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Q3

LONDON QUARTERLY ECONOMIC SURVEY

July – September **2025**

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LIZ GILES

Policy and Communications Director, London Chamber of Commerce and Industry

FOREWORD

With the Autumn Budget just around the corner, businesses are anticipating tax rises, but there's no hint from the Chancellor as to where the axe will fall to plug the gaping hole in public finances. This level of uncertainty, following increases in employer NI contributions and business rates, goes some way to explaining why economic confidence among London businesses has yet to reach the same level as this time last year.

At a time when the Government aims to kickstart economic growth under its 'national renewal' mission, caution remains among business leaders. There's a reluctance to expand their workforce, and capital investment is minimal or non-existent. This sense of stagnation is affecting any ambitions for scale-up, which remain on hold until there are clearer signals of stability on the horizon.

This is not just about creating the right environment for businesses to thrive; there's a real risk to productivity rates, which have seen a decline in London, particularly within the construction sector, where extensive regulatory frameworks and planning delays have compounded economic pressures.

Navigating unnecessary red tape is a costly obstacle to growth, limiting economic benefit not just in London but across all four nations of the UK. It also acts as a barrier to investment that delivers long-term value to community ecosystems, through job creation, affordable housing, and renewed commercial stock, for example, all of which help drive regeneration and regional development.

As budgets are being set for 2026, company outlooks are improving, and London's overall economic outlook is shifting into positive territory; however, the challenge of staying globally competitive remains. Greater investment is needed in projects that can meet future demand. Expansion plans at Heathrow, Gatwick, Stansted, and Luton airports will not only enhance connectivity but also boost capacity and support long-term economic growth.

To maintain momentum and build a resilient London economy, businesses need a stable and predictable environment, one that gives them the confidence to innovate, invest in skills and create sustainable jobs for the future. Long-term certainty around regulation, tax policy and infrastructure planning is essential to unlocking business-led growth across the capital and beyond.

ECONOMIC COMMENTARY

VICKY PRYCE
Chief Economic Advisor,
Centre for Economics and Business Research (CEBR)

It is encouraging to see the increase, however tentative, in confidence by London businesses in the latest London Chamber of Commerce and Industry survey. There are some national polls that back this, though the overall picture remains mixed. But business investment fell in Q2 and the overall prospects for the UK economy are clouded by continued uncertainty over the end point regarding President Trump's tariffs and the contents of the Government's forthcoming Autumn Budget. While the World Trade Organisation has upped slightly its forecast of a drop of 0.2% in goods trade made shortly after the first big US retaliatory tariff announcement in April, to now a positive rise of 0.9%, this is still way below its original estimate of 2.7%.

This inevitably affects the UK negatively, something which the 'reset' of relations with Europe could perhaps help to partly alleviate, though this will take time to have a real impact. So, the focus now is with the assumptions that may underpin the forecasts of the Office for Budget Responsibility (OBR) which is going to mull over the impact of all this on growth against the revenue assumptions of various measures which the Government appears to be contemplating at present.

The Chancellor did promise to not impose any serious extra taxes on businesses in this Budget, but concerns remain in a number of areas, particularly because of the lessening of business rates relief for bigger firms, extra regulations on packaging, higher suggested taxes on landfill and what the impact on demand may be of any further changes in inheritance tax, pension provision allowances, extra charges on owner occupiers and on rental income, all of which seem to be being discussed at present. And there could be more. In the meantime, retail sales recovered somewhat in the summer, but inflation, particularly for food items, has picked up and remains well above the 2% target.

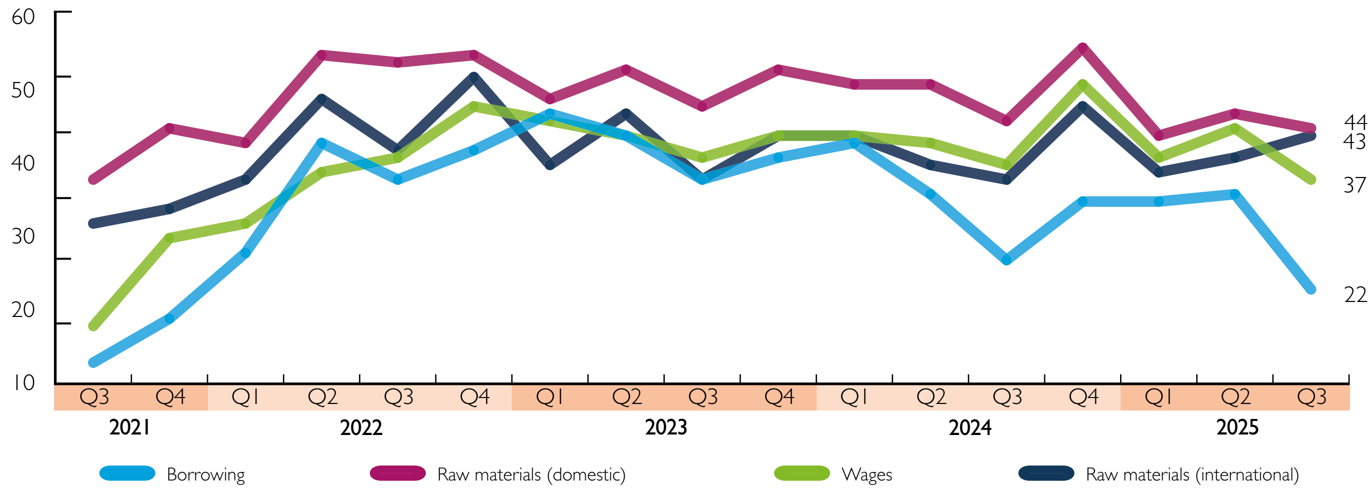
The NIC increase appears to also be passed on in part as higher prices, but it is also affecting demand for labour with new hirings dropping and wage growth slowing down in response. At least Bank of England (BoE) interest rates were cut in August by 0.25% to 4%, but the relief for those wanting a mortgage is small given a renewed rise in bond yields due to concerns over ability to meet fiscal rules and higher-than-forecast inflation. And it is worrying to such as extent that the BoE is finally reducing its sales of gilts it accumulated over the period of 'Quantitative Easing' to £70bn a year rather than £100bn.

