

# Latest results from the Decision Maker Panel survey – 2025 Q2

The Decision Maker Panel (DMP) is a survey of Chief Financial Officers from small, medium and large UK businesses. We use it to monitor developments in the economy and to track businesses' views. This is a summary of results up until May 2025.



### **Tariff uncertainty**

Among US exporters, 26% of firms in the DMP reported that tariffs were a top three source of uncertainty.



### **Uncertainty**

Uncertainty around year-ahead sales growth increased in the three months to May.



### **Sales expectations**

22% of firms expected that their sales will be lower in the year ahead as a result of US trade policy changes.

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**Methodology**

During the first half of 2025, the US and some of its trading partners have announced significant changes to tariff policies, and there remains considerable uncertainty about the evolution of global trade policies over coming quarters. The expected impact of these changes on UK activity and inflation is discussed in Box C of the [May 2025 Monetary Policy Report](#). The latest Decision Maker Panel (DMP) survey complements that analysis by asking respondents a set of bespoke questions about the impact of tariff changes and uncertainty about trade policy.

To help evaluate the potential effects, firms in the DMP were asked about their trade exposure to the US and about US trade policy as a source of uncertainty for their business. Firms were also asked to estimate the effects of changes in US trade policy on their year-ahead sales, prices, and investment. Although a majority of firms expect no impact, some expect weaker demand, lower investment and lower UK prices. This analysis helps inform the Monetary Policy Committee about how external trade shocks are filtering through the UK economy.

## Trade exposure of UK firms to the US

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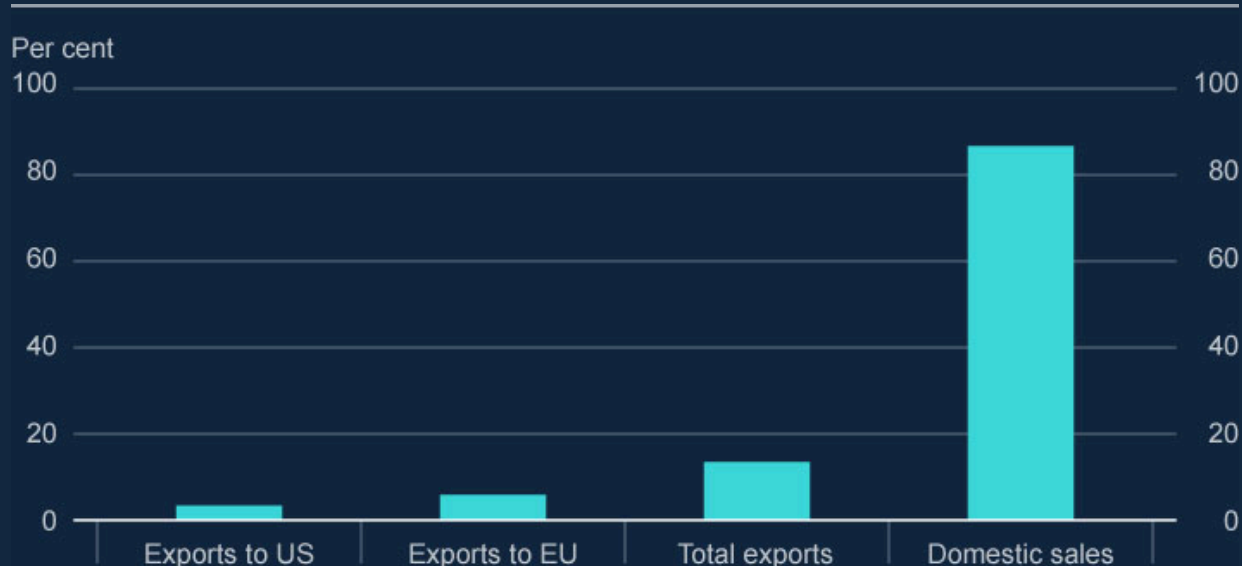
In April and May, firms participating in the DMP were asked to report the percentage of their total sales revenue in 2024 that fell into the following categories: exports to the US, exports to EU countries, exports to other countries and domestic sales.

Direct trade exposure with the US through exports is relatively limited in aggregate, with just 3.4% of firms' total sales attributed to exports to the US for firms in the survey (Chart 1). However, this exposure varies across sectors. For example, exports to the US account for 6.8% of sales revenue for manufacturing firms. Overall, 13% of DMP firms' sales revenue comes from exports to all countries, and 87% is generated from domestic sales.

