

# Greater Manchester Business Monitor

## Fifth GM Covid-19 Recovery Tracker

Subrahmaniam Krishnan-Harihara  
Head of Research, GM Chamber

[research@gmchamber.co.uk](mailto:research@gmchamber.co.uk)

[@GMChamber](#), [@GMCC\\_Subrah](#)

15<sup>th</sup> September 2020



Greater Manchester  
Chamber of Commerce



Supported by

pro-manchester



Manchester Law Society  
Instituted 1838 Incorporated 1871

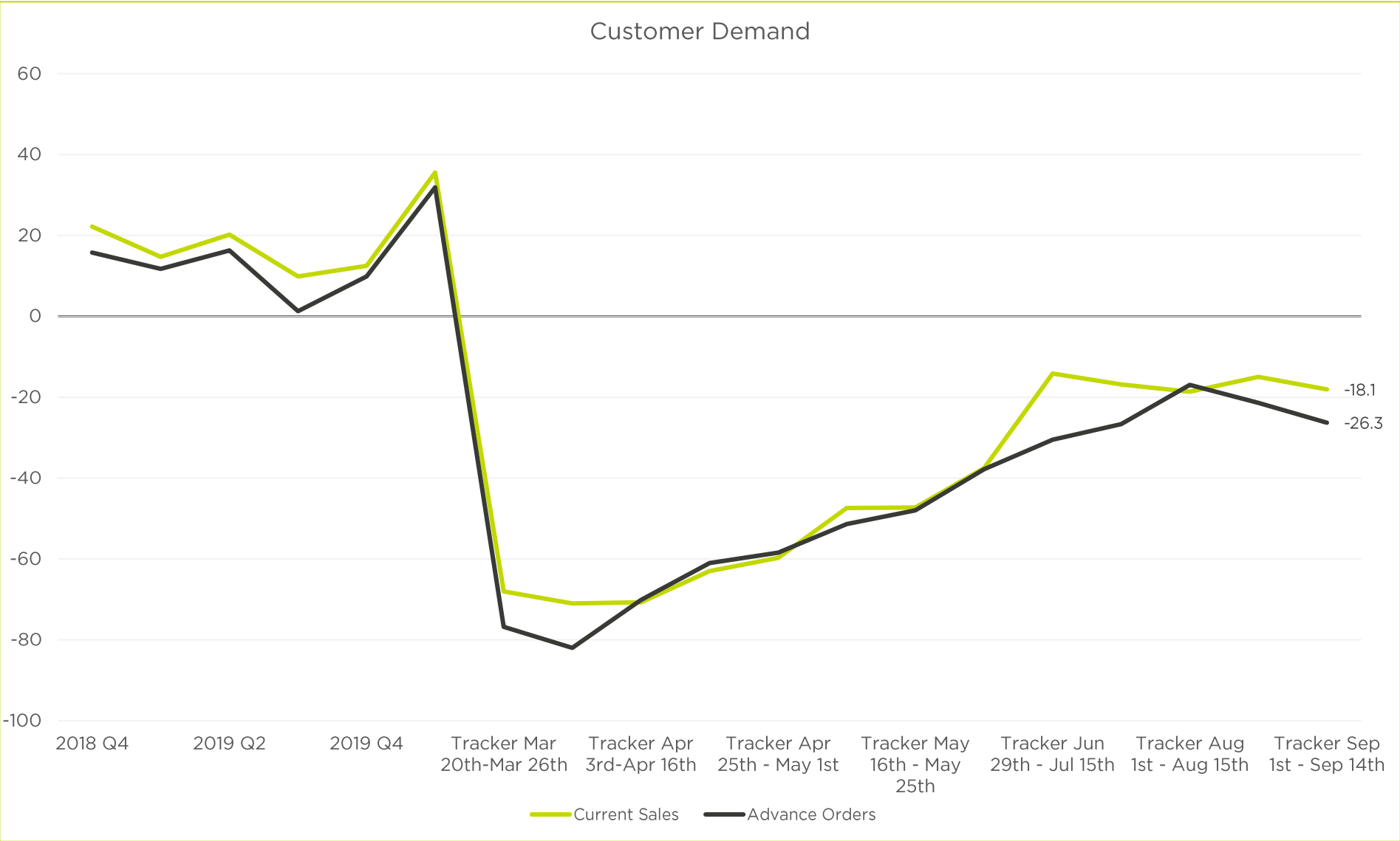
# Recovery Tracker: topics covered



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



# GM Recovery Tracker: Customer Demand

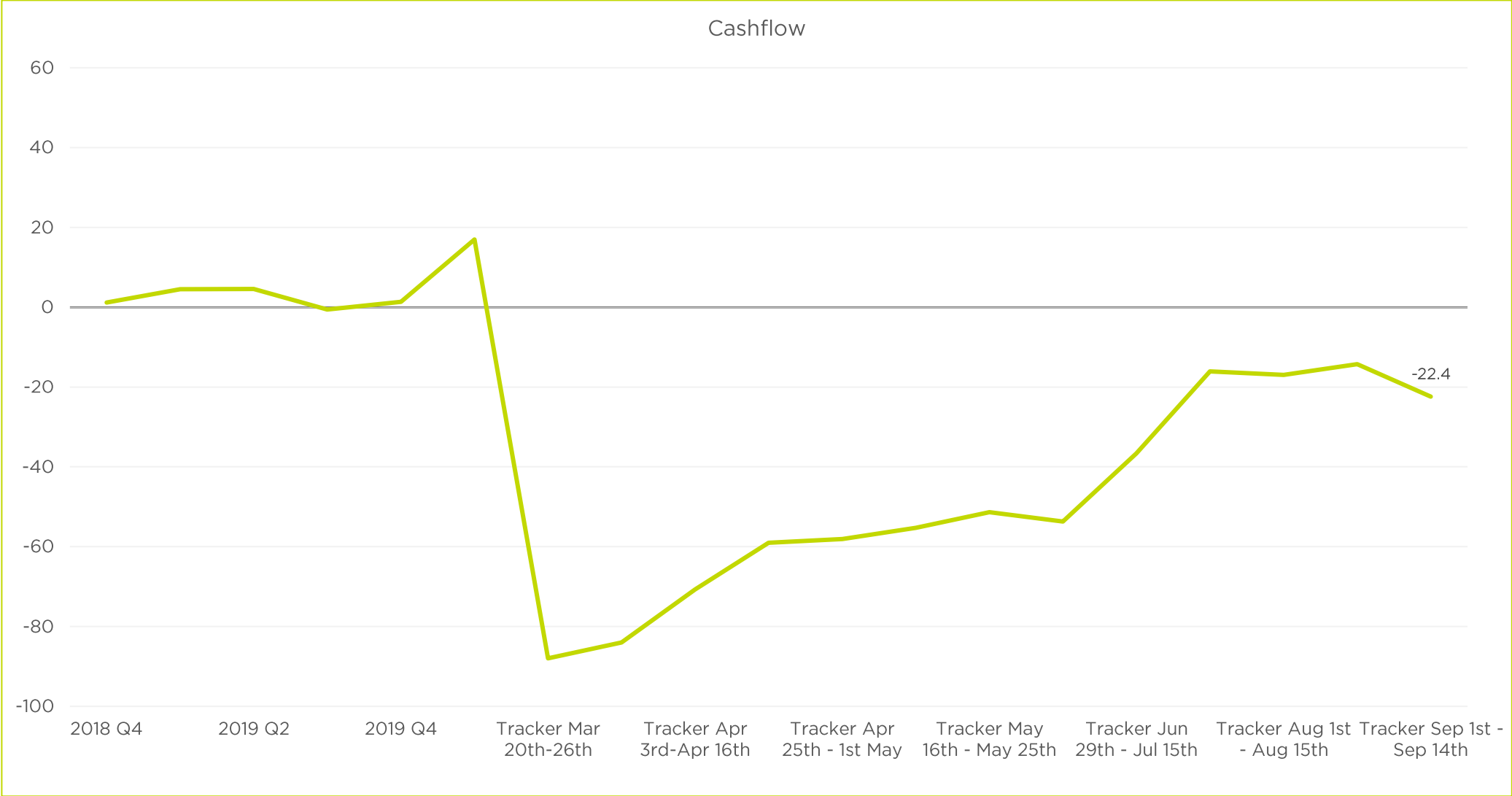


- A mixed picture with a slight improvement in current sales and a fortnightly reduction in advance orders
- The balances relating to customer demand are still negative

