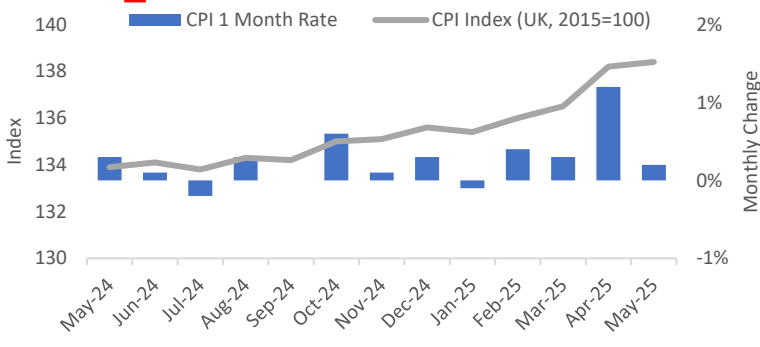


Sandwell Monthly Economic Insights, June 2025

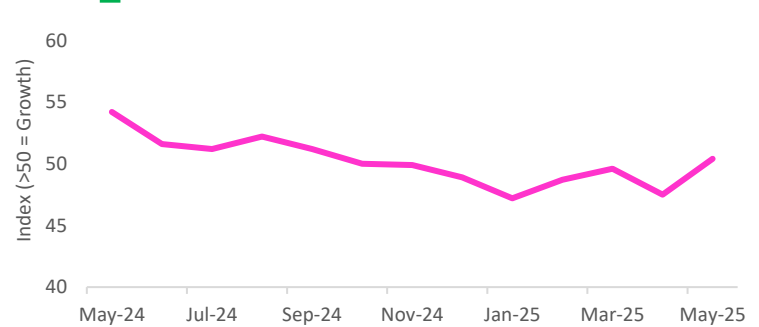
Business sentiment in the West Midlands has returned to positive territory, showing early signs of recovery and outpacing the UK average. However, confidence among small businesses remains negative, and insolvency rates are climbing, particularly in construction and manufacturing. Inflation remains above 3%, driven by wage growth and public spending, with the Bank of England expected to begin easing interest rates slowly. FDI into the West Midlands has declined. Despite this, the region continues to improve its long-term investment share, supported by government R&D funding and a maturing scaleup ecosystem. In Sandwell, the productivity gap remains and has grown larger since last year.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

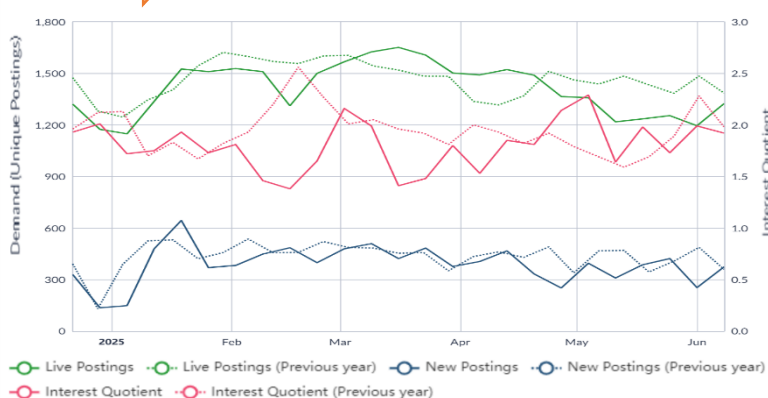


West Midlands Business Activity Index

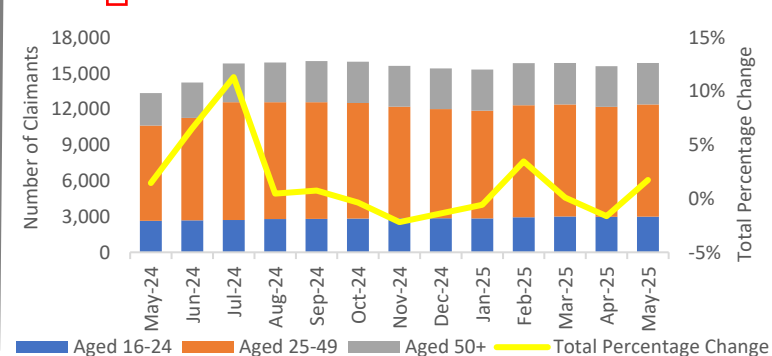


- Utilising a base year of 2015, UK CPI was **138.4** in May 2025 – an increase of **0.2%** from the previous month.
- The West Midlands Business Activity Index increased from 47.5 in April 2025 to 50.4 in May 2025.

