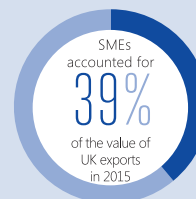
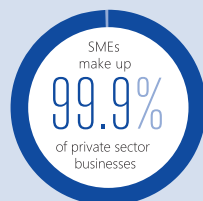


## Overview

Sources: Capital Economics, Department for Business, Energy and Industrial Strategy, Business population estimates for the UK and regions 2016: detailed tables (Department for Business, Energy and Industrial Strategy, London), 2016



## Performance forecast over the next 12 months

### Rise in profits



### Jobs growth

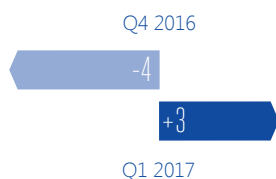


### Revenue growth

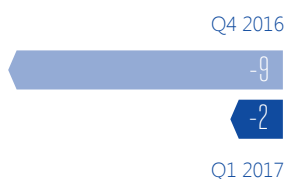


## SME confidence

### SME Confidence Index score for own business (-100 / +100)



### SME Confidence Index score for own industry (-100 / +100)



### SME Confidence Index score for UK economy (-100 / +100)



## E-commerce

**34%**

of SME export revenue to come from e-commerce in next twelve months for SMEs who export and use e-commerce

### Forecast revenue growth in the next 12 months

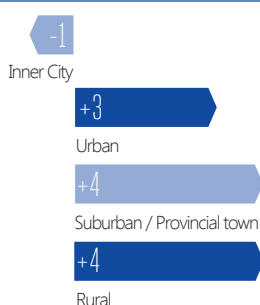


### Forecast jobs growth in the next 12 months

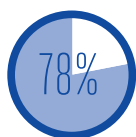


## Rural businesses

Improved business conditions expected for rural SMEs



## Supply costs and price inflation



of SMEs cite higher price inflation as a risk to their business in the year ahead

### Average expected price increase



### Supply costs



## Brexit<sup>1</sup>

Impact of Brexit on business issues over the next 12 months

Share of SMEs (%)

	Negative Impact	No Impact	Positive Impact
Supply costs	53	40	7
Prices	44	46	10
Profits	37	49	14
Revenue	36	48	16
Number of employees	20	73	7



of SMEs have delayed business decisions due to Brexit

# SME Confidence Index score for their own business

Regional results (Score: +100/-100)



