



Quarterly Economic Survey

Quarter 1, 2026

www.hull-humber-chamber.co.uk

Overview

Challenges, but cashflow rises

THE first quarter of 2026 showed that many business in the Humber were still facing plenty of challenges, with Export Orders being one of the few bright spots.

That figure rose by 25 points but the balance figure remained in negative territory, as did the figure for Export Sales which fell further, another eight points, hitting -50.

Home Sales and Home Orders were also both down at the start of the year with Home Sales dropping a further 12 points into negative territory and Home Orders almost mirroring that drop, falling 11 points to show a balance figure of -46.

Cashflow was another of those scarce bright spots in this quarter's survey, with firms reporting a 12 point boost, compared to the last quarter of 2025.

Most of the other markers were down in the first quarter of the year to a greater or lesser degree with turnover expectations taking one of the biggest hits, perhaps reflecting the concern there is among Humber businesses about the current state and outlook for the local and national economy.

Profit expectations were down by two points to -37, while 48% of businesses said they were working at full capacity.

Prices were also on the up with more than 50% of firms saying they were expecting to increase their prices in the next three months.

Looking at staffing, only a third of businesses reported that they had been trying to recruit new staff in the last quarter, with 27% fewer full time roles in the mix, although there was an increase of 18% in full-time vacancies. Part-time

positions fell slightly on the previous quarter, down four points to 25. Temporary jobs were up 1% on the last quarter with a balance figure of 25.

Employers' biggest search was for clerical staff, with an increase of 30%, while management roles were also available, up 15% on the previous quarter at 48. Skilled manual roles fell by 6% on last quarter, unskilled or semi-skilled positions saw a slight increase, climbing by eight points to 47.

Investment in Training was down by five points to a balance figure of -40, while investment in plant and machinery in Q1 fell further into negative territory, dropping five points to -40.

Employment in the last three months saw a fall of 13 points to a balance figure of -34, while expected employment for the next three months saw a modest 1% uplift, taking the balance figure up to -18.

Rising overheads were the biggest price pressures for businesses this quarter with energy costs no doubt figuring strongly in the mix, with raw material costs also a big worry for Humber firms.

Pay settlements and finance costs held their ground with with no change from the last quarter.

External concerns saw competition fears rise substantially by 17 points on the last quarter and inflationary pressures also weighing heavily on the minds of company bosses.

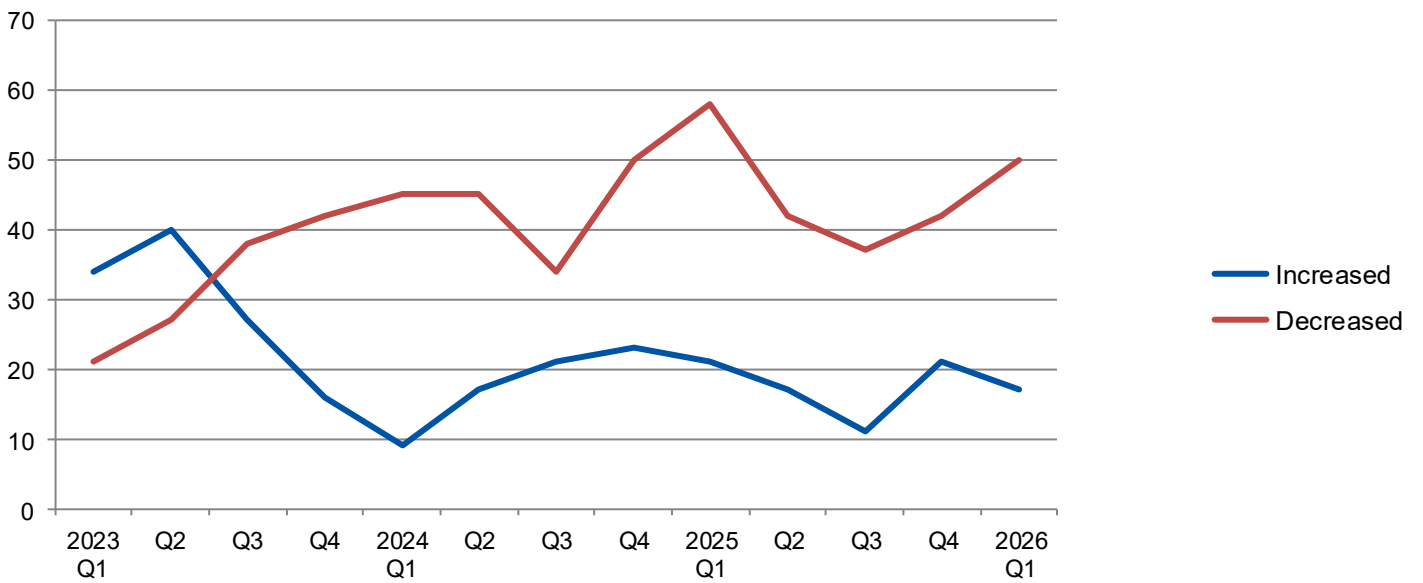
Business rates were also a concern, while interest and exchange rates were less of a concern, although rising taxes and employer costs also featured in this quarter's report.