Sandwell Job Demand and Interest Trend

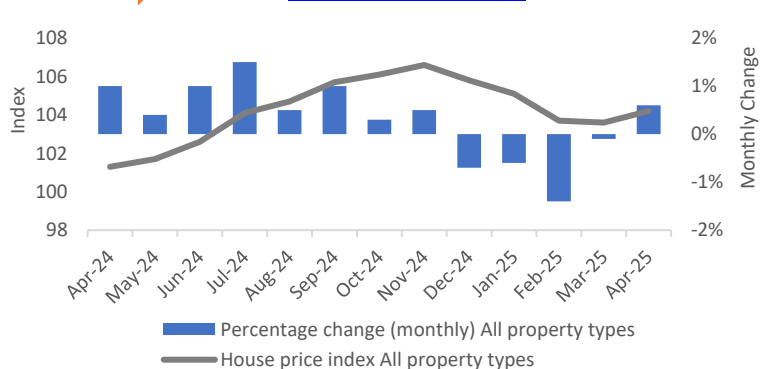


Sandwell Claimants

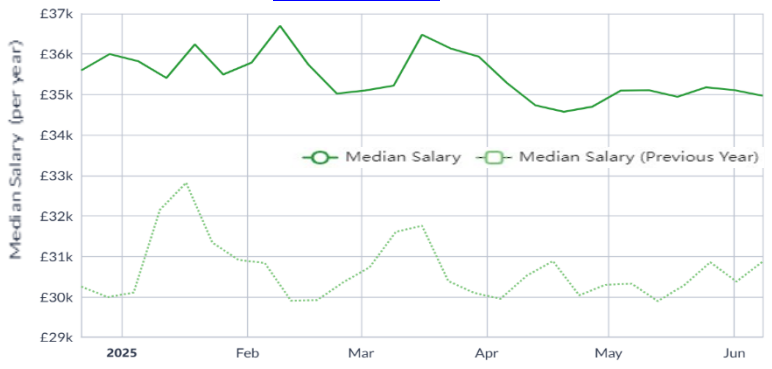


- In the past month: **2,015** job postings (**-36.7% YoY**), **652** new postings (**-59.7% YoY**). 1.9 (high) Interest Quotient.
- In total, **15,875** claimants in May 2025; **+270** since Apr 2025, **(+2,520)** since May '24).

Sandwell House Price Index



Sandwell Salary Trend



- Sandwell's House Price Index was **104.2** in April 2025. The monthly Index increased by **0.6%**.
- In the past month, on Adzuna: **Median Salary of £35,067**, **+15.6%** year on year.