Additionally, in May firms were asked about the sources of their input costs. On average, 20% of UK firms' total costs in 2024 were linked to imports, with only 1.6% of this coming directly from the US. While this suggests the direct effects of US tariffs are limited for most firms, there may be indirect effects that raise costs through global supply chains. But as discussed in Box C of the May Monetary Policy Report, reduced US demand for imports could place downward pressure on global export prices.

**Chart 1: Exports to the US are a small source of UK firms' sales revenue, on average**

Sources of UK firms' sales revenue (a)



(a) UK firms' sales revenue results are based on the question: 'Approximately, what percentage of your total sales revenue fell into the following categories in 2024?'. Respondents could select values for all of the following options: (i) Exports to the United States (ii) Exports to EU countries (iii) Exports to other countries (iv) Domestic Sales. The results are based on the data collected between April 2025 and May 2025.

## Tariff-related uncertainty

Uncertainty surrounding global trade policies has increased following the significant changes to tariff policy announced by the US and some of its trading partners. Tariffs ranked among the top three sources of uncertainty for 17% of firms in the DMP, based on data from April and May. However, this share is still much lower than corresponding metrics for previous shocks such as Brexit or the Covid-19 pandemic. At its peak, the Covid pandemic was cited as a top three source of uncertainty for 97% of businesses in the DMP, with Brexit being important for almost 60% at its height.

Although tariff uncertainty appears to have been relatively contained overall, there are clear differences depending on firms' exposure to the US. Among US exporters, 26% of businesses reported that tariffs were a top three source of uncertainty, on average over April and May (Chart 2). Meanwhile, only 11% of non-US exporters cited US tariffs as a top three source of uncertainty, as did around 10% of firms which do not export. Tariff uncertainty also

declined from 23% in April to 12% in May. In April, 26% of firms in the DMP reported that they did not consider US tariffs to be an important source of uncertainty. This increased to 47% in the May survey.

While tariff-related uncertainty is likely to have some effect on global growth, UK businesses expect its direct impact on them to be limited. However, tariffs only represent one factor contributing to the overall uncertainty facing firms.

## Chart 2: US tariffs have been a top three source of uncertainty for 26% of US exporters

US tariffs as a source of uncertainty by exporter status (a)



(a) Tariff uncertainty results are based on the question: 'How important are the recent changes in US trade policy as a source of uncertainty for your business?' where respondents could choose from one of the following: (i) Not important (ii) One of many drivers (iii) One of the top two or three drivers of uncertainty for our business (iv) the largest current source of uncertainty for our business. Firms' exporter status is based on the question provided in the notes of Chart 1. The results are based on the data collected between April 2025 and May 2025.

