

Greater Manchester Business Monitor

Fourth GM Covid-19 Recovery Tracker

Subrahmaniam Krishnan-Harihara
Head of Research, GM Chamber

research@gmchamber.co.uk

[@GMChamber](#), [@GMCC_Subrah](#)

1st September 2020



Greater Manchester
Chamber of Commerce



Supported by

pro-manchester



Manchester Law Society
Instituted 1838 Incorporated 1871

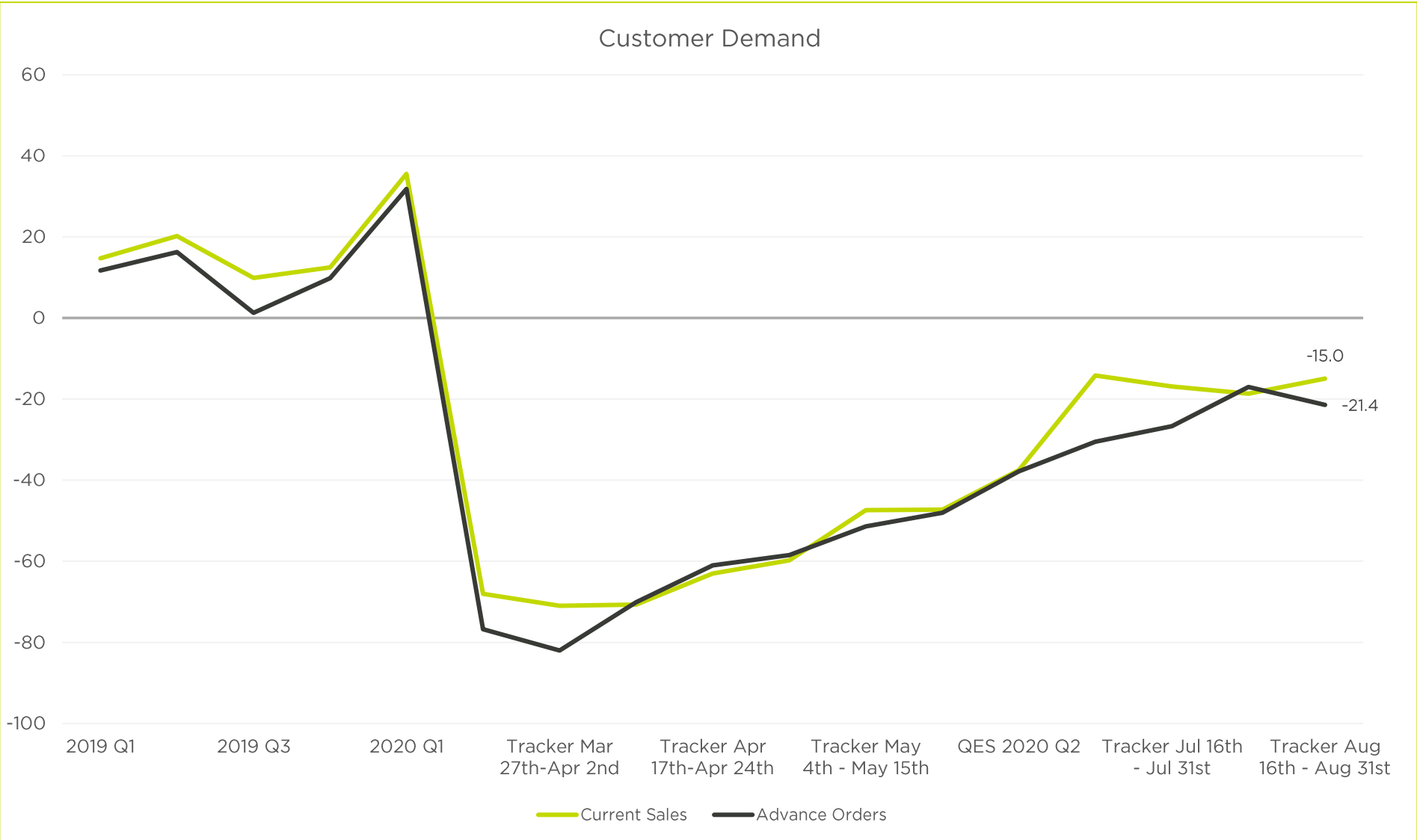
Recovery Tracker: topics covered



- Customer demand – current sales and advance orders
- Changes to workforce
- Cash flow position
- Business confidence
- Issues of concern



