

CORONAVIRUS

Small firms most fearful as economic confidence sinks

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The High Street in Chichester is deserted as the restrictions introduced to try to slow the spread of the coronavirus bite



Employers are losing confidence in the economy as it struggles under the strain of the coronavirus outbreak, a survey suggests.

[Small businesses](#) are the most worried about their prospects and are reining in hiring and investment plans, according to the latest jobs report from KPMG and the Recruitment and Employment Confederation.

The report found that employer confidence in the UK economy dropped by 22 percentage points in March to a net figure of -23 per cent. Confidence in hiring and investment decisions fell by 21 percentage points to -5 per cent.

“This was mainly driven by a dive in sentiment among small businesses,” the report said.

The survey was conducted between March 2 and March 20, as the country was on the verge of an economic shutdown. Economists fear that the decision to close large parts of the economy in order to contain [the virus could lead to 700,000 job losses](#). While demand for labour has fallen in some sectors shortages are emerging in others, particularly in food retail and delivery.

The REC said that demand for temporary agency workers has risen from -2 per cent last month to +13 per cent. The report said that “some key firms in supply chains looked to bring in flexible staff to deal with the fast-changing landscape at the onset of the crisis”.

Neil Carberry, its chief executive, said: “It’s no surprise that this global pandemic has caused the UK’s labour market to stall . . . When the storm passes we will bounce back, and quickly.”

“It has been great to see the government listen to us and others in taking bold measures to protect workers and businesses but more needs to be done. We must also make sure that flexible workers are not left in the lurch — they are a vital part of the labour market and must not be forgotten.”