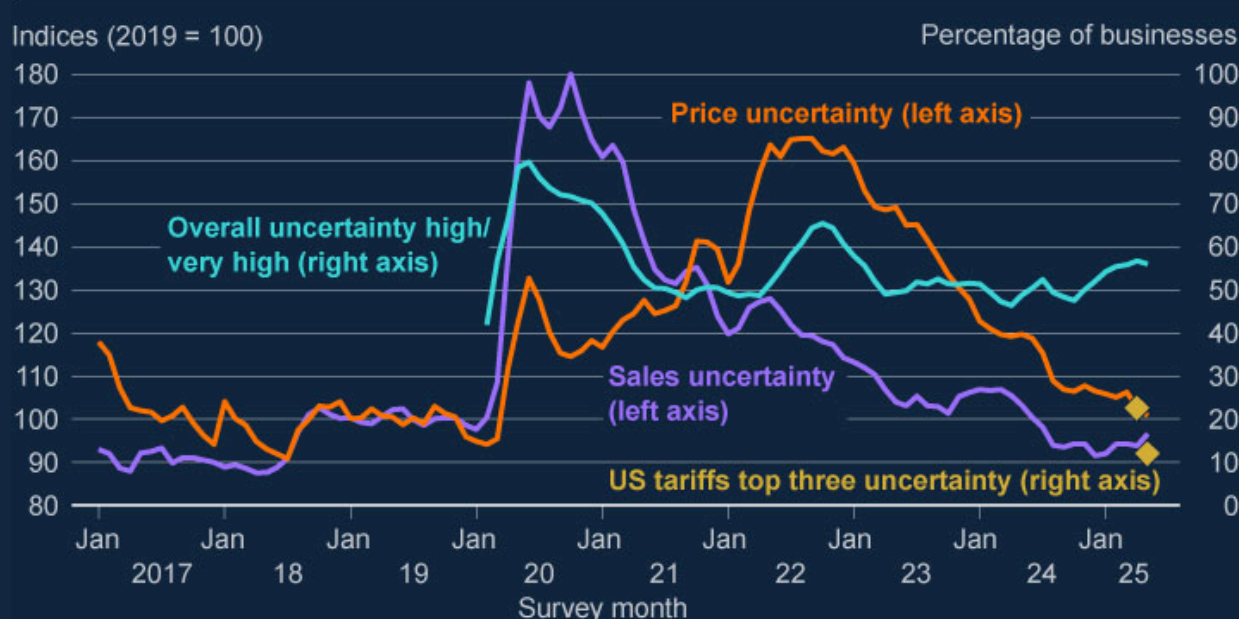
## Overall uncertainty

The DMP survey contains a number of different indicators of overall uncertainty. These have risen modestly over the recent past, consistent with some impact from US tariffs, but they also remain well below earlier peaks. UK firms are asked directly to assess the overall level of uncertainty currently facing their business. In May, 56% of firms reported the overall level of uncertainty facing their business to be high or very high. This was 1 percentage point lower than in April, but it is higher than the average of 55% over 2024 (Chart 3). A measure of

uncertainty around year-ahead sales growth can also be constructed from questions in the DMP that ask about the distribution of firms' expectations. Uncertainty around year-ahead sales growth increased in the three months to May, with a sharper increase in the single month data for May. But these increases are small in comparison to the Covid pandemic and sales uncertainty is still only around its 2019 average. In contrast, uncertainty about year-ahead price growth has continued to fall over recent months.

**Chart 3: 56% of firms reported that the overall level of uncertainty facing their business was high or very high**

Sales, price, overall uncertainty, and tariff uncertainty (a)



(a) Sales uncertainty is the average standard deviation around expected year-ahead sales growth. It is based on the question 'Looking a year ahead from the first/second/third/fourth quarter to the first/second/third/fourth quarter, by what % amount do you expect your sales revenue to have changed in each of the following scenarios? (lowest, low, middle, high and highest)' and respondents were asked to assign a probability to each scenario. Similarly, the price uncertainty index is constructed using the standard deviations of expected firm-level price growth over the next 12 months. The sales and price uncertainty indices are normalised using the average value for 2019, before three-month moving averages are applied. The overall uncertainty data is based on the question 'How would you rate the overall uncertainty facing your business at the moment?'. Respondents could select one of the following options: (i) Very high – very hard to forecast future sales, (ii) High – hard to forecast future sales, (iii) Medium – future sales can be approximately forecasted, (iv) Low – future sales can be accurately forecasted, (v) Very low – future sales can be very accurately forecasted. The chart shows three-month moving average data for price and sales uncertainty and overall uncertainty, and single-month data for US tariff uncertainty.

