West Midlands
Economic Impact Monitor

WM REDI | CITY REDI

Issue 121 Publication Date 02/06/25

This monitor aims to pull together information across regional partners to understand local economic developments and disseminate local research. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging data and policy.

Fragile growth, rising trade tensions and increased cost pressures are shaping the national and regional economic outlook. In this context business leaders have warned that firms are seeking a 'platform of stability'. Trade deals between the UK and the US and between the UK and India are viewed as positive. Curbs on immigration set out in the Immigration Bill announced in May 2025 threaten to disrupt the delicate balance between reducing reliance on immigration and driving economic growth.

Global trends

- In their latest World Economic Outlook the International Monetary Fund has revised forecasts for global growth downwards compared with those at the start of the year. This reflects high levels of tariffs and a highly unpredictable environment. Global headline inflation is expected to decline at a slightly slower pace than what was expected in January 2025.
- Divergent and swiftly changing policy positions or deteriorating sentiment could lead to even tighter global financial conditions.

National trends

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.1% in the 12 months to April 2025, up from 3.4% in the 12 months to March 2025. On a monthly basis, CPIH rose by 1.2% in April 2025, compared with a rise of 0.5% in April 2024.
- The latest ONS release on Business Insights and Impact on the UK Economy revealed that economic uncertainty was the most reported challenge affecting turnover for trading businesses in early May 2025, at 30%, down 3 percentage points from early April 2025. For businesses with 10 or more employees, the most commonly reported challenge was cost of labour at 39%.
- Around half (46%) of trading businesses with 10 or more employees cited labour costs as a reason for considering raising their prices in June 2025; this is 7 percentage points higher than June 2024.

Regional trends

- The latest State of the Region report published by the WMA reveals that CO_2 emissions per capita in the WMCA area have consistently decreased from2013 to 2022. Over time, differences between local authorities have narrowed, indicating a convergence toward lower emissions. Industry emissions in the West Midlands decreased from 1.5 tonnes per capita in 2018 to 1.2 tonnes in 2020. Domestic CO_2 emissions in the WMCA area decreased from 1.4 tonnes per capita in 2018 to 1.1 tonnes in 2022, an 18% reduction.
- In 2023, 60.7% of residents in the WMCA area aged 16 to 64 held at least one Level 3 qualification (A-level or equivalent) or higher. This is an increase from 59.3% in 2022, though it continues to lag behind the wider West Midlands region (63.6%) and England (67.4%).

Gross Value Added (GVA)

- The WMCA area total GVA increased from £76.1bn in 2022 to £76.9bn in 2023. This equated to a 1.0% (+£774m) annual increase which was above the UK growth rate of 0.3%. However, when compared to 2018, the WMCA total GVA was 1.2% lower (-£963m) while for UK-wide GVA there was an increase of 4.4%.
- Within the WMCA, there was annual growth across five of the seven local authorities, with decreases in Dudley (-3.7%) and Wolverhampton (-0.8%) but with notable strong growth in Birmingham (+2.7%) and Solihull (+1.2%). When compared to five years ago, Birmingham was the only local authority within the WMCA area that had increased (+3.0%).
- In 2023, GVA per head in the WMCA area was £25,794. This is a gap of £7,498 to the UK GVA per head figure (£33,292).
- Business, professional & financial services remained the largest sector in terms of GVA at £24.3bn (31.7% of the total, compared with the UK at 34.5%).

Business activity

- The West Midlands Business Activity Index increased from 48.7 in February 2025 to 49.6 in March 2025, a four-month high. Some firms suggested that constrained client budgets affected output, while others reported growth amid the start of new projects and tentative signs of improving demand. The UK Business Activity Index increased from 50.5 in February 2025 to 51.5 in March 2025.
- The West Midlands Future Business Activity Index decreased from 74.3 in February 2025 to 68.5 in March 2025. Firms cited new product releases, efficiency gains and tech investment as supportive factors.

Business births and deaths

- Nationally the number of IDBR business creations in the UK in Q1 2025 was 89,515. This figure is 2.8% higher than the number of business creations in Q1 2024. The number of business creations increased in 12 out of 16 main industrial groups during this quarter compared with Q1 2024. The most significant rise came in retail (up 9.7%).
- The number of business births in the WMCA area in Q1 2025 was 3,820. This figure was 3.5% (-140) lower than the number of business births in Q1 2024 while the UK had growth of 2.8%.
- The number of business deaths in the WMCA area in Q1 2025 was 3,860. This figure was 5.7% (-235) lower than the number of business deaths in Q1 2024; the UK fell by 4.4%.

Regional labour market trends

- For the three months ending March 2025, the West Midlands Region employment rate (aged 16–64 years) was 72.7%. Since the three months ending December 2024, the employment rate decreased by 1.5 percentage points (pp), this was the second highest fall (behind just the North East at -2.3pp). When compared to the same period in the previous year, the employment rate was 1.2pp lower. The UK employment rate was 75.0%, remaining unchanged when compared to the previous quarter and an increase of 0.5pp when compared to the previous year.
- For the three months ending March 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5%, which has increased by 0.2pp since the previous quarter but was 0.6pp lower when compared to the previous year. The UK unemployment rate was also 4.5%, with a 0.2pp increase from the previous quarter and also 0.2pp higher when compared to the previous year.
- For the three months ending March 2025, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 23.8%, an increase of 1.6pp from the previous quarter and also an increase of 1.6pp when compared to the previous year. The UK economic inactivity rate was 21.4%, a decrease of 0.2pp when compared to the previous quarter and a 0.7pp decrease from the previous year.
- There were 148,505 claimants in the WMCA area in April 2025. Since March 2025, there has been an increase of 0.5% (+670) claimants in the WMCA area, while the UK remained broadly unchanged (only decreasing by 0.03%). When compared to April 2024 claimants have increased by 18.4% (+23,070) in the WMCA area, with the UK increasing by 9.3%.
- There were 27,735 youth claimants in the WMCA area in April 2025. Since March 2025, there has been an increase of 1.4% (+375) youth claimants in the WMCA area, the UK increased by 0.6%. When compared to April 2024, youth claimants have increased by 12.1% (+2,990) in the WMCA area, with the UK increasing by 9.9%.
- For the WMCA area, 42.0% (763,100) of the working age population had RQF4+ qualifications in 2024, an increase of 0.6% (+4,600) since 2023. While for the UK, 47.4% were qualified to RQF4+ levels, an annual increase of 1.3%.
- In 2024 the WMCA occupied a middle position amongst all Combined Authorities for those qualified to RQF4+ level. West of England Combined Authority scored highest at 58.4%.
- For the WMCA area 10.3% (187,700) of the working age population had no qualifications in 2024, an increase of 14.5% (+23,700) since 2023. For the UK, 6.8% had no qualifications, an annual increase of 2.7%.

Global, National and Regional Outlook
Alice Pugh, City-REDI

Global

International Monetary Fund- World Economic Outlook
In the latest release of the IMF's world economic outlook the following key summary points were highlighted:

After enduring a prolonged and unprecedented series of shocks, the global economy appeared to have stabilized, with steady yet underwhelming growth rates. However, the landscape has changed as governments around the world reorder policy priorities and uncertainties have climbed to new highs. Forecasts for global growth have been revised markedly downwards compared with the January 2025 World Economic Outlook (WEO) Update, reflecting effective tariff rates at levels not seen in a century and a highly unpredictable environment. Global headline inflation is expected to decline at a slightly slower pace than what was expected in January 2025.

Intensifying downside risks dominate the outlook, amid escalating trade tensions and financial market adjustments. Divergent and swiftly changing policy positions or deteriorating sentiment could lead to even tighter global financial conditions. Ratcheting up a trade war and heightened trade policy uncertainty may further hinder both short-term and long-term growth prospects. Scaling back international cooperation could jeopardize progress toward a more resilient global economy.

At this critical juncture, countries should work constructively to promote a stable and predictable trade environment and to facilitate international cooperation, while addressing policy gaps and structural imbalances at home. This will help secure both internal and external economic stability. To stimulate growth and ease fiscal pressures, policies that promote healthy ageing and enhance labour force participation among older individuals and women could be implemented. Additionally, productivity growth can be fostered with better integration of migrants and refugees and mitigation of skill mismatches.

Read the full report here.

National

Consumer price inflation
In the ONS's latest release on Consumer price inflation, the key findings were highlighted:

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.1% in the 12 months to April 2025, up from 3.4% in the 12 months to March 2025.
- On a monthly basis, CPIH rose by 1.2% in April 2025, compared with a rise of 0.5% in April 2024.
- The Consumer Prices Index (CPI) rose by 3.5% in the 12 months to April 2025, up from 2.6% in the 12 months to March 2025.
- On a monthly basis, CPI rose by 1.2% in April 2025, compared with a rise of 0.3% in April 2024.
- The largest upward contributions to the monthly change in both CPIH and CPI annual rates came from housing and household services, transport, and recreation and culture; the largest, partially offsetting, downward contribution came from clothing and footwear.
- Core CPIH (CPIH excluding energy, food, alcohol and tobacco) rose by 4.5% in the 12 months to April 2025, up from 4.2% in the 12 months to March; the CPIH goods annual rate rose from 0.6% to 1.7%, while the CPIH services annual rate rose from 5.4% to 5.8%.
- Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 3.8% in the 12 months to April 2025, up from 3.4% in the 12 months to March; the CPI goods annual rate rose from 0.6% to 1.7%, while the CPI services annual rate rose from 4.7% to 5.4%.

Business insights and impact on the UK economy

In the ONS's latest release on Business insights and impact on the UK economy, the key findings were highlighted:

- Approximately 1 in 7 (14%) trading businesses reported that their turnover had increased in April compared with the previous calendar month, down 4 percentage points from March; in contrast, 24% reported that their turnover had decreased, remaining broadly stable over the same period.
- Around 1 in 7 (14%) trading businesses reported that they expect their turnover to decrease in June 2025; although down 2 percentage points from expectations for May 2025, this proportion is 4 percentage points higher than June 2024, suggesting that businesses are more pessimistic than they were at this time last year.
- Economic uncertainty was the most reported challenge affecting turnover for trading businesses in early May 2025, at 30%, down 3 percentage points from early April 2025; for businesses with 10 or more employees, the most commonly reported challenge was cost of labour at 39%, down 2 percentage points over the same period.
- More than 3 in 10 (32%) trading businesses reported an increase in the prices of goods or services bought in April 2025, when compared with the previous month; this is broadly stable with March 2025, after a steady increase of 13 percentage points from October 2024.
- Around half (46%) of trading businesses with 10 or more employees cited labour costs as a reason for considering raising their prices in June 2025; while this is down 8 percentage points from May 2025, it is 7 percentage points higher than June 2024.
- In early May 2025, 8% of businesses reported that they were currently experiencing worker shortages, which is broadly stable since March 2024; this percentage rose to 18% for businesses with 10 or more employees, which is broadly stable since October 2024.

Young people not in education, employment or training

In the ONS's latest release on Young people not in education, employment or training, the key findings were highlighted:

- Estimates from January to March 2025 include the full effect of recent improvements in Labour Force Survey (LFS) data collection and sampling methods introduced from January 2024 and are therefore more likely to be representative of labour market conditions.
- An increased amount of volatility will remain in the estimates from mid-2023 and throughout 2024, so caution is advised when interpreting change involving those periods.
- Estimates such as young people not in employment, education or training will likely continue to see greater volatility compared with more aggregated measures because of smaller population subgroups compared with the headline rates, despite improved sample sizes.
- LFS estimates are weighted to 2022 mid-year population estimates for periods from January to March 2019; the number of young people age 16 to 24 years not in education, employment or training (NEET) estimates have a discontinuity at this point.
- There was a decrease in the number of young people aged 16 to 24 years NEET in January to March 2025; the total is currently estimated to be 923,000, down from 930,000 in January to March 2024.

Private rent and house prices

In the ONS's latest release on private rent and house prices, the key findings were highlighted:

- Average UK monthly private rents increased by 7.4%, to £1,335, in the 12 months to April 2025 (provisional estimate); this annual growth rate is down from 7.7% in the 12 months to March 2025.
- Average rents increased to £1,390 (7.5%) in England, £795 (8.7%) in Wales, and £999 (5.1%) in Scotland, in the 12 months to April 2025.
- In Northern Ireland, average rents increased to £843 (7.8%) in the 12 months to February 2025.
- In England, private rents annual inflation was highest in the North East (9.4%) and lowest in Yorkshire and The Humber (4.0%), in the 12 months to April 2025.
- Average UK house prices increased by 6.4%, to £271,000, in the 12 months to March 2025 (provisional estimate); this annual growth rate is up from 5.5% in the 12 months to February 2025.
- Average house prices increased to £296,000 (6.7%) in England, £208,000 (3.6%) in Wales, and £186,000 (4.6%) in Scotland, in the 12 months to March 2025.

Regional

West Midlands State of the Region 2024-25

The WMCA has released the West Midlands State of the Region report, which reviews the region's performance in several socio-economic domains. Some of the key findings from the report include:

- CO_2 emissions per capita in the WMCA area have consistently decreased from2013 to 2022. Over time, differences between local authorities have narrowed, indicating a convergence toward lower emissions. Industry emissions in the West Midlands decreased from 1.5 tonnes per capita in 2018 to 1.2 tonnes in 2020. Domestic CO_2 emissions in the WMCA area decreased from 1.4 tonnes per capita in 2018 to 1.1 tonnes in 2022, an 18% reduction.
- From 2021 to 2022, the WMCA economy grew by 3.2% Gross Domestic Product (GDP) and 3.3% Gross Value Added (GVA) in real terms, reflecting continued recovery from the pandemic. However, the economy remains slightly smaller than pre-pandemic levels. Growth was uneven across the region, with Wolverhampton experiencing a 5.9% GDP growth, while Sandwell had a GDP growth of 0.9%.
- In 2023, 60.7% of residents in the WMCA area aged 16 to 64 held at least one Level 3 qualification (A-level or equivalent) or higher. This is an increase from 59.3% in 2022, though it continues to lag behind the wider West Midlands region (63.6%) and England (67.4%). Research indicates that individuals with Level 3 qualifications are more likely to be employed, earn higher wages, and are less likely to claim out-of-work benefits compared to those with Level 2 qualifications or below.
- Life expectancy at birth in the WMCA region is slightly below the England average, with a difference of 0.6 years for females and 0.7 years for males. Solihull has the highest life expectancy, while Wolverhampton and Sandwell have the lowest. This disparity highlights the inequalities in health outcomes across the region.

Read the full report here

Gross Value Added: Released April 2025[1]
The Economic Intelligence Unit

*This **briefing mainly covers balanced Gross Value Added (GVA) on a Chained Volume Measures (CVM) in 2022 money value basis** (meaning the effects of inflation are removed by considering changes in quantity between consecutive periods, holding prices from previous periods constant). GVA is the favoured option as it shows values generated by any unit engaged in production and the contributions of individual sectors or industries to Gross Domestic Product (GDP). However, figures for GDP in current prices (include the effects of inflation) and real prices (constant price 'KP' - the effects of inflation removed by holding prices throughout the series at the level in a chosen base year) has been included as a total measure of goods and services produced (no industrial breakdown) and aligns to the ONS publication.*

Analysis covers the fifteen currently agreed combined authorities, twelve of which match ITL2 subregions, and the other three are included as city and enterprise regions (CER).

