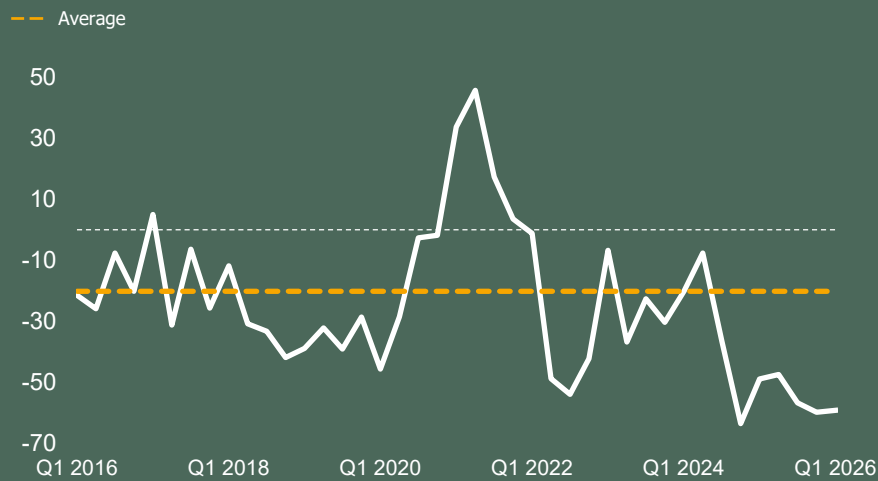


# Supply chain concerns

The UK SME Global Economic Conditions Survey Q1 2026 results show the difficult trading environment that UK SMEs are facing. With escalating tensions in the Middle East and the Bank of England returning to consideration of how to address inflationary pressures, the possibility of monetary easing from the Bank of England is now unlikely anytime soon.

## UK SMEs GECS Confidence Index



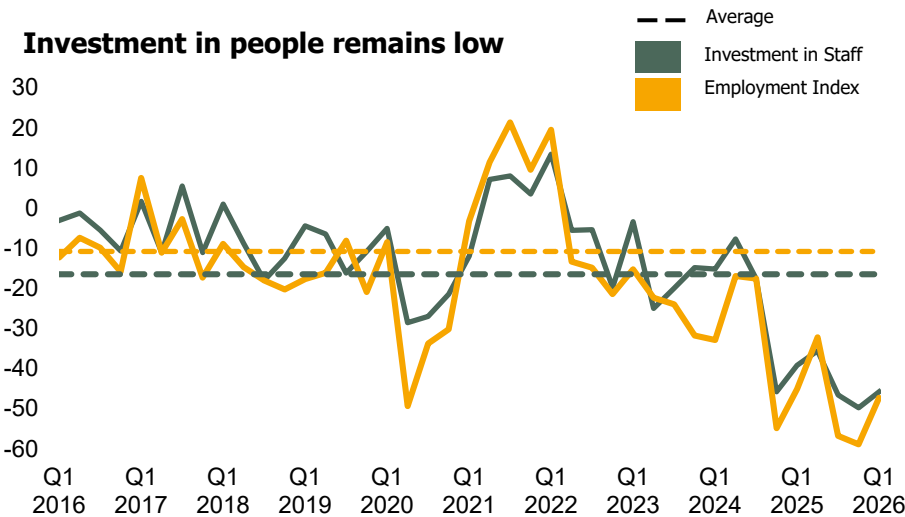
Source ACCA / IMA 2026

## How is SME sentiment changing?

Confidence among UK SMEs was largely unchanged in this quarter, remaining close to its Q4 2024 record low set in the aftermath of the Autumn Budget. There were improvements in some of the other key activity indicators, including the forward-looking New Orders Index. This has now shown improvement in two quarters.

While the gains of varying degrees in the Capital Expenditure and Employment indices were certainly welcome news, both remain quite depressed by historical standards. Meanwhile, cost concerns eased slightly, although almost 80% of respondents still reported increased operating costs.

## Investment in people remains low



Source ACCA / IMA 2026

## Glimmers of hope

Both the employment index and investment in staff indices showed improvement this quarter, following weak performance since Q4 2024. However, both these indices remain significantly below their historical averages.

Both the new orders index and the problems accessing finance index both improved their positions this quarter, they are both trending close to their historic averages, perhaps indicating cautious approaches from UK SMEs.

## What this means for policy makers

Despite improvements in some GECS indices, most notably the new orders index, our measures of corporate stress highlight challenging times for UK SMEs. This quarter's sharp rise in concerns about supply chain reliability and the ability to secure prompt payment demonstrate the need for the government to swiftly implement their recently announced new powers for the Small Business Commissioner.