GM Recovery Tracker: Customer Demand

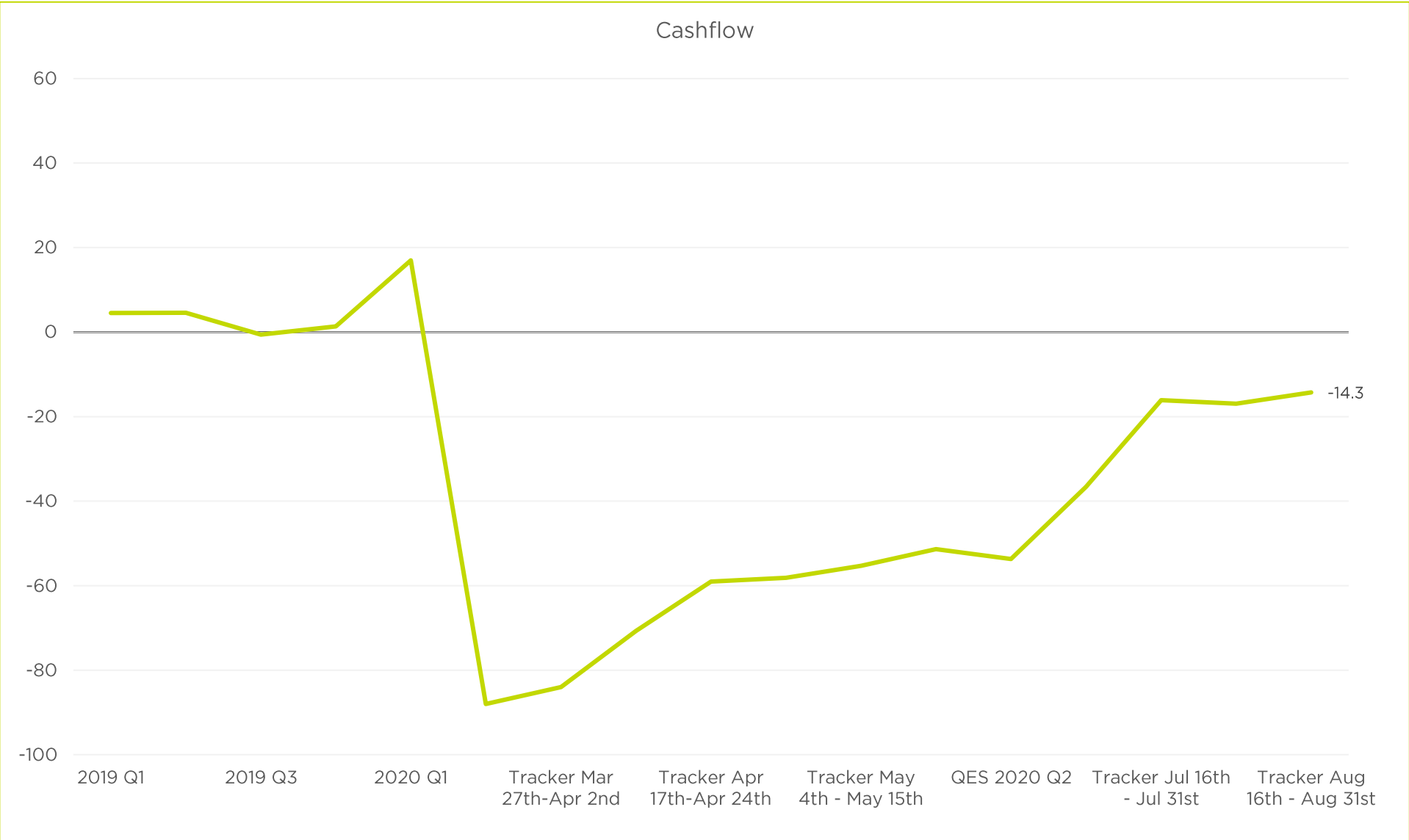


- A mixed picture with a slight improvement in current sales and a fortnightly reduction in advance orders
- The balances relating to customer demand are still negative