Please note – figures have been revised and the figures are consistent with those published in the UK National Accounts, The Blue Book: 2024.

Total GVA

- The WMCA area total GVA increased from £76.1bn in 2022 to £76.9bn in 2023. This equated to a 1.0% (+£774m) annual increase which was above the UK growth rate of 0.3%. However, when compared to 2018, the WMCA total GVA was 1.2% lower (-£963m) while for UK-wide GVA there was an increase of 4.4%.

- Within the WMCA, there was annual growth across five of the seven local authorities, with decreases in Dudley (-3.7%) and Wolverhampton (-0.8%) but with notable strong growth in Birmingham (+2.7%) and Solihull (+1.2%). When compared to five years ago, Birmingham was the only local authority within the WMCA area that had increased (+3.0%).

Trends in Total GVA in the WMCA and UK-Wide (figures in £m):

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Birmingham	£31,721	£31,589	£27,614	£30,406	£31,839	£32,684	2.7%	3.0%
Solihull	£10,407	£10,354	£8,837	£9,192	£9,833	£9,955	1.2%	-4.3%
Coventry	£11,317	£11,189	£9,685	£10,620	£10,807	£10,898	0.8%	-3.7%
Dudley	£5,924	£5,885	£5,112	£5,756	£5,867	£5,649	-3.7%	-4.6%
Sandwell	£7,356	£7,051	£6,559	£6,792	£6,720	£6,751	0.5%	-8.2%
Walsall	£5,393	£5,187	£4,500	£5,066	£5,073	£5,091	0.4%	-5.6%
Wolverhampton	£5,948	£5,953	£5,132	£5,832	£5,977	£5,931	-0.8%	-0.3%
WMCA	**£77,852**	**£77,025**	**£67,233**	**£73,580**	**£76,115**	**£76,889**	**1.0%**	**-1.2%**
UK	£2,177,061	£2,215,197	£1,998,242	£2,169,937	£2,266,082	£2,272,688	0.3%	4.4%

- In 2023, out of the fifteen Combined Authorities, the WMCA had the second highest GVA, behind Greater Manchester Combined Authority (£92.2bn) down to Hull & East Yorkshire with the lowest (£15.5bn), followed very closely by Tees Valley. In terms of the latest annual percentage change, there was a real mixed picture across the areas, the WMCA was the sixth highest Combined Authority, with the West of England the highest (+3.1%). However, there were six Combined Authorities that decreased with the largest being Tees Valley (-1.4%).

Trends in Total GVA in Combined Authorities and UK-Wide (figures in £m):

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Cambridgeshire & Peterborough	£29,405	£29,870	£28,121	£30,070	£30,695	£31,448	2.5%	6.9%
Devon & Torbay (CER)	£21,889	£22,327	£19,601	£23,344	£23,961	£23,781	-0.8%	8.6%
East Midlands	£54,985	£55,668	£52,515	£55,877	£56,927	£56,621	-0.5%	3.0%
Greater Lincolnshire (CER)	£26,029	£26,752	£24,242	£27,734	£27,213	£26,937	-1.0%	3.5%
Greater Manchester	£80,810	£82,549	£77,516	£84,160	£91,098	£92,220	1.2%	14.1%

[1] Office for National Statistics (ONS): Regional economic activity by gross domestic product, UK: 1998 to 2023 - released April 2025.

Hull & East Yorkshire (CER)	£14,465	£14,659	£13,045	£15,330	£15,335	£15,446	0.7%	6.8%
Lancashire	£37,474	£38,124	£34,509	£38,512	£39,584	£39,573	0.0%	5.6%
Liverpool City Region	£36,827	£38,181	£34,013	£38,237	£39,644	£39,873	0.6%	8.3%
North East	£44,341	£45,775	£40,284	£45,007	£46,656	£48,073	3.0%	8.4%
South Yorkshire	£29,936	£30,434	£28,253	£30,825	£32,458	£32,364	-0.3%	8.1%
Tees Valley	£15,125	£15,192	£13,765	£15,021	£15,708	£15,486	-1.4%	2.4%
WMCA	**£77,852**	**£77,025**	**£67,233**	**£73,580**	**£76,115**	**£76,889**	**1.0%**	**-1.2%**
West of England	£34,931	£35,999	£33,191	£37,390	£38,792	£40,004	3.1%	14.5%
West Yorkshire	£63,279	£63,584	£57,219	£64,032	£67,457	£67,721	0.4%	7.0%
York & North Yorkshire	£23,657	£23,996	£21,722	£24,628	£25,762	£26,077	1.2%	10.2%
UK	£2,177,061	£2,215,197	£1,998,242	£2,169,937	£2,266,082	£2,272,688	0.3%	4.4%

GVA per Head

- In 2023, GVA per head in the WMCA area was £25,794. This was an annual decrease of 0.1% (-£21), the UK decreased by 0.7%. When compared to 2018, GVA per head has decreased by 3.7% (-£986) while for the UK there was an increase of 1.4%.

- In 2023 the WMCA area had a gap of £7,498 to the UK GVA per head figure (£33,292).

- Within the WMCA, there was an annual decline in five of the local authorities, with growth seen in Birmingham and Solihull. When compared to five years ago, Birmingham was the only local authority within the WMCA area that had increased (+1.3%). In 2023, GVA per head in Solihull was above the national average.

Trends in GVA per Head in the WMCA and UK-Wide:

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Birmingham	£27,679	£27,453	£24,040	£26,595	£27,585	£28,030	1.6%	1.3%
Solihull	£48,427	£47,864	£40,830	£42,423	£45,150	£45,500	0.8%	-6.0%
Coventry	£33,012	£32,553	£28,097	£30,859	£30,624	£30,213	-1.3%	-8.5%
Dudley	£18,455	£18,271	£15,851	£17,788	£18,056	£17,292	-4.2%	-6.3%
Sandwell	£21,829	£20,726	£19,210	£19,866	£19,502	£19,424	-0.4%	-11.0%
Walsall	£19,062	£18,226	£15,813	£17,813	£17,724	£17,632	-0.5%	-7.5%
Wolverhampton	£22,661	£22,590	£19,504	£22,069	£22,312	£21,771	-2.4%	-3.9%
WMCA	£26,780	£26,369	£23,013	£25,214	£25,815	£25,794	**-0.1%**	**-3.7%**
UK	£32,820	£33,222	£29,915	£32,365	£33,521	£33,292	-0.7%	1.4%

- In 2023, out of the fifteen Combined Authorities, the WMCA came sixth highest, with the West of England the highest at £40,727 down to Tees Valley with the lowest at £22,157. There were only four areas where there were annual increases, the highest was in the North East (+2.0%) while in contrast, Tees Valley decreased by 2.8%.

Trends in GVA per Head in Combined Authorities and UK-Wide

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Cambridgeshire & Peterborough	£33,540	£33,879	£31,775	£33,515	£33,816	£34,217	1.2%	2.0%
Devon and Torbay (CER)	£23,589	£23,872	£20,863	£24,473	£24,817	£24,444	-1.5%	3.6%
East Midlands	£25,149	£25,362	£23,895	£25,352	£25,533	£25,146	-1.5%	0.0%
Greater Lincolnshire (CER)	£23,965	£24,554	£22,221	£25,292	£24,656	£24,241	-1.7%	1.2%
Greater Manchester	£28,617	£28,985	£27,140	£29,329	£31,294	£31,276	-0.1%	9.3%
Hull and East Yorkshire (CER)	£23,893	£24,122	£21,433	£25,145	£24,935	£24,830	-0.4%	3.9%
Lancashire	£24,927	£25,183	£22,700	£25,136	£25,515	£25,200	-1.2%	1.1%
Liverpool City Region	£23,898	£24,695	£21,997	£24,633	£25,248	£25,138	-0.4%	5.2%
North East	£22,671	£23,330	£20,522	£22,856	£23,411	£23,888	2.0%	5.4%
South Yorkshire	£21,811	£22,144	£20,577	£22,422	£23,345	£23,001	-1.5%	5.5%
Tees Valley	£22,456	£22,519	£20,409	£22,143	£22,794	£22,157	-2.8%	-1.3%
WMCA	**£26,780**	**£26,369**	**£23,013**	**£25,214**	**£25,815**	**£25,794**	**-0.1%**	**-3.7%**
West of England	£37,231	£38,108	£34,901	£39,169	£39,995	£40,727	1.8%	9.4%
West Yorkshire	£27,211	£27,175	£24,386	£27,243	£28,379	£28,192	-0.7%	3.6%

York & North Yorkshire	£29,147	£29,460	£26,716	£30,017	£31,113	£31,252	0.4%	7.2%
UK	£32,820	£33,222	£29,915	£32,365	£33,521	£33,292	-0.7%	1.4%

GVA by Sector[2] – WMCA and UK

- Of the ten defined sectors, there were annual increases in six for the WMCA area (the UK only increased in four). For the WMCA, the highest value annual increase was for advanced manufacturing, by £710m (+8.4%). The four declines were in life science & healthcare (-2.3%), logistics & transport technologies (-5.1%), low carbon & environmental technologies (-9.0%) and tourism (-5.7%).

- Of the WMCA ten sectors, business, professional & financial services remained the largest in terms of GVA at £24.3bn (31.7% of the total, UK 34.5%) and this sector increased by 0.6% (+£155m) over the year.

- In 2023, the WMCA area had a higher proportion when compared to the UK in four sectors, these are highlighted in green in the following table. There is a further one sector that is highlighted in blue which matched the national average proportion.

GVA by Sector for the WMCA and UK-Wide:

	WMCA					UK			
	2022	2023	Percent Change	Num. Change	Percent of 2023 total	2022	2023	Percent Change	Percent of 2023 total
	£ Millions			£ Millions		£ Millions			
Advanced Manufacturing	£8,459	£9,169	8.4%	£710	11.9%	£200,382	£202,303	1.0%	8.9%
Business, Professional & Financial Services	£24,183	£24,338	0.6%	£155	31.7%	£777,418	£784,990	1.0%	34.5%
Construction	£5,564	£5,715	2.7%	£151	7.4%	£193,686	£192,765	-0.5%	8.5%
Creative & Cultural	£3,167	£3,277	3.5%	£110	4.3%	£155,221	£152,291	-1.9%	6.7%
Life Sciences & Healthcare	£8,315	£8,127	-2.3%	-£188	10.6%	£209,732	£209,570	-0.1%	9.2%
Logistics & Transport Technologies	£3,205	£3,042	-5.1%	-£163	4.0%	£81,689	£80,665	-1.3%	3.5%
Low Carbon & Environmental Technologies	£1,727	£1,571	-9.0%	-£156	2.0%	£68,538	£68,708	0.2%	3.0%
Public Sector inc. Education	£10,933	£11,215	2.6%	£282	14.6%	£254,425	£259,893	2.1%	11.4%
Retail	£8,092	£8,105	0.2%	£13	10.5%	£239,741	£238,842	-0.4%	10.5%
Tourism	£2,470	£2,329	-5.7%	-£141	3.0%	£85,250	£82,660	-3.0%	3.6%
Total	£76,115	£76,889	1.0%	£773	100.0%	£2,266,082	£2,272,688	0.3%	100.0%

GDP – Combined Authorities Analysis Only

- When ordered by GDP per head in current market prices, the highest combined authority areas in 2023 were West of England at £47,961, followed by Cambridgeshire and Peterborough at £40,723.

- The lowest combined authority areas in 2023 were Tees Valley at £27,005, and South Yorkshire at £28,187.

- In real terms, five of the fifteen combined authority areas experienced an increase in GDP between 2022 and 2023. The largest increases were in West of England (2.0%) – primarily due to manufacturing (in particular transport equipment) with strong growth in telecommunications and financial service - North East (1.6%), and Cambridgeshire and Peterborough (1.2%).

- Of the ten combined authority areas that saw decreases in real GDP in 2023, the largest decreases were in Tees Valley (negative 2.4%), Greater Lincolnshire (negative 2.4%), and East Midlands (negative 2.0%).

[2] Please note, the ONS GVA SIC code groupings have been broadly applied to ten WMCA sectors.

Combined Authorities Ranked by GDP per Head, 2023:

Combined Authority	GDP per head at current market prices	Annual growth in 'real' GDP per head	GDP at current market prices (£ million)	Annual growth in 'real' GDP
West of England	£47,961	0.7%	£47,019	2.0%
Cambridgeshire & Peterborough	£40,723	-0.1%	£37,428	1.2%
York & North Yorkshire	£38,005	-0.6%	£31,711	0.2%
Greater Manchester	£37,357	-1.0%	£110,152	0.3%
West Yorkshire	£33,836	-1.6%	£81,279	-0.6%
Lancashire	£31,167	-2.3%	£48,944	-1.1%
Liverpool City Region	£31,016	-1.5%	£49,196	-0.5%
West Midlands	**£31,012**	**-1.2%**	**£92,443**	**-0.1%**
East Midlands	£30,841	-3.0%	£69,443	-2.0%
Hull & East Yorkshire	£30,325	-1.6%	£18,864	-0.4%
Devon & Torbay	£30,212	-2.7%	£29,393	-1.9%
Greater Lincolnshire	£29,712	-3.0%	£33,017	-2.4%
North East	£29,131	0.6%	£58,624	1.6%
South Yorkshire	£28,187	-2.5%	£39,661	-1.4%
Tees Valley	£27,005	-3.8%	£18,875	-2.4%

Source: Regional economic activity by gross domestic product from the Office for National Statistics

NatWest UK Regional Growth Tracker Report[3], Released April 2025: West Midlands Region

The Economic Intelligence Unit

In Summary:

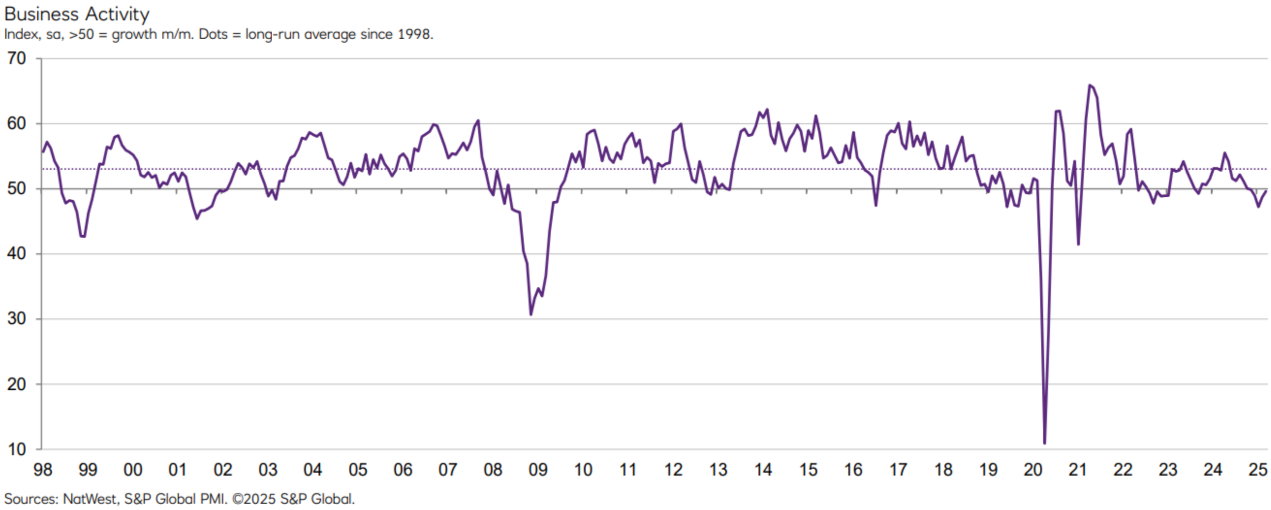
- The West Midlands Business Activity Index increased from 48.7 in February 2025 to 49.6 in March 2025, a four-month high. Some firms suggested that constrained client budgets affected output, while others reported growth amid the start of new projects and tentative signs of improving demand.
- The UK Business Activity Index increased from 50.5 in February 2025 to 51.5 in March 2025.
- The West Midlands Future Business Activity Index decreased from 74.3 in February 2025 to 68.5 in March 2025, the second highest region across the UK behind the East of England. Firms cited new product releases, efficiency gains and tech investment as supportive factors.

