The Economic Intelligence Unit

The Industrial Strategy 8 Sectors in Walsall

September 2025

Data Considerations

*This analysis is **based on Office for National Statistics (ONS, 2023) data**, which provides the baseline for **proportions of businesses by sector**, **proportions of employees by sector**, and **business-size distributions**. **Building on this baseline**, **The Data City**'s **Industrial Strategy Classification (ISC)**—developed with the **Department for Business and Trade**—is also used to capture key measures and company-level dynamics. Differences in definitions, coverage and reference dates mean figures from these sources are **not directly comparable**; The Data City results should be treated as **indicative**. The source for each item is specified on the relevant slide.*

*As there is no clear SIC definition for **Clean Energy Industries**, **all data for this sector (including business and employment)** are taken from **The Data City**.*

*ONS data shows **no current presence** for the **Defence sector** in Walsall. However, **The Data City ISC system** does identify activity, and given Walsall's important role in the **Defence supply chain**, the sector has been **included in this analysis**. All data for this sector including **business** and **employment figures** are therefore drawn from **The Data City**.*

Location Quotient

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- **Manufacturing strong: Advanced Manufacturing** records a **business LQ of 1.50**, **employee LQ of 1.37**, and **turnover LQ of 1.85**, underlining it as a local area of specialisation.
- **Clean Energy neutral: Clean Energy Industries** sit around average with a **business LQ of 0.79** and **employee LQ of 0.87**, though turnover is weaker (0.58).
- **Creative industries mixed: Creative Industries** show a relatively high **business LQ of 0.95**, but weaker **employee (0.62)** and **turnover (0.29)** scores point to limited wider presence.
- **Professional services balanced: Professional and Business Services** approach neutrality with a **business LQ of 0.59**, **employee LQ of 0.94**, and **turnover LQ of 0.92**.
- **Other sectors under-represented: Digital & Technologies** (employee LQ 0.09, turnover LQ 0.15), **Financial Services** (employee LQ 0.40, turnover LQ 0.21), and **Life Sciences** (employee LQ 0.47, turnover LQ 0.43) remain weakly concentrated.

Sector	Business LQ	Employee LQ	Turnover LQ
Advanced Manufacturing	1.5	1.37	1.85
Clean Energy Industries	0.79	0.87	0.58
Creative Industries	0.95	0.62	0.29
Defence	0.19	0.61	0.19
Digital and Technologies	0.33	0.09	0.15
Financial Services	0.37	0.4	0.21
Life Sciences	0.69	0.47	0.43
Professional and Business Services	0.59	0.94	0.92