Key balances

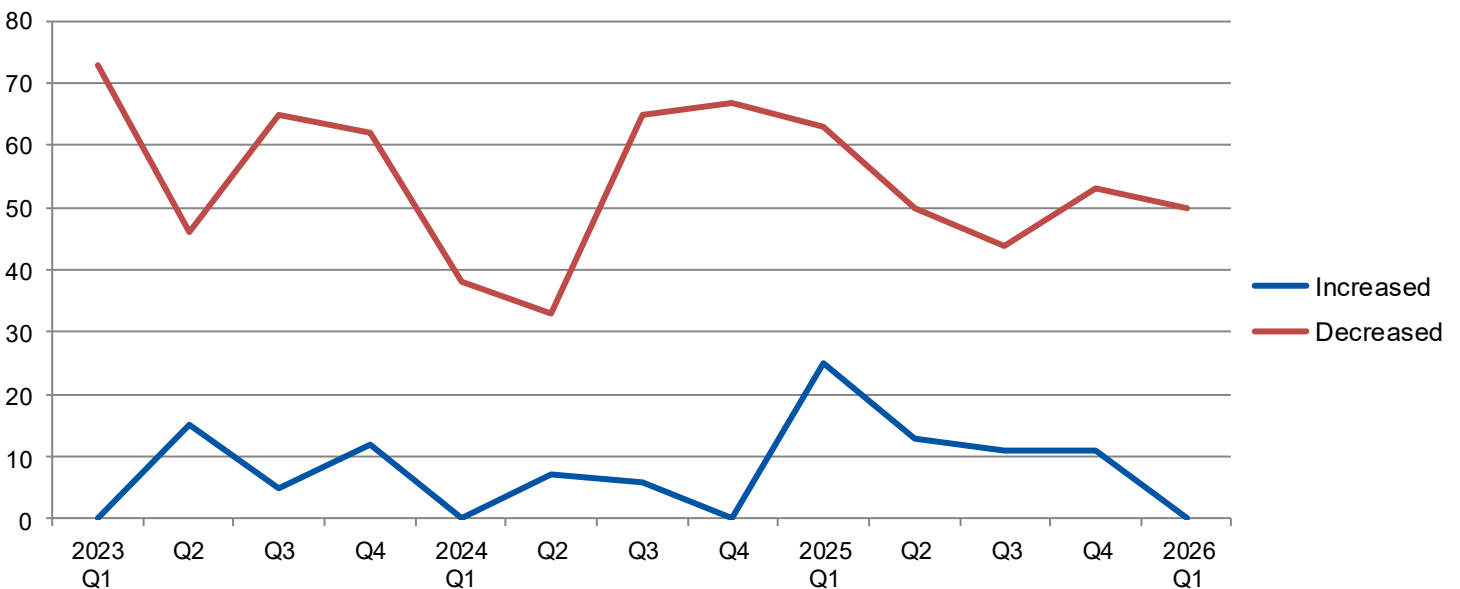
- Home Sales were down 12 points to -33.
- Home Orders were down 11 points at -11.
- Export Sales were down 8 points to -50.
- Export orders were up 25 points at -33.
- Employment was down 13 points to -34.
- Cashflow was up 12 points to -34.
- Turnover expectations were down 15 points to -25.
- Profit expectations were down 2 points to -37.
- Prices were down 17 points to -50.
- Competition fears were up 17 points to +73.
- Raw material costs were down points to 8.