In Detail:

Business Activity Index

- The West Midlands Business Activity Index increased from 48.7 in February 2025 to 49.6 in March 2025, a four-month high. Some firms suggested that constrained client budgets affected output, while others reported growth amid the start of new projects and tentative signs of improving demand.
- Out of the twelve UK regions, the West Midlands ranked sixth highest for business activity in March 2025. London ranked highest at 54.9 while Northern Ireland ranked lowest at 45.3.

The following chart shows the West Midlands Business Activity Index trends up to March 2025:



Demand

- The West Midlands New Business Index increased from 46.0 in February 2025 to 48.2 in March 2025, a fifth consecutive monthly decline in new orders placed, however the pace of contraction eased to the slowest rate since November 2024. Firms that reported lower sales remarked on budgetary issues, destocking and subdued confidence among clients while the downturn was curbed by the receipt of pre-orders and greater exports at other firms.

Business Capacity

- The West Midlands Employment Index increased from 40.9 in February 2025 to 47.2 in March 2025, a fourteenth consecutive month of decline in private sector employment, however the rate of decline softened to its slowest rate since November. Anecdotal evidence indicated that changes to the minimum wage and employer National Insurance contributions weighed on hiring decisions. Where additional staff had been taken on, panellists cited new business gains.

[3] Source: NatWest UK regional growth tracker report for March 2025, released April 2025. Please note, the seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

- The West Midlands Outstanding Business Index increased from 41.5 in February 2025 to 43.4 in March 2025 (declining faster than the UK average), with outstanding business volumes decreasing for the twenty-eighth consecutive month. The rate of depletion remained sharp despite being the softest contraction since November 2024.

Prices

- The West Midlands Input Prices Index decreased from 64.8 in February 2025 to 64.0 in March 2025 due to greater outlays on labour and materials like chemicals, food, timber and steel.
- The West Midlands Prices Charged Index decreased from 57.5 in February 2025 to 56.9 in March 2025 as firms increased their prices in response to rising cost burdens. The rate of charge inflation fell to a three-month low, however it remained historically high. Some firms indicated that output prices rose in response to announced changes in the minimum wage and National Insurance contributions.

Outlook

- The West Midlands Future Business Activity Index decreased from 74.3 in February 2025 to 68.5 in March 2025, the second highest region across the UK behind the East of England. Firms cited new product releases, efficiency gains and tech investment as supportive factors.

Future Activity Index across all UK regions in March 2025:

Business Births and Deaths: April 2025 Release

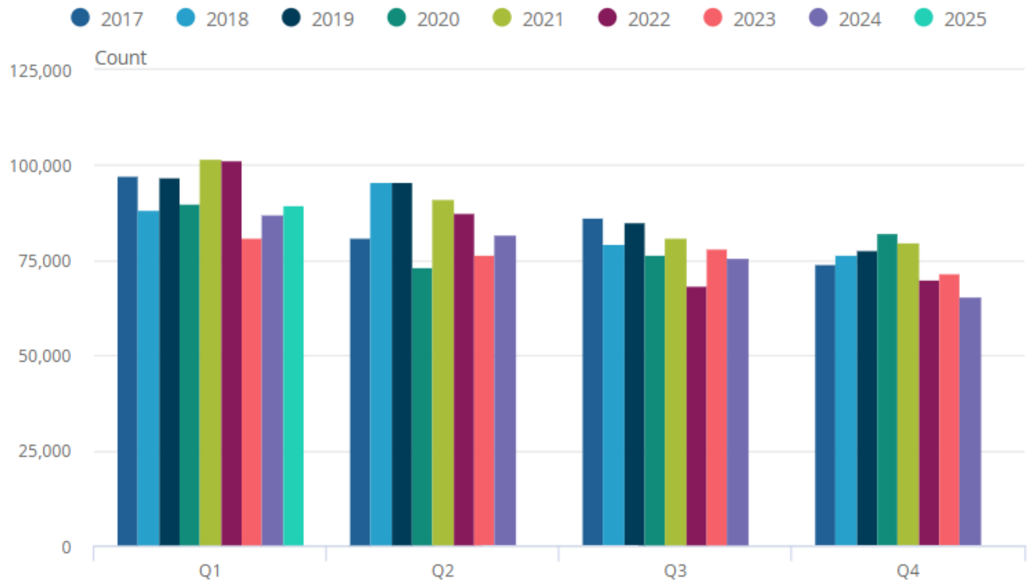
The Economic Intelligence Unit

The ONS released their experimental statistics relating to business births and deaths in April 2025, covering the period up to Q1 (January to March) 2025. The data and publication can be accessed [here](#).

National Findings:

The number of IDBR business creations in the UK in Q1 2025 was 89,515. This figure is 2.8% higher than the number of business creations in Q1 2024. The number of business creations increased in 12 out of 16 main industrial groups during this quarter compared with Q1 2024. The most significant rise came in the retail industry (up 9.7%).

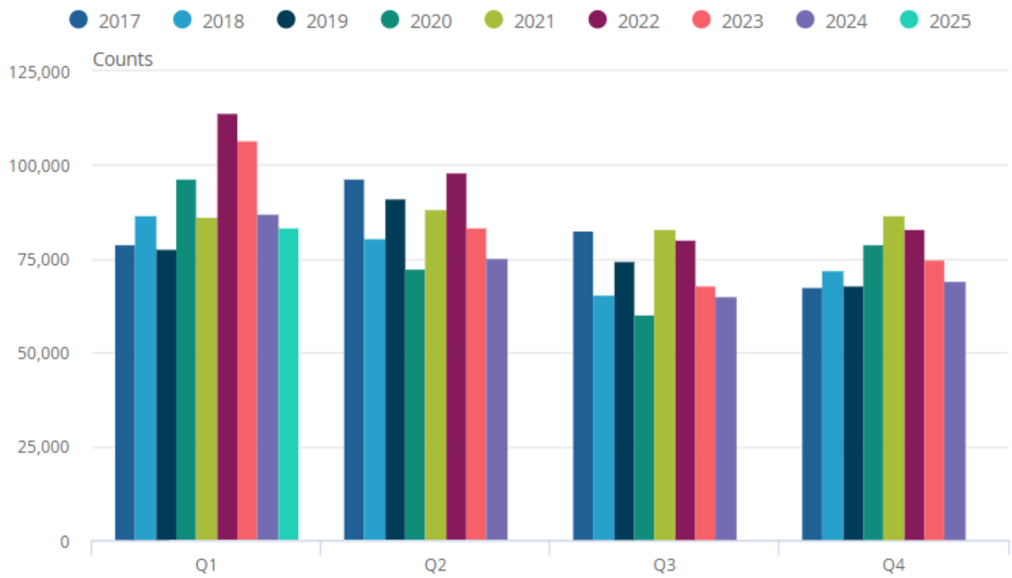
Number of businesses added to the IDBR, quarterly, UK, Q1 2017 to Q1 2025:



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

The number of business closures in the UK in Q1 2025 was 83,425. This is 4.4% lower than in Q1 2024, with 6 out of 16 main industrial groups showing a decrease in closures. The most significant decrease came in the business administration and support services industry (down 20.2%).

Number of businesses removed to the IDBR, quarterly, UK, Q1 2017 to Q1 2024:



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

WMCA Analysis:

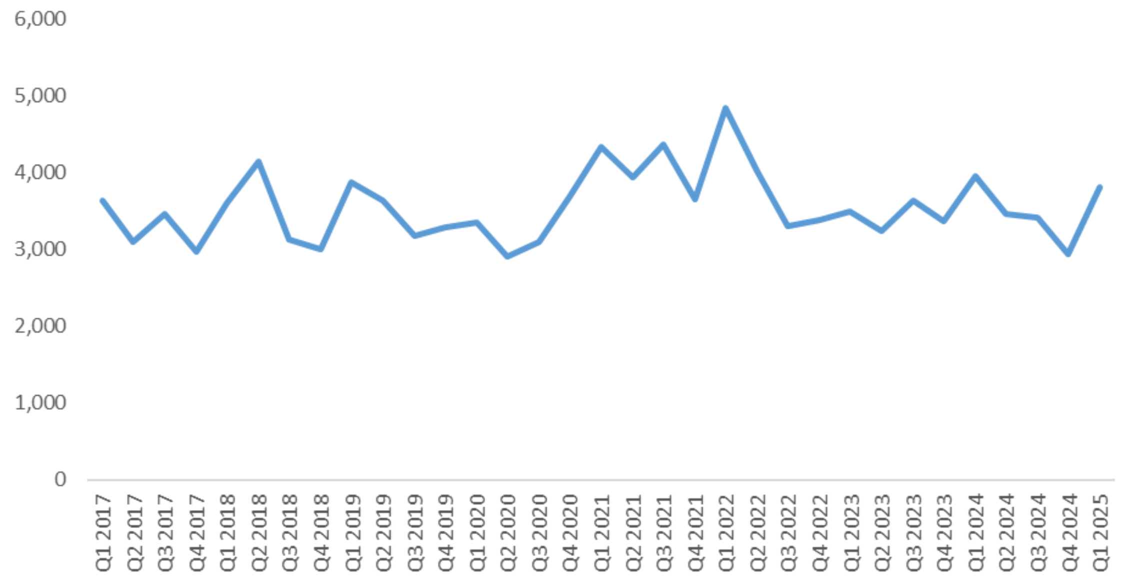
The number of business births in the WMCA area in Q1 2025 was 3,820. This figure was 3.5% (-140) lower than the number of business births in Q1 2024 while the UK had growth of 2.8%. Excluding Sandwell (+5.9% or +25) and Solihull (+15.9% or +35) all areas in the WMCA area decreased compared to the same quarter last year.

Quarter on quarter analysis (between Q4 2024 and Q1 2025) shows an increase of 29.7% (+875) for the WMCA area, the UK increased by 36.5%. There were increases in all seven local authorities in the WMCA, as seen in the following table.

Recent quarterly business births trends:

	Q1 2024	Q4 2024	Q1 2025	Q1 2024 – Q1 2025 Change	Q4 2024 – Q1 2025 Change
WMCA	**3,960**	**2,945**	**3,820**	**-3.5%**	**29.7%**
Birmingham	1,855	1,230	1,745	-5.9%	41.9%
Coventry	410	360	390	-4.9%	8.3%
Dudley	320	240	305	-4.7%	27.1%
Sandwell	425	345	450	5.9%	30.4%
Solihull	220	195	255	15.9%	30.8%
Walsall	345	270	330	-4.3%	22.2%
Wolverhampton	385	305	340	-11.7%	11.5%
UK	87,085	65,580	89,515	2.8%	36.5%

Longer-term quarterly WMCA business births trends:



The number of business deaths in the WMCA area in Q1 2025 was 3,860. This figure was 5.7% (-235) lower than the number of business deaths in Q1 2024, the UK fell by 4.4%. Business deaths decreased in four local authorities in the WMCA area, with increases in Birmingham (+7.2% or +120) and Dudley (+1.5% or +5) while Coventry remained the same.

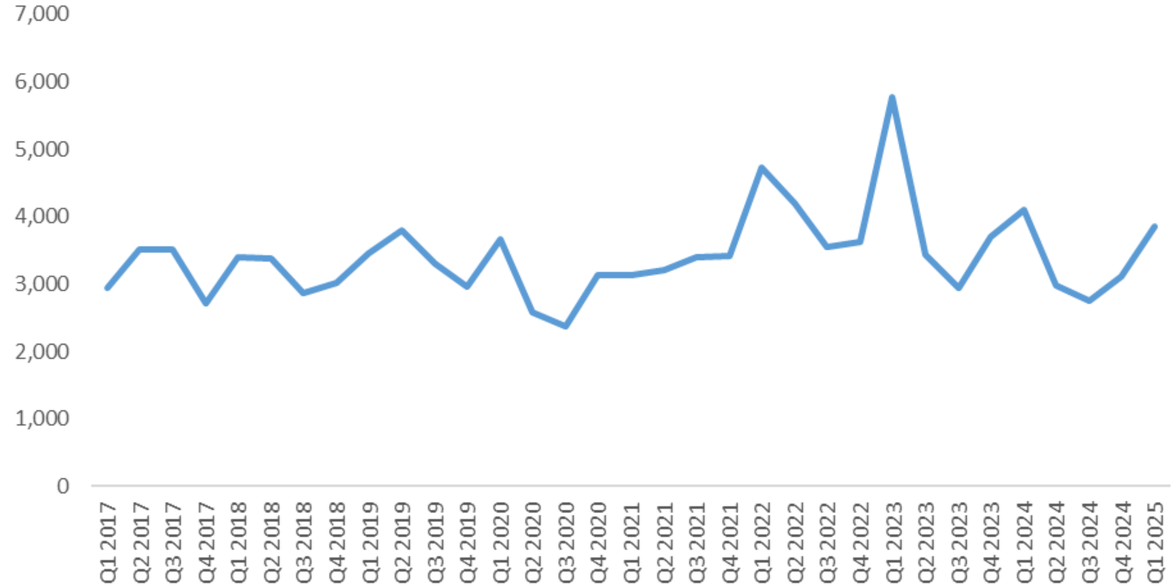
Quarter on quarter analysis (between Q4 2024 and Q1 2025) shows an increase of 23.9% (+745) for the WMCA area, the UK increased by 20.4%. Business deaths increased in all areas in the WMCA.