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



# GM Recovery Tracker: Cashflow

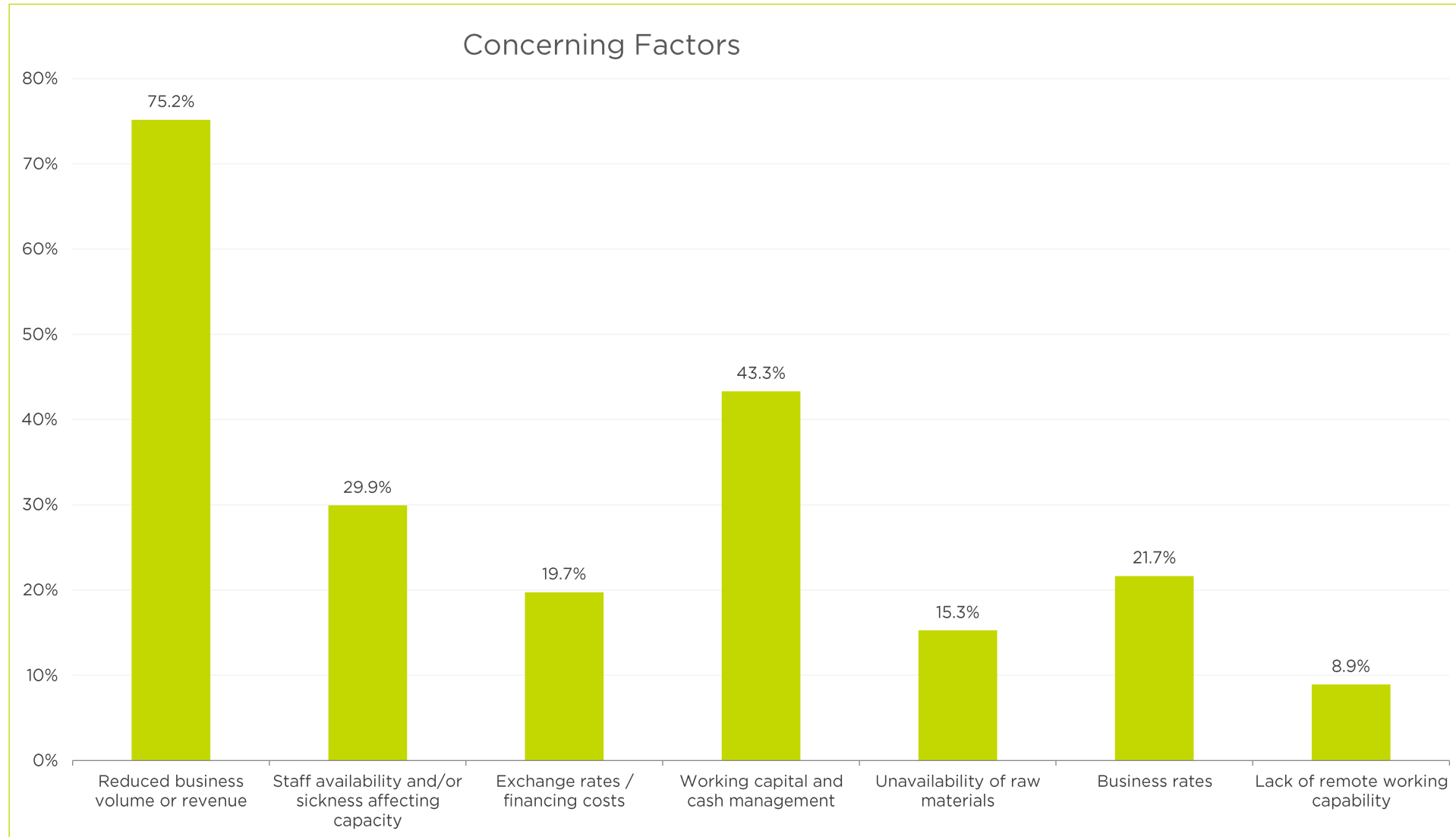


Cash positions have worsened in the first half of September after a few weeks of stabilisation.