Source: YouGov survey. Responses = 1,082\*

## Scotland

	Past 12 months	Next 12 months
Revenue	1.4%	1.5%
Employment	1.2%	0.8%

## North East

	Past 12 months	Next 12 months
Revenue	1.3%	2.8%
Employment	0.0%	-0.4%

## North West

	Past 12 months	Next 12 months
Revenue	1.3%	2.4%
Employment	-0.1%	0.8%

## Wales

	Past 12 months	Next 12 months
Revenue	1.9%	3.4%
Employment	0.6%	0.9%

## West Midlands

	Past 12 months	Next 12 months
Revenue	1.4%	1.1%
Employment	0.6%	0.8%

## South West

	Past 12 months	Next 12 months
Revenue	1.8%	2.8%
Employment	0.5%	1.1%

## Yorkshire & the Humber

	Past 12 months	Next 12 months
Revenue	1.3%	2.3%
Employment	0.7%	1.0%

## East Midlands

	Past 12 months	Next 12 months
Revenue	1.0%	2.4%
Employment	0.8%	1.2%

## East of England

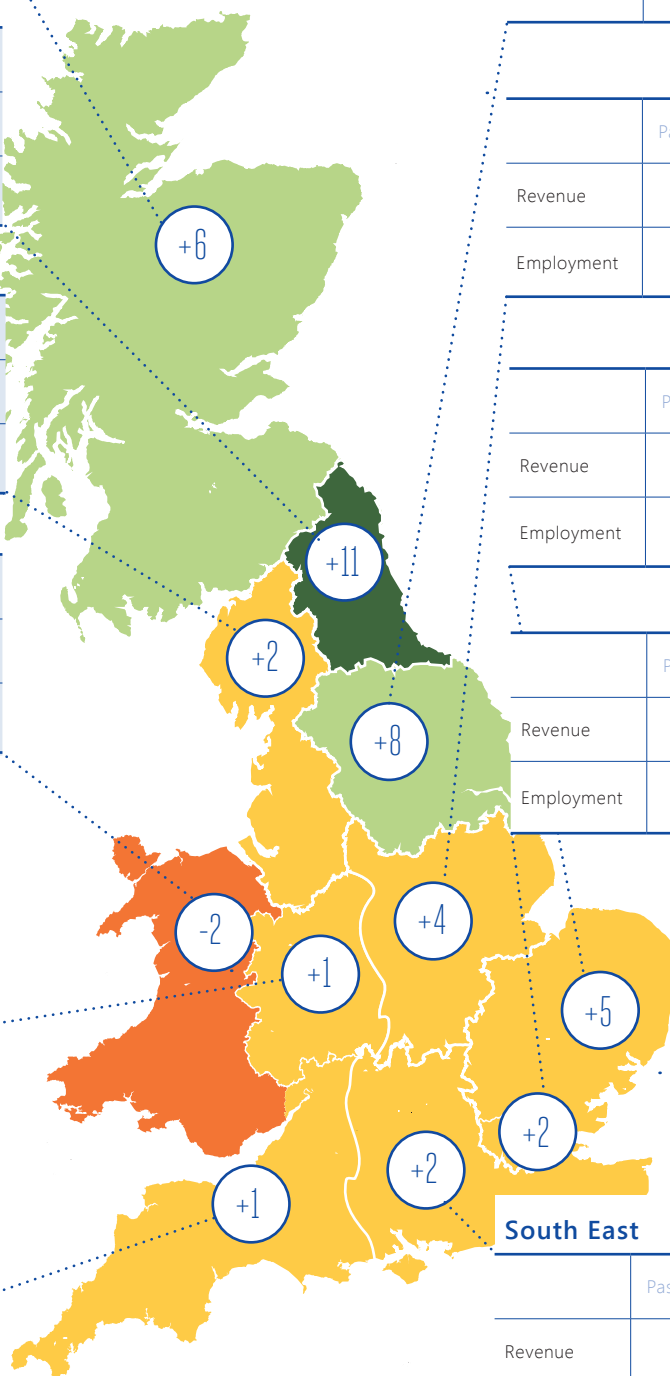
	Past 12 months	Next 12 months
Revenue	2.6%	2.8%
Employment	0.5%	0.7%

## London

	Past 12 months	Next 12 months
Revenue	1.0%	2.3%
Employment	0.7%	1.0%

## South East

	Past 12 months	Next 12 months
Revenue	1.3%	2.5%
Employment	0.8%	1.3%



The SME Confidence Index score is calculated on the basis of responses to the question: "Do you think overall business conditions (e.g. economic growth, customer demand, employment etc.) will have improved, deteriorated or will have stayed about the same for my company?" The Confidence Index score would be +100 if every SME expected business conditions for their company to improve significantly and -100 if every SME expected them to deteriorate significantly. The scores allocated to each answer were: +100 for "significantly improved", +50 for "somewhat improved", 0 for "stayed about the same", -50 for "somewhat deteriorated" and -100 for "significantly deteriorated". The Confidence Index score for the UK economy is calculated on the same basis for the question "Do you think the UK economy will have improved, deteriorated or will have stayed about the same in twelve months' time?"

The SME Growth Tracker is commissioned by Enterprise Nation and Amazon UK. However the views expressed remain those of Capital Economics and are not necessarily shared by Enterprise Nation and Amazon UK.

While every effort has been made to ensure that the data quoted and used for the research is reliable, there is no guarantee that it is correct, and Capital Economics Limited, Enterprise Nation, Amazon UK, their subsidiaries and affiliates can accept no liability whatsoever in respect of any errors or omissions. The SME Growth Tracker is a piece of economic research and is not intended to constitute investment advice, nor to solicit dealing in securities or investments.

All figures, unless otherwise stated, are from YouGovPlc. or are calculated by Capital Economics using figures from You GovPlc. Total sample size was 1,082 senior decision makers in SMEs. Fieldwork was undertaken between 9th February and 1st March 2017. The survey was carried out online. The figures have been weighted and are representative of all GB businesses in terms of size (i.e. number of employees). Numbers may not add up due to rounding.

#### 1. Brexit

Source: YouGov survey. Responses = 1,082. Negative impact sums the share of SMEs that answered "significant negative impact", "negative impact" and "somewhat negative impact" to the question "Overall, do you think Brexit will have a positive or negative impact on each of the following for your business in twelve months' time?". Positive impact sums the share of SMEs that answered "significant positive impact", "positive impact", and "somewhat positive impact."