

Business confidence drops amid escalating risks



NatWest

The responses of over 100 SME* customers to our H1 2022 survey reveal that they fear the war in Ukraine will impact growth and profit margins. The biggest risks arise from ongoing supply chain disruptions, higher inflation, soaring energy prices and the growing threat of a UK recession.

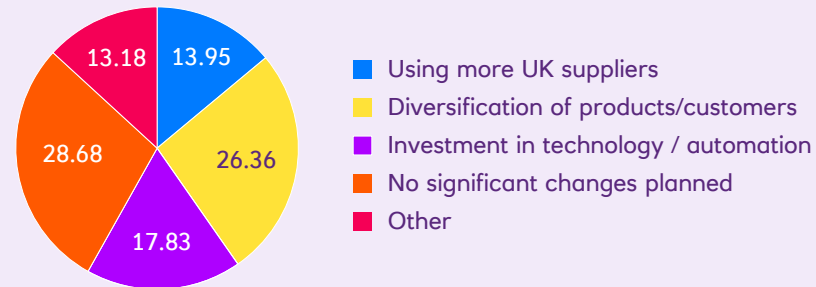
Businesses widely expect price pressures to last into 2023, with over a quarter of respondents predicting they will continue into 2024. The majority of businesses plan to make significant changes to adapt to uncertainty surrounding the geopolitical, post-Brexit and Covid environment. As a result, business confidence has slipped significantly since the previous survey, despite a sharp rise in business turnover and hiring plans to remain up in H1.

Top 5 risks in 2022

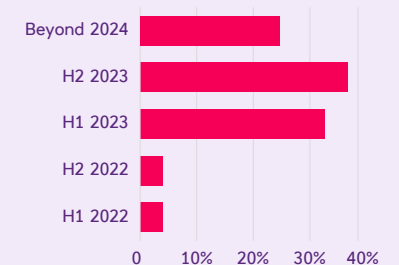
1. Supply chain issues 
2. Higher inflation 
3. Higher energy prices 
4. UK recession 
5. Escalation of geopolitical concerns 



How are businesses repositioning for future uncertainty, given recent events?



Expectation of when price pressures will alleviate



If cost pressures are sustained

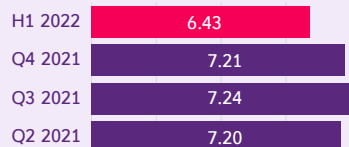
91%

of businesses expect to pass on these costs to their customers

Business confidence has declined

H1 2022 positivity sentiment

6.43/10 (Medium)



What's in store for currency markets?

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- [Register for the next webinar](#) - 11 May 2022
- [Watch the April replay](#) - 13 April 2022



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