Other Recent Data Releases

- The Office for National Statistics (ONS) have released [regional and subregional labour productivity data](#), now up to 2023. Analysis for Sandwell shows:
 - **Smoothed GVA per hour worked: £32.84 (+1.0%, UK +2.2% since 2022).** Sandwell shortfall of £9.03 to UK (£41.87).
 - **Smoothed GVA per job filled £53,581 (+1.8%, UK +3.4% since 2022).** Sandwell shortfall of £12,821 to UK (£66,402).
- ONS have released an update on [subnational population projections](#) for local areas (2022-based). Analysis for **Sandwell in 2032** shows:
 - **Projected population: 353,269 people**, up from 344,582 people in 2022 (**+2.5%**, Eng. +6.4%).
 - **Net Internal migration: +27,178 people** – projected to be the largest factor in population increase between 2022 and 2032.
 - **Projected median age: 38 years**, up from 37 years in 2022.
- [Public First publication](#) on modelling the economic impact of international students shows they raise living standards in every constituency in the country. On average, every UK resident person – man, woman, child; working, non-working and retired is £355 a year better off on average as a result of international students. In the Black Country:
 - Aldridge-Brownhills: Estimated increase in wages per FTE adult: £65 and Estimated increase in income and profits per domestic resident: £27
 - Dudley: Estimated increase in wages per FTE adult: £142 and Estimated increase in income and profits per domestic resident: £66
 - Halesowen: Estimated increase in wages per FTE adult: £111 and Estimated increase in income and profits per domestic resident: £49
 - **Smethwick: Estimated increase in wages per FTE adult: £593 and Estimated increase in income and profits per domestic resident: £243**
 - Stourbridge: Estimated increase in wages per FTE adult: £67 and Estimated increase in income and profits per domestic resident: £43
 - **Tipton and Wednesbury: Estimated increase in wages per FTE adult: £267 and Estimated increase in income and profits per domestic resident: £119**
 - Walsall and Bloxwich: Estimated increase in wages per FTE adult: £220 and Estimated increase in income and profits per domestic resident: £151
 - **West Bromwich: Estimated increase in wages per FTE adult: £191 and Estimated increase in income and profits per domestic resident: £155**
 - Wolverhampton North East: Estimated increase in wages per FTE adult: £189 and Estimated increase in income and profits per domestic resident: £128
 - Wolverhampton South East: Estimated increase in wages per FTE adult: £266 and Estimated increase in income and profits per domestic resident: £146
 - Wolverhampton West: Estimated increase in wages per FTE adult: £996 and Estimated increase in income and profits per domestic resident: £547
- Woodland Trust have released [State of the UK's Woods and Trees 2025](#) – including woodland / canopy cover by local area.
- The Conversation have [analysed data from almost 34,000 playgrounds in England](#). Cradley Health appears under “smallest playgrounds” in the small settlement size category and Tipton appears under “fewest playgrounds” in the medium size category.
- Findings from Institute for Fiscal Studies [on the move: how young people's mobility responds to and reinforces geographical inequalities](#) include **six in ten top achievers outside of London leave their hometown by their early 30s**. Local area maps available.
- [Inward Investment results from the Department for Business & Trade](#) shows in 2024/25 **for the West Midlands 7 Met. area, there were 58 single site FDI projects** (from 70 in 2023/24) **which created 2,758 new jobs** (from 6,082 in 2023/24). For the West Midlands region there were 130 FDI projects in 2024/25, an annual decrease of 3 (-2.3% vs UK: -11.6%). There were 5,821 new jobs created, an annual decrease of 1,760 (-23.2% vs UK: -3.0%).
- New [data from the Scaleup Institute](#) reveals **in the West Midlands 7 Met. area, there are 1,115 scaleups, and 510 in the pipeline**. Since the previous year, scaleup density has increased in the WM 7 Met. Area, from 31.7 per 100k population in 2021 to 37.7 per 100k population in 2022. However longer term, since 2013, scaleup density has decreased. **Top scaling sectors include Wholesale & Retail, Manufacturing, Admin & Support Services, Health & Social Work.**
- New [data from Centre for Ageing Better](#) shows how the gap between the number of accessible homes and the number of Disabled people has increased substantially, **potentially leaving almost 1.3 million people in the West Midlands to live in homes that don't meet their needs**, as only 4% of homes meet all four accessibility features.
- [HMRC UK Regional Trade in Goods Statistics](#) reports that for the West Midlands in the year ending Q1 2025:
 - **Exported £34.9bn** worth of goods, an annual decrease of £453m (**-1.3%**, UK: -3.6%).
 - **Imported £42.8bn** worth of goods, an annual increase of £752m (**+1.8%**, UK: +0.8%).