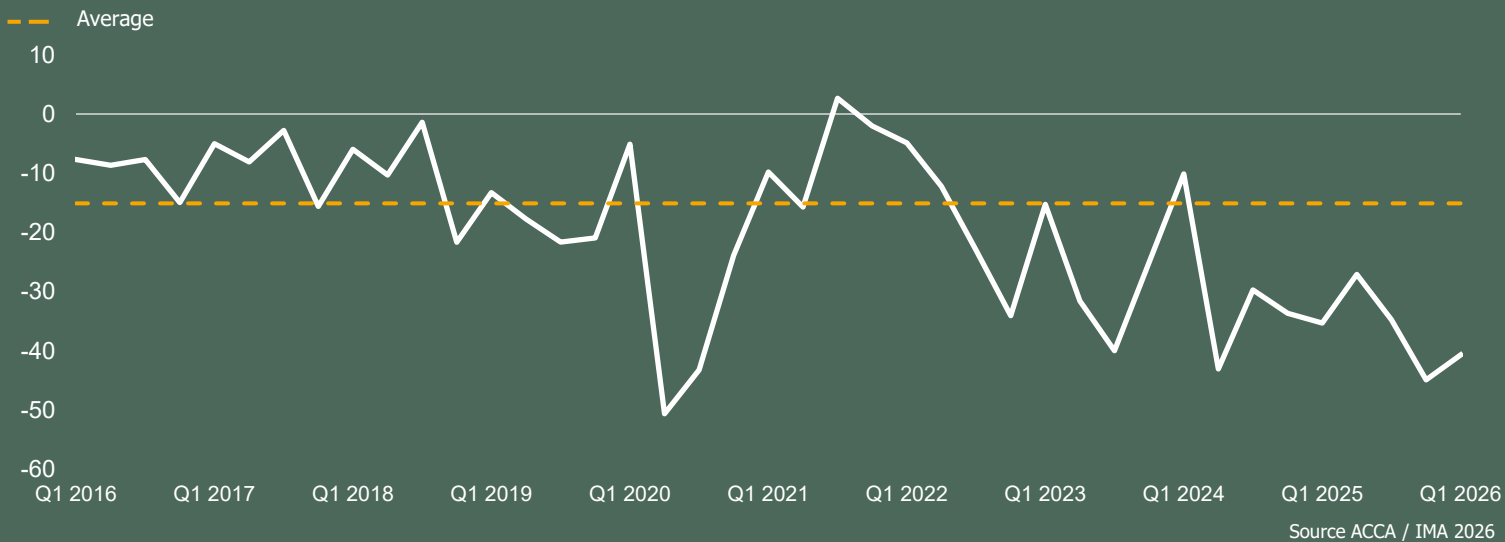
Glenn Collins, Head of Technical and Strategic Engagement, ACCA



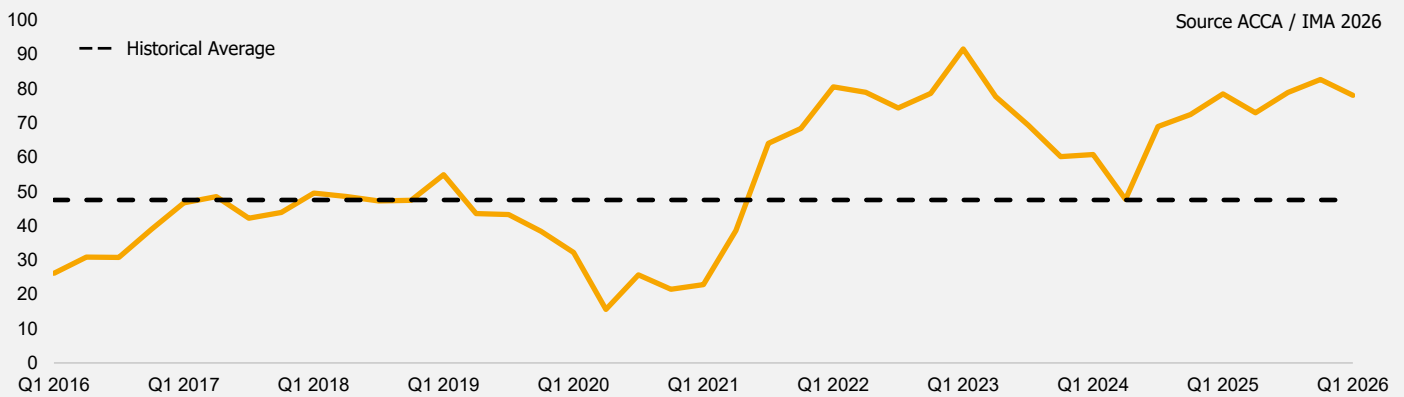
# Supply chain concerns

ACCA conducts the Global Economic Conditions Survey (GECS), jointly with the Institute of Management Accountants (IMA), and it is the world's largest regular survey of accountants, both in terms of the number of respondents and the range of economic variables monitored. Access the full report: [Global Economic Conditions Survey: Q1 2026](#)