Recent quarterly business deaths trends:

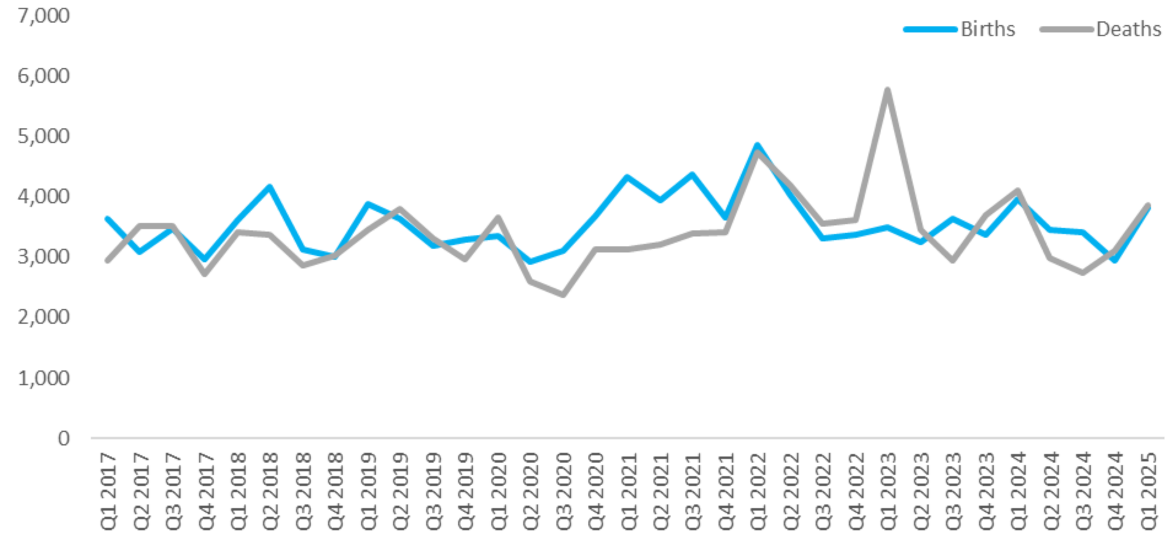
	Q1 2024	Q4 2024	Q1 2025	Q1 2024 – Q1 2025 Change	Q4 2024 – Q1 2025 Change
WMCA	**4,095**	**3,115**	**3,860**	**-5.7%**	**23.9%**
Birmingham	1,675	1,400	1,795	7.2%	28.2%
Coventry	430	310	430	0.0%	38.7%
Dudley	330	250	335	1.5%	34.0%
Sandwell	485	330	415	-14.4%	25.8%

Solihull	245	205	215	-12.2%	4.9%
Walsall	370	295	320	-13.5%	8.5%
Wolverhampton	560	320	350	-37.5%	9.4%
UK	87,305	69,280	83,425	-4.4%	20.4%

Longer-term quarterly WMCA business deaths trends:



The latest data shows that WMCA business deaths are above business births:



Regional Labour Market and Local Claimant Headline Figures: Released 13th May 2025

The Economic Intelligence Unit

Regional Labour Market[4]

Please note: Estimates from January to March 2025 include the full effect of recent improvements in Labour Force Survey (LFS) data collection and sampling methods introduced from January 2024 and are therefore more likely to be representative of labour market conditions. An increased amount of volatility will remain in the estimates from mid-year 2023 and throughout 2024 so ONS advise caution when interpreting change involving those periods. LFS estimates are weighted to 2022 mid-year population estimates for periods from January to March 2019; headline UK seasonally adjusted series before this have been modelled, but other series have a discontinuity at this point. Further details can be found here.

- For the three months ending March 2025, the West Midlands Region employment rate (aged 16 – 64 years) was 72.7%. Since the three months ending December 2024, the employment rate decreased by 1.5 percentage points (pp), this was the second highest fall (behind just the North East at -2.3pp). When compared to the same period in the previous year, the employment rate was 1.2pp lower. The UK employment rate was 75.0%, remaining unchanged when compared to the previous quarter and an increase of 0.5pp when compared to the previous year. The highest employment rate within the UK for the three months ending March 2025 was in the South West with 79.9% and the lowest in the North East with 68.0%, the West Midlands ranked fifth lowest.

- For the three months ending March 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 4.5%, which has increased by 0.2pp since the previous quarter but was 0.6pp lower when compared to the previous year. The UK unemployment rate was also 4.5%, with a 0.2pp increase from the previous quarter and also 0.2pp higher when compared to the previous year. The highest unemployment rate in the UK for the three months ending March 2025 was London with 6.2% and the lowest in Northern Ireland with 1.6%. The West Midlands was joint fifth highest (with the East of England).

- For the three months ending March 2025, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 23.8%, an increase of 1.6pp from the previous quarter and also an increase of 1.6pp when compared to the previous year. The UK economic inactivity rate was 21.4%, a decrease of 0.2pp when compared to the previous quarter and a 0.7pp decrease from the previous year. The highest economic inactivity rate in the UK for the three months ending March 2025 was in the North East with 28.4%, with the lowest in the South West with 17.3%, the West Midlands ranked fifth highest.

- Comparing April 2025 with the same period last year, the UK overall decreased by 0.3% and regional changes in the number of payrolled employees ranged from a 1.1% increase in Northern Ireland (the only area to increase) to 0.9% decrease in London. The West Midlands decreased by 0.4%, joint third highest decrease (with the North East).

Claimant Count[5]

All Claimants Summary

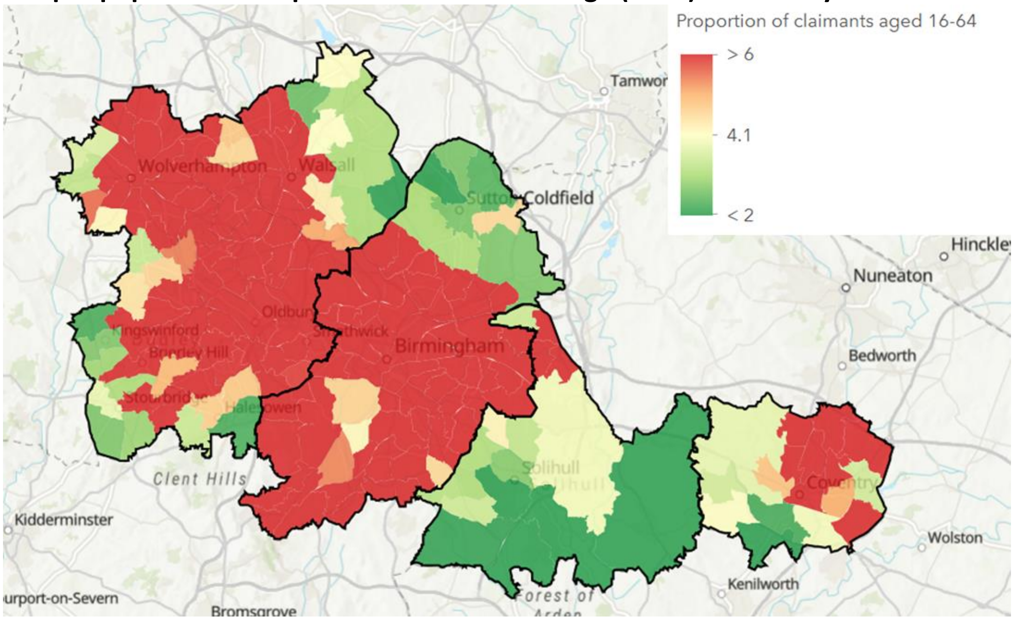
- There were 148,505 claimants in the WMCA area in April 2025. Since March 2025, there has been an increase of 0.5% (+670) claimants in the WMCA area, while the UK remained broadly unchanged (only decreasing by 0.03%). When compared to April 2024 claimants have increased by 18.4% (+23,070) in the WMCA area, with the UK increasing by 9.3%.

[4] Source: Office for National Statistics (ONS), Labour market in the regions of the UK: May 2025. The ongoing challenges with response rates, response levels and weighting approach mean that labour market statistics based on both the Labour Force Survey (LFS) and Annual Population Survey (APS) will be considered official statistics in development until further review.

[5] Source: ONS/ Department for Work and Pensions (DWP), Claimant Count, April 2025. Please note, when new data is released, the previous month is also revised.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 7.9% compared to 4.1% for the UK in April 2025. Across the Combined Authorities, the WMCA had the highest rates, Greater Manchester and West Yorkshire were joint second highest at 5.2% down to 2.1% for York & North Yorkshire.

Ward claimant rate per population compared to National Average (4.1%) for 16-64 year olds:

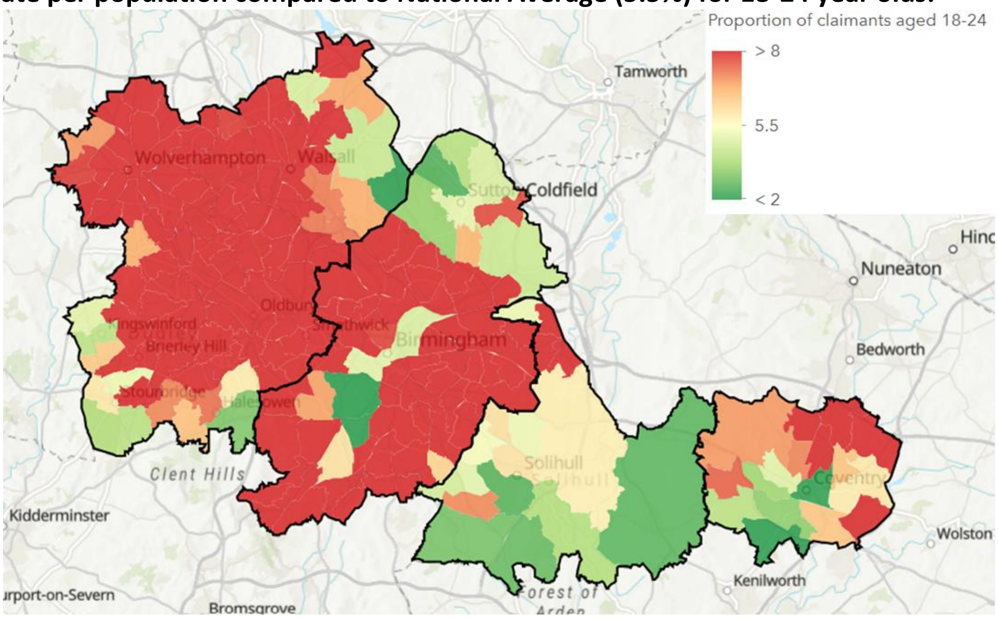


Youth Claimant (Aged 18-24) Summary

- There were 27,735 youth claimants in the WMCA area in April 2025. Since March 2025, there has been an increase of 1.4% (+375) youth claimants in the WMCA area, the UK increased by 0.6%. When compared to April 2024, youth claimants have increased by 12.1% (+2,990) in the WMCA area, with the UK increasing by 9.9%.

- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 9.5% compared to 5.5% for the UK in April 2025. Across the Combined Authorities, the WMCA had the highest rate, Tees Valley was the second highest at 8.0% down to 2.7% for York & North Yorkshire.

Ward claimant rate per population compared to National Average (5.5%) for 18-24 year olds:



Labour Market and Qualifications Headline Figures: Released 15th April 2025

The Economic Intelligence Unit

Annual Population Survey – Labour Market: 2024[6]

- Overall, for the WMCA area, the economic activity rate was 74.3% in 2024, a decrease of 1.3 percentage points (pp) since 2023. The UK economic activity rate was 78.5% and decreased at a slower rate of 0.2pp.
- In 2024, the WMCA was joint second lowest Combined Authority for economic activity (with West Yorkshire). West of England Combined Authority was the highest at 82.5% down to the North East Combined Authority at 73.9%.
- The WMCA area employment rate was 69.5% in 2024, this was a decrease of 1.0pp since 2023. While the UK employment rate decreased by 0.2pp to 75.5%.
- In 2024, the WMCA was the lowest Combined Authority for employment rate. West of England Combined Authority was the highest at 80.0% down to the second lowest which was the North West Combined Authority at 70.6%.
- The WMCA area economic inactivity rate was 25.7% in 2024, an increase of 1.3pp since 2023. The UK economic inactivity rate increased by 0.2pp to 21.5%.
- In 2024, the WMCA was joint second highest Combined Authority for economic inactivity (with West Yorkshire). West of England Combined Authority was the lowest at 17.5% up to the highest which was the North East Combined Authority at 26.1%.
- Since 2023, the WMCA area modelled unemployment[7] rate has decreased by 0.2pp to 6.4% in 2024. England's modelled unemployment rate increased by 0.2pp to 3.9% in 2024.
- In 2024, the WMCA was the highest Combined Authority for unemployment. York & North Yorkshire Combined Authority was the lowest at 1.8% up to the second highest which was the East Midlands Combined Authority at 5.1%.

Local labour market summary for 2024 and annual change:

	Economic Activity Rate 2024	Annual Percentage Point Change	Employment Rate 2024	Annual Percentage Point Change	Economically Inactive Rate 2024	Annual Percentage Point Change	Modelled Unemployment Rate 2024	Annual Percentage Point Change
Birmingham	72.7%	1.0	66.9%	1.0	27.3%	-1.0	7.3%	0.1
Coventry	79.7%	2.1	74.7%	2.8	20.3%	-2.1	4.9%	-0.9
Dudley	75.7%	-6.6	71.8%	-7.9	24.3%	6.6	4.8%	1.1
Sandwell	71.0%	-3.3	67.3%	-2.5	29.0%	3.3	5.5%	-0.5
Solihull	79.8%	-0.6	78.5%	0.9	20.2%	0.6	3.1%	-0.6
Walsall	76.7%	-2.3	73.0%	-0.5	23.3%	2.3	5.2%	-0.3
Wolverhampton	68.8%	-7.8	63.0%	-7.3	31.2%	7.8	6.0%	-0.2
WMCA	**74.3%**	**-1.3**	**69.5%**	**-1.0**	**25.7%**	**1.3**	**6.4%**	**-0.2**
England	78.9%	-0.1	75.7%	-0.3	21.1%	0.1	3.9%	0.2
UK	78.5%	-0.2	75.5%	-0.2	21.5%	0.2	-	-

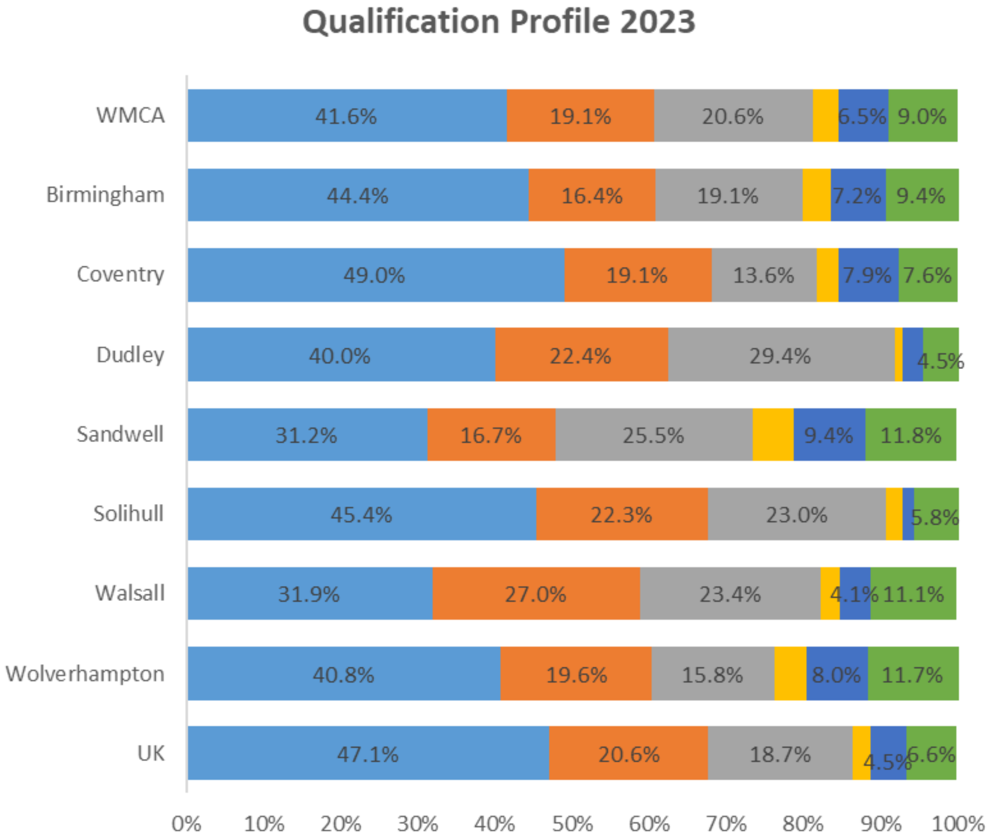
Annual Population Survey – Qualifications: 2024[8]