Economy and Business Intelligence

THEME	KEY INSIGHTS
Economic Outlook	<ul style="list-style-type: none"> This month marks the start of several weeks of expected big announcements, starting with the Spending Review, Infrastructure Strategy, Industrial Strategy alongside the accompanying Sector Plans, the National Security Strategy and the NHS 10 Year Plan (expected in early July). Can the Industrial Strategy end the UK's long term productivity stagnation? PwC argues it certainly could. Evidence from advanced economies shows that every one percentage point of GDP devoted to industrial policy delivers, on average, a 0.25% lift in labour productivity in that sector within two years. Recent data from the Office for National Statistics (ONS) reveals monthly real gross domestic product (GDP) is estimated to have fallen by 0.3% in April 2025, following growth of 0.2% in March 2025. Real GDP is estimated to have grown by 0.7% in the three months to April 2025, compared with the three months to January 2025, largely driven by growth in the services sector in this period. PwC note the growth momentum built up in Q1 2025 seems to be coming undone. The growth rebound in Q1 was unlikely to last, due to higher NICs, US trade tariffs, and Stamp Duty changes all coming into force in April. Nevertheless, this drop represents a larger-than-expected reversal in growth. A drop in services output of 0.4% was the biggest contributor, with Stamp Duty changes causing a sharp reduction in house buying activities and legal services. Significant falls in wholesale retail and manufacturing illustrate the impact of other external economic headwinds. Based on recent survey data and sentiment indicators, NIESR project GDP will expand 0.3% in the second quarter of 2025. However, subdued demand and slow progress in unlocking private investment are likely to constrain this momentum. The greater challenge lies in tackling long-standing weaknesses, such as low productivity, economic inactivity, and underinvestment. To achieve sustained growth, credible reforms are required that enhance the economy's supply-side capacity.
Trading Environment	<ul style="list-style-type: none"> The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.0% in the 12 months to May 2025, compared with 4.1% in the 12 months to April. On a monthly basis, CPIH rose by 0.2% in May 2025, compared with a rise of 0.4% in May 2024. The Consumer Prices Index (CPI) rose by 3.4% in the 12 months to May 2025, compared with 3.5% in the 12 months to April. On a monthly basis, CPI rose by 0.2% in May 2025, compared with a rise of 0.3% in May 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 1.8%. 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. Inflation is forecasted to remain above 3% target throughout 2025 given the rise in public spending and persistent wage growth. An interest rate cut by the Bank of England was never likely this month, but if growth stays subdued and inflation continues its downward drift, the Bank is still on track to continue easing gradually later in the year. The most likely course remains a steady, quarterly rhythm of cuts; a slow-release valve to support the economy as inflationary pressure fades. The latest NatWest Purchasing Managers Index (PMI) reports the West Midlands Business Activity Index increased from 47.5 in April 2025 to 50.4 in May 2025. This marks the first month of growth following six consecutive months of contraction. The UK Business Activity Index increased from 48.5 in April 2025 to 50.3 in May 2025. The West Midlands Future Business Activity Index increased from 67.3 in April 2025 to 75.2 in May 2025, the highest of any region across the UK. The latest FSB Small Business Index reveals confidence picked up slightly following Q4 2024's very low reading. Small businesses expect performance to worsen again over the next three months, marking the fourth consecutive quarter of net pessimism. West Midlands small businesses scored confidence readings of -45.4, less confident than the UK average of -40.7. On a sector basis, all readings remained negative, marking the 4th consecutive quarter in which all sectors failed to record a positive score. The Insolvency Service's latest statistics for May 2025 reveal an increase in corporate insolvencies across the UK. The total number of registered company insolvencies in England and Wales was 8% higher than April 2025 and 15% higher than May 2024. PwC notes the data reflects the persistent challenges, particularly in the construction and manufacturing sectors, and highlights that the financing position of many businesses remains fragile. This vulnerability can also be seen in some of the business and consumer sentiment surveys which are painting a very cautious picture. A steep fall has been recorded in the number of businesses set up in the Midlands over the past two months according to R3, with entrepreneurs impacted by current economic challenges, including April's rises in the National Minimum