Key indicators

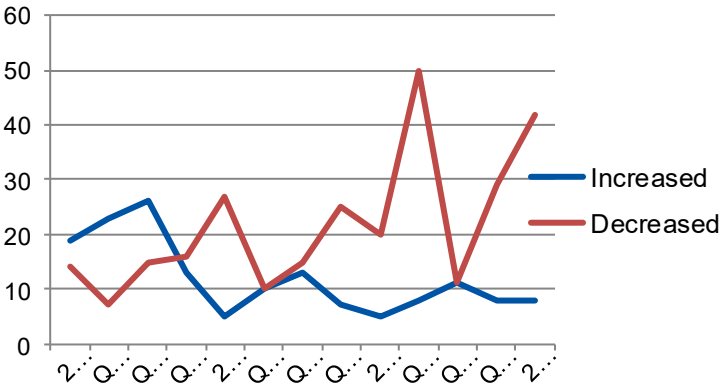
Home sales



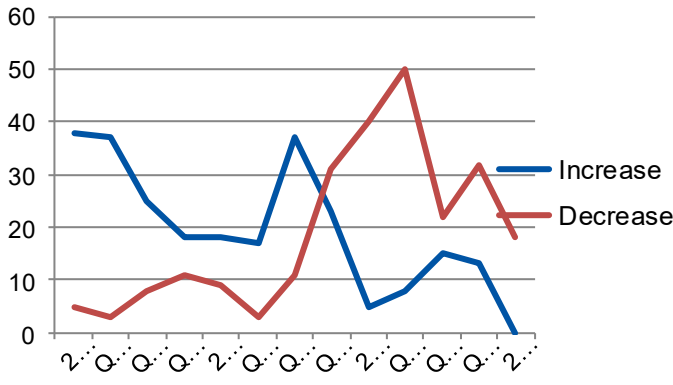
Export sales



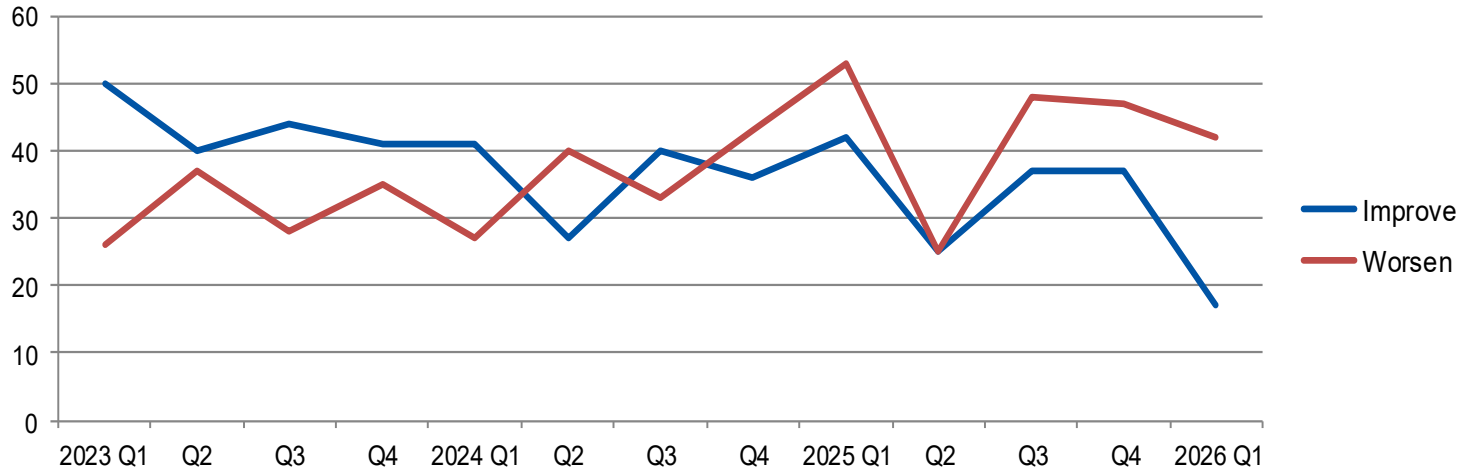
Employment



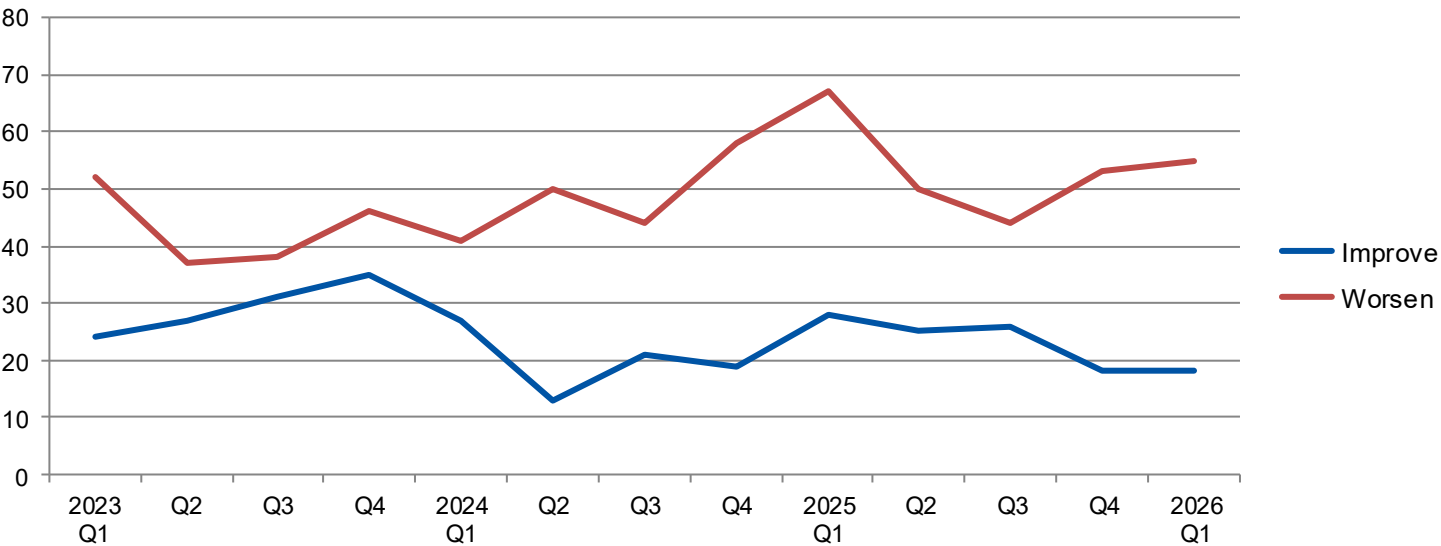
Employment expectations



Turnover expectations

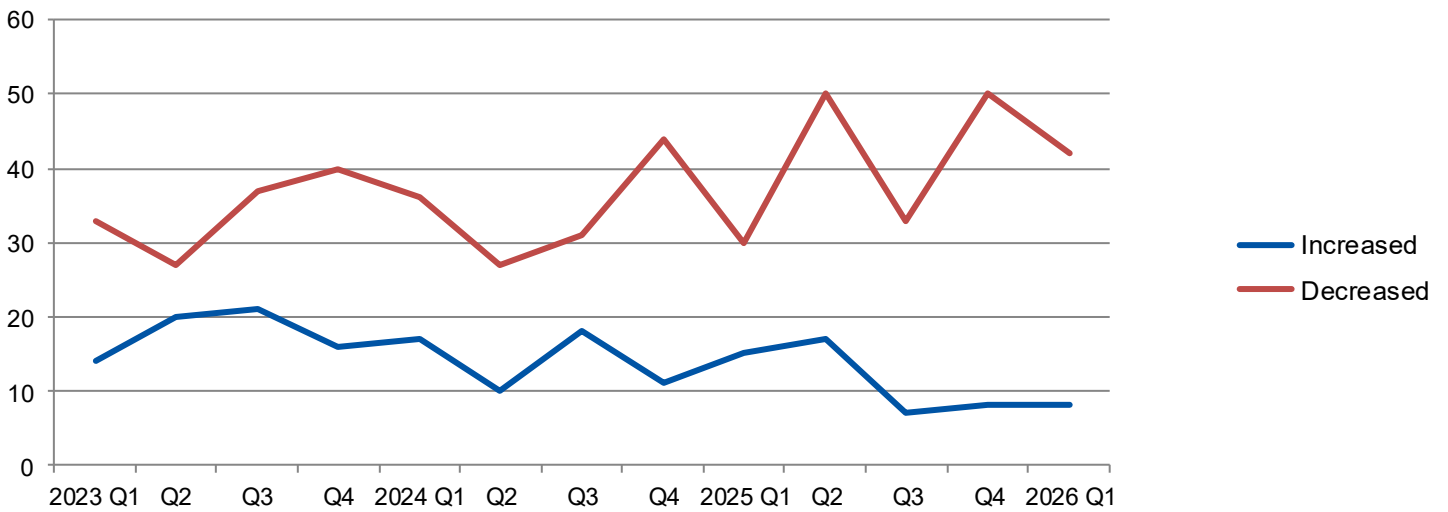


Profit expectations



Key indicators (continued)

Cashflow



About the Quarterly Economic Survey

The Hull & Humber Chamber of Commerce Quarterly Economic Survey is part of the largest and most representative survey of its kind in the UK, forming part of the British Chambers of Commerce QES.

Hull & Humber Chamber of Commerce has over 2,000 member companies and affiliates of all sizes and sectors across the Humber region.

This survey is supported by regular 'state of trade' reports at Chamber Council and Area Council meetings.

The balance figures are determined by subtracting the percentage of companies reporting decreases from those reporting increases.

Separate figures for the service

sector and the manufacturing sectors are available with their sum being used as an overall figure for the Humber sub-region.

Example

Excluding seasonal variations during the past three months, have your UK sales:

Increased	24%
Remained constant	57%
Decreased	19%

Possible statements

- The balance for UK sales was +5%
- 24% of companies surveyed showed a rise in domestic sales in the previous quarter.

- Nearly 1 in 5 companies said that their UK sales had fallen in the last quarter.
- 57% of those surveyed said that their sales in the domestic market had shown no change over previous quarters.

More information

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National picture

Business confidence fragile, says BCC

British Chambers of Commerce

The British Chambers of Commerce co-ordinates the QES on behalf of 53 accredited Chambers across the UK.

The BCC results are closely analysed by the Bank of England's Monetary Policy Committee and HM Treasury, making the QES one of the most influential business surveys in the country.

For further information on the national results go to www.britishchambers.org.uk.