Source: GMCC QES, GM Business Monitor and GM Recovery Tracker



GM Recovery Tracker: Cashflow

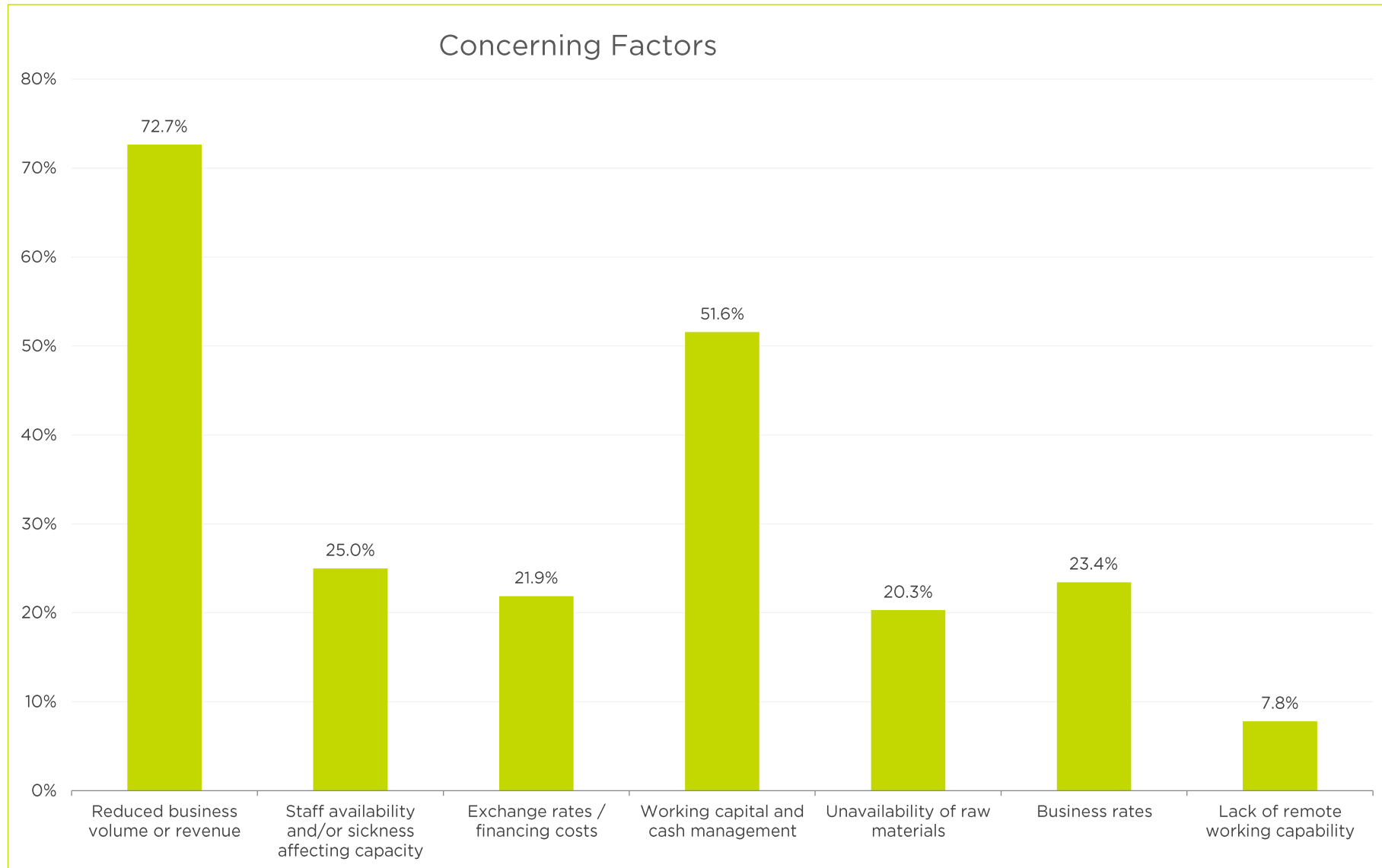


Cash flow positions have improved since July and appear to be stable.

