HULL & HUMBER
Chamber of Commerce



Quarterly Economic Survey

Quarter 3, 2026

www.hull-humber-chamber.co.uk

Overview

Exports and recruitment on rise

WITH the Bank of England widely expected to raise interest rates from 3.75% by at least a quarter of one percent at its next Monetary Policy Committee meeting, and with fears of rising inflation, it's hardly surprising that Humber businesses are striking a cautionary note.

Our Quarter 3 Economic Survey results show most indicators are subdued, although one or two bright spots did lighten the gloom.

Employment figures were one of the few bright spots in these results, with 16% more firms having tried to recruit staff in the last three months.

To add to this bit of positivity, the number of employers expecting to recruit staff in the next three months was also up by 31 points, while the number of firms looking for new staff was more than 80 per cent of respondents.

There was a rise in part-time vacancies with 20 per cent of firms saying they were looking to recruit, while there was a corresponding drop in the number of full-time roles.

Those firms looking for permanent roles stayed the same as in the second quarter's results at 20 per cent.

More firms were looking for skilled manual roles this quarter, while there was also a rise in manual jobs, although clerical roles were less in demand.

The other bright spot in Quarter 3 were the export figures, with a rise in both Sales and Orders of 29 per cent.

Home Orders and Sales didn't fare quite so well with their balance figures heading in the opposite direction.

The balance figure for Home Sales was down 17 points to –25, while the figure for Home Orders was down 16 points at –16 to 41 points.

Cashflow in the last three months also took a hit and was down 31 points at –31.

More firms reported that they were looking to increase their prices in the next three months as costs for businesses continue to rise.

Alongside that, looking ahead to the next 12 months, turnover expectations were down 8 points to –15.

Perhaps unsurprisingly, profit expectations were also down for the next 12 months, dropping another 7 points to –15.

Fewer than a quarter of firms said they were working at full capacity with 77 per cent of businesses indicating they could take on more work.

The biggest pressure on prices had been raw material costs, closely followed by finance and other overheads, while pay settlements weren't so much of an issue this quarter.

Competition was also more of a concern in Quarter 3, up 8 points while tax was less of an issue, dropping 16 points to 46.

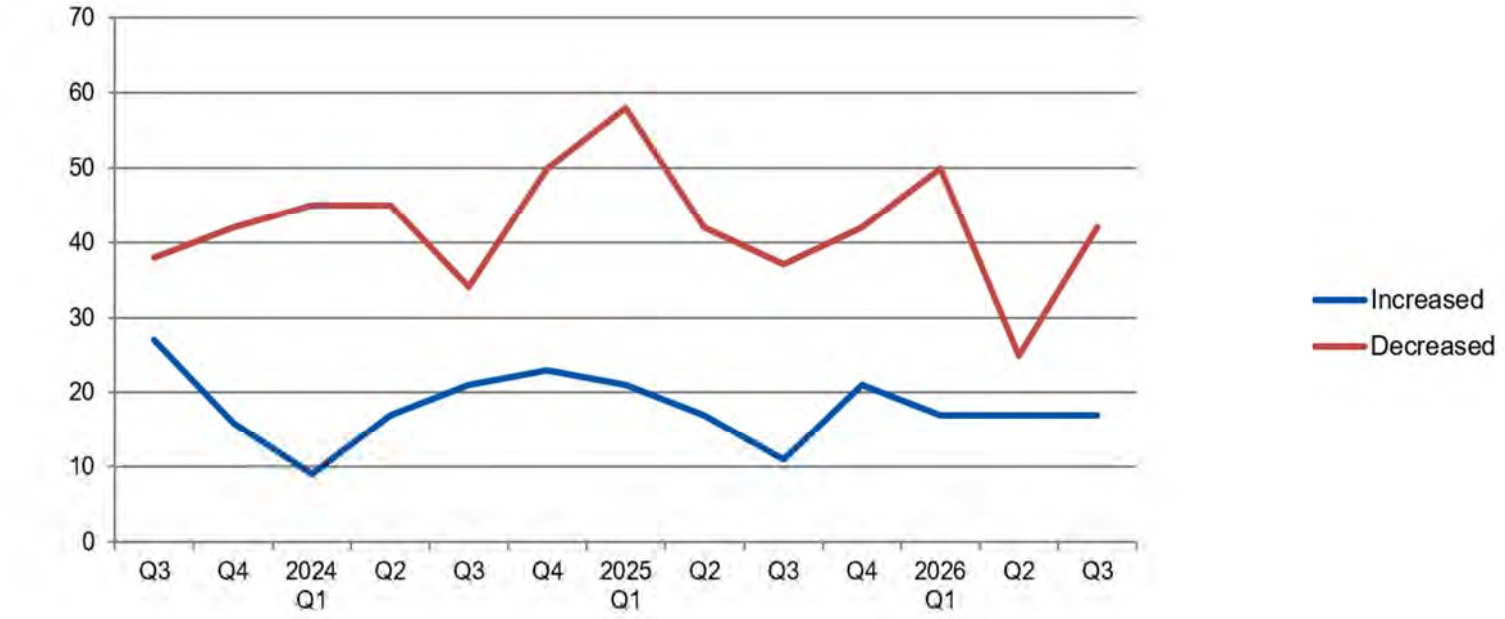
Interest rates and Exchange rates were up 31 and 30 percent respectively, while finance costs were also on the rise.