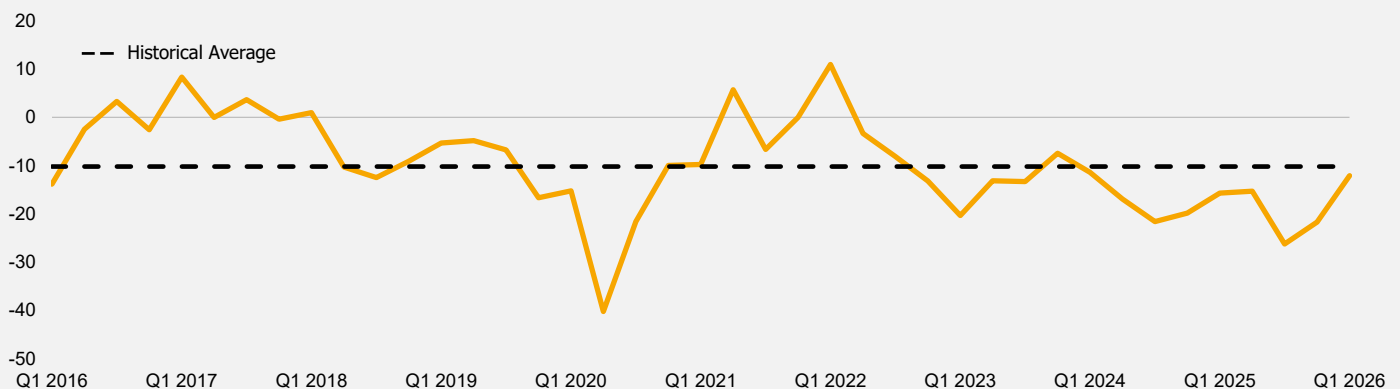
## UK SMEs GECs Capital Expenditure Index



## UK SMEs GECs Increased operating costs



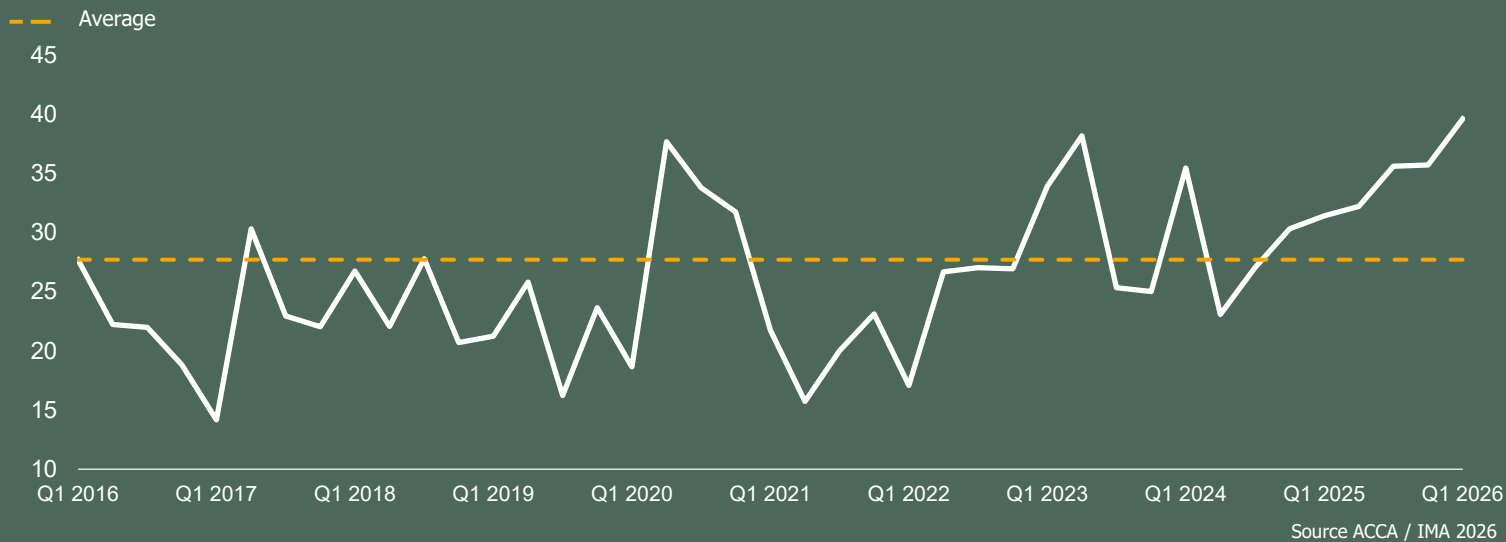
## UK SMEs GECs New Orders Index



# Supply chain concerns

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## UK SMEs GECS Problems securing prompt payment



There was a notable rise in the forward-looking New Orders Index, which has risen for the last two consecutive quarters and is now close to its series average. The rise in the New Orders Index points to signs of recovery in the UK economy, as did gains in some of the other activity indicators.

However, our early indicators of corporate stress appear to be flashing some warning signs. Strikingly, the proportion of survey respondents reporting problems securing prompt payment rose to its highest since Q4 2012, during the euro area crisis, and before the UK economy embarked on a solid economic recovery in 2013. Our supply chain indicators both rose this quarter, with concerns about suppliers going out of business close to pandemic era highs, while those about customers are also becoming elevated by historical standards, albeit they are significantly below their peak in Q2 2020.

Nevertheless, while the survey was carried out after the beginning of hostilities in the Middle East, the economic consequences of developments in the region may increasingly weigh on the UK and global economies over coming months (survey data collected 3<sup>rd</sup> – 19<sup>th</sup> March 2026).

## UK SMEs GECS Concerns about supply chains

