

UK

HSBC Navigator: the voice of business 2021

While the effects of the pandemic still linger, UK businesses are gearing up for growth.

The view among decision-makers is positive; **80% say they are expecting sales revenue growth of at least 10% in the next 12 months.** What's more, **a quarter of businesses are hiring new talent**, a sure sign that they are preparing for future growth.

It's clear that UK businesses are resilient. **A quarter report that they have already returned to pre-COVID profitability or will do by the end of this year, and over half (55%) expect their business to reach that milestone by the end of 2022.**

Top of the list of priorities over the next 12 months is **managing costs (33%)**, closely followed by growing revenue (32%). **More than a quarter (27%) are preparing to expand their product and or service offering.**

Businesses are looking to their people to power future growth: **29% are upskilling their existing workforce** and more than one in four (**26%**) are **putting a greater emphasis on employee**

well-being. Enabling remote working is high on the agenda, with **43% of companies saying they will invest in digital tools.**

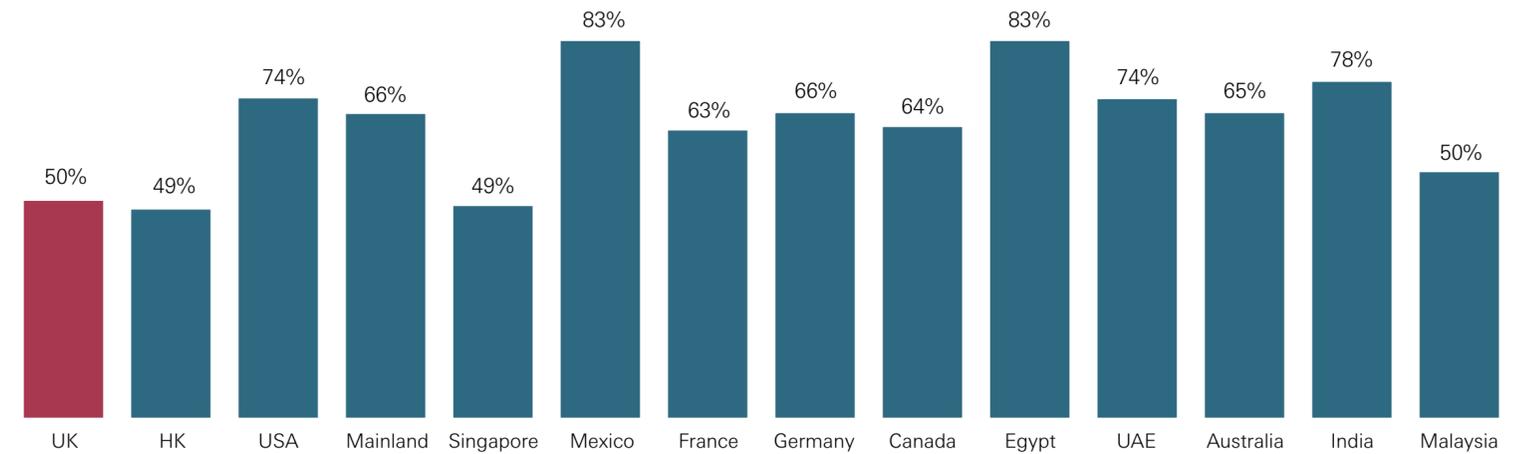
Sustainability has a key role to play in this growth story. More than three quarters (**78%**) of **businesses say that a more sustainability-driven business model would have a positive impact** on their overall growth. **Internationalisation** is also part of the narrative – **48% of leading businesses** (those expecting growth of more than 30%) **think expanding into new markets will have a strong impact on overall growth.**

But there are challenges, too. **Supply chain disruption** is high on list of concerns for **31% of UK businesses**, and **a tight labour market** is also keeping 23% of business leaders awake at night. There's also anxiety that **a resurgence of COVID-19 might act as a brake** (a view shared by 37% of our decision-makers).

Overall, the business community is using lessons learned during the pandemic to protect themselves against future shocks by investing in the workforce and keeping a close eye on supply chains.

Businesses are confident about growth prospects

(% of businesses that are more optimistic than they were 12 months ago)

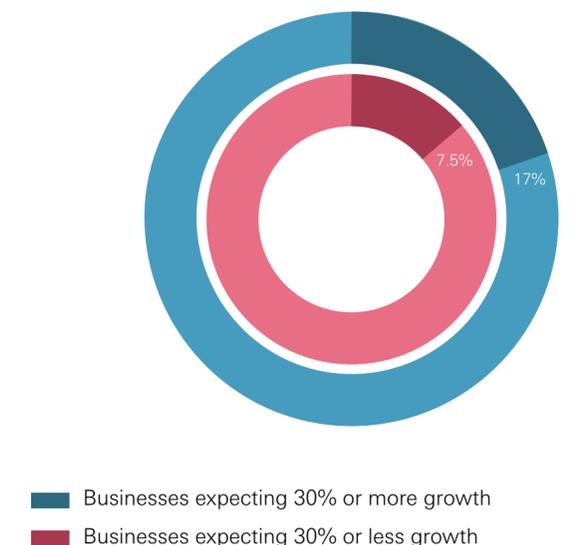


Top 3 measures businesses are taking to build resilience



Anticipated average revenue increase from greater focus on sustainability

(Global figures)



UK

Key findings:

- Overall, businesses in the UK feel optimistic about their growth prospects and see opportunities ahead
- They cite a resurgence of COVID-19, a tight labour market, and supply chain disruptions as their primary concerns.
- UK businesses have put a greater focus on employee well-being since the pandemic struck and are investing in technology that will enable remote work.

A positive outlook

53%

of businesses are more optimistic about growth than they were 12 months ago

Changes to the supply chain

36%

of businesses have increased the number of suppliers they are working with internationally

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Despite headwinds, internationalisation will be the engine of growth over the next 12 months.”

Barry O’Byrne

CEO of HSBC Global Commercial Banking