

Wealden Business profits are on the up, but caution remains on investment

The economic recovery is strengthening, profits are on the up, but signs of investment in new jobs and equipment remain muted, according to members of the Wealden Business Group (WBG).

That's the conclusion from the second Wealden Business Barometer survey, the quarterly research project which analyses members' views on current business trends.

The group, which meets for weekly networking breakfasts at The Little Silver Country Hotel, Tenterden, comprises 32 owner-managers of a diverse range of companies across the Weald, from accountancy to commercial property, creative services to painting and decorating, car sales to carpentry.

Main findings

The second Wealden Business Barometer, published today (Thursday, 10th July), showed that.....

- In the first quarter of this year, 90% of members report improved profits compared with this time last year;
- 65% report profits increases of up to 10%, while a quarter of members are doing even better, with profits up 10-25%;
- Confidence is strong: 60% of members are more confident of the future than they were this time last year.
- Keeping it local: 70% of members expect business growth to come from local customers.
- There is some evidence that profits may be being used to repair business finances. Only 20% plan any immediate investment in new equipment or hiring new staff.
- Encouragingly, however, a similar percentage plan to spend on professional training for themselves or their staff.

Reflecting the generally upbeat mood, WBG members comments included.....

- "We've gained a significant number of new clients this year. Our clients are now generally giving a more optimistic view of the business climate than was the case during 2013, and we seem to have moved on from the patchy recovery that seemed evident a year ago".
- "Enquiries are higher, particularly from new business start-ups".
- "Firm evidence of an upturn in the economy. Clients planning more for growth. A more positive 'vibe' all round."
- "We have experienced a surge in professional work.....brought about by more activity and general confidence in the market."

However, one indication that recovery does not necessarily go hand-in-hand with profligacy: "People are more determined to have a deal!"

Commenting on the results of the survey, WBG chairman Simon Hammond said: "There can be no doubt that the recovery is here to stay, and the levels of business confidence are strong and growing.

"While it's understandable that businesses may be retaining profits to help repair the damage caused by the recession, it would be good to see some of that money spent on new jobs and investment. But I'm sure that will come".

NB: all percentages are rounded up or down to the nearest whole number.