Source: GMCC QES, GM Business Monitor and GM Recovery Tracker



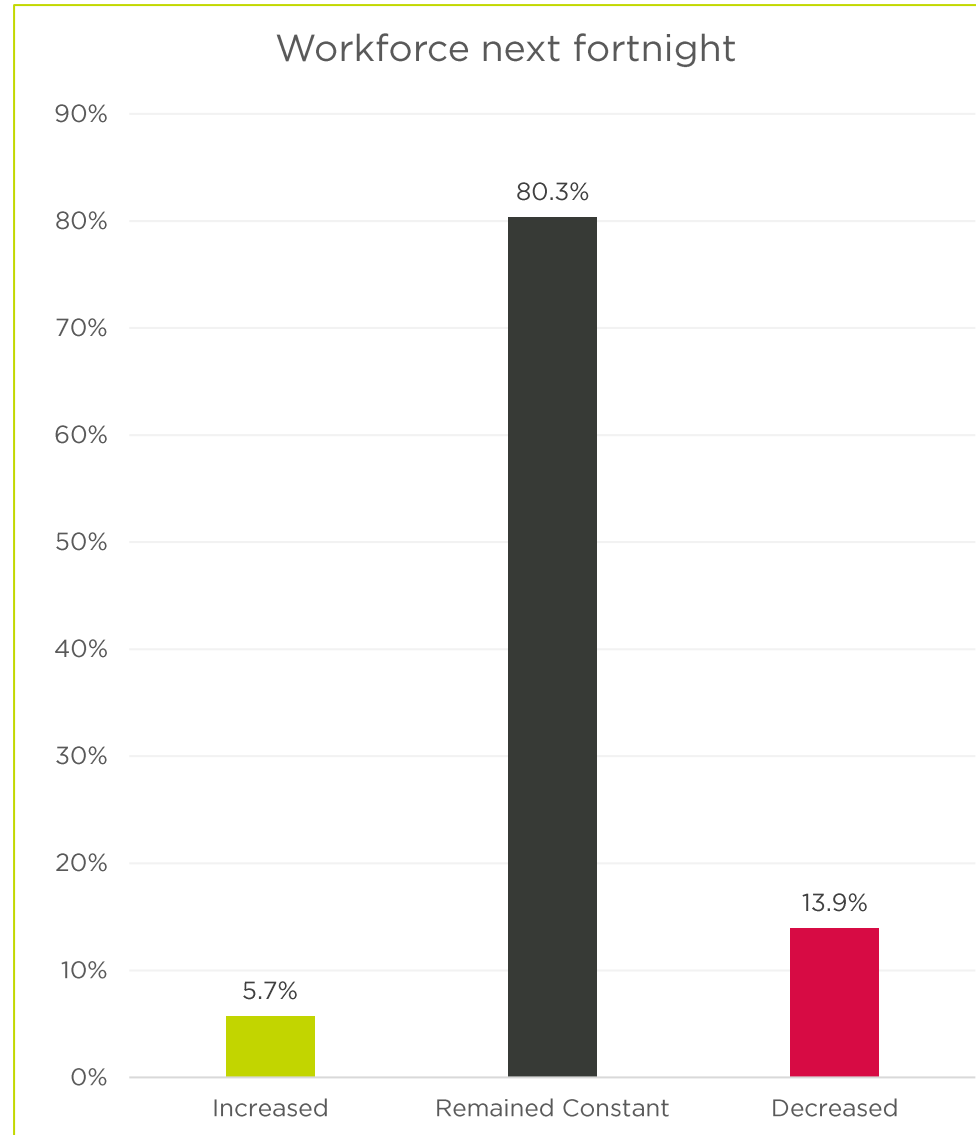