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



# GM Recovery Tracker: Concerning factors

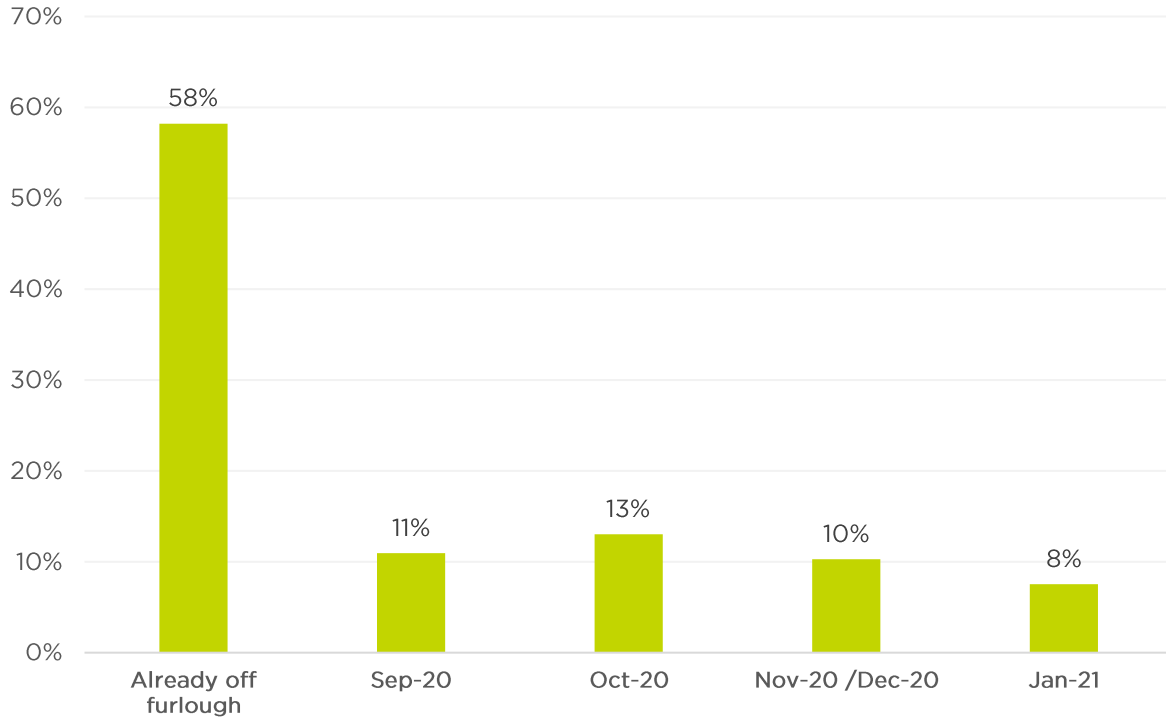


The absolute majority of businesses are still concerned about the fall in customer demand and the consequent impact on cash management.