Will that be enough to satisfy the markets and bring yields down, all of which adds to public sector debt as the cost of servicing debt soars? But if the OBR, as is being reported, also reduces the productivity estimates it has made for the period ahead coming from extra investment, spending cuts and efficiency improvements, this could weaken revenues even further and require more of a tax raising Budget in November.

BUSINESS COSTS

48% and **47%** of London businesses reported an **increase** in the costs of their domestically and internationally sourced raw materials last quarter

61% of London businesses reported **an increase in their energy costs** last quarter

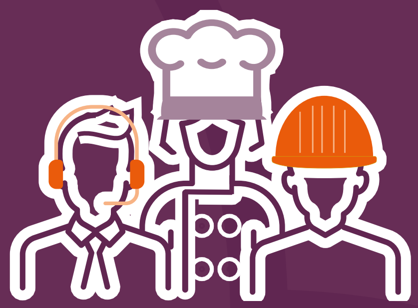


Utilities remain the main pressure on London businesses to raise prices, although the proportion citing this in Q3 fell 3 percentage points to 46%. Labour (39%, down from 44%) and finance costs (36%, down from 40%) also eased, while other overheads rose 6 percentage points to 25%. Fuel pressures softened, with 23% citing them vs 26% in Q2. Only 8% of decision-makers reported no pressure from any source, unchanged from Q2. Expectations to raise prices also declined slightly: 44% of firms expect to increase prices in the next three months, down from 46%, while just 2% expect reductions (vs 5% in Q2).

Energy remains the most reported cost increase, although fewer firms cited it this quarter (61% vs 66% in Q2). The most significant declines were in fuel (44%, down 11 percentage points) and borrowing costs (31%, down 10 percentage points). Meanwhile, raw materials sourced internationally saw a slight rise in costs, with 47% reporting increases. Most firms still face higher costs across categories, but the proportion reporting actual decreases has increased slightly, indicating a modest easing in parts of the cost base. The energy cost balance fell 6 percentage points to 56, the lowest since Q3 2024. Larger firms remain more exposed (73% vs 59% of micro businesses), reflecting higher consumption. Fuel costs showed the most significant improvement, with the balance down 12 percentage points to 38 – the lowest since mid-2021. Micro firms led the decline, although pressure continued among larger companies (64%) and manufacturers (70%). Pressure from employees to increase wages also eased, with the balance down 7 percentage points to 37, though inner London firms (47%) and manufacturers (56%) reported higher pressure than outer London firms (37%) and service industries (40%).

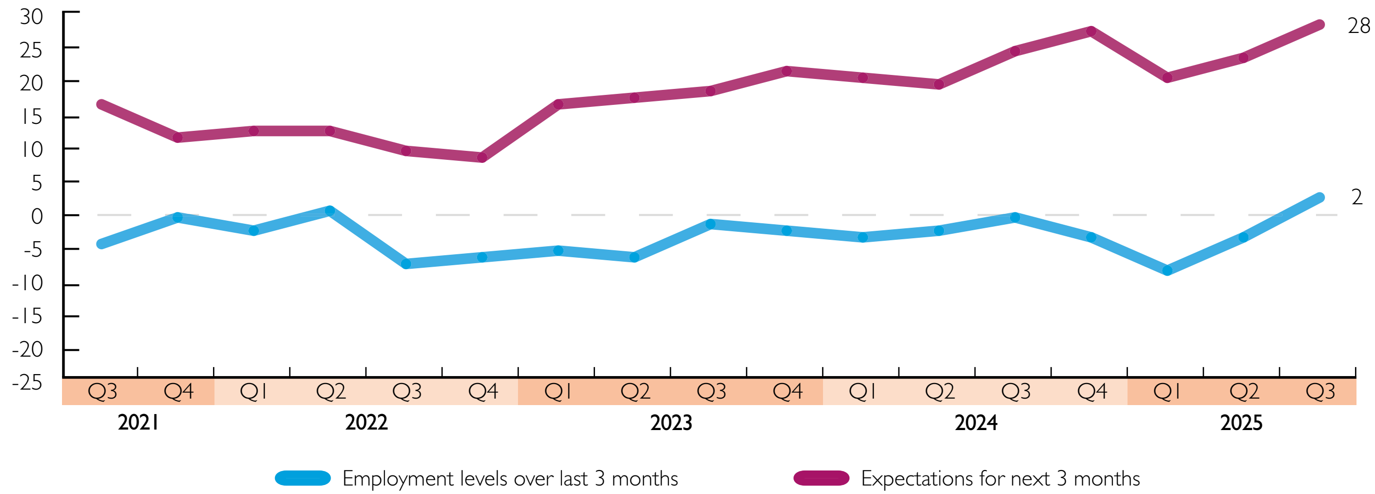
Raw material cost pressures showed mixed results. Domestic inputs experienced a 2 percentage points decline in the balance, with 4% of firms – the highest proportion since 2021 – reporting actual decreases. However, 67% of larger firms and 80% of manufacturers reported rises, compared to 46% of micro firms and 43% of service firms. International inputs exhibited a similar split, with 74% of manufacturers and 67% of larger firms citing higher costs, while smaller firms reported more stable conditions. Borrowing costs provided the clearest relief: the balance dropped 13 percentage points to 22, the lowest since Q4 2021, mainly due to fewer firms reporting increases.