Key balances

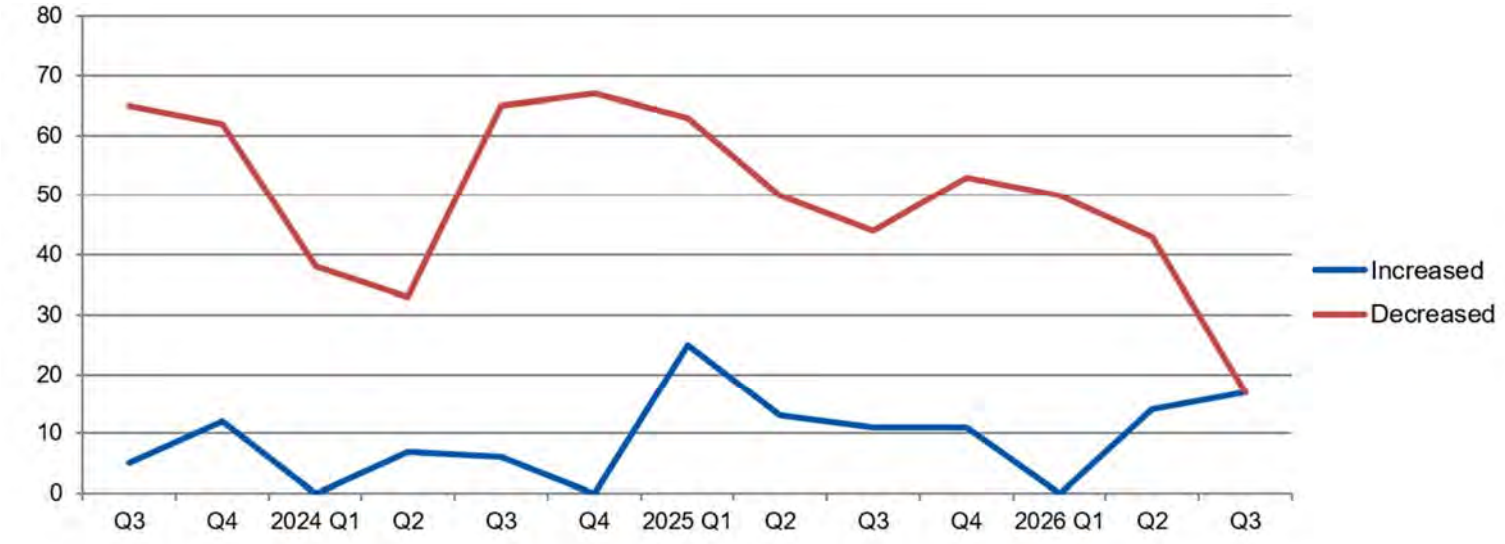
- Home Sales were down 17 points to –25.
- Home orders were down 16 points to –16.
- Export Sales were up 29 points to 0.
- Export Orders were up 29 points to 0.
- Cashflow was down 31 points to –31.
- Investment in plant and machinery was up 23 points to –16.
- Investment in training was down 7 points to –30.
- Turnover expectations were down 8 points to –15.
- Profit expectations were down 7 points to –15.
- Prices were down 24 points to 30.
- Raw material costs were to 20 points to 62.