CONFIDENCE among firms has continued to weaken, with tax remaining the biggest concern, according to the UK's largest business sentiment survey. The British Chambers of Commerce (BCC) Quarterly Economic Survey also found more businesses now expect to raise prices in 2026.

Less than half of responding firms (46%) are expecting increased turnover over in the next 12 months. While 32% of manufacturers say they have cut back their investment plans.

Confidence among firms remained fragile at the start of 2026, despite some small shoots of recovery, according to the UK's largest business sentiment survey. The British Chambers of Commerce (BCC) Quarterly Economic Survey also shows labour costs continued to be the biggest cost concern for businesses in Q1, followed by energy.

Going into the Iran conflict, around half (49%) of responding firms said they expected their turnover to improve in the next 12 months. Meanwhile even before recent energy price shocks, 52% of businesses cited utilities as a cost pressure.

Ahead of new employment costs and legislation coming into force for businesses this month, the survey shows 73% of firms cited labour costs as a price pressure.

The survey was carried out by the BCC Insights Unit and the UK-wide Chamber network, largely before the full impact of the Middle East conflict started to be felt. The fieldwork was conducted between 9 February and 9 March. Over 4,500 businesses across the UK (91% of whom are SMEs) responded online.

In over 600 'free text comments' to the BCC,

businesses raised concern over the likely impact of the Iran conflict on energy costs and inflation. They also highlighted domestic cost pressures including minimum wage and employment rights legislation.

Business confidence remained fragile at the start of the year, as firms digested the Autumn budget. 49% of responding firms said they expected their turnover to improve in the next 12 months (compared with 46% in Q4 2025). Meanwhile, 31% said they expected no change, and 20% expected a decrease.

Retail and hospitality continue to be the sectors suffering the most. 39% of hospitality firms expected increased turnover, while over a quarter (27%) expected a decrease. 41% of retailers expected improved turnover, while 29% expected a decrease.

Labour costs continue to be far and away the biggest cost pressure for businesses, cited by 73% of responding firms. In the hospitality sector 85% of businesses cite labour as cost pressure.

Before the Iran conflict hit global energy prices, over half (52%) of businesses said utilities were a cost pressure (the same as Q4). The pressure is highest in the hospitality sector (75%) and manufacturing (60%).

Despite concern easing tax remains the biggest worry for business, cited by 54% of firms (down from 63% in Q4). Half of firms (50%) remain concerned about inflation.

Levels of concern about business rates rose in the first few months of the year, ahead of revaluation. 41% of responding firms cited business rates as a concern (the highest level since 2017) up from 34% in Q4.

Analysis

Ian Kelly

Chamber Chief Executive

Hull & Humber Chamber of Commerce

“The national economy was just starting to show glimmers of buoyancy before the latest crisis in the Gulf got underway giving rise to more uncertainty for businesses in the Humber.

“With supply chains once again being disrupted, there are now fears of shortages in the shops and an increasing number of business failures as the risk of rising inflation and interest rates raises its head once again.

“These are further challenges for businesses already trying to cope with rising energy costs and the double whammy of minimum wage and National Insurance costs which came into force in April.

“The outlook for businesses in the Humber remains challenging, and the full impact of the Gulf effect still remains to be seen.”

[Click here for more information.](#)

The National View

Shevaun Haviland

British Chambers of Commerce

“Even before the latest escalation in the Middle East, business sentiment remained fragile and stuck in a low-growth phase.

“Most SMEs continue to report no improvement in key indicators such as investment and cash flow. Sentiment remains largely unchanged since the 2024 Budget, which saw a permanent increase in the labour cost base for firms.

“Businesses face a fresh wave of employer costs and burdens from this month causing more pressure and uncertainty.

“But the Iran conflict is now the major factor that could derail fragile progress. We are already seeing early impacts, with firms reporting rising energy and shipping costs, echoing the initial stages of previous global shocks.