THEME	KEY INSIGHTS
	<p>Wage and Employers National Insurance, as well as new US tariffs. There were 5,773 businesses set up in the West Midlands in May, a 10.48% decrease compared to the 6,449 new businesses registered in March. The May statistic, however, is 16.6% higher than the 4,951 start-ups established 12 months previously.</p> <ul style="list-style-type: none"> • New data on scaleups in the UK reveals there are currently 34,180 scaleups, employing 3.2 million people and an average turnover per employee of £449,317. These scaleups contribute £1.4 trillion to the UK economy. There are 16,450 scaling pipeline businesses. In the West Midlands 7 Met, there are 1,115 scaleups, and 510 in the pipeline. Since the previous year, scaleup density has increased in the WM 7 Met. Area, however longer term, since 2013, scaleup density has decreased. Top scaling sectors include Wholesale & Retail, Manufacturing, Admin & Support Services, Health & Social Work. • The UK has ranked second place in the 2025 table of Europe's most attractive countries for investment, with four UK regions listed in the top twenty regional list. The EY Attractiveness Surveys 2025 ranks the West Midlands and North West England were joint third with 86 projects. Birmingham recorded a 65.7% decline in project successes between 2023 and 2024, from 70 to 24 projects. In 2024, the number of projects secured in the UK declined by 13.4% to 853, against the background of a 5.5% decrease across Europe. Employment announced by FDI projects secured by the UK in 2024 declined by 26.8% year-on-year to 38,196 jobs. The West Midlands attracted 86 projects, down from 126 the previous year (-32%), and reported 4,926 FDI jobs in 2024. The West Midlands had a particularly strong performance in 2023, reflecting the success of the Commonwealth Games as a catalyst for investment, so some fall-back was expected. However, a longer-term perspective shows that the region has recorded an increase in their share of UK projects over the past decade. • The Government's £86 billion research and development (R&D) budget, set over the next four years, is a welcome sign of its recognition of research and innovation as central to driving long-term economic growth. However, to secure the UK's global competitiveness and unlock significantly greater private investment, bolder ambition is needed, says the National Centre for Universities and Business (NCUB). • More than £300m of equity investment was raised by smaller businesses across the West Midlands in 2024, according to new research, supported by a "strong eco-system". The British Business Bank's Small Business Equity Tracker said the region accounted for 4.1% of all equity investment activity by the organisation between 2022 and 2024. The West Midlands also reported the largest percentage increase in investment value across all UK regions, with an increase of 142% to £301m. • Deal activity in the Midlands declined during the first quarter of 2025, according to Experian Market IQ, but the M&A sector continued to demonstrate resilience against "global macroeconomic headwinds". Deal activity continued at a "steady pace" but below the "elevated levels seen in recent years". A total of 213 deals were announced in Q1 2025, representing a 22 per cent decrease from the 273 recorded during the same period in 2024. • The British Business Bank has committed £2.6bn of capital to help drive the growth of smaller businesses across the UK's nations and regions, including in the Midlands.
Labour Market	<ul style="list-style-type: none"> • Estimates for payrolled employees in the UK decreased by 55,000 employees (-0.2%) between March and April 2025 and fell by 115,000 (0.4%) between April 2024 and April 2025. • The estimated number of vacancies in the UK fell by 63,000 on the quarter, to 736,000 in March to May 2025. This was the 35th consecutive quarterly decline with quarterly falls seen in 14 out of the 18 industry sectors. Vacancies were 59,000 below their January to March 2020 level. • Annual growth in employees' average earnings excluding bonuses in Great Britain was 5.2% in February to April 2025, and annual growth in total earnings including bonuses was 5.3%. Annual average regular earnings growth was 5.1% for the private sector and 5.6% for the public sector. • Pay varies dramatically across England. The Resolution Foundation finds: <ul style="list-style-type: none"> ○ Even after accounting for people's changing characteristics, one-third of the pay differences between labour markets stem from places themselves, rather than the people within them. A full-time worker moving from low-pay Dudley to high-pay Harrogate gains about £1,300 a year roughly 5% of earnings purely from where they live. ○ People effects explain one-quarter of the gap. High-potential workers earn more wherever they go. ○ Sorting amplifies inequality. The tendency of high earning potential workers to locate in high pay areas explains 42% of the variance in wages. ○ Agglomeration effects are modest. Doubling labour market size raises pay by just 3.9%, accounting for only 24% of the place premium. ○ Industry mix and firm size also don't explain the place effect. Sector composition explains just 3% of pay differences; the remainder comes from higher wages within the same sectors and firm size bands, pointing to a concentration of high value firms and functions in particular areas.

THEME	KEY INSIGHTS
	<ul style="list-style-type: none"> London pay boosts are portable. A year spent working in London leaves early career workers earning around 10% more even after they move to another major city. <p>The university league tables for 2026 are out now. The University of Warwick is the best performing in the West Midlands, closely followed by the University of Birmingham. Bringing up the rear are Birmingham City University followed by Birmingham Newman University and lastly, the University of Wolverhampton.</p>