LABOUR MARKET



17% of London businesses reported an **increase in their workforce size** last quarter

31% of London businesses expected their workforce size to **increase** in the next quarter



Labour conditions add another layer to the outlook, with confidence among London businesses regarding workforce size strengthening in Q3. Expectations for the next three months improved, with 31% of firms planning to increase headcount, up from 28% in Q2, while only 3% anticipate reductions (down from 5%). The majority, 66%, expect to maintain staffing levels, broadly unchanged from last quarter. Micro businesses were the main drivers of this shift, as their net balance rose to +25 from +19. Larger companies remain more optimistic overall, with 54% expecting to hire compared with 28% for micro firms, although this marks a 9 percentage points fall from 63% in Q2.

Reported changes in workforce size during the past quarter also point to improvement. The net balance of firms reporting actual headcount changes increased 6 percentage points, moving into positive territory at +2. This is the first positive balance since Q3 2019 (+1) and the strongest since Q1 2016 (+6). The upturn was driven by micro firms, whose balance rose from -7 in Q2 to +1 in Q3, while larger firms saw a moderation from +14 to +7. Employment overall also rose slightly: 17% of firms reported adding staff, compared with 15% in Q2. This mix of modest gains and slower growth among larger businesses suggests an ongoing adjustment in how firms expand their workforce.

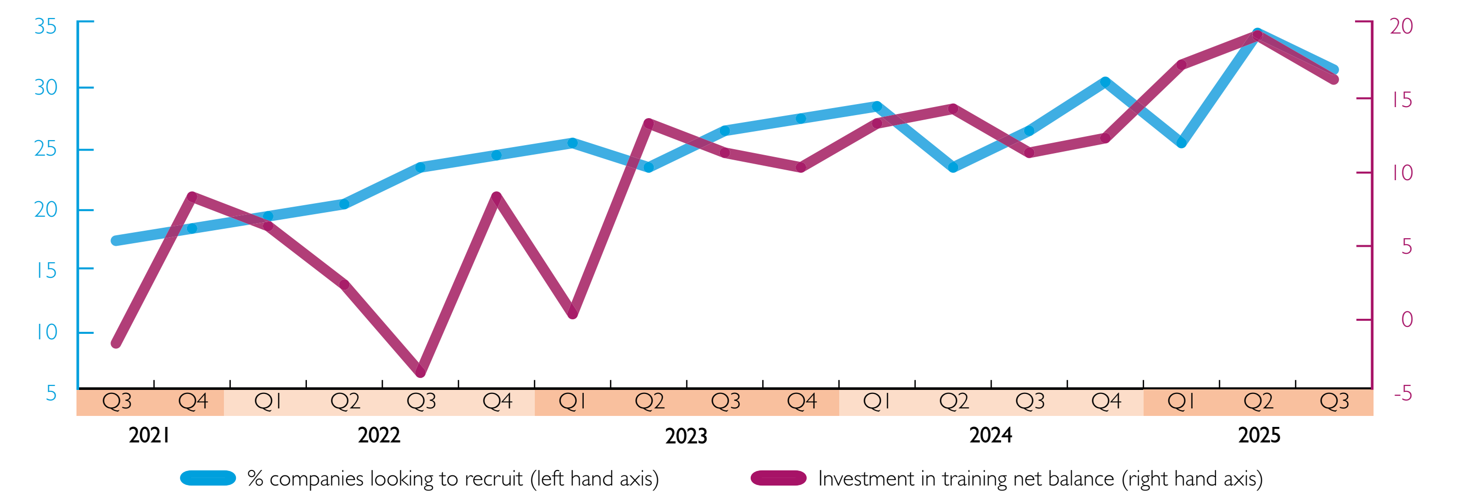
Sector and regional patterns add further context. Inner London firms, often concentrated in higher value-added industries, reported greater upward pressure in staffing than those in outer boroughs, where conditions were more stable. Manufacturing firms reported stronger hiring intentions than service businesses, driven by demand for technical skills and production capacity.

Expectations remain stronger than realised outcomes, but the emergence of a positive balance in actual employment change is significant after years of contraction. Both micro and larger firms added to growth, and modest rises in employment might signal a cautious recovery in London's labour market.