Key indicators

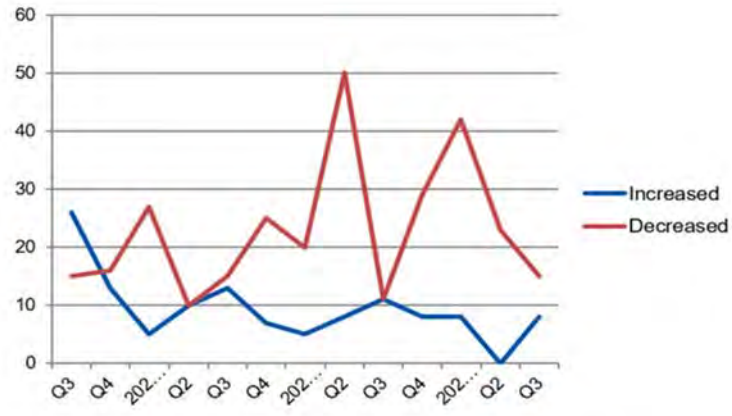
Home sales



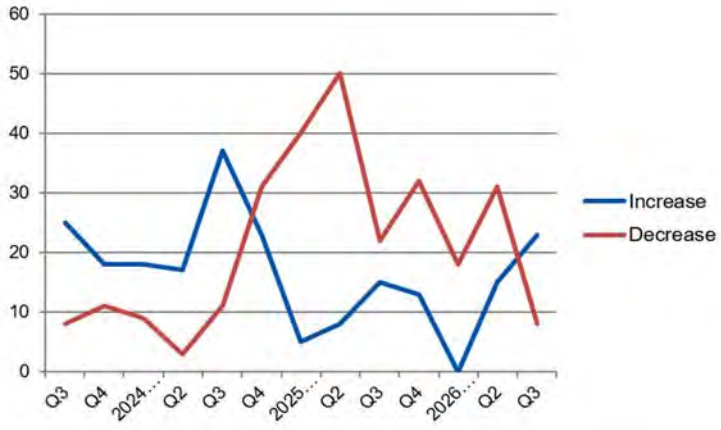
Export sales



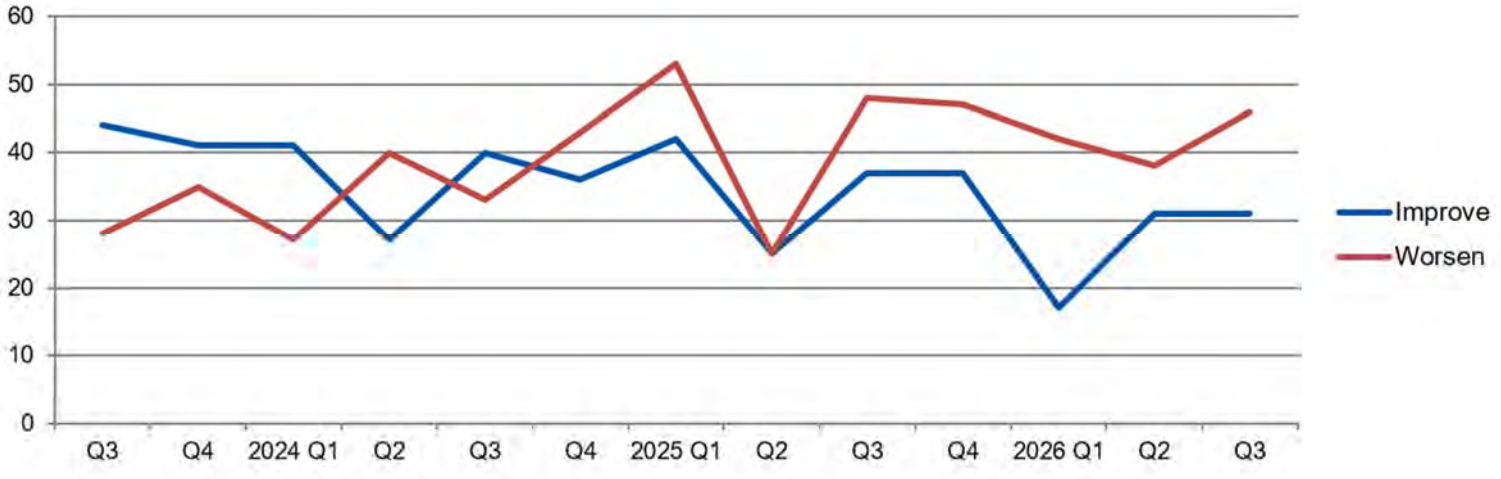
Employment



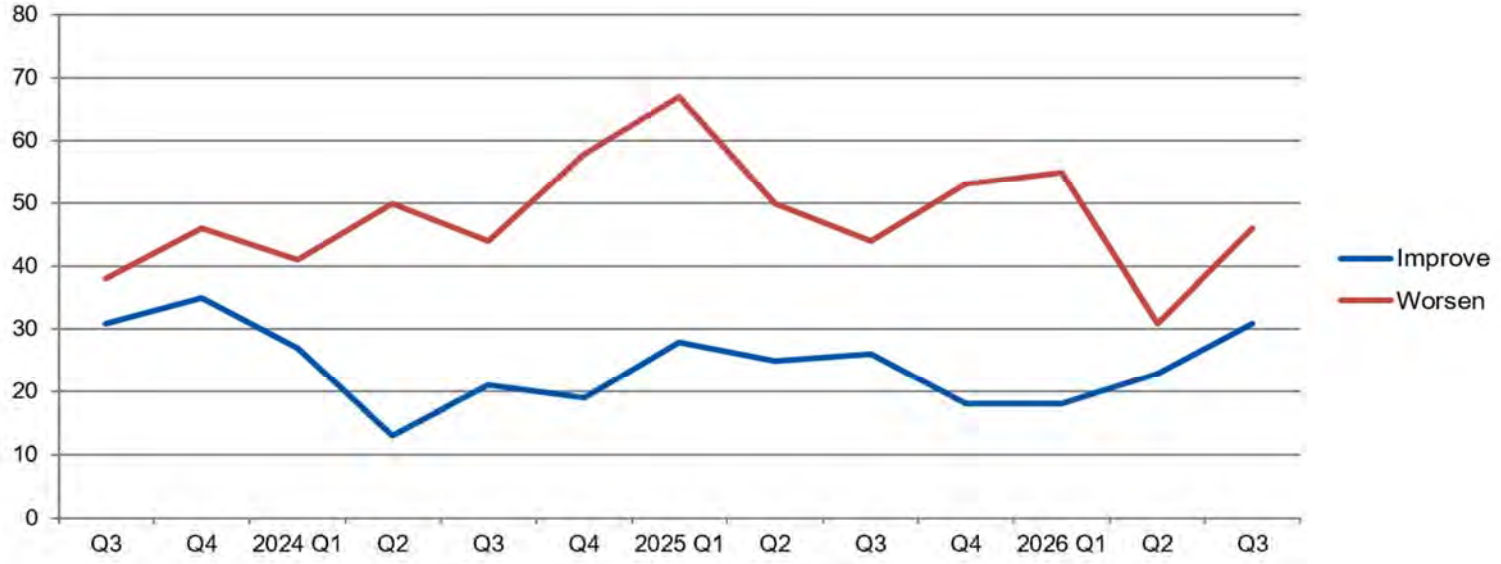
Employment expectations



Turnover expectations

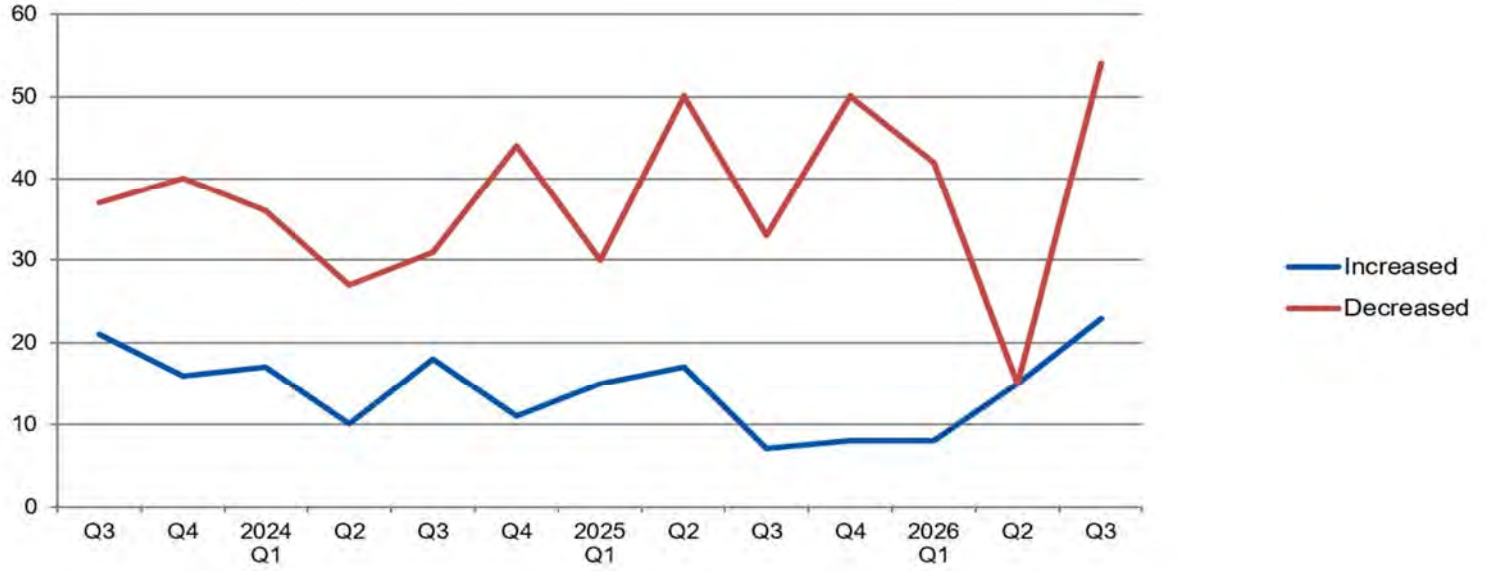


Profit expectations



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

Turnover confidence improves slightly

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.

The Quarterly Survey for Quarter 3 was carried out by the BCC Insights Unit and the UK-wide Chamber Network, with the fieldwork conducted between 18 August and 15 September. Over 4,300 businesses across the UK (92% SMEs) responded online.

Business confidence improved slightly in Q3, with 47% of firms saying they expect their turnover to improve in the next 12 months (compared with 44% in Q2). The proportion of firms expecting decreased turnover eased to 20% in Q3 (23% in Q2). Meanwhile, 33% said they expected no change.

Hospitality is the sector under the most pressure. Only 39% said they expected increased turnover, but this is still an increase from Q2 (31%). Around a quarter (26%) of hospitality firms expect a decrease.

Cash flow pressures have also eased, although they remain negative overall, with 22% reporting an increase in Q3, against 29% a decrease, and 49% remaining constant.