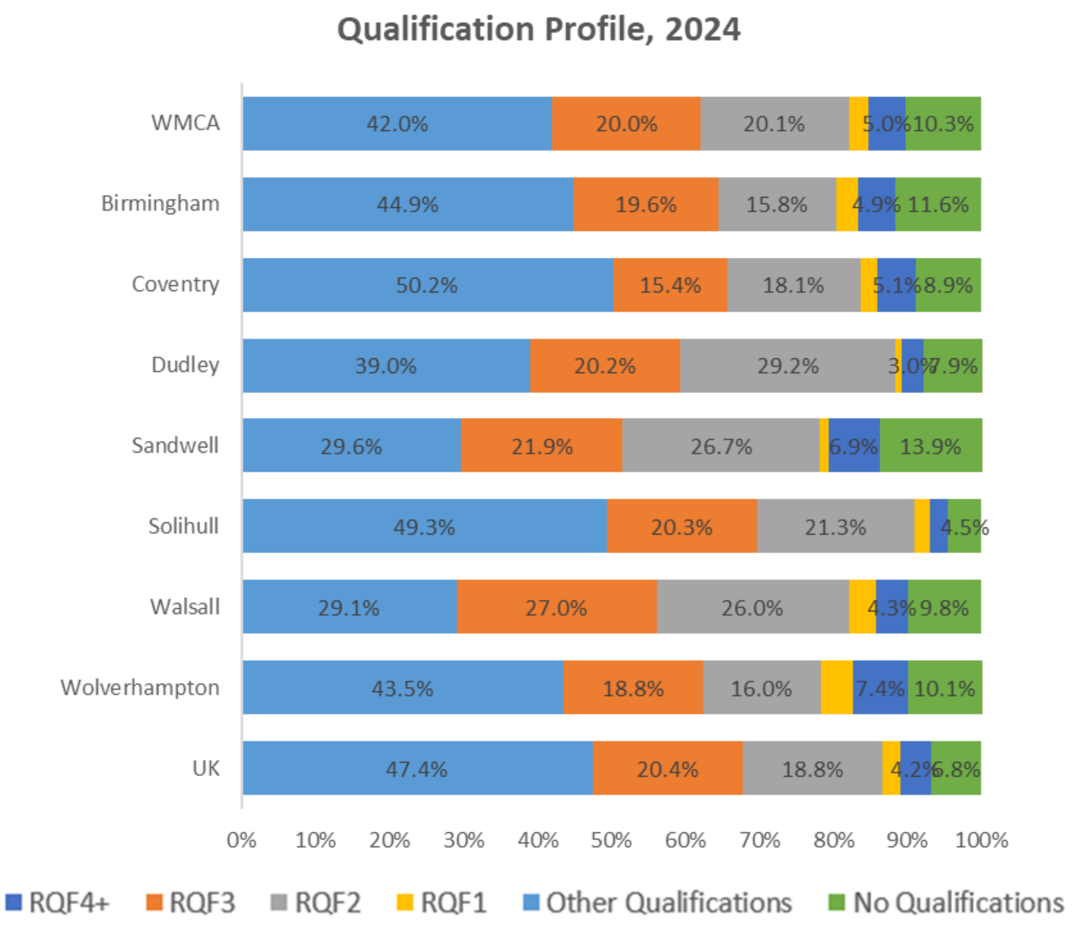
- For the WMCA area, 42.0% (763,100) of the working age population had RQF4+ qualifications in 2024, an increase of 0.6% (+4,600) since 2023. While for the UK, 47.4% were qualified to RQF4+ levels, an annual increase of 1.3%.

[6] Office for National Statistics (ONS), Annual Population Survey (APS), released April 2025.
[7] ONS, APS – model-based estimates of unemployment, released April 2024. The model-based estimate improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise, for example; has a smaller confidence interval. The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes. Modelled unemployment rate is based on all people aged 16+ without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.
[8] ONS, APS, released April 2025. A five year comparison is not available due to a change in methodology.

- In 2024, the WMCA was in the middle of all Combined Authorities for those qualified to RQF4+ levels. West of England Combined Authority was the highest at 58.4% down to the South Yorkshire Combined Authority at 37.4%.
- For the WMCA area, 10.3% (187,700) of the working age population had no qualifications in 2024, an increase of 14.5% (+23,700) since 2023. While for the UK, 6.8% had no qualifications, an annual increase of 2.7%.
- In 2024, the WMCA was the second highest Combined Authority for no qualifications. North East Combined Authority was the highest at 10.4% down to West of England Combined Authority at 3.8%.
- For the WMCA area, 20.0% (363,300) of the working age population had RQF3 qualifications in 2024, an increase of 4.5% (+15,500) since 2023. While for the UK, 20.4% were qualified to RQF3 levels, an annual decrease of 0.5%.
- In 2024, the WMCA was the third lowest Combined Authority for those qualified to RQF3 levels. York and North Yorkshire Combined Authority was the highest at 23.9% down to the lowest which was West of England Combined Authority at 17.9%.
- For the WMCA area, 20.1% (364,100) of the working age population had RQF2 qualifications in 2024, a decrease of 2.8% (-10,300) since 2023. While for the UK, 18.8% were qualified to RQF2 levels, an annual increase of 1.0%.
- In 2024, the WMCA was the third lowest Combined Authority for those qualified to RQF2 levels. Tees Valley Combined Authority was the highest at 23.9% down to the West of England Combined Authority at 15.6%.
- For the WMCA area, 2.6% (47,000) of the working age population had RQF1 qualifications in 2024, a decrease of 20.5% (-12,100) since 2023. While for the UK, 2.4% were qualified to RQF1 levels, an annual decrease of 0.1%.
- In 2024, the WMCA came in among the middle of all Combined Authorities (with North East) for those qualified to RQF1 levels. Tees Valley Combined Authority was the highest at 3.7% down to York & North Yorkshire Combined Authority at 1.1%.
- For the WMCA area, 5.0% (89,900) of the working age population had other qualifications in 2024, a decrease of 23.7% (-28,000) since 2023. While for the UK, 4.2% had other qualifications, an annual decrease of 7.1%.
- In 2024, the WMCA was the second highest Combined Authority for those with other qualifications. West Yorkshire Combined Authority was the highest at 5.1% down to York & North Yorkshire Combined Authority at 1.3%.

The following graphs shows the local qualification profiles for 2023 and 2024.





Qualification Profile, 2024
WMCA
Birmingham
Coventry
Dudley
Sandwell
Solihull
Walsall
Wolverhampton
UK
42.0% 20.0% 20.1% 5.0% 10.3%
44.9% 19.6% 15.8% 4.9% 11.6%
50.2% 15.4% 18.1% 5.1% 8.9%
39.0% 20.2% 29.2% 3.0% 7.9%
29.6% 21.9% 26.7% 6.9% 13.9%
49.3% 20.3% 21.3% 4.5%
29.1% 27.0% 26.0% 4.3% 9.8%
43.5% 18.8% 16.0% 7.4% 10.1%
47.4% 20.4% 18.8% 4.2% 6.8%
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
RQF4+ RQF3 RQF2 RQF1 Other Qualifications No Qualifications

ONS economic activity and social change in the UK, real-time indicators
The Economic Intelligence Unit

On 22nd May 2025, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on the UK economy and society. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

The ONS also provides on a monthly basis (at the time of writing, the latest was from the 16th May 2025) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

System Price of Electricity and System Average Price of Gas

The National Gas Transmission, Elexon reports the System Average Price (SAP) of gas decreased by 16% to 2.917 pence per kilowatt hour (p/kWh) in April 2025 compared with the previous month, while the System price of electricity decreased by 15% to 7.509p/kWh over the same period.

Consumer Behaviour

Pay.UK and Vocalink report in April 2025, the seasonally adjusted "Total" Direct Debit failure rate decreased by 1% compared with the previous month. Failure rates decreased for "Fitness Facilities" and "Mortgages" by 15% and 3%, respectively, but increased for "Electricity and Gas" and "Water", by 5% and 2%, respectively. The failure rate of "Loans" remained broadly unchanged.

Automotive Fuel Spending

Data from the Department for Energy Security and Net Zero shows in the month of April 2025, the annual growth rate for the average price of automotive fuel decreased by 4 percentage points compared with the previous month and decreased by 9 percentage points when compared with April 2024. The annual growth rate for average automotive fuel demand per transaction increased by 3 percentage points compared with the previous month, and by 7 percentage points when compared with April 2024.

Retail Footfall

Data from MRI OnLocation, shows in the week to 18 May 2025, retail footfall remained unchanged in retail parks and shopping centres compared with the previous week, while high streets saw an increase of 1%. When compared with the equivalent week of 2024, overall retail footfall remained also broadly unchanged; retail parks saw a 1% increase, high streets saw a 1% decrease and shopping centres remained broadly unchanged.

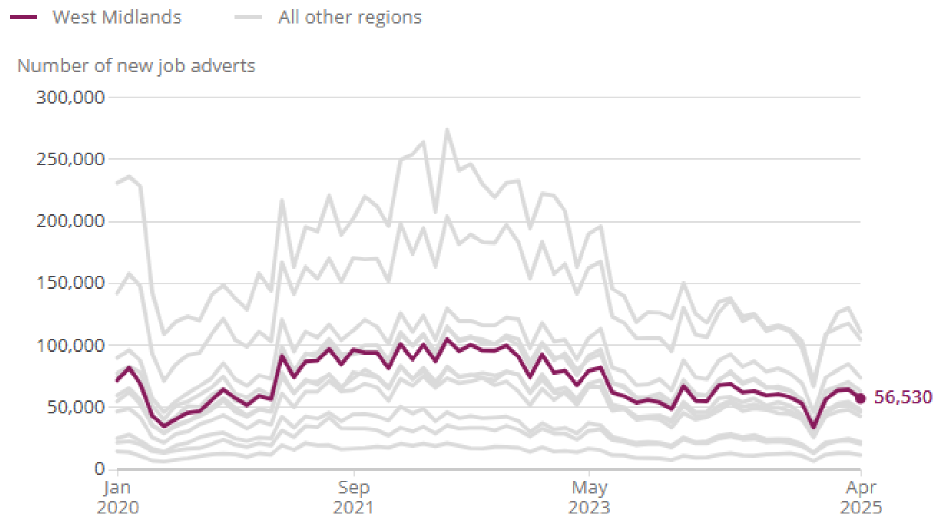
Overall retail footfall decreased in 4 of the 12 UK countries and regions compared with the previous week. The largest decreases were in the North East and Northern Ireland, which both decreased by 6%. There were increases in 4 of the 12 regions, with the largest in the East Midlands and West Midlands, which both increased by 2%.

Textkernel New Online Job Adverts

In the week to 18th May 2025, retail footfall remained unchanged in retail parks and shopping centres compared with the previous week, while high streets saw an increase of 1%. When compared with the equivalent week of 2024, overall retail footfall remained also broadly unchanged; retail parks saw a 1% increase, high streets saw a 1% decrease and shopping centres remained broadly unchanged.

Overall retail footfall decreased in 4 of the 12 UK countries and regions compared with the previous week. The largest decreases were in the North East and Northern Ireland, which both decreased by 6%. There were increases in 4 of the 12 regions, with the largest in the East Midlands and West Midlands, which both increased by 2%.

Volume of new adverts, UK countries and English regions, January 2020 to April 2025, non-seasonally adjusted:



Source: Textkernel

Business Insights and Conditions Survey

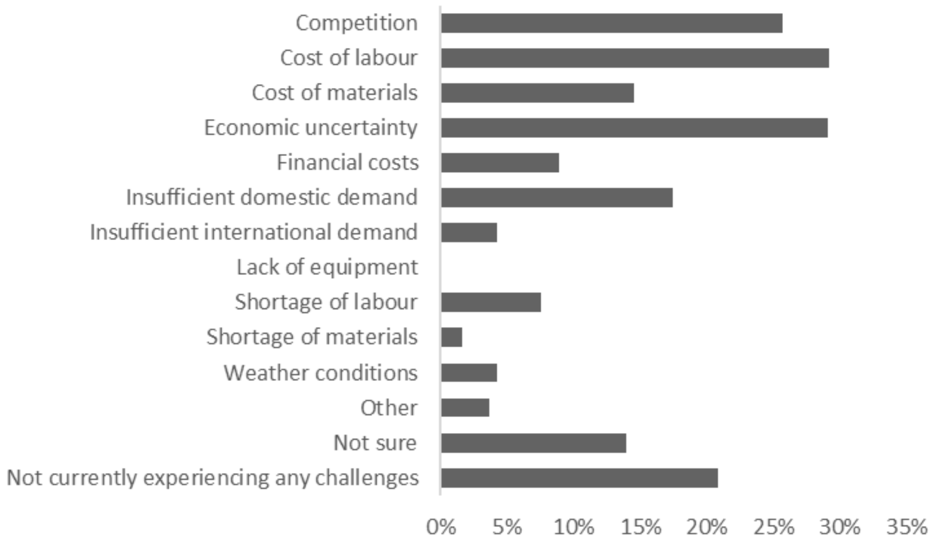
The final results from Wave 132 of the Business Insights and Conditions Survey (BICS) based off the 5,196 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 28.9% (1,504) and 3,178 businesses that are head quartered in the West Midlands, with a response rate of 26.3% (835). Please note, the survey reference period was 1st to 30th April 2025 with a survey live period of 6th to 18th May 2025. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

24.6% of responding West Midlands businesses reported that turnover in April 2025 had increased when compared to the previous calendar month. 34.9% of West Midlands businesses reported turnover had stayed the same. However, 32.6% had reported that turnover had decreased.

29.2% of West Midlands businesses reported cost of labour was impacting turnover.

Challenges (if any) impacting West Midlands business's turnover:



30.3% of West Midlands businesses expect turnover to increase in June 2025. 46.2% reported expectations of turnover to stay the same. 11.2% of West Midlands business's expect turnover decrease in June 2025.

Demand for Goods and Services
15.7% of responding West Midlands businesses reported that domestic demand for goods and services in April 2025 when compared to the previous month had increased. 44.1% reported the domestic demand had stayed the same and 19.9% of West Midlands businesses reported the domestic demand for goods and services had decreased.

4.9% of West Midlands businesses reported that international demand for goods and services in April 2025 when compared to the previous month had increased. 21.9% reported the international demand had stayed the same and 6.9% of West Midlands businesses reported the international demand for goods and services had decreased.