31% of London businesses reported **trying to recruit** in the last quarter

26% of London businesses reported an **increase in L&D training** last quarter

RECRUITMENT AND TRAINING



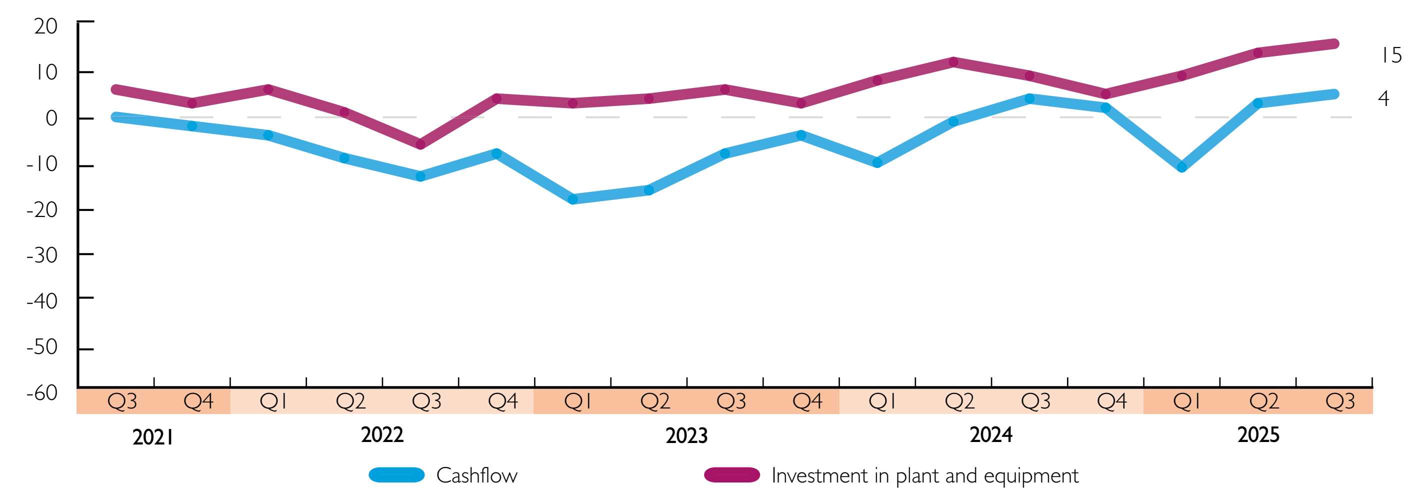
Recruitment activity among London businesses eased in Q3. 31% of firms reported attempting to recruit in the past three months, down from 34% in Q2 and similar to Q4 2024 (30%). Larger firms remained considerably more active than smaller ones: 68% of large businesses tried to recruit in Q3 compared with 28% of smaller firms. Both figures were slightly lower than in Q2 (72% and 30%). Sectoral differences were also notable, with 48% of manufacturing firms attempting to recruit, against 29% in services.

Among those recruiting, the distribution of roles changed. Full-time recruitment increased by 5 percentage points to 66%, nearing Q1 levels. Part-time roles moved the other way, dropping 8 percentage points to 48%. Temporary roles also fell, with 20% of recruiting companies advertising such positions compared to 24% in Q2. Permanent roles followed a similar trend, dropping from 15% to 13%.

Recruitment challenges increased significantly. 68% of businesses trying to recruit reported difficulties, up from 59% in Q2 – the highest in the past year. Skilled and technical roles remain the hardest to fill (69%, unchanged from Q2). Professional and managerial roles experienced growing challenges, reported by 50% compared with 46% in Q2. Un/semi-skilled roles stayed steady at 24%, while difficulties in hiring for clerical roles eased slightly, from 19% to 15%. These findings emphasise that, although demand for staff has moderated, the pool of available candidates in specialised occupations continues to fall short of business needs.

Training and skills acquisition patterns show how firms are responding. 35% of businesses trained existing staff in Q3 (down from 39% in Q2), maintaining this as the primary method of skills development. 21% recruited from the UK workforce (compared to 25% in Q2), while 17% brought in work experience students or interns, and 11% employed apprentices. Recruitment from EU/EEA and non-EU/EEA countries was each cited by 9%. Notably, 44% of firms reported not using any of these methods, a steady figure throughout 2025, indicating the limited range of approaches adopted despite ongoing hiring challenges.

CASHFLOW AND INVESTMENT



33% of London businesses reported an **increase in cashflow** last quarter

25% of London businesses reported an **increase** in investment in plant and equipment

Cashflow conditions for London businesses improved once more in Q3, continuing the positive trend observed since the start of the year. 33% of firms reported an increase, the highest proportion since the survey adopted its current methodology in 2014, pushing the net balance to +4, the strongest since 2016. This marks the third consecutive quarter of improvement, following balances of -12 in Q1 and +2 in Q2. Micro and small firms were the main contributors, with 32% citing rising cashflow, the highest ever recorded in the Quarterly Economic Survey. Larger firms also reported positive results, though their momentum slowed, with 47% seeing an increase compared to 55% in Q2. Regional differences remain significant: outer London businesses recorded their highest-ever share of rising cashflow at 30%, but also 31% citing declines, indicating uneven conditions across the capital.

