



Overall business confidence

**49%**



Monthly change

**0 points**



Trading prospects

**57%**



Economic Optimism

**41%**

## Business confidence rebound continues

- Business confidence in March sustains high seen in previous month
- Business confidence among retail firms rises seven points to almost 10 year high
- Manufacturing firms' confidence falters amid uncertainty surrounding supply chains
- Trading prospects remain unchanged, at highest level since 2017

Business confidence in the UK remained robust at 49% in March, maintaining its highest level since August 2024, according to the latest Lloyds Business Barometer.

This sustained high was driven by a significant boost in confidence among retail firms, which saw a seven-point rise to 58%, the highest seen since August 2015. While overall business confidence remained stable, economic optimism slightly declined. Sixty per cent of businesses felt more optimistic about the economy, down from 63% last month, while 19% were less optimistic, leaving the net balance for economic optimism down one point to 40%. However, this remains the highest levels since August 2024.

### Trading Prospects

Businesses' own trading prospects also remained unchanged at 57%, marginally surpassing last year's high of 56%, and reaching the highest level since 2017. Nearly two-thirds (64%) expect stronger activity in the coming year.

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 3 – 17 March. The results show that businesses confidence levels in March were significantly above the long-term average of 29%.

### Employment Insights

Businesses reported a slight decline in hiring intentions, falling one point to 40%, driven by the manufacturing and construction industries. Despite this dip, it remains the second strongest level since the pandemic. Pay expectations eased this month but remain higher than late last year.

## Contact

Charlotte Varney | [charlotte.varney@lloydsbanking.com](mailto:charlotte.varney@lloydsbanking.com) | 07799 474355



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

"Business confidence remained steady this month, suggesting that UK companies may have been waiting to see the impact of government decisions at home and globally. Despite this, today's data continues to reflect a positive growth trend in the UK economy. With confidence maintaining last month's high, business leaders are optimistic, noting that investing in their development and workforce will position them well to seize future growth opportunities."

## Sector Insights

Retail confidence rose seven points to 58%, a post-pandemic high, reflecting positive trading prospects.

In contrast, the manufacturing sector saw the largest decrease in business confidence this month, declining 12 points to 39%, due to increased concerns about supply chain disruptions. Construction firms also saw a decline to 48% and businesses in the service sector saw confidence decline to 47%.

## Regional Insights

Seven of the UK's 12 regions and nations reported stronger business confidence, with the West Midlands and London seeing highest confidence levels, followed by the North West and Scotland. Sentiment in Wales, the South East and Yorkshire and the Humber saw significant increases, placing them above the national average. The North East and East of England saw substantial declines in confidence, from their highs of 69% and 61% respectively, down to 43% and 29%.

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

"The findings of the latest Business Barometer are encouraging, maintaining the previous month's uplifted business confidence and economic optimism across the UK.

"At Lloyds, we are committed to supporting businesses and our range of financial services and expertise are designed to help firms navigate the evolving economic landscape, seize new opportunities, and achieve their growth ambitions."

## Contact

## Pricing Insights

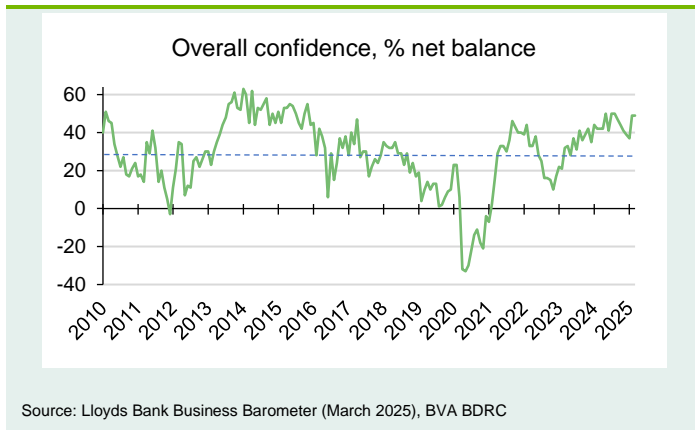
Businesses price expectations decreased from February's five-month high but remain higher than in January. Sixty-three per cent of firms expect to raise their prices in the next 12 months, while only 2% plan to reduce them.