## Tariff impacts on sales and investment

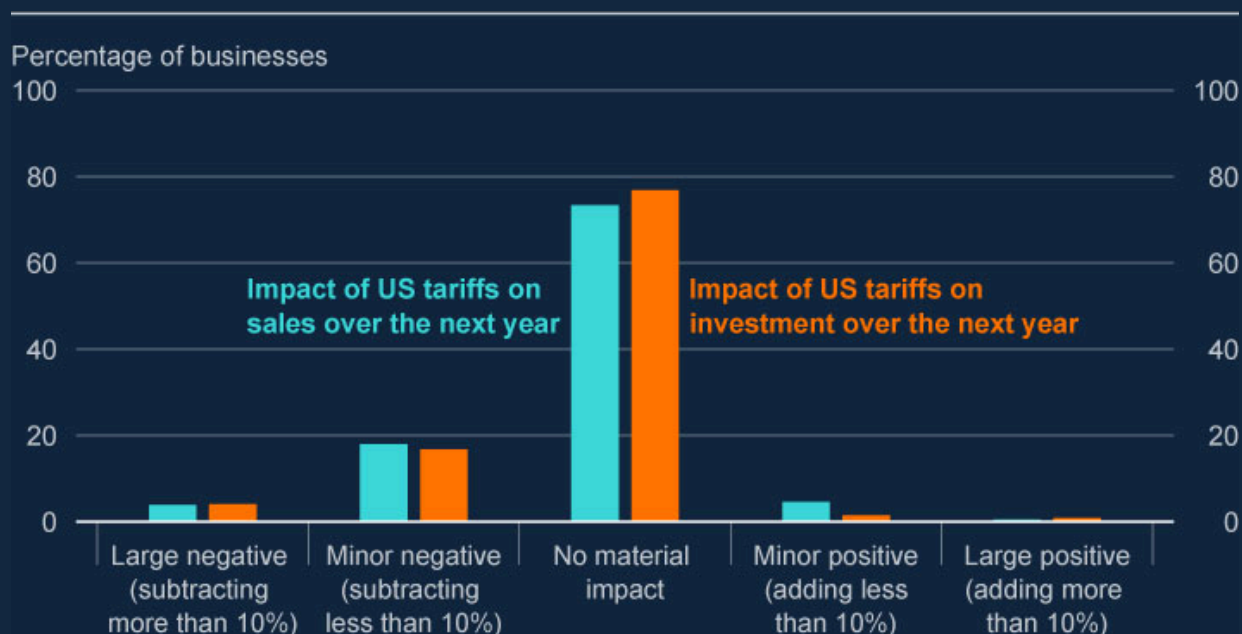
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The DMP survey asked firms how they expected the implementation of new US tariffs to affect their sales and investment over the next year. In May, 73% of firms expected no impact on their sales. 22% of firms expected that their sales would be lower in the year ahead as a result of US trade policy changes, with around 5% expecting a positive impact (Chart 4). This was a less negative impact on sales than firms reported in April when 29% had expected some negative effect, and a greater share had expected that impact to be more than 10%. This shift in sentiment is likely to have partly reflected the announcements of a 90-day tariff pause on 9 April and a UK/US trade deal on 8 May. Firms that export directly to the US were more likely to expect tariffs to lower their sales, relative to what would have otherwise happened. 47% of firms who have some exports to the US expected tariffs to reduce their sales over the next year to May, compared to 15% of firms with no US exports.

The impacts of higher US tariffs on investment were expected to be similar to those on sales. In the May survey, 77% of firms expected no impact on their year-ahead investment while, 21% of businesses expected a negative impact. Lower sales growth may be one factor that leads firms to invest less, but increased uncertainty is likely to be important too. Firms who viewed US tariffs as an important source of uncertainty were also more likely to expect to lower their investment.

### Chart 4: A majority of firms expect US tariffs to have no material impact on their sales and investment

Expected impact of US tariffs on sales and investment over the next year (a)



(a) US tariff impact on sales and investment results are based on the questions: 'How do you expect the recent changes to US trade policy to affect the capital expenditure of your business over the next year?' and 'How do you expect the recent changes to US trade policy to affect the SALES of your business over the next year?'. Respondents could select one of the following options: (i) A large positive influence, adding more than 10% (ii) A minor positive influence, adding less than 10% (iii) No material impact (iv) A minor negative influence, subtracting less than 10% (v) A large negative influence, subtracting more than 10%. Results are based on data collected in May 2025 only.