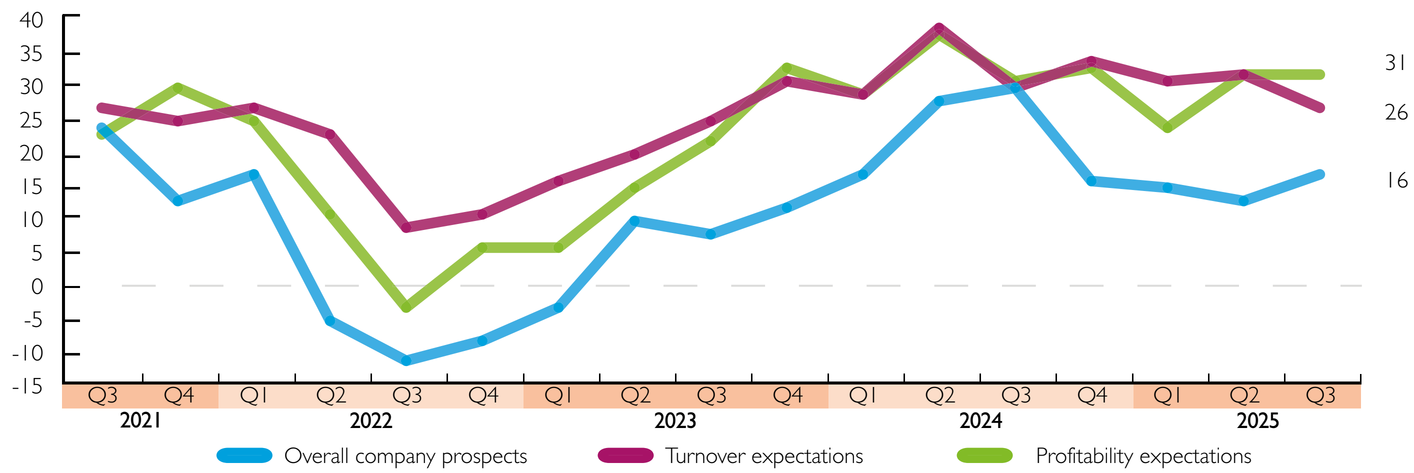
Investment activity also strengthened, particularly in training and plant/equipment. 26% of firms increased training expenditure, up from 25% in Q2 and the highest since Q3 2024. Investment in plant and equipment rose to 25% from 22%. However, the divergence widened: 10% reduced training budgets (up from 6%), and the same proportion cut back on plant and equipment investment. This indicates a split between firms investing for recovery and those holding back amid uncertainty.

Firm size and sector patterns highlight the contrast. Micro and small firms reported record cash flows and were more active in training investment, indicating efforts to consolidate recent gains. Larger firms still spent more in absolute terms but reduced their expenditure compared to earlier in the year. Stronger liquidity combined with selective investment suggests businesses are improving their immediate position while remaining cautious about longer-term commitments.

BUSINESS CONFIDENCE

48% of London businesses expect their profitability to **improve** over the coming 12 months

44% of London businesses expect their turnover to **improve** over the coming 12 months



Business confidence among London firms slightly eased in Q3, although overall sentiment remains positive. The proportion of businesses expecting higher profitability was 48%, slightly down from 49% in Q2, while optimism about turnover declined 3 percentage points to 44% (from 47%). Meanwhile, 18% anticipate turnover will decrease, up from 16%, indicating increased caution as firms respond to uncertain demand. The balance of expectations for profitability remained stable while that for turnover narrowed this quarter, signalling mixed confidence among businesses compared to earlier in the year.

Capacity utilisation continued to decline, with only 44% of businesses operating at full capacity, down from 47% in Q2 and 52% in Q1. This means a majority of London firms (56%) are now operating below capacity, the highest proportion in over a year. Larger companies remain better placed, with 64% operating at full capacity compared to 42% of micro firms. Sectoral and regional differences were also evident: 55% of manufacturing firms reported full capacity versus 42% in services, while inner London firms (48%) were more likely than those in outer London (40%) to be working at full stretch.

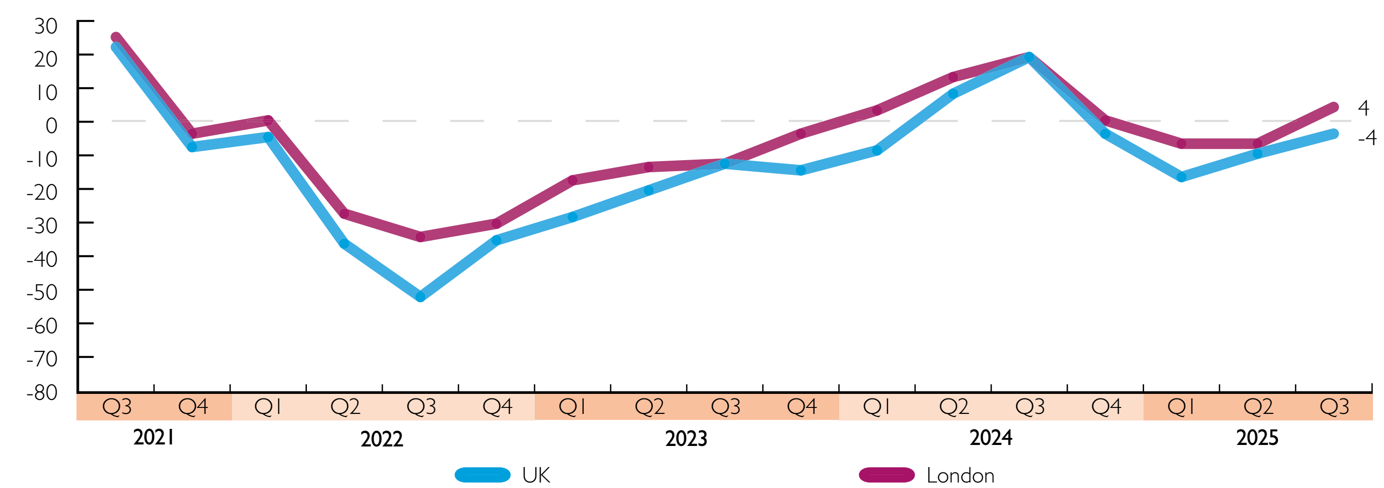
Expectations for the next twelve months remained broadly steady but revealed apparent differences. Across all firms, 37% expect better prospects, in line with previous quarters. Larger firms (48%) and manufacturers (45%) were more optimistic than micro firms (36%) and service providers (36%). Pessimism showed the opposite trend: 22% of micro firms and 22% of service-sector businesses anticipate worsening conditions, compared with 12% of larger firms and 14% of manufacturers. Regionally, optimism was higher in inner London (39%) than outer London (34%), although both areas expressed similar levels of concern about decline (21%).

