



Policy Voice full results May 2023

Number of respondents: 1026
Survey dates: 12 – 29 May 2023





We are conducting research into how perceived geopolitical tension, particularly in relation to China, but also globally, is impacting businesses' decisions on their supply chain. As part of this, we are looking to talk to organisations that have made a decision about their supply chain as a result of perceived changes in geopolitical tension. Please choose from one of the options below.

We have altered our supply chain as a result of geopolitical tension and would be happy to participate in IoD research on this matter	5.3%
We have altered our supply chain as a result of geopolitical tension but do not wish to participate in IoD research on this matter	9.6%
We are considering altering our supply chain as a result of geopolitical tension but have not done so yet	10.5%
Our supply chain has not been affected by geopolitical tension	42.4%
Don't know	4.8%
N/A	27.4%
Grand Total	100.0%

In our conversations with members, many expressed concerns around bubbling geopolitical pressures, particularly in relation to China. We therefore delved into this further and [wrote a policy paper](#) discussing the findings: businesses are looking for greater stability in their supply chains; they are willing to increase costs in the short-term to achieve this, and they feel that the UK should adopt a more cautious approach to China, balancing the superpower's economic importance with its potential to disrupt global political relations.



Do you think that the government should create a UK industrial strategy, which would define long-term objectives for business in terms of priorities and policies?	
Yes	87.5%
No	8.1%
Don't know	4.4%
Grand Total	100.0%

An overwhelming majority of members agreed in a UK industrial strategy. This data formed the basis of [IoD calls for an industrial strategy](#) especially focused on innovation. This can be achieved both by financing and encouraging world class research, and by creating incentives and regulation that encourage the most innovative companies to scale-up in the UK and to stay here.

What should be the top priorities of a UK industrial strategy? Please select your top three. (respondents: 898)	
Green investment	41.2%
Infrastructure (broadband, energy, transport)	57.1%
Innovation and R&D	73.2%
Local and regional development	25.7%
Sector-specific support and partnerships	21.4%
Skills and vocational education	57.9%
SMEs and start-ups	29.3%
Grand Total	100.0%



The government is consulting on how to address 'carbon leakage', whereby businesses transfer production to other countries with laxer emission constraints to get round UK regulations. What is your view on the following suggested measures?

	Strongly support	Support	Neither support nor oppose	Oppose	Strongly oppose	Don't know
A carbon price tax on imported products	20.1%	22.3%	26.7%	33.4%	30.8%	26.7%
A lower corporation tax payable by firms that are net zero in all global operations	37.1%	24.6%	19.7%	18.3%	20.1%	21.4%
Mandatory product standards, which would set an upper limit on the amount of carbon used to make individual products sold or produced in the UK	18.5%	24.4%	27.3%	30.0%	29.1%	29.0%
Voluntary product standards and low carbon product labelling so consumers can make informed choices based on the carbon footprint of products	24.3%	28.6%	26.3%	18.3%	20.1%	22.9%

We used this data to respond to the Department for Energy Security and Net Zero's call for evidence around addressing carbon leakage risk to support decarbonisation. Read our full response [here](#).

Economic monitoring

The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month. May's results showed business confidence stabilised just below neutral. The most common business concerns were UK economic conditions, skills shortages and the cost of energy. This was reported in City AM.



How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?

	Very optimistic	Quite optimistic	Neither optimistic nor pessimistic	Quite pessimistic	Very pessimistic	Don't know
Wider UK economy	3.4%	29.3%	27.9%	30.4%	8.7%	0.3%
Your (primary) organisation	10.2%	46.6%	29.0%	10.9%	1.9%	1.3%

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

	Business investment	Exports	Headcount	Revenue
Much higher	5.4%	3.3%	2.4%	6.7%
Somewhat higher	32.8%	16.8%	32.7%	48.4%
No change	42.2%	36.1%	47.8%	23.4%
Somewhat lower	12.2%	5.0%	12.1%	15.6%
Much lower	4.4%	1.9%	2.1%	3.2%
Don't know	0.6%	1.5%	0.5%	0.8%
N/A	2.5%	35.6%	2.4%	1.9%



Count of At what point, if at all, do you expect the rate of inflation in the UK to peak before starting to fall back again, or has it already peaked?	
Summer 2023	17.0%
Autumn 2023	17.2%
Winter 2023-2024	11.9%
Spring 2024	8.5%
Summer 2024	2.5%
Autumn 2024	1.6%
Later than Autumn 2024	3.6%
Inflation has already peaked	32.3%
Never	0.6%
Don't know	5.0%
Grand Total	100.0%

Which of the following factors, if any, are having a negative impact on your organisation?	
UK economic conditions	51.9%
Skills shortages/employee skills gaps	45.6%
Cost of energy	45.0%
Business taxes	32.3%
New trading relationship with the EU	32.2%
Compliance with government regulation	26.4%
Global economic conditions	26.3%
Transport cost/speed/reliability	21.2%
Supply chain disruption	18.4%
Difficulty or delays obtaining payment from customers	17.3%
Employment taxes	17.0%
Cost/availability of finance	15.5%
Broadband cost/speed/reliability	12.2%
Coronavirus outbreak	8.5%
None	3.4%
Grand Total	100.0%