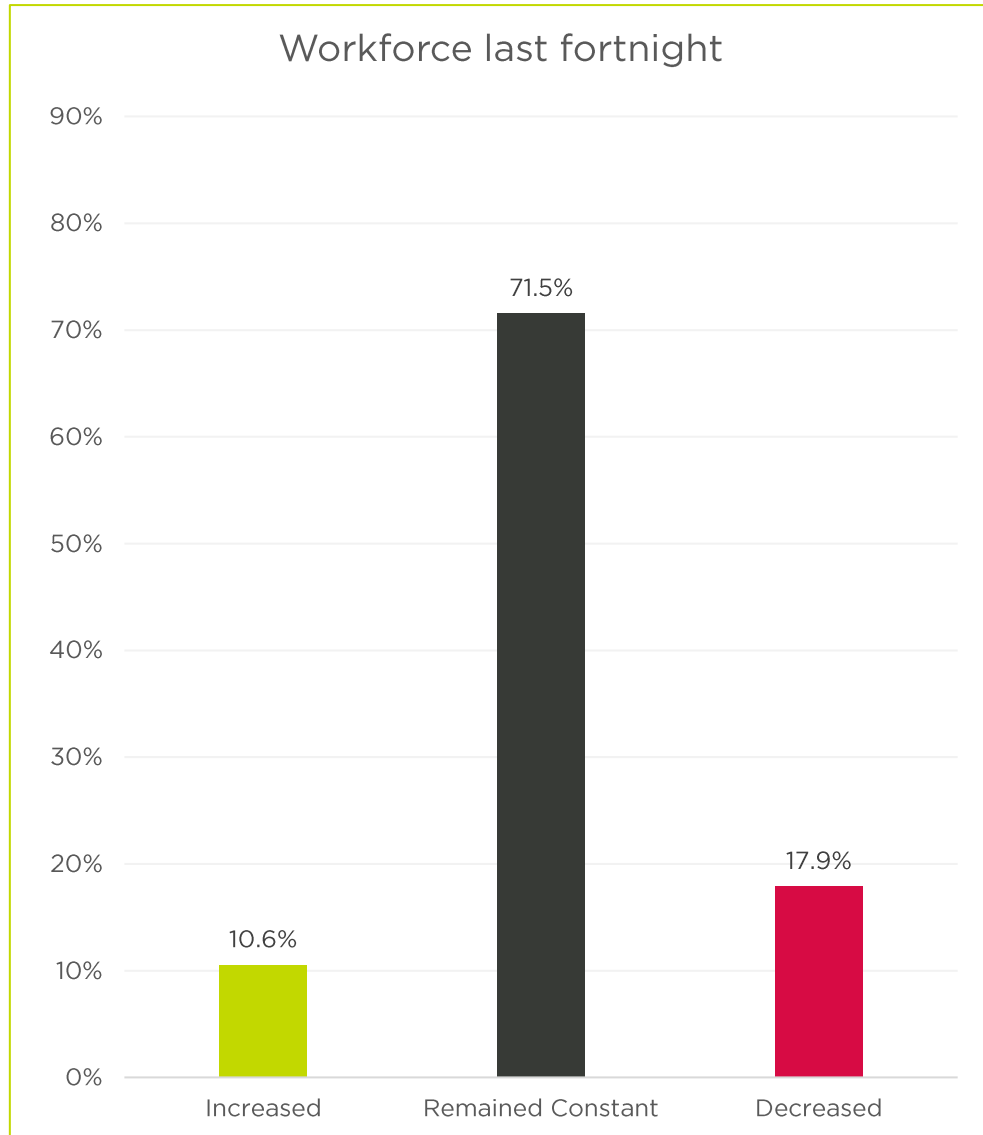
GM Recovery Tracker: Concerning factors



