

15% OF OWNER MANAGED BUSINESSES STILL IN SURVIVAL MODE

Monday 31 May, 2021

Owner managed businesses coming out of the third lockdown are still struggling with the impact of Covid-19 and an uncertain economic outlook:

- 11% reported that it is likely they will have to make redundancies in the next 3-6 months putting a potential 1.85 million jobs at risk across the UK
- 24% reported a negative or very negative impact on their business since the UK left the EU
- 53% of respondents identified uncertain trading conditions as their biggest single challenge
- 15% cited Brexit supply chain issues as their single biggest challenge

Nonetheless:

- 84% of respondents reported that they were either confident or somewhat confident that they would be able to access the finance that they needed over the next 6 months with anecdotal evidence suggesting that the major banks were continuing to lend
- Longer term 54% were more positive about their economic prospects outside the EU while 46% were less positive

The research among 435 owner managed businesses across the UK was carried out between April and May by the APA, a network of 17 leading business advisory firms who represent over 14,000 of these businesses.

Commenting on the findings APA Chairman Martin Muirhead said:

"What is clear from our research is that a significant minority of owner managed businesses who have managed to pull through the last 12 months are still in survival mode with uncertain trading conditions being the biggest concern to a majority.

"Nonetheless there is also evidence to suggest that those businesses that have managed to weather the impact of Covid-19 are now more resilient and that existing and proposed Government support measures have generally been well received.

"Over the coming months it is vital that Government maintains a flexible and targeted approach to business support focusing resource on those sectors where there is the greatest need. Owner managed businesses form the backbone of the UK economy and need continued, targeted support as we emerge from this third lockdown"

More detailed sectoral and regional breakdowns are available on request.

- ENDS-

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