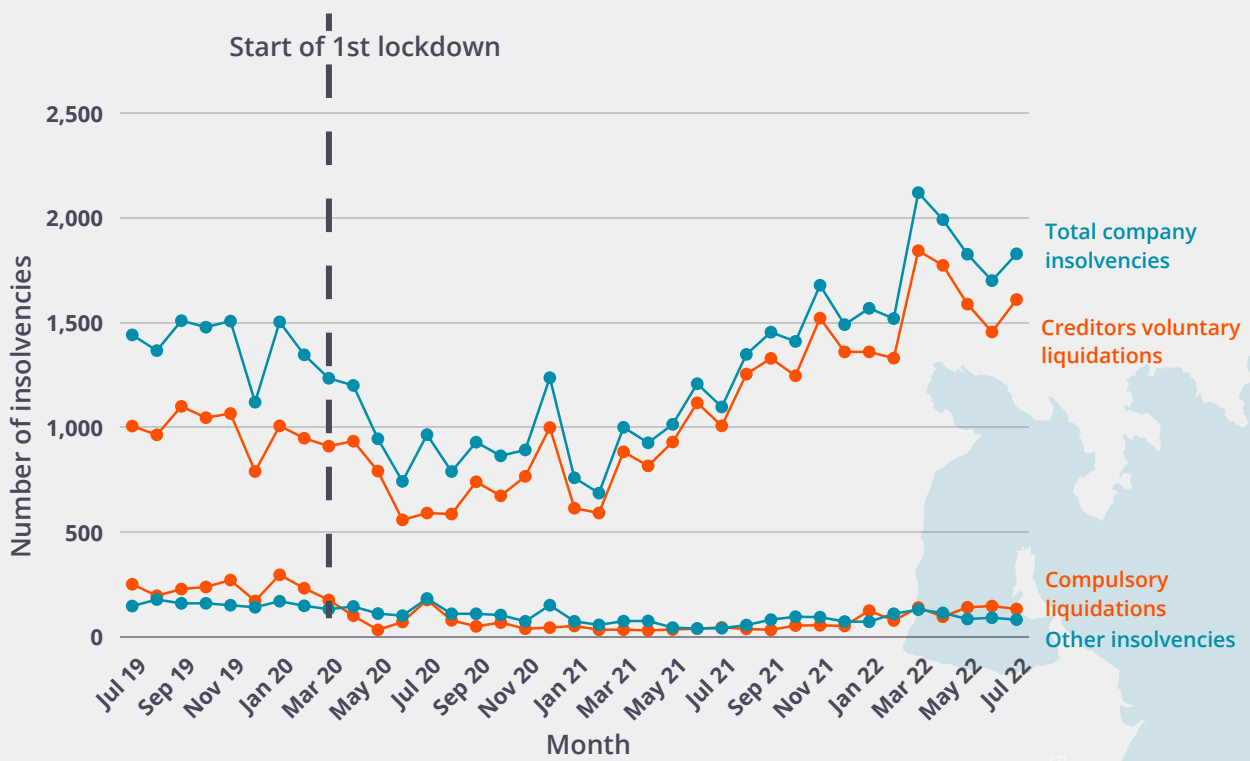
+4%

The CBI's SME Trends Survey shows output slowed to a near-halt in the three months to July (balance of +4% from +16% in three months to April) and is expected to fall slightly in the next three months (-6%)

- 41

GFK's consumer confidence index IS -41 its lowest level since the index began in 1974. This compares to a score of -7 a year ago, in July 2021

INSOLVENCY STATISTICS JULY 2019 - JULY 2022



Source: <https://www.gov.uk/government/statistics/monthly-insolvency-statistics-july-2022>

Rising costs and cash flow pressures squeezing businesses – company insolvencies up 67% year-on-year

27% higher than pre-pandemic levels

Monthly insolvency levels up 7.5% on June 2022

Headwinds likely to cause issues even for better performing business in next 12 months

If one or more of these issues are causing challenges for your business, please get in touch with one of our experts.



James Sleight
Director - Leeds
james.sleight@pkfgm.co.uk



Oliver Collinge
Director - Leeds
oliver.collinge@pkfgm.co.uk

Sources

- <https://www.bbc.co.uk/news/business-61891649>
- <https://www.bbc.co.uk/news/business-62550069>
- <https://www.bankofengland.co.uk/monetary-policy/inflation>
- <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdnmonthyestimateuk/june2022>
- <https://www.cbi.org.uk/media-centre/articles/sme-manufacturers-expect-output-to-fall-over-the-next-three-months-cbi-sme-trends-survey/>
- <https://commonslibrary.parliament.uk/research-briefings/sn02817/>

80% 90% 100%