Confidence in Q3 shows a mixed picture. Expectations for profitability and turnover have either remained stable or eased, and capacity utilisation has fallen for three consecutive quarters, indicating slower momentum. Larger firms and manufacturers continue to drive the more positive sentiment, while smaller businesses and service providers remain more vulnerable to uncertainty, resulting in uneven overall confidence across London's economy.

ECONOMIC OUTLOOK

32% of London businesses expect London's economy to **improve** in the next 12 months

31% of London businesses expect the UK's economy to **improve** in the next 12 months



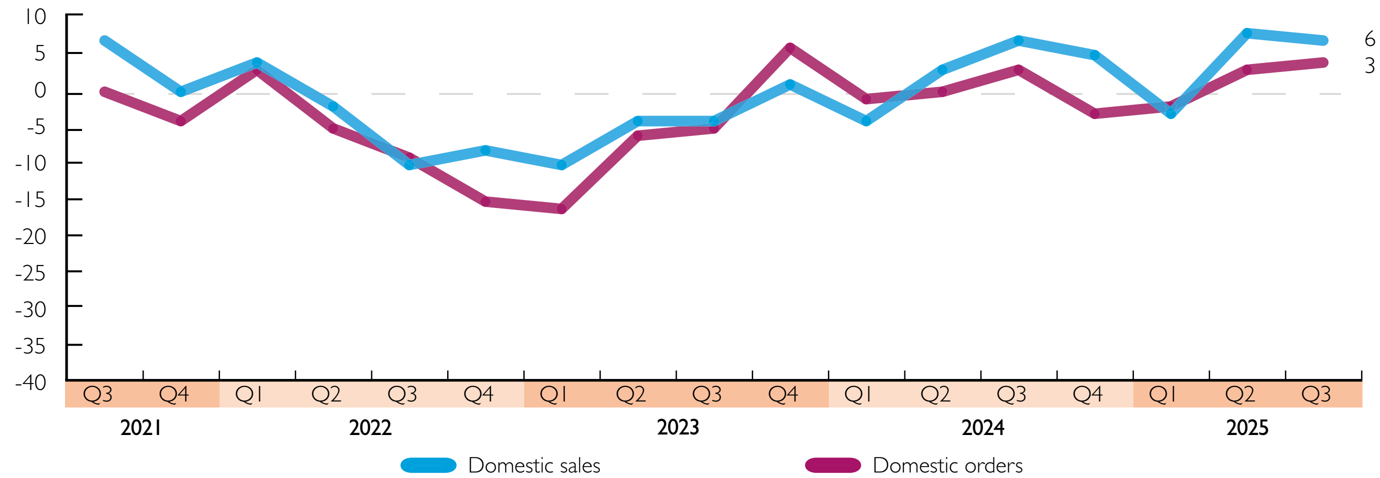
Price expectations among London businesses continued to soften in Q3. The share of firms expecting to raise prices over the next three months declined to 44%, down from 46% in Q2 and is now below levels seen at the end of 2024. The proportion expecting prices to fall also decreased, from 5% in Q2 to just 2%. This indicates that most firms anticipate stability rather than outright deflation, suggesting that cost adjustments are occurring gradually rather than sharply.

Inflation remains the primary concern for London businesses, although its severity has eased. 55% mentioned inflation as a growing worry, down from 59% in Q2 and below the 57% recorded in Q1. Concern about business rates also decreased after a sharp increase in the previous quarter, dropping to 25% from 32%, returning to Q1 levels. Other issues gained prominence: competition increased to 43% of firms (up from 38%), and corporate taxation rose to 31% (up from 26%). These changes indicate that businesses are adapting to softer cost pressures but remain alert to structural risks, particularly competitive pressures and tax burdens. London businesses remain more optimistic about the capital's prospects than the UK as a whole, signalling a recovery from the earlier decline in confidence. The proportion of firms expecting an improvement in their own outlook remained steady at 37%, in line with previous quarters. Confidence in the UK economy increased slightly, with 31% anticipating growth to improve (up from 29%) and fewer expecting a decline (35% compared to 39% in Q2). Optimism for London's economy grew more markedly: 32% of firms now expect improvement, up from 28%, while those expecting a downturn fell from 35% to 28%. This reinforces that London businesses remain more hopeful about the capital's prospects than the UK overall, marking a rebound from the earlier dip in confidence. While overall confidence is improving, the distribution of sentiment remains uneven. Larger businesses and manufacturers remain more confident about their own outlook and London's economy. At the same time, micro firms and service providers are more cautious, with a greater share expecting conditions to worsen. Regional differences are also visible: inner London firms are generally more upbeat than those in outer boroughs. Set against rising concerns about competition and corporate taxation, these contrasts show that the outlook is improving in parts of the economy but remains uneven and shaped by structural pressures.