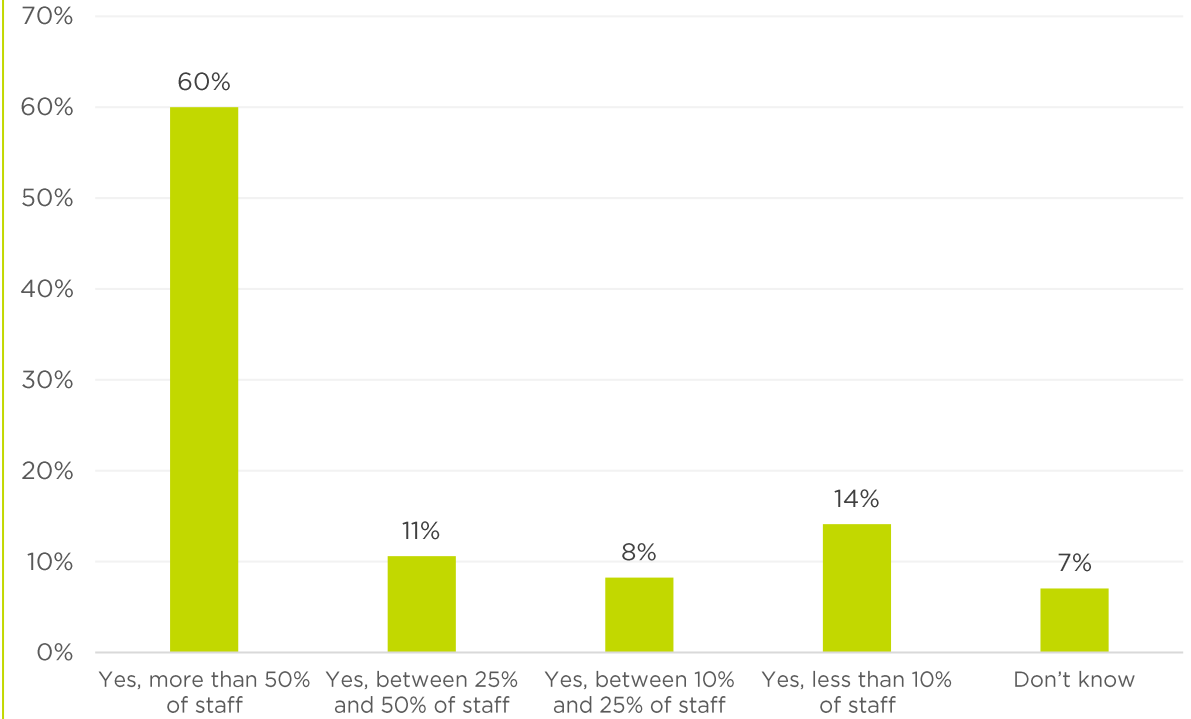


# GM Recovery Tracker: Furloughed Staff

