

5 UK business trends for economic developers to watch in 2022



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The pressures of the 'shortage economy' and the impact of technology... A potent mix. In 2022 UK-based firms are adapting to survive and grow in an economy where prices are higher and labour supply lower than expected. Where logistics and international trade are more challenging. And where growing use of technology forces more business decisions around location of assets and workforce...



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1

Pressure to raise prices early in 2022

The increasing costs of energy, logistics, finance and COVID disruptions are squeezing margins*. This will impact public-sector procurement. And it will hit business survival where price contracts are inflexible.

2

Recruitment challenges - bottlenecks in labour supply

Demographics, COVID and Brexit have combined to arrest growth in the UK's labour supply*. This will increase the interest of employers and employees in workplace automation and lifelong learning.

3

'Out-of-area' hiring - more competition for talent

More employers now offer remote working. More jobs seekers demand it*. This means firms can recruit from further afield but face new competitors for talent at home. Local skills strategies must account for this.

4

More tech-based collaboration - new options and expectations

Most businesses say they will use the tools of digitally-enabled collaboration *more* not less in 2022*. This will affect not only business location and operational choices but preferred methods of accessing support services.

5

Disruptions to international trade - more onshoring

Post-Brexit rules join new trade frictions with China and Russia. Longer-term, these may affect industry collaboration and investment across borders. They may further encourage the building of 'locally-resilient' supply chains.

Did you know?

Research suggests that around 18% of UK roles are 'Anywhere Jobs', open to 'out-of-area' hiring. Typically performed on a computer they are not tied to a location; have limited immediate commercial impact; and can be done at different times to the rest of the business. They are mainly in ICT, Finance and Professional Services.

Useful links

Bank of England: [Monetary Policy Reports](#)

The Cambridge Institute for New Economic Thinking: [COVID-19 Economic Research](#)

Indeed Hiring Lab (UK): [latest research](#)

Enterprise Research Centre: [Insight Papers](#)

UK Trade Policy Observatory: [publications and briefings](#)

For more information, please visit www.policydepartment.com

[*1] Bank of England - Monetary Policy Report (Nov, 2021); [2] UK Indeed Hiring Lab - UK Labour Market 2021 Review and 2022 Outlook (Dec 2021); [3] Webrecruit - 2021: What Have Been The UK's Recruitment Trends? (Dec 2021); [4] Enterprise Nation, Dropbox - Breaking The 'Can't Adopt, Won't Adopt Cycle In UK Tech Use (Nov 2021).

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