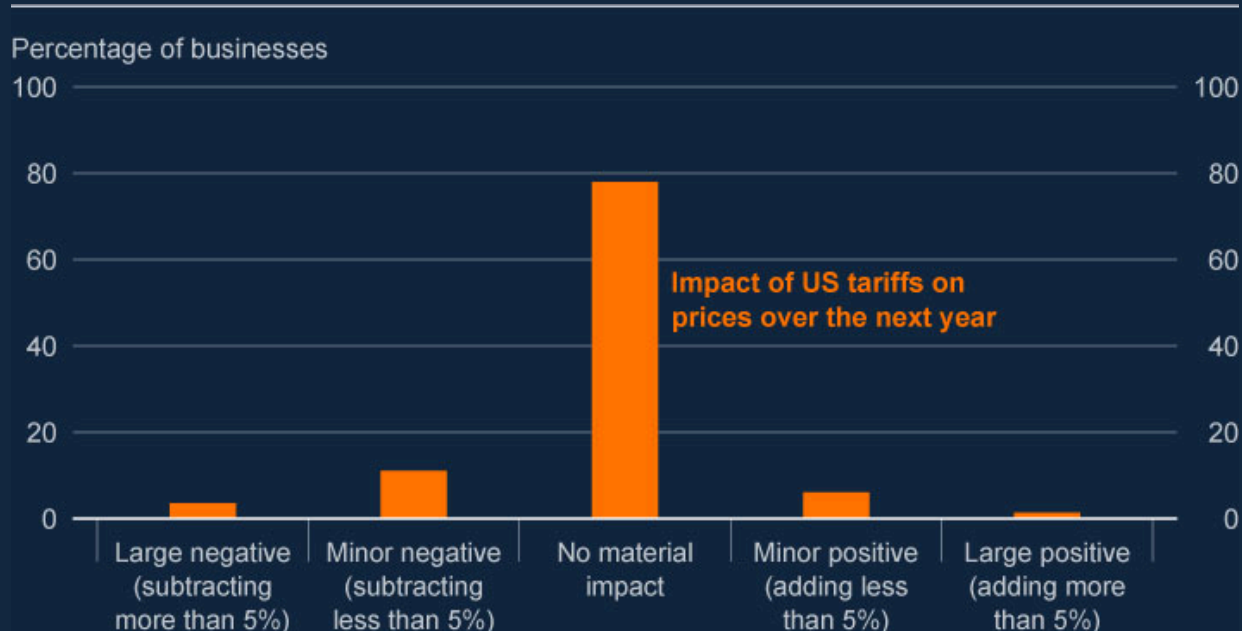
## Prices

The DMP survey asked firms how they expect changes in US trade policy to affect their prices over the next year. 15% of firms expected tariffs to lower their prices, while 7% expected higher prices. So a net balance of firms expect US tariffs to lead to lower UK prices.



### Chart 5: A majority of firms expect US tariffs to have no material impact on their UK prices

Expected impact of US tariffs on prices over the next year (a)



(a) Tariff impacts on prices results are based on the questions: 'How do you expect the recent changes to US trade policy to affect the average price that your business charges over the next year? Please include any impacts from tariffs on UK goods exports and the effects of additional tariffs on goods entering the US from other countries'. Respondents could select one of the following options: (i) A large positive influence, adding more than 5% (ii) A minor positive influence, adding less than 5% (iii) No material impact (iv) A minor negative influence, subtracting less than 5% (v) A large negative influence, subtracting more than 5%. Results are based on data collected in May 2025 only.

The DMP survey also asks firms how their overall average prices had changed over the past year and what changes they expect over the next 12 months. Firms' own-price growth has declined gradually in 2025, from 3.8% in the three months to January to 3.5% in the three months to May (Chart 6). The single-month data for May fell by 0.1 percentage points to 3.4%.

Firms' expected year-ahead own-price growth has fallen slightly over 2025, having risen towards the end of 2024. It was 3.7% in the three months to May, compared to 3.9% in the three months to January. That modest decline could be consistent with a small downward impact of tariffs, although domestic factors are still likely to be the main determinant of firms' pricing decisions. But firms still expect a small increase of 0.2 percentage points in their own-price inflation over the year ahead.

**Chart 6: Expected year-ahead own-price growth fell in May**

Realised and expected annual own-price growth (three-month averages) (a)



(a) Realised and expected annual own-price growth results are based on the questions: 'Looking back, from 12 months ago to now, what was the approximate % change in the average price you charge, considering all products and services?' and 'Looking ahead, 12 months from now, what approximate % change in your average price would you expect in each of the following scenarios: lowest, low, middle, high, highest?'. For the last question, respondents were then asked to assign a probability to each scenario. A point estimate is constructed by combining the five scenarios with the probabilities attached to them. Three-month averages are presented in the solid lines, and the monthly data are presented in the dotted lines.

## Methodology

The DMP consists of the Chief Financial Officers of small, medium, and large UK businesses operating in a broad range of industries.

We survey panel members to monitor developments in the UK economy and to track businesses' views on them. This work complements the intelligence gathered by our [Agents](#).

This note is a summary of surveys conducted with DMP members up to May 2025. The May survey was in the field between 9 and 23 May and received 2,129 responses.

Further [monthly data from the May survey](#) for a limited number of DMP series was published on 5 June 2025. Aggregate level data for all survey questions are published on a quarterly basis. [Data from the February to April surveys](#) were released on 8 May. More information can also be found on the [DMP website](#) [↗](#).

The panel was set up in August 2016. It is run by the Bank of England in collaboration with King's College London and the University of Nottingham. It was designed to be representative of the population of UK businesses. All results are weighted using employment data. See [Bunn et al \(2024\)](#) for more details.

The DMP receives funding from the Economic and Social Research Council.