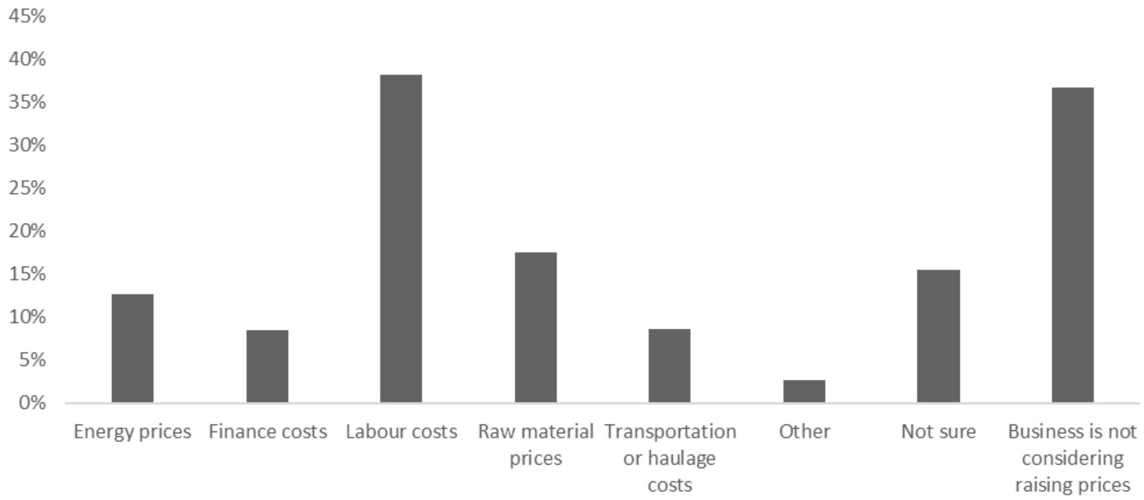
Prices
30.8% of responding West Midlands businesses reported the prices of goods and services brought in April 2025 when compared with the previous month had increased. 49.0% reported the prices had stayed the same and 1.3% reported a decrease.

21.9% of West Midlands businesses reported the prices of goods and services sold in April 2025 when compared with the previous month had increased. 60.2% reported the prices had stayed the same and 1.9% reported a decrease.

15.9% of West Midlands businesses expect the prices of goods and services sold in June 2025 will increase, 64.0% expect prices to stay the same and less than 1% expect a decrease.

38.2% of West Midlands businesses reported that labour costs would be a factor for raising prices in June 2025.

Factors (if any), causing West Midlands businesses to consider raising prices in June 2025:

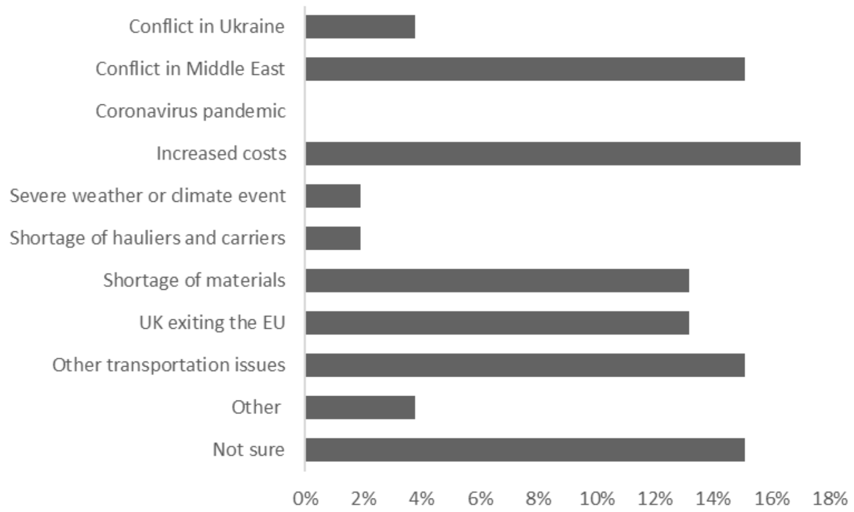


Supply Chains
78.6% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in April 2025. A further 3.3% were able to get the materials, goods or services needed from within the UK but had to change suppliers or find alternative solutions. While 3.0% were not able to get the materials, goods or services needed.

Global Supply Disruption
3.5% of responding West Midlands businesses reported global supply chain disruption in April 2025. While 57.0% reported no disruption.

17.0% of West Midlands businesses reported the main reason for global supply disruption was increased costs.

Main reason for global supply chain disruption for West Midlands businesses:



Trade
24.8% of responding West Midlands businesses both exported and imported in April 2025. With 2.6% which exported only and 14.1% imported only. While 49.4% of West Midlands businesses did not export or import in April 2025.

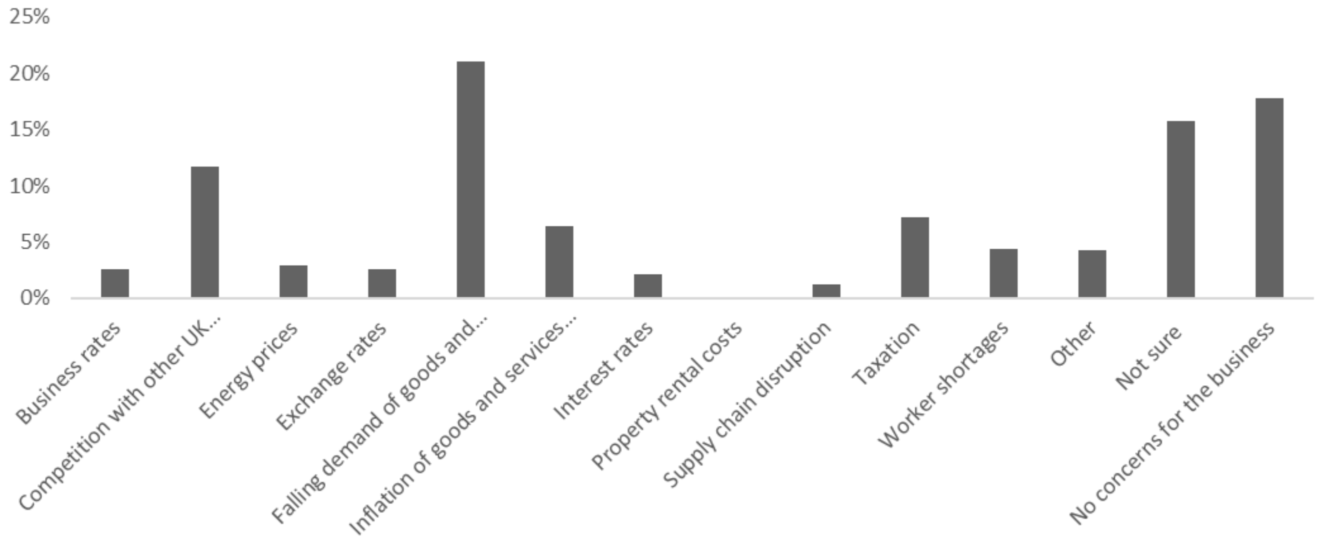
Number of Employees
15.5% of responding West Midlands businesses expect the number of employees to increase in June 2025. 63.5% expect the number of employees to stay the same and 9.6% expect a decrease.

Worker Shortages
14.3% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 70.6% reported no shortages.

Recruitment Difficulties
15.5% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in April 2025, whereas 58.2% experienced no difficulties in recruiting.

Main Concern for Business
21.1% of responding West Midlands businesses reported the main concern in June 2025 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in June 2025:



Overall Performance
28.3% of responding West Midlands businesses reported that overall performance in April 2025 increased when compared with the same calendar month last year. 36.4% of West Midlands businesses reported that performance had stayed the same and 23.0% reported that performance had decreased.

Over the next 12 months, 38.8% of West Midlands businesses expect that performance will increase, 35.6% expect performance will stay the same and 9.7% expect performance will decrease.

Public Opinions and Social Trends Headlines

Estimates are based on data collected (from adults in Great Britain) between 2nd to 27th April 2025.

Important Issues Facing the UK
The most commonly reported issues were the cost of living (86%), the NHS (85%) and the economy (74%).

Mental Health, Well-Being and Loneliness
In April 2025, 18% of all adults experienced moderate to severe depressive symptoms, which were more prevalent in younger adults; 26% of adults aged 16 to 29 years compared with 20% of those aged 30 to 49 years, 18% of those aged 50 to 69 years and 8% of those aged 70 years and over.

Among all adults, the most commonly reported worries over the past two weeks were: social or political issues (44%), financial issues (42%) and health (42%), which increased to 52%, 67% and 66%, respectively, among those with moderate to severe depressive symptoms.

67% of adults reported high trust in most people; adults with moderate to severe depressive symptoms reported lower levels of trust in people (44% compared with 72% among those with no or mild depressive symptoms).

Adults aged 16 to 29 years were more likely to have spent quality time with family and friends to look after their well-being (79% compared with 65% among all adults), while those aged 70 years and over were more likely to have eaten a balanced or healthy diet (61% compared with 50% among all adults).

Younger adults reported higher levels of loneliness often, always or some of the time (31% among adults aged 16 to 29 years compared with 25% among adults aged 30 to 49 years, 21% among adults aged 50 to 69 years and 16% among adults aged 70 years and over).

When asked about the most important factors for well-being in their community, 74% of adults reported feeling safe; other important factors included trust between people (59%), feeling that you belong (50%), having the facilities you need (50%) and the quality of the environment and how it is cared for (50%).

The US Tariffs on the Automotive Sector Will Cost the UK £10 Billion in GDP Over 5 Years

Matt Lyons and Huanjia Ma, City-REDI

Dr Matt Lyons and Dr Huanjia Ma investigate the impact that Trump's tariffs will have on the UK's automotive industry.

The US has proposed tariffs of 25% on car imports.

This blog aims to answer the following questions: What will this cost the UK? Where will it hit hardest?

TLDR: The proposed tariffs are estimated to cost the **UK £9.8 billion in GDP between 2025 and 2030, putting 137,000 jobs at risk.** The West Midlands will be hit hardest, losing £6.2 billion in GDP, 62% of the total impact on the UK.

Context

In 2024, the UK exported £8.3 billion worth of cars to the United States.

Table 1 shows the regional pattern of trade based on 2023 data. It shows that the West Midlands is by far the most exposed region with £3.3 billion of auto exports to the United States, representing 51% of all auto exports.

The West Midlands is home to Jaguar Land Rover, Aston Martin, Changan automotive and a large cluster of suppliers. In a 2023 study, 22 of the 50 largest automotive firms in the region were already found to be at risk of insolvency due to poor liquidity ratios.

Table 1. Automotive exports and imports to the United States by ITL-1 region in 2023

	£ millions	
	Exports	Imports
West Midlands	3300	81.3
North West	1200	28.2
South East	828.4	476.2
East of England	358.6	36.6
East Midlands	192.9	28.2
London	127.8	99.7
North East	104.9	8
Scotland	85.1	12.4
Yorkshire and The Humber	77.6	14.9
Wales	36.6	8
South West	31.1	17
Northern Ireland	16.4	40.6
United Kingdom	6359.4	851.1

Source: NISRA

Estimating the economic impact

The proposed tariffs will make automotive products from the UK (and all other affected countries) more expensive to US consumers and, therefore, negatively impact demand. The extent to which this will affect demand is dependent on two things:

1. How much of the import costs are passed on to consumers

2. The price elasticity of demand (how sensitive demand is to price changes)

For this analysis, we assume:

1. All the cost of the 25% is passed on to consumers
2. A price elasticity of -1.5*. i.e. 1% increase in price leads to a -1.5% fall in demand.

*Figures for price elasticity of demand vary considerably by product type but -1.5 seems within reasonable estimates.

So, we arrive at a formula:

1.5 x 25% = 37.5%

Price elasticity of demand x % change in price = % change in demand

If we assume £8.3 billion in auto exports to the United States in 2024, this new annual figure would be £5.2 billion, a fall of £3.1 billion.

The SEIM-UK economic model

To estimate the regional and economy-wide impacts of the fall in automotive export, we use the SEIM-UK. The SEIM captures the direct and indirect supply-chain impacts of a change in demand.

One of the variables in the SEIM is exports – using the estimates above **-£3.1 billion,** and the regional distribution (**Table 1**) we introduce this to the model. The loss of exports is assumed to occur entirely within the automobile manufacturing sector.

Table 2 presents the resulting losses in value added, employment, and GDP for the period 2025 to 2030. The total economic impact on the UK is estimated to be -£9.8 billion in lost GDP, -£9.9 billion in GVA and -137,000 FTE jobs. The West Midlands is projected to suffer the most severe impact, with an estimated -£6.2 billion decline in GDP (62% of the total impact) and -£4.6 billion loss in gross value added (GVA). The North West is anticipated to lose -£2.1 billion in GDP and -£1.8 billion in GVA (21%) of the total. Together, these two regions will see 85% of the economic impact.

Table 2: The economic impact of a 25% tariff on UK automotive exports to the United States from 2025 to 2030

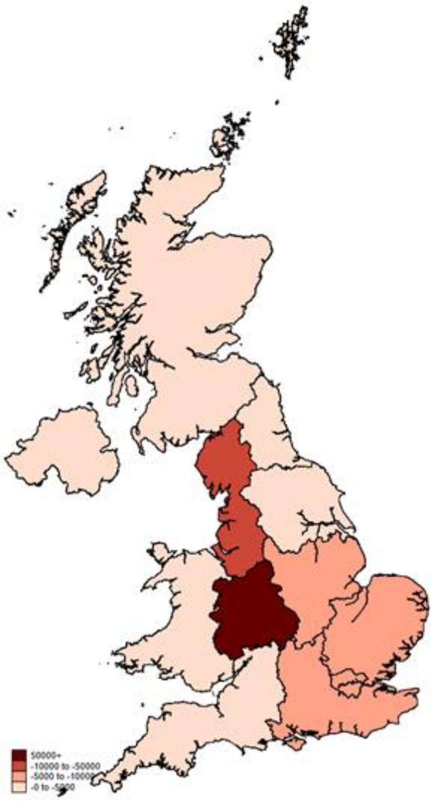
Region	GDP (£m)	GVA (£m)	Employment (FTE)
West Midlands	-6200	-4700	-66,000
North West	-2100	-1800	-25,000
London	-100	-900	-9,000
South East	-400	-700	-9,000
East of England	-300	-500	-7,000
East Midlands	-300	-400	-6,000
Scotland	-100	-200	-3,000
South West	0	-200	-3,000
Yorkshire and the Humber	-100	-200	-3,000
North East	-100	-200	-2,000
Wales	0	-100	-2,000
Northern Ireland	0	-100	-1,000
United Kingdom	-9800	-9900	-137,000

Figures rounded to nearest 1000. Source: SEIM-UK

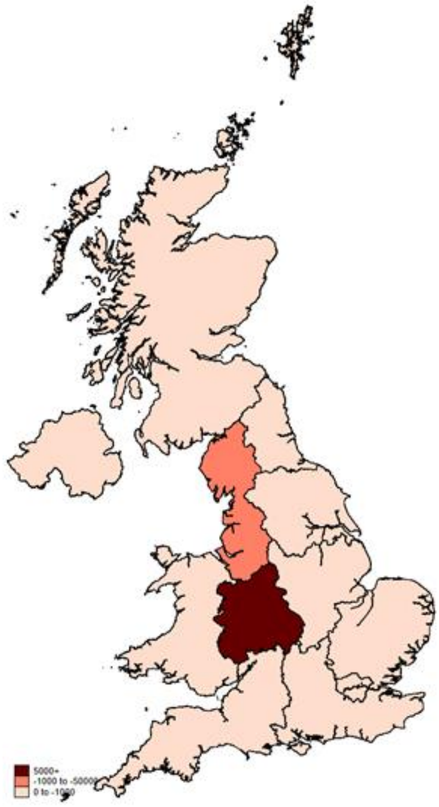
The maps in **Figure 1** reiterate the findings – the shock on GDP is particularly concentrated in the regions with automotive manufacturing and supply chains, but the employment impacts also affect the South East of England. [This reflects the strong flow of incomes towards the South East.]