The absolute majority of businesses are still concerned about the fall in customer demand and the consequent impact on cash management.



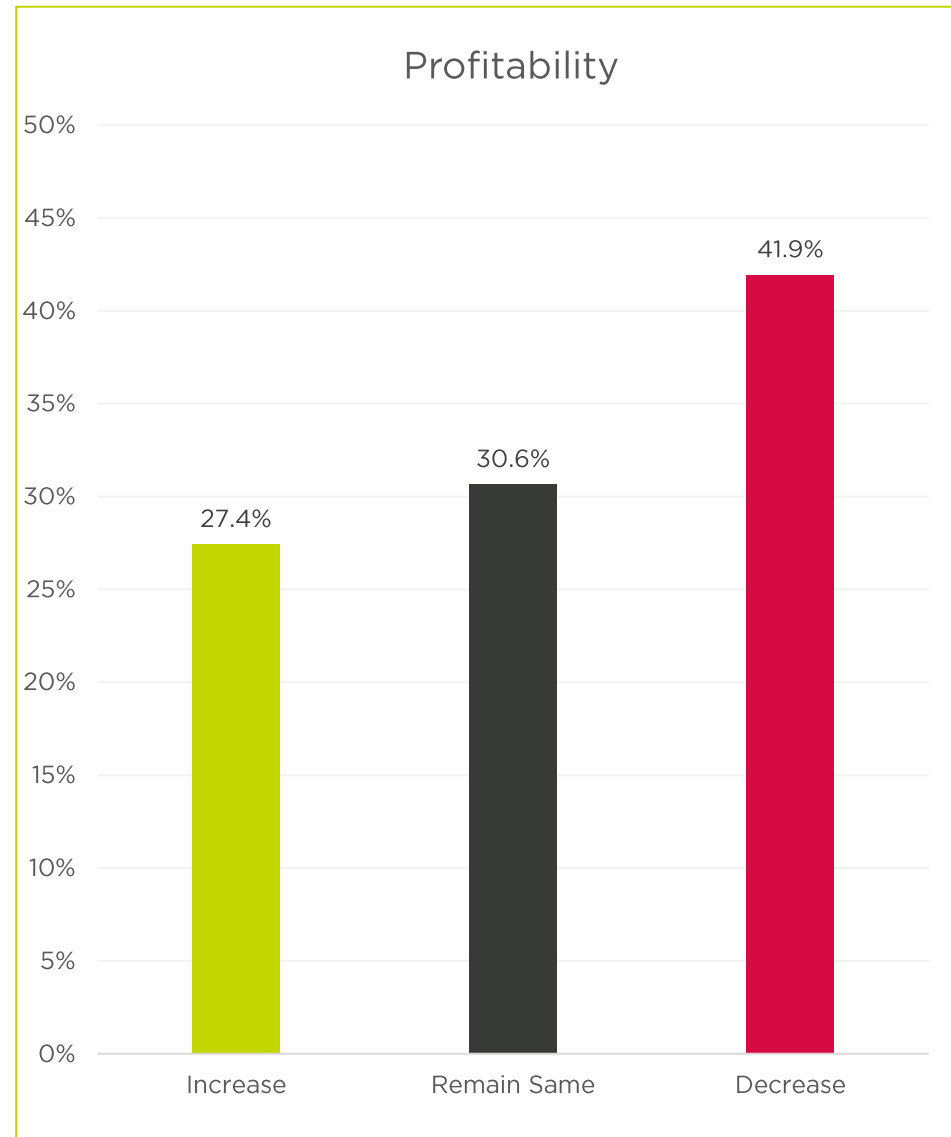
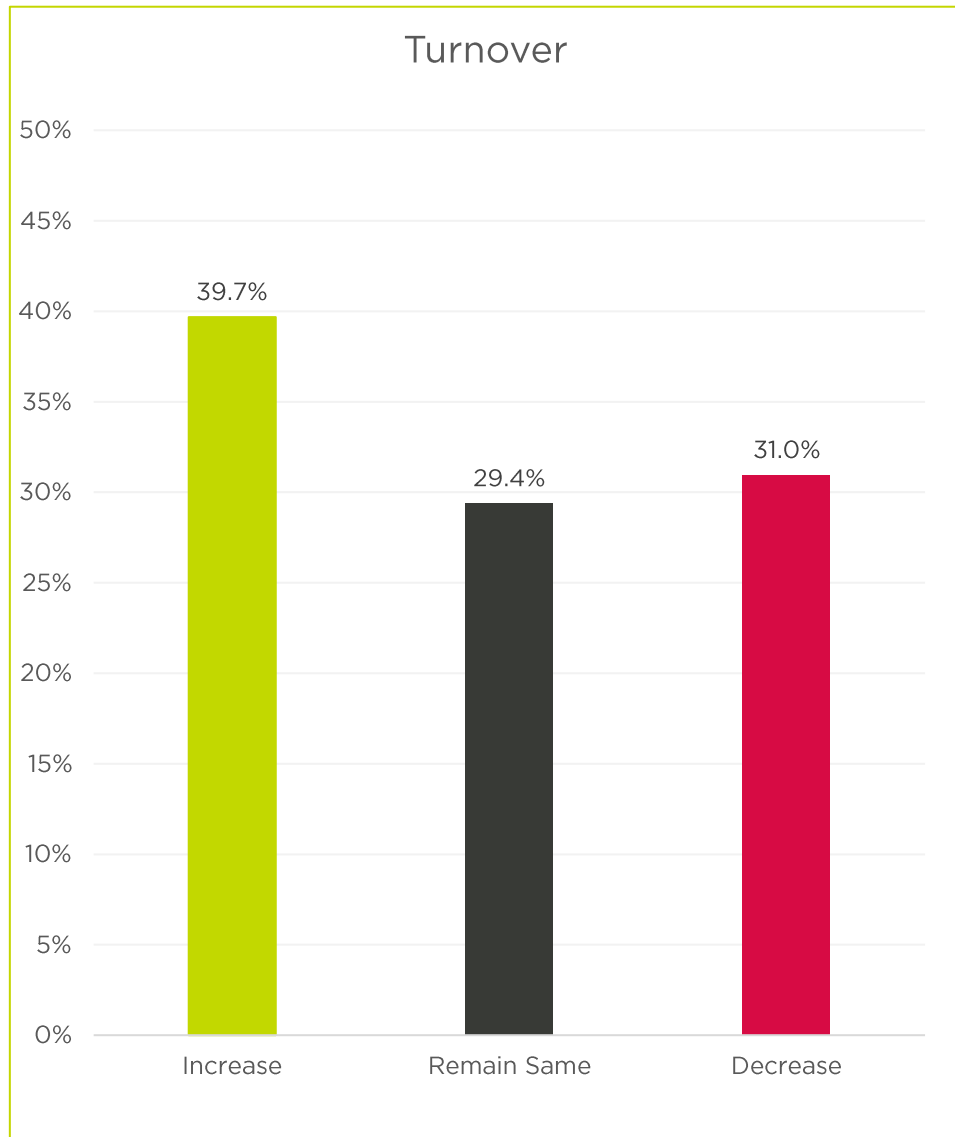
GM Recovery Tracker: Employment