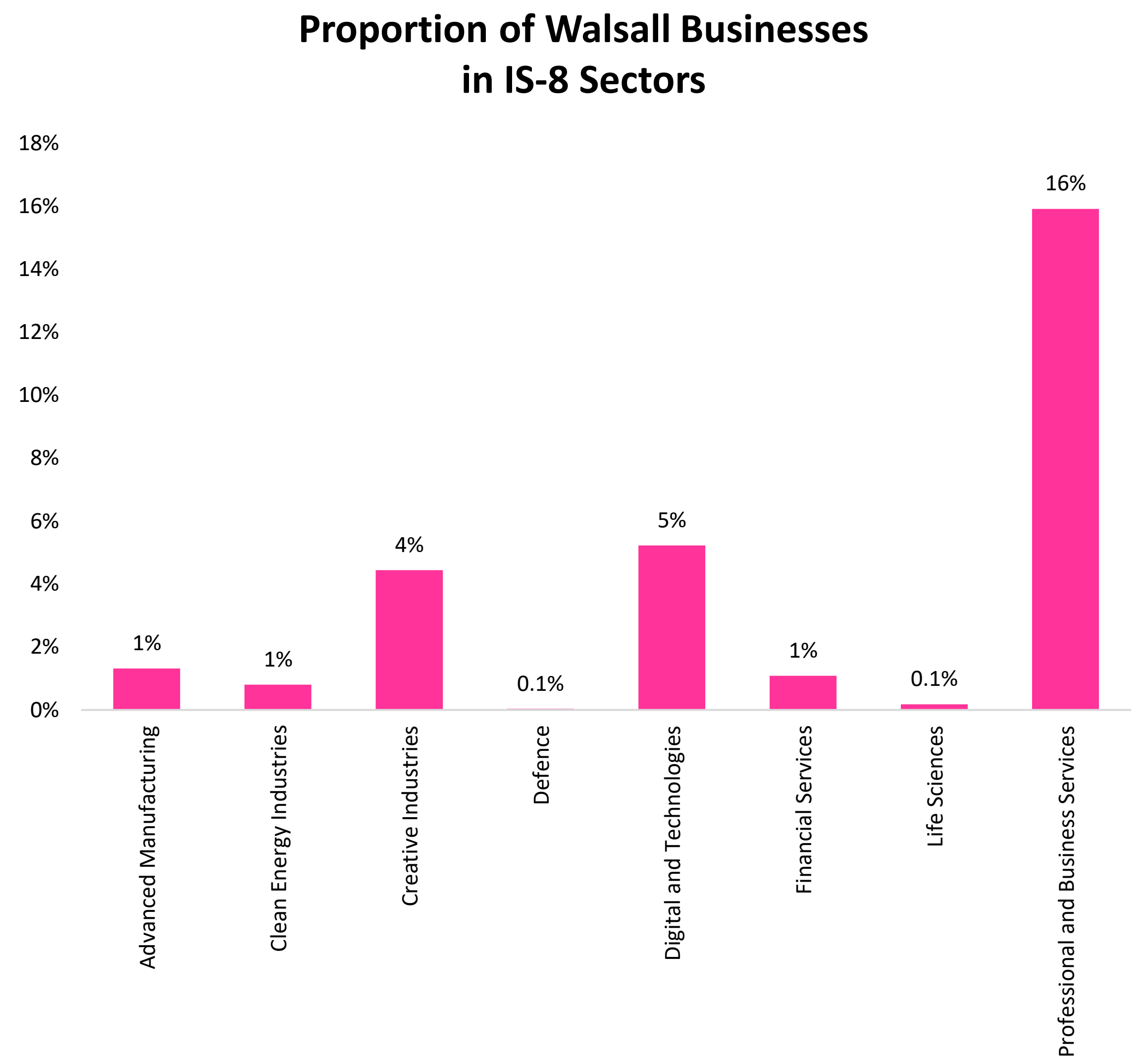
Underrepresented (LQ < 0.75)
Neutral (0.75 ≤ LQ < 1.25)
Emerging strength (1.25 ≤ LQ < 2.0)
Highly specialised (LQ ≥ 2.0)

While LQs offer a valuable indication of regional specialisation, they should not be interpreted as a definitive measure of opportunity. A low LQ score may reflect an early-stage or emerging opportunity area that has yet to develop scale in terms of employment, business count or turnover, but nonetheless holds significant strategic or innovation potential. As such, the LQ analysis should be considered alongside other contextual insights.

Source: The Data City. A Location Quotient (LQ) is a measure that compares the concentration of an industry, sector, or occupation in a specific region to its concentration at a broader geographic level (in this case, the national average).