## Staff coming off furlough



## Firms that have already unfurloughed staff

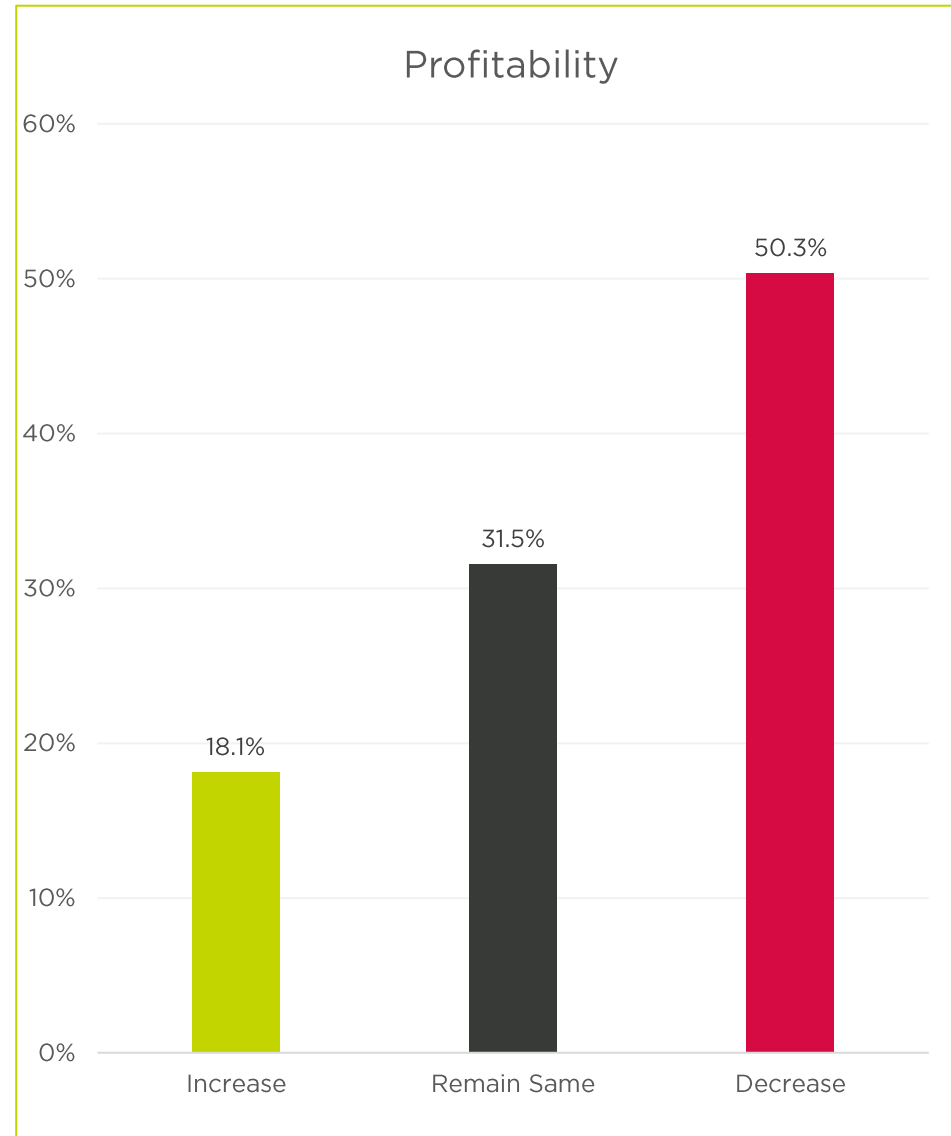
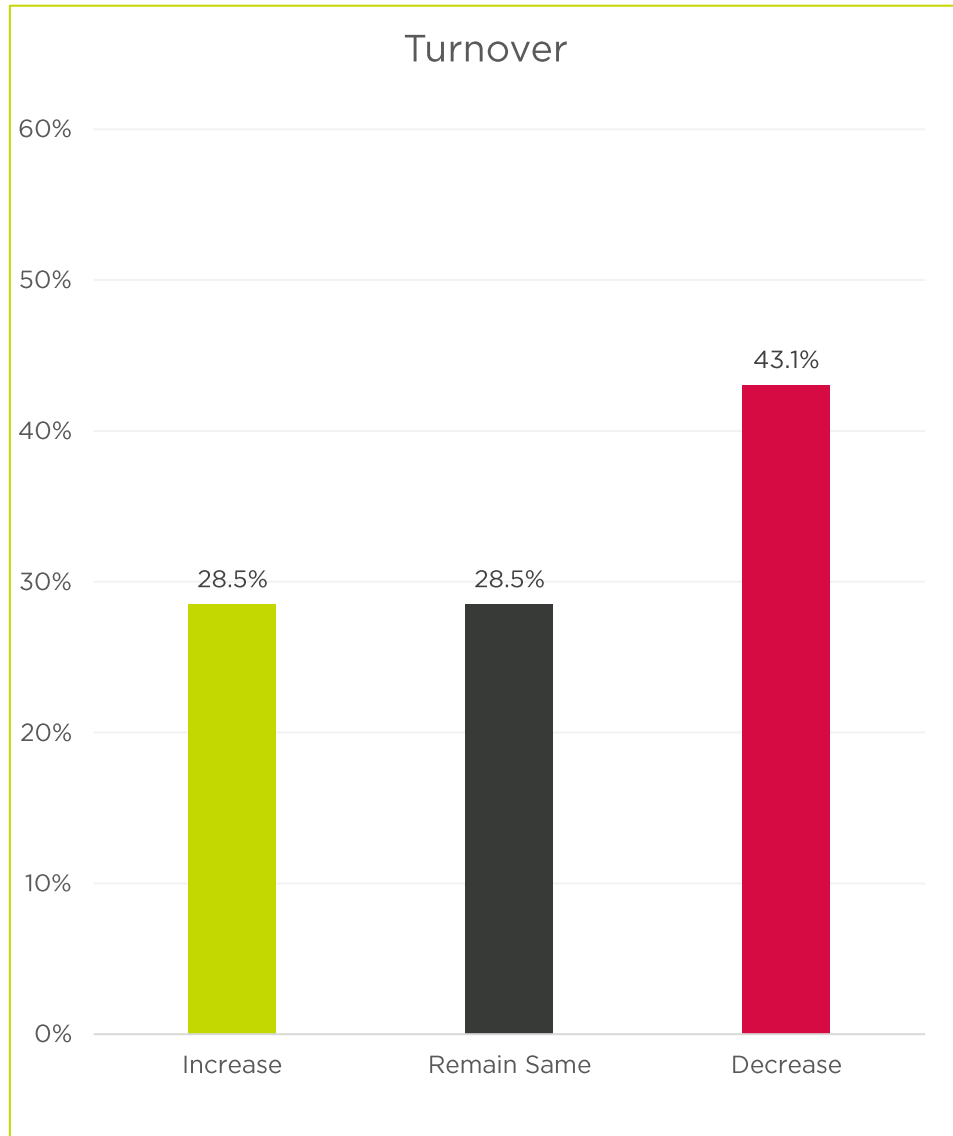