There are some staff reductions taking place, probably redundancies



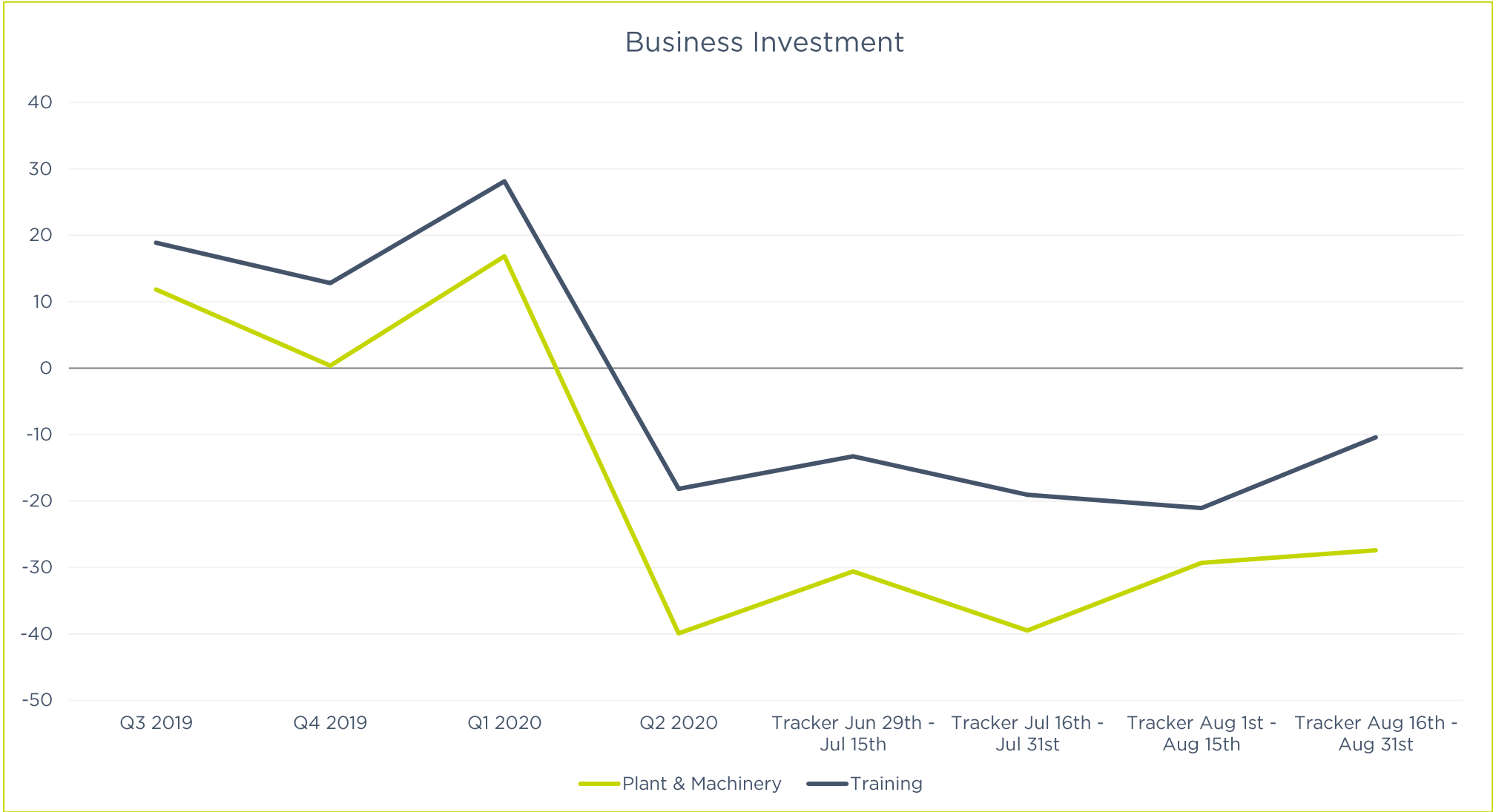
GM Recovery Tracker: Business Confidence



Confidence in being able to maintain turnover is improving but margins appear to be low