DOMESTIC DEMAND

29% of London businesses reported an **increase in sales** last quarter

26% of London businesses reported an **increase in new orders** last quarter



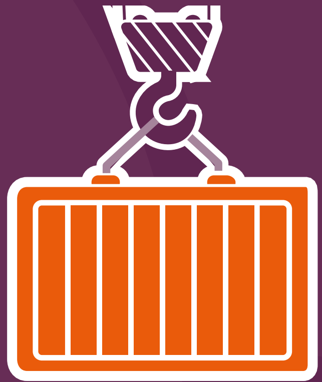
Domestic demand among London businesses showed slight improvement in Q3, reflecting a cautious recovery. The share of firms reporting higher domestic orders increased by 2 percentage points compared with Q2, while the proportion citing declines remained broadly unchanged or marginally higher across most measures. This slow pace of change indicates that businesses are still navigating uncertainty despite stabilising consumer demand and easing inflationary pressures.

Domestic sales reveal a persistent divide by firm size. 51% of larger firms reported an increase in Q3, their second-highest share since records began, although below the peak set in Q2. Conversely, 27% of micro businesses experienced higher sales – their strongest since Q1 2016 – indicating a gradual but significant improvement among smaller firms. Regional data reinforce these disparities: 32% of inner London firms reported rising sales, compared to 26% in outer London. Sector differences are narrower, with 29% of both manufacturing and services firms citing higher sales, suggesting a broadly shared recovery in revenue but at differing levels of intensity.

Domestic orders followed a similar pattern. Among larger firms, 44% reported an increase, which remained steady from Q2, while 24% of micro businesses experienced growth, the highest since Q4 2023. Inner London businesses again outperformed outer London, with 31% reporting higher orders compared to 20%. Manufacturing firms were more likely to see rising orders (34%) than those in the services sector (24%), reflecting ongoing demand for goods-related activity alongside a steadier but slower recovery in services.

The evidence suggests stabilisation rather than acceleration in domestic demand. Larger firms continue to report the strongest results, but smaller companies are beginning to recover after a lengthy period of weak performance, narrowing the gap across the business sector. Regional and sectoral differences also remain prominent, with inner London and manufacturing demonstrating greater resilience than outer boroughs and service industries. Demand is therefore gradually rising but remains fragile, with confidence in domestic markets still cautious as businesses evaluate the sustainability of consumer spending and the durability of easing cost pressures.

EXPORT DEMAND



12% of London businesses reported an **increase in export sales revenue** last quarter

12% of London businesses reported an **increase in export orders** last quarter

Export activity among London businesses remained broadly steady in Q3, with little change in overall sales compared with the previous quarter. Movements were small, with only a +3 percentage points shift in the share of firms reporting sales unchanged. There was no change in the proportion of firms reporting export sales as increasing or declining. This suggests that while conditions have not deteriorated further, ongoing pressures in overseas markets and logistical challenges continue to restrict stronger growth.

Export orders, however, showed modest improvement. The proportion of businesses reporting an increase rose by 3 percentage points, from 9% in Q2 to 12% in Q3, returning to levels seen in Q1. Meanwhile, the share of firms citing a decline dipped slightly from 10% to 9%. Although small, these shifts suggest some recovery in forward indicators, especially for firms able to maintain demand in international markets despite uncertainty abroad.

Performance varied considerably by region. Businesses in Inner London achieved better results than those in outer London, with 16% reporting increased export sales compared to 9% in outer boroughs. A similar gap was observed in export orders: 17% of inner London firms experienced growth, more than double the 7% in outer London. Declines were also less frequent in the inner city, with 9% reporting falling sales versus 12% in outer areas. These differences emphasise the ongoing advantage of centrally located firms, which are more likely to operate in internationally exposed sectors and benefit from stronger infrastructure links.

Sectoral composition further influences the situation. Services make up the majority of exporters (87%), while manufacturing accounts for just 13%. Many exporters report operating close to full capacity, indicating resilience among firms engaged in international trade despite external challenges. The dominance of the service sector highlights structural limitations to London's export base, whereas the smaller, more capital-intensive manufacturing segment remains more vulnerable to shifts in global demand. Export demand is therefore stabilising, with modest increases in orders suggesting possible improvement ahead, but regional and sectoral disparities continue to shape outcomes across the capital.

SHAPING THE NEXT QUARTER

London businesses enter the final months of 2025 with conditions that seem more stable but are not yet secure. Cost pressures have eased across utilities, labour, and borrowing, dropping to their lowest levels since before the pandemic. Cashflow has improved significantly, reaching its strongest point since the mid-2000s, while profitability remains at multi-year high levels. Borrowing costs have also decreased, aided by the Bank of England's summer rate cut. However, inflation still remains the primary concern, having risen again in late summer, and expectations of higher taxes in the Autumn Budget are increasing business anxiety.

The labour market offers cautious encouragement. Hiring intentions have improved, and for the first time since 2019, actual workforce changes have turned positive. Micro businesses, which have been in contraction for some time, have begun to show modest gains, while larger firms continue to grow, albeit at a slower rate than earlier in the year. Recruitment activity has shifted more towards full-time roles, but ongoing difficulties in securing skilled and professional staff continue to hinder firms. Meanwhile, nearly half of businesses reported no new skills initiatives, indicating a reluctance to commit to long-term investments in workforce capacity.