A good proportion of businesses have already brought staff off furlough. With 11% of respondents planning to bring staff off furlough in September, over two-thirds of businesses would have brought at least some staff off furlough by the end of this month. This does not, however, mean that all furloughed staff have returned to work.

Of the firms that have already brought staff off furlough, 60% have indicated that they have more than half of furloughed staff have returned to work. This does not indicate whether staff who have returned to work are working their normal hours or reduced hours.



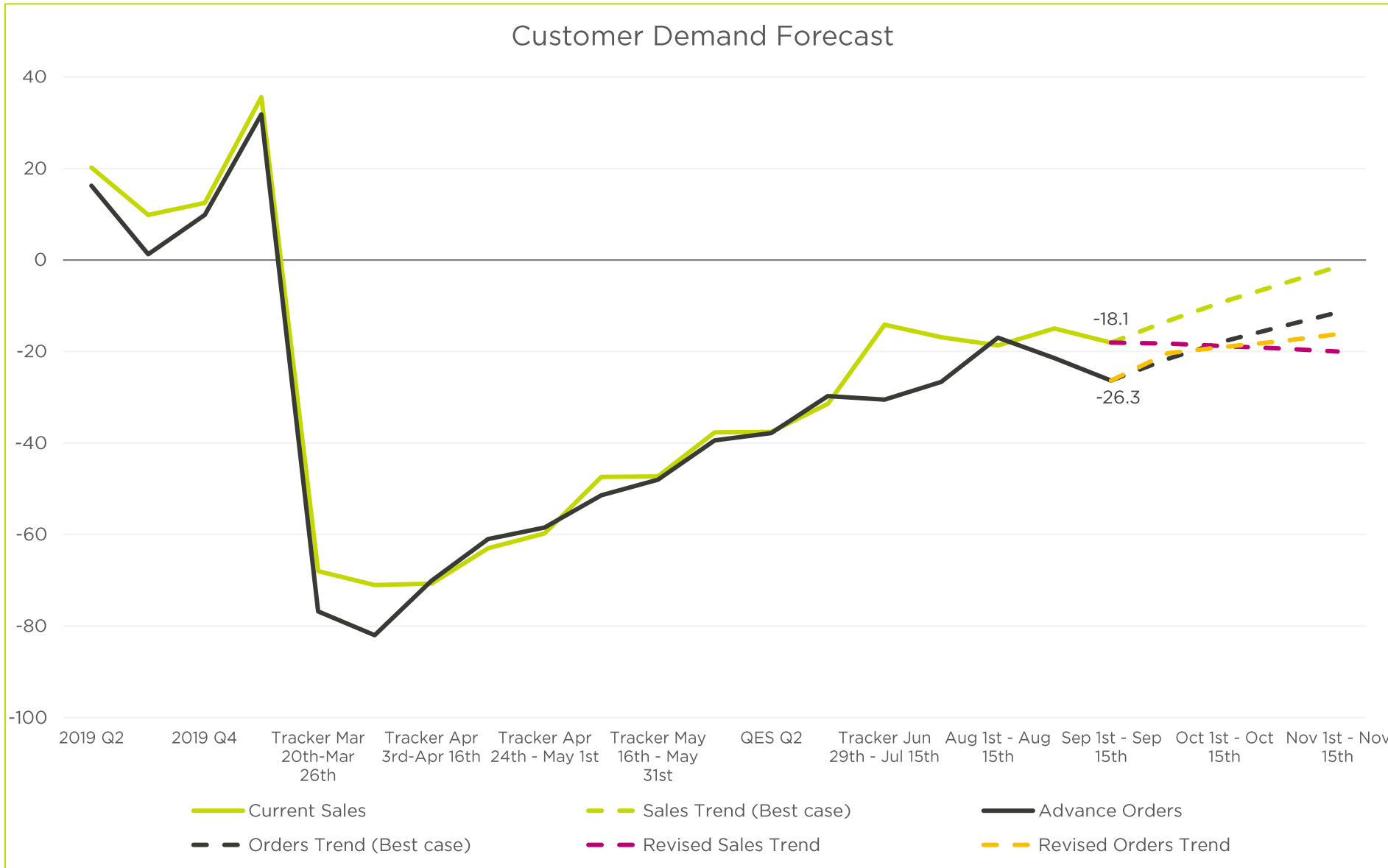
# GM Recovery Tracker: Business Confidence



Compared to the results of the previous Recovery Tracker, overall business confidence has declined. Reflecting the decline in customer demand, more businesses have said they are anxious about being able to maintain both turnover and margins.



# GM Recovery Outlook



- The recovery outlook has been revised to reflect the decrease in customer demand.
- After the increase in business activity as lockdown was being relaxed in June, there has been a subsequent plateauing
- Current balances are much lower than initially expected and indicate a more drawn out recovery.
- The best case scenario indicates growth in demand in November-December (as opposed to October in the earlier model) but the more likely prospect is of a temporary levelling off in demand and a much slower recovery.





# Summary

---

- Although there has been a significant improvement in business activity since May / June, there appears to be a recent dampening in demand.
- Rising infections and the prospect of local lockdown will add to business anxiety.
- Recovery of high street retail and F&B critical to city and town centre recovery
- Job displacement away from retail to warehousing and logistics - long term consequences for skills and inclusivity
- 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.