GM Recovery Tracker: Business Investment

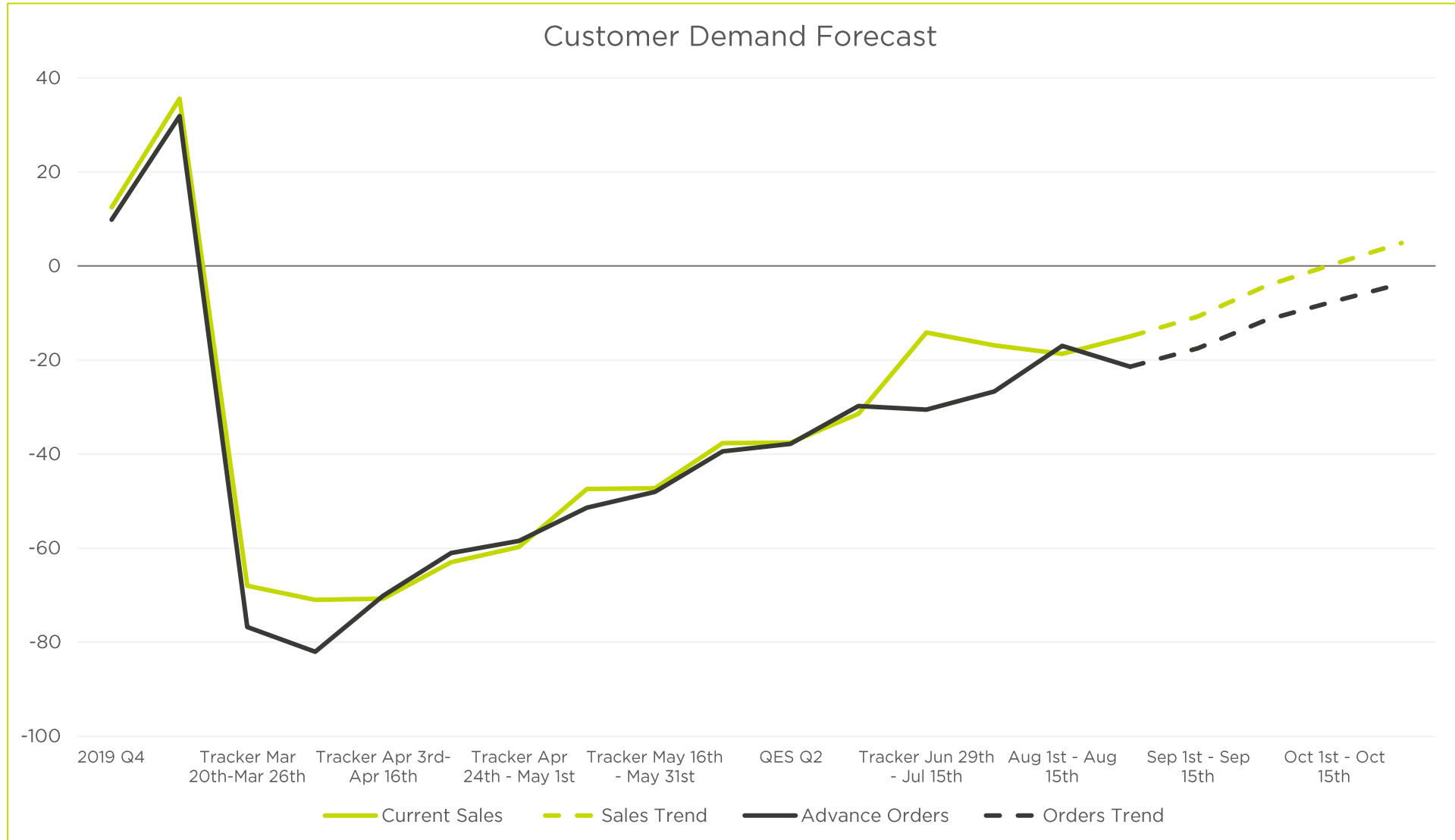


The prospects for investment remain low

Source: Fourth GM Recovery Tracker



GM Recovery Outlook



- The revised outlook has been shows a more muted recovery trend
- Current balances are lower than initially expected

Source: GMCC QES, GM Business Monitor and GM Recovery Tracker



Summary

- Although there has been a significant improvement in business activity since May / June, there appears to be a recent dampening in demand.
- Seasonal fluctuations in the main holiday period of the year and restrictions imposed in parts of Greater Manchester appear to have had an impact on economic activity.
- The reduction in sales and revenues remains the primary challenge that businesses have been facing during the pandemic.
- Government schemes are also being wound down, or support reduced, and could impact businesses.
- Rising infections and the prospect of local lockdown will add to business anxiety.
- The pandemic is both a public health and economic crisis and there is the risk of a prolonged period of economic stagnation, which can only be avoided with additional support for businesses.