Figure 1. The below shows the distribution of the impact on employment and GDP

Employment



GDP



Concluding remarks

The tariffs, if imposed, will severely damage the UK's automotive industry, an industry already at risk from other global challenges, including peak car and electrification.

The impact will hit the West Midlands very hard, but not exclusively.

The methodology employed here has limitations—the price elasticity could overstate the negative impact, and the sector may find other markets. However, the story is unlikely to change.

Media coverage of the research

Dr Matt Lyons on ITV Central

This is Money: Trump's 25% tariffs on US car imports could threaten 25,000 UK jobs, think tank warns

The Guardian Business Blog: West Midlands to suffer most from new car tariffs – research

The Observer: 'It would affect the area massively': fear in Solihull as home of Jaguar plant awaits impact of Trump tariffs

The Struggle for Devolution Goes On!

Jonathan Davies, De Montfort University

Professor Jonathan S. Davies evaluates the government's agenda in light of the English Devolution White Paper.

It has long been recognised that English governance is hopelessly over-centralised, with control over money and power hoarded in Westminster and Whitehall, with Towns and Cities not getting a look in. Promises from the centre to "let go" of power have come and gone over decades. With the rollout of city-regional mayoral combines, there has been piecemeal progress in devolving powers and resources mainly for economic development, transport and infrastructure, especially in major conurbations. However, committed devolutionists point out that powers are limited and in any case that Mayors remain accountable to civil servants and ministers for spending. Ultimately, the centre continues to call the shots.

A new government with a new commitment

When the current government was elected in July 2024, hopes were high that things would be different as ministers with local government experience took up prominent roles in the new ***Ministry of Communities, Housing and Local Government***. The vibe was that they would restore local government to its rightful constitutional place as an elected body capable of taking decisions based on its electoral mandate, rather than having to take cues from on high. The keenly awaited English Devolution White Paper, published in December 2024, set out the government's approach.

On the face of it, the White Paper is radical in its ambition. It seeks to complete the map of Mayoral strategic authorities in England, the new sub-regional tier inaugurated by the Greater Manchester Combined Authority in 2014. The goal is that the whole country should soon have a large mayoral strategic authority with upwards of 1.5 million people. It is to this tier that the government proposes to devolve certain powers and resources.

Powers devolved to the mayoral strategic authorities include Transport and local infrastructure; Skills and employment support; Housing and strategic planning; Economic development and regeneration; Environment and climate change; Health, wellbeing and public service reform; and public safety. At the same time, the most advanced Mayoral authorities will receive integrated funding settlements covering devolved functions, with a small degree of flexibility to move resources between budget-headings. The government is also proposing to introduce multi-year funding settlements for mayoral authorities from 2026. Accountability is to be simplified with a framework focusing on outcomes instead of line-by-line spend, and reporting to a single Whitehall office instead of multiple departments. The government has also established three new central-local partnership bodies, and pledges that this is just the start: the Devolution White Paper is a "floor", not a "ceiling".

However, judged against radical devolutionary rhetoric, the White Paper has disappointed, echoing familiar themes from the past. England is too centralised. Devolution is needed. Yet, the centre continues to dominate.

From Devolution to Devo-centralism?

Perhaps the most substantive anxiety about the government's approach is its dogmatism towards reorganisation. This has two elements: the sub-regional mayoral strategic authorities discussed above, and local government reorganisation. Local government reorganisation seeks to create a system of mega-authorities covering populations of 500,000. If completed, it will see the abolition of district authorities, and mergers among some smaller existing unitary councils. Whatever we make of the principle of reorganisation, and it evokes strong feelings, the process is neither devolutionary nor democratic. Should there be resistance, it reasserts the right of Westminster to issue directives, making decisions about the future of local government without dialogue or consent from the sector.

Second, many of the powers devolved to strategic authorities come with strings or obligations. Proposed statutory obligations include strategic development plans, local growth plans and elevated targets for home building. Plans must be agreed with government, and are expected to align local and national priorities. Authorities perceived not to be in compliance will be subjected to ministerial intervention, the White Paper warns.

Finally, the White Paper does not mention fiscal devolution at all, and the government has since made clear that it is not on the radar. Without the capacity to generate its own resources, alongside a robust national equalisation mechanism, local government will remain dependent on the whims of whichever government happens to be in power. Anything this government does can easily be undone by the next.

A fundamental problem to which these proposals attest is that the centre still sees local government as the delivery arm for the Government's missions. This assumption lies at the core of the devolution conundrum: why it is that the promise of devolution invariably disappoints. There remains a fundamental tension between the role of democratically elected local government, and central government's view of the local state as like any other public service: a resource for Westminster and Whitehall.

Where next?

There are no easy fixes for this culture of devolving with one hand and centralising or mandating with the other. It is very deeply inscribed in what academics call the "British Political Tradition". However, Minister Jim McMahon did comment on the need to sort out "what is the core business of local government and what are the expectations of central government".

To achieve this, one positive step forward could be to hold a convention with a view to producing a charter of central and local government rights and responsibilities. Unlike previous failed charters, this one could then be legislated. The extent to which local government is or should be a "delivery arm" for the centre would then be debated and determined in an open democratic manner, rather than simply assumed as it is by Westminster, Whitehall and indeed some council leaders.

Conclusion

In short, the government's approach marks a small step forward with respect to devolved functions, but evades fiscal devolution altogether and includes radical ambitions for reorganisation that are arguably anti-devolutionary. The impasse of the centralising "British Political Tradition" goes on. For now, the central dilemma of English governance remains unresolved.

Read the full report.

Report Spotlights

Ellie MacDonald, City-REDI

In a new series of blogs, we review the current and historical work of City-REDI.

Unlocking Procurement Insights

In this latest blog, a recent study by Annum Rafique (University of Birmingham) and Pei-Yu Yuan (University of Manchester) delves into how text mining can be harnessed to analyse procurement contracts, offering valuable insights for policymakers and stakeholders. - Read the full report.

Leveraging Public Procurement to Drive Local Innovation

In a new series of blogs, we will be reviewing the current and historical work of City-REDI. In the next blog from this series, we look at Dr Chloe Billing's Leveraging Public Procurement to Drive Local Innovation report which is part of the ongoing work with the Innovation Procurement Empowerment Centre (IPEC). - For a deeper understanding of how public procurement can be a transformative force for local innovation, explore the full research brief.

Digital Skills Demand and Shortages and Their Impact on the UK Regions

In the latest blog, we look at Dr Huanjia Ma, Dr Matthew Lyons, Dr Konstantinos Kollydas and Professor Anne Green's work on the shortage of digital skills in the UK. In an era of rapid technological transformation, digital skills are no longer a luxury—they are a necessity. A recent research report presents a comprehensive analysis of digital skills demand across the UK, uncovering not only growing regional disparities but also warning of potentially devastating economic consequences if shortages are left unaddressed. - Read the full report.

Rethinking Local Labour Markets and Under employment in the UK

This report illuminates the persistent challenges of underemployment and workforce planning in the UK's local labour markets. The research delves into the factors contributing to underemployment and its consequences for productivity, offering insights for policymakers, businesses, trade unions, employers, employees and other stakeholders. - Read the full report.

WMCA Growth Hub Intel
The Economic Intelligence Unit

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	**Outlook** • Fragile growth, rising trade tensions and increased cost pressures are all shaping the UK's economic outlook this spring. • Recent data from the Office for National Statistics (ONS) reveals **monthly real gross domestic product (GDP) is estimated to have grown by 0.2% in March 2025,** following unrevised growth of 0.5% in February 2025. **Real GDP is estimated to have grown by 0.7% in the three months to March 2025,** compared with the three months to December 2024; this is mainly because of **widespread growth in the services sector in this period. This is the best quarter for the economy since the start of 2024 and above the 0.1% growth rate recorded at the end of last year.** • In the first half of 2024, the UK economy grew more strongly than expected, though this tapered off in the second half of 2024. However, **emerging risks and ongoing uncertainties now cast a shadow over the outlook for 2025.** • NIESR project that **UK GDP will grow by 0.4% in the second quarter of 2025, with overall growth of 1.2% in 2025.** This marks a moderate downward revision since their Winter Economic Outlook, reflecting **heightened domestic cost pressures, weak business confidence, and some additional drag from tariff uncertainty.** • **The UK economy is forecast to grow slightly more than previously expected in 2025, at 1.2%**, and rising to 1.4% in 2026, according to the IMF. • NIESR's UK Economic Outlook **forecasts inflation to average 3.3% over the year.** Persistent wage growth stemming from a historically tight labour market and upward pressures from regulated price increases mean that inflation is likely to return to target more gradually over the next three years. • NIESR's Global Economic Outlook expects **global GDP growth to be around 2.9%** this year, one of the lowest growth rates since the turn of the century excepting the Global Financial Crisis in 2009 and the Covid-19 year of 2020. NIESR expect that, absent other effects, the **US tariffs will raise inflation and lower economic growth in a wide range of countries.** Outside the United States, China and other East Asian manufacturing exporters, Canada and Mexico are likely to be the worst hit. **Trading Environment** • The Consumer Prices Index including owner occupiers' housing costs (CPIH) **rose by 4.1% in the 12 months to April 2025, up from 3.4%** in the 12 months to March. **On a monthly basis, CPIH rose by 1.2% in April 2025**, compared with a rise of 0.5% in April 2024. **The Consumer Prices Index (CPI) rose by 3.5%** in the 12 months to April 2025, up from 2.6% in the 12 months to March. **On a monthly basis, CPI rose by 1.2% in April 2025**, compared with a rise of 0.3% in April 2024. • NIESR's measure of **underlying inflation**, which excludes 5% of the highest and lowest price changes to eliminate volatility and separate the signal from the 'noise', **recorded 1.3%**. This figure remaining low is a positive indication, suggesting that headline inflation figure is being driven by large price increases in a few sectors, with inflation rates broadly falling for most items. • The Bank of England **cut interest rates to 4.25%** – the lowest since May 2023. • The latest NatWest Purchasing Managers Index (PMI) reports the **West Midlands Business Activity Index increased from 49.6 in March 2025 to 47.5 in April 2025** marking six consecutive months of contraction in the region.

SECTOR	KEY INSIGHTS

	• Undertaken before the announcement of the UK-US trade deal, Grant Thonton's Business Outlook Tracker **optimism indicators have declined since they reached record highs at the beginning of the year,** they remain above average levels seen across the last four years. **80% of businesses were optimistic about the UK's economic prospects over the next six months** (-3pp since February) and 59% expect their organisation's profits to increase in the next six months (-8pp decrease since February).
	• Business leaders have warned that **firms are still seeking a "platform of stability" due to sky-high cost pressures and a challenging domestic and global environment.**
	• This comes as business leaders in Coventry and Warwickshire say the **economic growth figures for the first three months of the year will boost confidence – but don't mask the issues that firms across the region are facing.**
	• **Around a third (35%) of businesses expect to grow this year,** according to new research by the British Chambers of Commerce. **The results show hope for growth lies largely in the domestic market, with online expected to drive sales.**
	  ○ Over the next 12 months, 41% of respondents are planning for 'business as usual', 22% plan to downsize, and 2% expect to cease operations.
	  ○ **Urban based businesses were most likely to expect growth, at 36% compared with 29% of rural businesses.**
	  ○ The survey also shows **domestic demand is expected to be the top driver of growth,** with 38% of responding businesses rating it as a driver**.**
	  ○ **A further 22% see international customer demand as a driver.**
	• **The number of new businesses in the Midlands has continued to rise**, according to the latest figures from R3, despite the current economic uncertainty. The figures indicate that there were **6,058 businesses set up in the West Midlands in April**, an increase of more than a third (38%) compared to the end of last year.
	• **Businesses backed by private capital generate £19bn for the Midlands economy each year,** according to a new report, but investment could be "more substantial and close the gap with other parts of the economy".
	• **The number of profit warnings issued by listed Midlands companies almost halved during the first quarter of 2025**, according to the latest figures from EY-Parthenon. Listed companies in the Midlands issued seven profit warnings in Q1 2025, a 46% decrease from the 13 issued in Q4 2024. Midlands companies in the FTSE consumer discretionary and industrials sectors issued the highest number of warnings, with two each. However, the consumer discretionary sector experienced a 22% decrease in warnings compared to the previous quarter, while the industrials sector remained unchanged. Other sectors which reported warnings include technology, healthcare and basic materials.
	• **A trade deal between the UK and United States will provide welcome relief for businesses in the West Midlands**. Prime Minister Keir Starmer and president Donald Trump announced the breakthrough after reaching an agreement over some goods traded between countries. Among the most significant elements of the deal were a reduction on **import taxes on cars and car parts coming into the US – from 25% to 10%.**
	• **However a Midlands based trade expert thinks the agreement is a "damage limitation exercise"**, offering targeted relief for key industries but leaving more questions than answers. The deal provides some welcome developments for steel, aluminium and automotive exporters but failed to resolve key issues. **Notable elements of the agreement included the removal of 25% US tariffs on UK steel and aluminium, largely restoring pre-2025 trading conditions. There is also a reduction in car tariffs from 27.5% to 10% for up to 100,000 UK-built vehicles annually, which the expert says is a ceiling, not a growth opportunity.**
	• Stephen Morley, President of The Confederation of British Metalforming in West Bromwich, has made a rallying call in the wake of some of the most turbulent times seen by industry in decades, with the volatility of the Trump tariffs being the latest

SECTOR	KEY INSIGHTS
	hammer blow to the domestic engineering base. **He has called on the government to focus on reindustrialisation rather than deindustrialisation.** • **A Free Trade Agreement (FTA) between the UK and India is a major boost to both economies and will be particularly welcome in the West Midlands**. India is one of the region's biggest sources of investment – believed to be worth around **£3.5bn and creating some 13,000 jobs over the past decade.** • The impact of rising and unstable energy costs is causing significant concern among UK businesses, according to new research from EY: ○ **62% of UK companies say rising and unstable energy costs are impacting profitability and competitiveness** ○ Two-thirds (66%) of firms in the UK are also concerned about the **availability and reliability of energy supply in the future** ○ 69% of UK businesses plan to increase their focus on electrification, reducing emissions and cutting energy costs in the next three years ○ However, financing costs (44%), complex regulation and availability of utilities infrastructure (both 35%) cited as main barriers to business energy strategies and investments. • **The UK attracted the second highest number of Foreign Direct Investment (FDI) projects in Europe last year** but, like other large European countries, saw overall project numbers decline year-on-year by 13%. **Labour Market** • Estimates for **payrolled employees in the UK decreased by 33,000 employees** (-0.1%) in April 2025, when compared with March 2025 and decreased by 106,000 (-0.3%) between April 2024 and April 2025. • The estimated number of **vacancies in the UK fell by 42,000, or 5.3%, on the quarter, to 761,000 in February to April 2025, which was the 34th consecutive quarterly decline.** The number of unemployed people per vacancy was 2.1 in January to March 2025, up from 1.9 in the previous quarter. • With vacancy numbers continuing to drop, employers across the Midlands region remain cautious, especially given the higher costs associated with employment that are now in force. • **Business leaders in Greater Birmingham have called on Government to give businesses more freedom to invest in their workforce** – as new figures highlight the impact of rising employment costs. • The Greater Birmingham Chamber of Commerce say business and government alike both want to fill job vacancies with UK talent and to train and upskill our workforces. To achieve this, government must double down on plans to boost technical and vocational skills and help more people back into work. • **Permanent placements in the Midlands fell at their fastest pace in three months during April**, according to the latest KPMG and REC, UK Report on Jobs survey. The survey also shows that **temp billings fell for a third consecutive month**, and at the quickest pace in just over a year. Recruiters suggested that **fewer vacancies and redundancies contributed to a further uplift in candidate availability**, as indicated by sustained increases in both permanent and temporary staff supply. On the pay front, permanent salary inflation remained strong but well below the series average. • **Annual growth in employees' average earnings was 5.6% for regular earnings (excluding bonuses) and 5.6% for total earnings (including bonuses)** in Great Britain in January to March 2025. • Sentiment amongst the workforce has dropped to –12 from –8 at the start of 2025 – the lowest score since Autumn 2023. **87% of UK consumers worried about the UK economy, 84% concerned about the cost-of-living, and 68% are struggling financially**