Demand conditions reveal both progress and vulnerability. Larger firms maintained near-record levels of domestic sales and orders, while smaller businesses achieved their strongest results in many years. Inner London continued to outperform outer boroughs, supported by stronger consumer bases and sectoral variety. Manufacturing showed more momentum than services, though services remain central to London's economy. Export activity was more stable, with sales essentially flat but new orders showing a modest revival. Once again, businesses in inner London outperformed those in the outer boroughs, and the capital's export sector remained mainly driven by services, leaving manufacturers with a smaller yet more exposed share.

Business confidence reflects this balance of resilience and caution. Expectations for profitability and turnover eased slightly, and capacity utilisation has now fallen for three consecutive quarters, leaving more than half of firms operating below their potential. However, sentiment towards London's economy improved compared to earlier in the year, and businesses remain more optimistic about the capital's prospects than about the UK overall. Larger firms and manufacturers continued to support optimism, while smaller companies and service providers showed more caution.

These results unfold against a national backdrop marked by renewed uncertainty. The Bank of England's rate cut briefly improved credit conditions but was quickly overshadowed by higher-than-expected inflation. The Autumn Budget is widely expected to bring further fiscal tightening, while global conditions remain mixed: falling oil prices offer some relief, but shipping disruptions and trade tensions continue to unsettle supply chains. For London SMEs, these external pressures reinforce the careful stance already evident in investment, hiring, and skills development.

The survey, therefore, indicates less of a rapid rebound and more of a gradual adjustment. London businesses are moving away from the extremes of recent years, consolidating gains in cash flow and profitability, and cautiously expanding their workforces. Yet demand remains uneven, skills activity is restrained, and confidence is fragile. Recovery in the capital appears more like a slow grind than a sharp snap-back, with stabilisation likely to continue into late 2025, but broader growth still depends on how inflation, fiscal policy, and global conditions develop – emphasising the importance of ongoing dialogue between business and policymakers.

These findings also emphasise the role of the London Chamber of Commerce and Industry in providing a consistent voice for the capital's business community. The Quarterly Economic Survey, conducted with Savanta as part of the longstanding UK-wide research led by the British Chambers of Commerce, offers policymakers a unique evidence base on the pressures and opportunities facing London firms. By combining reliable data with open dialogue, LCCI continues to serve as a forum where businesses and decision-makers at all levels engage on issues shaping the capital's economy.

WHO THIS REPORT IS FOR AND WHY IT MATTERS

The Quarterly Economic Survey provides a vision into the views and performance of businesses across the capital. Conducted by the London Chamber of Commerce and Industry in partnership with Savanta, this report remains the most comprehensive private-sector survey of London's business landscape.

It is designed for a wide range of users who rely on timely and reliable business intelligence to shape decisions:

- **London Businesses:** From micro firms to larger companies, business leaders can use the report to benchmark performance, understand market sentiment, and plan ahead in a fast-moving economic environment.
- **Policy Makers and Government Stakeholders:** The data provides a direct channel to the views of London businesses. It informs evidence-based policy at the local, regional, and national levels - across infrastructure, skills, trade, and broader economic development.
- **Investors, Analysts and Advisors:** The findings offer a bottom-up view of business confidence, demand pressures, and investment trends - helpful in assessing risk, identifying sectoral momentum, and refining market assumptions.
- **Researchers, Journalists, and Think Tanks:** The report supports robust commentary and independent analysis, contributing to a clearer understanding of economic conditions in one of the world's most dynamic urban economies.
- **Local Stakeholders:** Those with a broader interest in London's economic future can utilise the report to gain a deeper understanding of how business sentiment is evolving and what it may mean for communities, skills, and opportunities across the city.

WHY IT MATTERS

Beyond a quarterly snapshot, the survey acts as a barometer of business resilience and a signal of structural pressures facing the capital. Results are shared with key decision-makers, ensuring the voice of London's business community plays a role in shaping the policy response.

By tracking shifts in sentiment across sectors, firm sizes, and locations, the survey helps anticipate risks and guide resource allocation. It highlights the underlying conditions - from labour market access to finance and regulatory pressures - that shape London's competitiveness.

The Quarterly Economic Survey remains an essential tool in making London's growth story better understood, better supported and more widely shared.

ABOUT THE 'QUARTERLY ECONOMIC SURVEY'

The London Quarterly Economic Survey is produced by the London Chamber of Commerce and Industry. It forms part of the UK's largest and longest-running independent business survey, coordinated nationally by the British Chambers of Commerce.

This quarter's fieldwork was conducted by Savanta between 9 July and 4 August 2025. A total of 505 London business leaders were surveyed, with data weighted to reflect the capital's business population by size and sector. Savanta is a member of the British Polling Council and conducts its work in line with its regulations. Full data tables are available at www.savanta.com.

The net balance figures indicate the percentage of firms that reported an increase minus the percentage that reported a decrease. Two categories are used for business size segmentation: micro-businesses with fewer than 10 employees (including sole traders) and larger (small, medium, and large) businesses with 10 or more employees. Any data reproduced from the report must be fully referenced.

ABOUT HAYSMAC

HaysMac is a chartered accountancy and tax advisory firm offering a wide range of professional services, including audit and assurance, taxation, outsourcing, business advisory, and corporate finance.

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