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	<ul style="list-style-type: none"> The Chancellor's Spending Review announcements underscore the critical shift towards empowering regions with more control and decision-making tailored to local needs, executed by local leaders. Notably, the research and development package, which includes up to £500 million for regions across the UK, will significantly bolster the robust manufacturing sector and 'innovation cluster' in the Midlands. This funding will facilitate ongoing development, upskilling, and rapid scaling of operations. West Midlands manufacturers have enjoyed a strong early summer following a recovery in the automotive sector with a range of new models coming on stream. MakeUK reveals output in the region climbed to a balance of +32% which is "very high" by historical standards while orders at +16% followed a similar positive pattern. This performance has translated into a boost for job prospects with recruitment intentions positive at +24%. Meanwhile investment (+24%) is also being ramped up in order to meet this demand.
Construction	<ul style="list-style-type: none"> Construction output is estimated to have grown by 0.9% in April 2025; this is the third consecutive period of positive growth, following an increase of 0.5% in March 2025.
Retail, Hospitality and Tourism	<ul style="list-style-type: none"> The better-than-expected retail sales performance over Easter may have pulled forward sales from later in the Spring, and so it has proven. Retail sales excluding petrol fell by 2.8% in May compared with April in volume terms, which translates into 2.2% less money in the tills of the nation's retailers. Compared with last year, sales volumes were down by 1.3%, with pounds in the till broadly flat.
Digital / Tech	<ul style="list-style-type: none"> The latest Tech Nation Report 2025 reports on UK tech. In the West Midlands, the tech sector is worth \$16.4b, up from \$14.6b in 2020 (+11%). VC investment is at \$143m, down from \$321m in 2020 (-55.5%). The region is home to 3 tech unicorns. The recent Spending Review revealed the government will take a 'digital first' approach to infrastructure, ensuring that digital infrastructure is embedded from the very beginning of the development process for infrastructure projects. As part of this, the Strategy cited examples of how digital is being introduced into current social infrastructure projects including the £10bn for NHS technology and transformation over the Spending Review period, new digital and data services for prisons and probation and continued digital infrastructure improvements for schools over the next four years. AI is sprinkling stardust on UK employees and sectors that are best able to use the technology, suggests PwC's 2025 Global AI Jobs Barometer. Workers in 'exposed sectors' (where AI can be readily used for some tasks) are more productive and able to command higher wage premiums.
Transport Technologies and Logistics	<ul style="list-style-type: none"> The infrastructure updates in the Spending Review, particularly the advancements in the Midlands Rail Hub, promise to enhance connectivity from Birmingham throughout the West Midlands and beyond. This is encouraging news, as it will further fuel regional growth. To fully realise these benefits, a sustained emphasis on equipping our young people with the right skills is essential - the announced additional investment in training and upskilling is vital in achieving this goal.
Environmental Technologies	<ul style="list-style-type: none"> The All-Party Parliamentary Group (APPG) on the Environment has heard evidence that reducing waste, scaling reuse and enhancing recycling systems could deliver a £25bn boost to Britain's economy by 2035. It wants Ministers to seize these opportunities now by setting out enabling policies. The recently announced Infrastructure Strategy outlines significant investment in clean power generation and grid infrastructure —announced earlier this month as part of the Spending Review— while also highlighting that the Government will continue to follow its Clean Power Action Plan (CPAP) to meet its clean energy by 2030 target. In response to the growing threat of flooding and coastal erosion, the Government has committed £4.2bn between 2026 and 2029 to new and improved flood defenses. The unveiling of the UK's Industrial Strategy represents a very welcome and much needed moment for businesses, particularly as energy will continue to be heavily influenced by geopolitical events and an increasingly complex global

SECTOR	• KEY INSIGHTS
	<p>economic landscape. By addressing two of the most pressing challenges—high electricity prices and prolonged grid connection waits—this initiative demonstrates a strong commitment to fostering an environment where businesses can have the support to grow and compete internationally.</p> <ul style="list-style-type: none"> A new Public First report for Water UK looks at the economic cost of water scarcity as a blocker on commercial development in England. In areas of the country, we are already seeing the limiting impacts of water scarcity on development; and with the commercial growth in water intensive industries, rising temperatures and population increase the problem is only growing. Insufficient water is putting breaks on the development that is so desperately needed for growth. £8.5 billion of economic growth could be lost in areas where there is limited or little available supply above the headroom.

NEW INVESTMENT, DEALS AND OPPORTUNITIES

COMPANY	LOCATION	SECTOR	DETAIL
E & A Freight Ltd	Sandwell	Logistics	E & A Freight Ltd has applied for a licence to use a unit at Bilport Lane in Wednesbury as an operating centre, with three goods vehicles and three trailers set to be housed at the unit.