SECTOR	KEY INSIGHTS
	or have little to spend after bills. 37% concerned about job security with 59% of under 35s being the most worried group. • **The UK economy could see an annual boost of more than £23 billion p.a. from building the essential digital skills of the workforce.** • The National Centre for Universities and Businesses say the **Immigration Bill** announced this month by the Prime Minister **threatens to disrupt the delicate balance between reducing reliance on immigration and driving economic growth, risking the UK's position as a global leader in education, research and innovation.** • The Office for Students (OfS) reveals that **financial pressures continue to mount across UK universities, with more than 40% now operating in deficit.**

Manufacturing and Engineering	• **Securing a US trade deal in "weeks, not months" is essential to avoid structural damage to the West Midlands economy and the wider UK car industry**, according to a major new report. **The potential effects of the US tariffs on the West Midlands economy are becoming clearer**, according to a new report to the WMCA.
	  ○ Proposed US tariffs will affect the West Midlands more than any other UK region, with 52% of all businesses across the region expecting to have to downgrade their profit forecasts by the end of the year.
	  ○ 10% long-term tariffs can be absorbed, but 25% tariffs for the auto industry risk causing structural changes to businesses across the West Midlands.
	  ○ A less than perfect deal after 45 days is preferable to an improved one after 180 days. 'No deal' will have serious consequences for the West Midlands automotive sector within weeks.
	  ○ Government support is needed to improve cash management for businesses, reduce red tape and prevent HMRC from holding up payments.
	• A new report finds that **manufacturing is the second least gender inclusive industry in the UK; only the construction sector employs fewer women in 2025**. And this at a time when manufacturers have **55,000 vacancies to fill**, with three quarters of firms saying skills shortages are their biggest barrier to growth.

Construction	• Construction output **is estimated to have shown no growth (0.0%)** in Quarter 1 (Jan to Mar) 2025 compared with Quarter 4 (Oct to Dec) 2024; over the period new work increased by 0.9%, while repair and maintenance fell by 1.2%. **Monthly construction output is estimated to have grown by 0.5% in March 2025;** this follows a downwardly revised increase of 0.2% in February 2025, and an unrevised decrease of 0.3% in January 2025.
Retail, Hospitality and Tourism	• Retail sales volumes (quantity bought) are estimated to have risen by 1.2% in April 2025. This follows a rise of 0.1% in March 2025 (revised down from a rise of 0.4% in our last bulletin). Food store sales volumes grew strongly in April 2025, which retailers attributed to the good weather. Sales volumes rose by 1.8% in the three months to April 2025, compared with the three months to January 2025 (the largest three-monthly rise since July 2021), and by 2.6% compared with the same period last year. • **This year Easter was in April, while last year it was in March. This calendar change distorts the year-on-year sales comparisons - resulting in an artificially higher April, but lower March sales growth.**
Digital / Tech	• As with most industries, **digital technologies such as software as a service (SaaS) and artificial intelligence are helping the real estate industry achieve faster, more scalable growth**. Proptech, or property technology, covers a wide range of uses for technology in the real estate industry. There are currently **749 active companies** operating in the UK, with an impressive total of **£1.68bn raised** from 2020 to 2024. However, the industry is not without its challenges, such as cyber risk and the cost of compliance. The proptech sector is also becoming increasingly saturated, with the number of active companies more than doubling in the last decade from 377 in 2015 to a peak of 846 in 2023.

SECTOR	KEY INSIGHTS
	• **Compound semiconductors play a crucial role in national security**. The UK Ministry of Defence recently made key investments in UK semiconductors. One of these aims to secure the domestic supply of gallium arsenide and gallium nitride chips, which are critical for radar systems and fighter jets. World-class research in UK universities is fundamental to success stories like these. **The University of Warwick leads national efforts to develop the next generation of silicon carbide (SiC) devices**, focusing on ultra-high-voltage power devices for use in the trains and ships of the future, along with the grid and in radiation-hardened power electronics for space, with funding from the UK government's semiconductor strategy. • Microsoft has published new research detailing how **alternative cooling technologies could significantly reduce the environmental impact of data centres**, particularly those used to power artificial intelligence (AI) systems.
Transport Technologies and Logistics	• New research released shows that **325,437 people within the Midlands Rail Hub catchment area are at risk of social exclusion.** This has prompted calls for delivery of the project to act as a 'catalyst for economic growth'. There are eight districts with a **'high' or 'highest' risk areas. These are** Derby, **Tamworth, Birmingham, North Warwickshire,** Hinckley and Bosworth, Leicester and Forest of Dean.
Environmental Technologies	• Wood is often hailed as a low-carbon hero, a natural alternative to steel, concrete and plastic. It's a vital tool in the UK's strategy for reaching net zero. But there's a catch – the country don't grow nearly enough of it. **The UK has one of the lowest levels of forest cover in Europe, with just 14% of land forested. It is also the second-largest importer of wood in the world, meeting only 20% of its wood demand from domestic sources.** That leaves the UK not only exposed to volatile global markets, but also facing a serious challenge of "wood security". And new research shows the problem goes well beyond economics. • Forests around the world are taking longer to recover from severe wildfires – **potentially indicating forest decline** – according to a new study. • **The UK is unlikely to meet its target to protect 30% of land for nature by 2030** without a clear government commitment to Biodiversity Net Gain (BNG) and increased private investment, according to a new report from the Environmental Audit Committee (EAC). • Orsted has paused the planned development of the 2.4GW Hornsea 4 offshore wind farm, citing **increased supply chain costs, higher interest rates and rising operational risks.** The wind farm was due to be situated 69km off the Yorkshire Coast.

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Future High Street Living	Birmingham	Real Estate	Two **Birmingham** apartment schemes have collapsed after the developer behind them fell into financial difficulty. Both properties are now being marketed for sale to repay creditors. Future High Street Living (Digbeth) Ltd, the company behind plans to turn the former S&K Buildings factory in Digbeth into a high-rise residential scheme, has gone into administration.
Poundland	Walsall	Retail	Poundland's parent company, Pepco, is hoping to offload the struggling discount chain by the end of September, as it continues to battle low sales and high costs. The move comes after a disappointing first half of 2025, with Poundland's revenue down 6.5% to £830.8m (€985m), and like-for-like sales dipping 7.3%. The **Walsall**-based discount chain closed 20 stores during the period and saw underlying EBITDA slump to £18.5m, a drop from £73.3m the previous year.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Woodbourne Group	Birmingham	Various	A £4bn innovation district set to create over 22,000 jobs and deliver nearly 5,000 new homes has officially launched. The **Birmingham** Knowledge Quarter will unlock 6.2m sq ft of commercial space, with a focus on life sciences, artificial intelligence, and advanced manufacturing. Woodbourne Group is leading the 210-hectare site in partnership with Aston University, Birmingham City University, Bruntwood SciTech and Birmingham City Council.
Cambridge Healthcare Research	Birmingham	Life Sciences	Cambridge Healthcare Research, a life sciences consultancy, has selected **Birmingham** for its new Research Centre of Excellence. The facility is set to create up to 40 research analyst roles by the end of 2025. Focusing on strategic research projects for UK and international clients in the life sciences sector, this marks the company's first office outside Cambridge and London.
CSI	Birmingham	Technology	**Birmingham**-based CSI has been acquired by global data centre giant Park Place Technologies. The move brings together CSI's expertise in hybrid cloud and legacy IBM systems with Park Place's global reach and scale, boosting services for clients across finance, retail and manufacturing just as demand for hybrid IT solutions accelerates.
JLL Fitness	Birmingham	Fitness	A **Birmingham**-based supplier of fitness equipment - including treadmills, commercial running machines and exercise bikes - has been snapped up by a California-based counterpart. Sunny Health & Fitness has purchased JLL Fitness, which sells its products online and through a showroom in **Birmingham**.
Aurrigo	Coventry	Manufacturing	Swissport has teamed up with **Coventry**-based Aurrigo International to launch its first global pilot of autonomous ground handling solutions at Zurich Airport. Swissport and Aurrigo plan to explore additional airport locations for future implementation. Swissport has secured exclusive operational rights to use Aurrigo's autonomous solutions at airports where it operates.
NP Aerospace	Coventry	Manufacturing	NP Aerospace, the global vehicle integrator and armour manufacturer, has formally opened its new 5.73-acre facility in **Coventry**, supporting UK job growth and global defence needs. The 80,000 sq ft site has a large outdoor space for military vehicle fleets, which will enhance vehicle integration, armour production, and engineering capabilities.
Cemex	Coventry	Construction	Global construction materials company Cemex is set to open a new training facility in **Coventry** to help employees fulfil client demand. The $15bn firm, which manufactures and distributes cement, concrete, and aggregate for the construction industry globally, has opened the training facility at the Business Innovation Centre – part of the University of Warwick Science Park.

MarchantCain Group	Coventry	Manufacturing / Transport	**Coventry**-based automotive manufacturer MarchantCain Group is expanding its focus beyond high-end vehicles as it looks to enter the public transport sector. MarchantCain plans to grow its 14-strong team and apply its expertise in precision components to public transport systems. This includes potential work on control systems for automatic train doors and other applications in buses, aircraft, and boats.
Staircraft	Coventry / West Bromwich	Manufacturing	Travis Perkins has sold its specialist floor kit, i-joist and staircase manufacturer for £24m, in a bid to become a pure-play building materials distributor. The Staircraft group (operating from four sites in **Coventry**, Warwickshire and **West Bromwich**) has been sold to Gait Consulting.
Eku Energy	Sandwell	Energy	Eku Energy has secured over £45m from NatWest and SMBC to build a 99MW battery energy storage system at **Ocker Hill** in the **West Midlands**. In addition to the asset-specific financing, SMBC and NatWest have provided an uncommitted accordion facility of £100m to support funding of Eku Energy's near-term UK projects.
Aberdeen Investments	Solihull	Retail / Commercial Property	Aberdeen Investments, on behalf of the Standard Life Pooled Pension Property Fund, has acquired Sears Retail Park in **Solihull** for £69.6m. Sears Retail Park is anchored by Marks & Spencer and Next, who have leading national stores with two full floors of retailing and a food hall in the M&S. Other tenants at the 136,000 sq ft park include TKMaxx, Homesense, Boots and Mountain Warehouse.
Infrasys	Solihull	Information Technology	A **Solihull** managed service provider has been acquired by a growing IT group. Infrasys is Project Edge's third strategic acquisition. Together with private equity firm Independence Capital and UK private credit investor TDC, Project Edge is building a next-generation IT platform.
RMP Products	Walsall	Manufacturing	**Walsall** steel processor RMP Products is updating its operations with a new energy-efficient plasma cutting machine. The machine cuts waste by up to 60% and doubles productivity compared to older equipment. This upgrade was funded through a £240,000 asset finance package from Lloyds' Clean Growth Finance Initiative, aimed at supporting energy-efficient projects.
John F Hunt	Walsall	Construction	A construction specialist has acquired an **Aldridge** industrial site which totals almost 40,000 sq ft in a deal worth more than £5m arranged by commercial agents at Harris Lamb. John F Hunt has snapped up a circa 38,000 sq ft building set on a secure 6.2-acre site at Westgate.
Make More	Walsall	Technology	A **Walsall** community interest company which supports underrepresented members of the community has received a £4,000 funding boost from Walsall Business Support to facilitate growth. The £4,000 investment also enabled Make More to upgrade its CRM system and phone lines.
BitradeX	West Midlands	AI	BitradeX has developed an AI-based digital asset trading platform for crypto traders. Last week, the **West Midlands** company raised £12.0m for R&D purposes. This includes further development of its AI Strategy Labs

			product, investment in its core technology, and funding towards its global compliance expansion.
Various	West Midlands	Creative Industries	CreaTech Frontiers is a £7.2 million, five-year initiative funded by the Arts and Humanities Research Council to boost innovation and growth across the **West Midlands**' creative industries. Led by Birmingham City University in collaboration with Coventry University, the University of Birmingham, the University of Warwick, and the Royal Shakespeare Company, CreaTech Frontiers will support collaborative R&D in creative applications of technology, from immersive to virtual production, screen, performance, gaming digital heritage and more.
Marston's	Wolverhampton/ West Midlands Wide	Pubs	**Wolverhampton** headquartered Marston's is set to install rooftop solar across 120 pubs within the next 12 months. It will use a Power Purchase Agreement model to support the business case for the £5.4m project. The solar deal, fully financed by Atrato Onsite Energy, will see the pub chain purchase 100% of the generated electricity rather than owning the solar equipment. Atrato will retain the ownership of the system and handle ongoing monitoring.
University of Wolverhampton	Wolverhampton / Walsall	Energy / Net Zero	The **University of Wolverhampton** is embarking on an £11m project to accelerate its journey to net zero. Working with Vital Energi, a multi-technology energy solution will be delivered at the **Walsall** Campus, which will reduce carbon emissions by over 1,000 tonnes each year. The project was made possible due to funding from the Phase 3c of the Public Sector Decarbonisation Scheme totalling £8.6m, which is delivered by Salix Finance on behalf of the Department for Energy Security and Net Zero.
University of Wolverhampton	Wolverhampton	Innovation	The **University of Wolverhampton** has been announced as a key partner in an ambitious new initiative 'Forging Ahead' that aims to transform innovation and entrepreneurship across the Midlands.
Masteel UK / D.S. Willetts	Wolverhampton	Manufacturing	Steel service provider Masteel UK has boosted its capabilities with the acquisition of specialist stainless steel business **Wolverhampton**-based D.S. Willetts and the installation of one of the UK's first combined water-jet and plasma cutting machines. Backed by a six-figure funding package from Lloyds Bank, the investment is expected to create five new jobs and support a projected 25% boost in turnover at D.S. Willetts' **West Midlands** site.
Pallet-Track	Wolverhampton	Logistics	A logistics giant has struck a deal for 405,000 sq ft at an industrial and warehouse distribution park in **Wolverhampton** in what is said to be the largest transaction of its kind in the Midlands this year. Pallet-Track has signed a ten-year lease with Goold Estates at Waterways Business Park, a 19.5-acre estate in **Ettingshall**.
Bowers & Jones	Wolverhampton	Manufacturing	**Wolverhampton**-based metal manufacturer **Bowers & Jones** has been awarded the King's Award for Enterprise in the International Trade category.

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

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