As firms battle the cost of doing business, investment intentions remain stuck in a deep rut. Fewer than one in five (17%) responding businesses said they planned to increase investment in plant, machinery or equipment over the next three months. This is the same figure as Q2, and it remains a post pandemic low. Just under a quarter (22%) of firms said they planned to cut back on investment, while the majority of responding businesses (62%) said their plans remained unchanged.

Investment intentions vary across different sectors. A third of hospitality businesses (32%) reported they'd scaled back investment plans, while only 20% said they were planning to increase levels. The majority (48%) said investment was likely to remain the same. Meanwhile, only 14% of firms in both construction and transport are planning to invest more over the coming months. In both sectors, 23% are planning a reduction, 63% said investment levels will remain the same

The percentage of businesses reporting increased domestic sales in Q3 held steady at 29%. Just less than half (46%) reported no change, and a quarter (25%) said they had seen a decrease in sales. Sectoral breakdowns show the hospitality sector experienced the strongest performance, with 31% of firms reporting a sales boost, while the retail was the sector struggling the most, with only 26% reporting increased sales.

With the CPI rate increasing over summer, inflation remains the top concern for businesses. However, concern did ease slightly in Q3, with inflation cited by 60% (down from 66% in Q2). Half (52%) cited taxation as a worry.

Price rise expectations among firms also remain elevated, despite some quarter-on-quarter easing. The proportion of business forecasting price rises for customers in the next three months sits at 43% in Q3 (compared with 48% in Q2).

Labour costs remain far and away the main price pressure, an issue cited by 69% of businesses. This was felt most acutely by firms in the hospitality sector (78%). Utility costs are a price pressure for over half of firms (53%).

Meanwhile, with the Middle East conflict continuing, 86% of firms in the transport and logistics sector highlight fuel costs as a price pressure.

Analysis

David Hooper

Chamber Managing Director
Hull & Humber Chamber of Commerce

“This survey reinforces what we have been hearing at our Area Councils — many businesses are continuing to find trading conditions challenging, and with an interest rate increase on the horizon, that is likely to remain the case.

“Employment figures were one of the few bright spots in these results, with 16% more firms having tried to recruit staff in the last three months, and a similar rise in the number of firms planning to recruit in the coming months.

Exports also seemed to be enjoying a busy period with the sales and orders figures both up.

“Cashflow was proving challenging for more firms, and turnover was also down this quarter, with a corresponding drop in profits predicted for coming year.”

Click here for more information.