## Ends

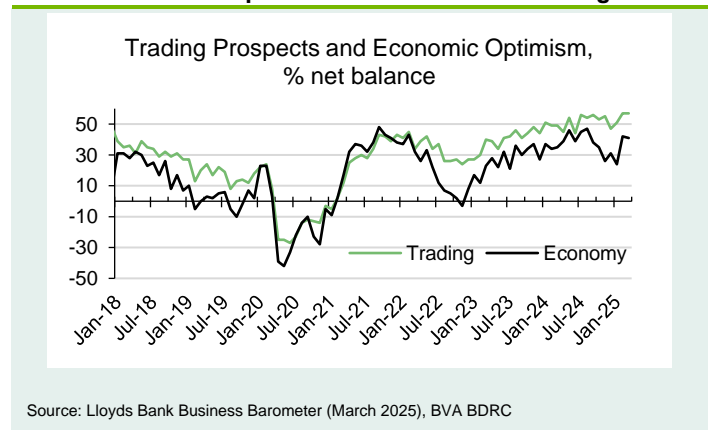
## Notes to Editors

- The fieldwork for the Lloyds Bank Business Barometer was conducted during **March 3rd-17th** 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.

**Chart 1: Business confidence remains robust**



**Chart 2: Economic optimism sustains last month's gains**

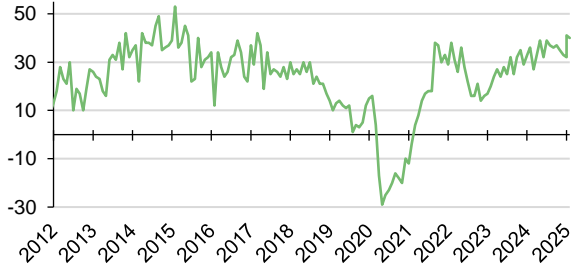


**Chart 3: Firms expect to increase headcount**

**Chart 4: Wage growth remains strong post-pandemic**

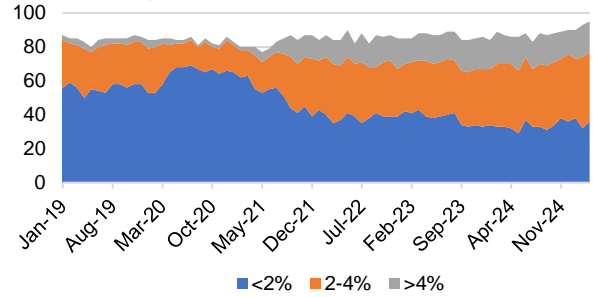
## Contact

Staffing levels year ahead, % net balance



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

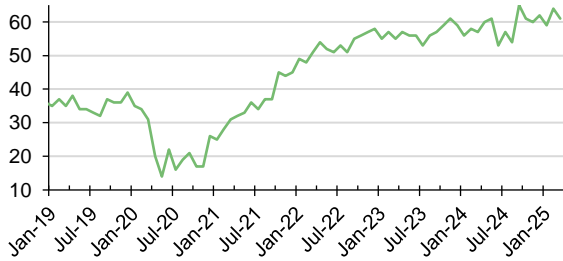
Pay expectations next 12m, % firms



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

Chart 5: Scope of price increases remains high

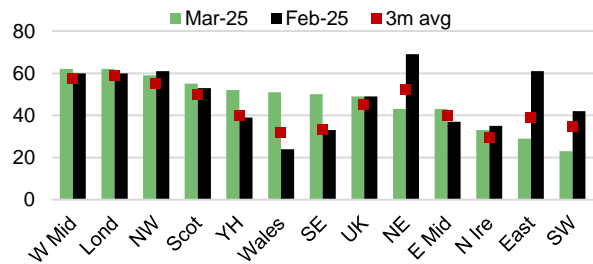
Firms' own pricing, % net balance



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

Chart 6: Confidence rises in most regions

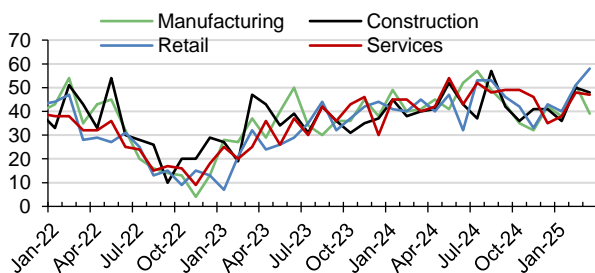
UK regional confidence (% net balance)



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

Chart 7: Increasing concerns in manufacturing

Sector confidence, % net balance



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

## Contact

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