“De-escalation is the only way to prevent a deeper economic crisis. As energy costs rise the government should keep all options on the table to help businesses. Bringing forward and extending the scope of the BICS (British Industrial Competitiveness Scheme) would be a strong step, alongside reconsidering how renewable levies on business energy bills are paid.”

Results in full

		2025				2026
		Q1	Q2	Q3	Q4	Q1
Home sales ²	Increased	21	17	11	21	17
	Constant	21	42	52	37	33
	Decreased	58	42	37	42	50
	Balance	-37	-25	-26	-21	-33

Home orders ²	Increased	26	25	8	14	9
	Constant	21	25	52	38	36
	Decreased	53	50	40	49	55
	Balance	-27	-25	-32	-35	-46

Export sales ²	Increased	25	13	11	11	0
	Constant	13	38	44	37	50
	Decreased	63	50	44	53	50
	Balance	-38	-37	-33	-42	-50

Export orders ²	Increased	13	25	22	5	0
	Constant	38	13	22	32	67
	Decreased	50	63	56	63	33
	Balance	-37	-38	-34	-58	-33

Workforce ²	Increased	5	8	11	8	8
	Constant	75	42	78	63	50
	Decreased	20	50	11	29	42
	Balance	-15	-42	0	-21	-34

Workforce expectations ³	Increase	5	8	15	13	0
	Constant	55	42	63	55	82
	Decrease	40	50	22	32	18
	Balance	-35	-42	-7	-19	-18

Recruited staff ²	Yes	53	50	44	58	33
	- Part time	44	20	25	29	25
	- Full time	67	80	67	57	75
	- Temporary	11	20	25	24	25
	- Permanent	33	40	42	52	25
	No	47	50	56	42	67

Recruitment difficulties ²	Yes	90	67	83	80	52
	- Skilled manual	22	0	70	56	50
	- Management	56	75	50	33	48
	- Clerical	22	0	20	22	52
	- Unskilled/semi-skilled	33	25	30	39	47
	No	10	33	17	20	48

		2025				2026
		Q1	Q2	Q3	Q4	Q1
Cashflow ²	Increased	15	17	7	8	8
	Constant	55	33	59	42	50
	Decreased	30	50	33	50	42
	Balance	-15	-33	-26	-42	50

Investment: Plant/machinery ²	Increased	5	0	11	8	10
	Constant	45	33	41	38	30
	Decreased	50	67	48	54	60
	Balance	-45	-67	-37	-46	-50

Investment: Training ²	Increased	0	8	15	11	10
	Constant	45	25	44	43	40
	Decreased	55	67	41	46	50
	Balance	-55	-59	-26	-35	-40

Turnover expectations ⁴	Improve	42	25	37	37	17
	Same	5	50	15	16	42
	Worsen	53	25	48	47	42
	Balance	-11	0	-11	-10	-25

Profit expectations ⁴	Improve	28	25	26	18	18
	Same	6	25	30	29	27
	Worsen	67	50	44	53	55
	Balance	-39	-25	-18	-35	-37

Capacity utilisation ¹	Full capacity	20	33	26	26	48
	Below capacity	80	67	74	74	52

Prices ³	Increased	79	25	26	44	50
	Constant	16	50	67	44	50
	Decreased	5	25	7	11	0
	Balance	74	0	19	33	50

Price pressures ¹	Pay settlements	89	91	39	83	83
	Raw materials	28	45	48	47	8
	Finance	17	0	17	17	17
	Other overheads	22	45	43	42	75

External concerns ¹	Interest rates	21	9	12	14	9
	Exchange rates	11	9	28	19	9
	Business rates	32	18	24	36	45
	Inflation	16	27	64	58	45
	Competition	32	64	48	56	73
	Tax	74	82	52	67	73

Key: 1 = Current; 2 = Past 3 months; 3 = Next 3 months; 4 = Next 12 months