The National View

Shevaun Haviland
British Chambers of Commerce

“The QES points to an economy stuck in low gear. Most firms are reporting no improvement across almost every indicator we track.

"It's a positive that the decline of the preceding quarters hasn't continued, and turnover confidence has seen a slight bounce. But the underlying trend still points to flatlining, with just 17% of firms increasing their investment, a post-pandemic low.

"There is also a big imbalance beneath the headline. Larger firms are driving any improvements to indicators, while the smallest businesses have seen sales and cash flow fall further. Hospitality remains the sector under the most pressure.

"Firms are being held back by two constraints. Global volatility is driving up prices and pushing firms to defer investment decisions, while the underlying cost base continues to rise, particularly around employment.”

Results in full

		2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Home sales [2]	Increased	11	21	17	17	17
	Constant	52	37	33	58	42
	Decreased	37	42	50	25	42
	Balance	**-26**	**-21**	**-33**	**-8**	**-25**
Home orders [2]	Increased	8	14	9	8	17
	Constant	52	38	36	58	25
	Decreased	40	49	55	33	58
	Balance	**-32**	**-35**	**-46**	**-25**	**-41**
Export sales [2]	Increased	11	11	0	14	17
	Constant	44	37	50	43	67
	Decreased	44	53	50	43	17
	Balance	**-33**	**—42**	**-50**	**-29**	**0**
Export orders [2]	Increased	22	5	0	14	17
	Constant	22	32	67	43	67
	Decreased	56	63	33	43	17
	Balance	**-34**	**-58**	**-33**	**-29**	**0**
Workforce [2]	Increased	11	8	8	0	8
	Constant	78	63	50	77	77
	Decreased	11	29	42	23	15
	Balance	**0**	**-21**	**-34**	**-23**	**-7**
Workforce expectations [3]	Increase	15	13	0	15	23
	Constant	63	55	82	54	69
	Decrease	22	32	18	31	8
	Balance	**-7**	**-19**	**-18**	**-16**	**15**
Recruited staff [2]	**Yes**	**44**	**58**	**33**	**46**	**38**
	- Part time	25	29	25	0	20
	- Full time	67	57	75	100	80
	- Temporary	25	24	25	0	0
	- Permanent	42	52	25	20	20
	No	**56**	**42**	**67**	**64**	**62**
Recruitment difficulties [2]	**Yes**	**83**	**80**	**52**	**83**	**82**
	- Skilled manual	70	56	50	40	80
	- Management	50	33	48	80	100
	- Clerical	20	22	52	40	0
	- Unskilled/semi-skilled	30	39	47	0	0
	No	**17**	**20**	**48**	**17**	**18**

		2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Cashflow [2]	Increased	7	8	8	15	23
	Constant	59	42	50	69	23
	Decreased	33	50	42	15	64
	Balance	**-26**	**-42**	**50**	**0**	**-31**
Investment: Plant/ machinery [2]	Increased	11	8	10	15	15
	Constant	41	38	30	31	54
	Decreased	48	54	60	54	31
	Balance	**-37**	**-46**	**-50**	**-39**	**-16**
Investment: Training [2]	Increased	15	11	10	31	8
	Constant	44	43	40	31	54
	Decreased	41	46	50	54	38
	Balance	**-26**	**-35**	**-40**	**-23**	**-30**
Turnover expectations [4]	Improve	37	37	17	31	31
	Same	15	16	42	31	23
	Worsen	48	47	42	38	46
	Balance	**-11**	**-10**	**-25**	**-7**	**-15**
Profit expectations [4]	Improve	26	18	18	23	31
	Same	30	29	27	46	23
	Worsen	44	53	55	31	46
	Balance	**-18**	**-35**	**-37**	**-8**	**-15**
Capacity utilisation [1]	Full capacity	26	26	48	31	23
	Below capacity	74	74	52	69	77
Prices [3]	Increased	26	44	50	54	54
	Constant	67	44	50	46	38
	Decreased	7	11	0	0	8
	Balance	**19**	**33**	**50**	**54**	**30**
Price pressures [1]	Pay settlements	39	83	83	67	62
	Raw materials	48	47	8	42	62
	Finance	17	17	17	8	23
	Other overheads	43	42	75	50	31
External concerns [1]	Interest rates	12	14	9	0	31
	Exchange rates	28	19	9	8	38
	Business rates	24	36	45	38	38
	Inflation	64	58	45	69	69
	Competition	48	56	73	38	46
	Tax	52	67	73	62	46

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