Proportion of Businesses

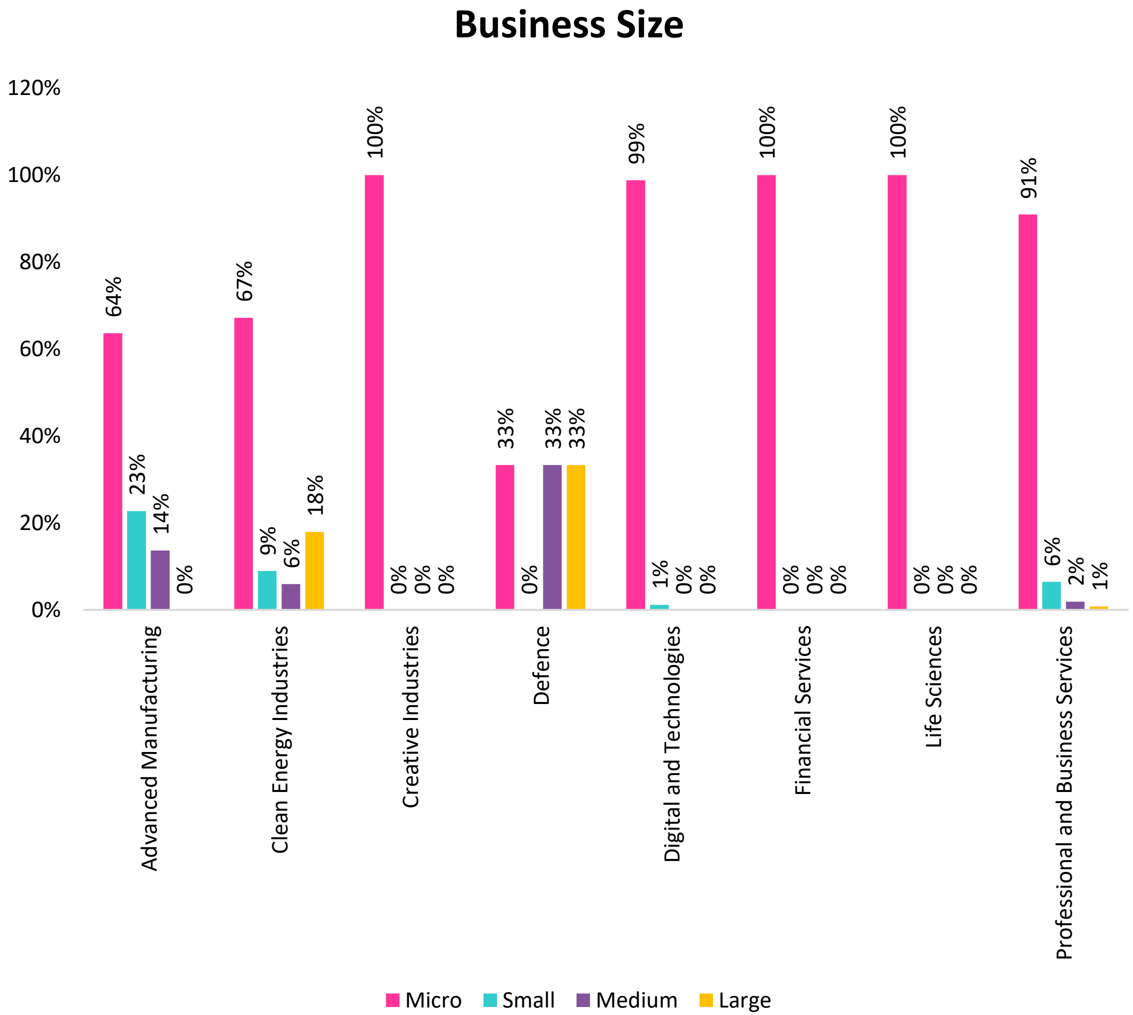
- **Services dominate:** Professional and Business Services account for **16%** of all firms, the largest sectoral share.
- **Digital presence:** Digital & Technologies represent **5%** of companies, providing a small but visible tech base.
- **Creative contribution:** Creative Industries make up **4%** of the business stock, adding diversification to the economy.
- **Industrial and finance limited:** Advanced Manufacturing, Clean Energy Industries, and Financial Services each account for just **1%** of firms.
- **Minimal elsewhere:** Defence and Life Sciences show **very little presence** in the local business base.



Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.

Business Size

- **Micro-business dominance:** The majority of firms across all sectors are micro-sized, with **100% in Creative Industries, Financial Services, and Life Sciences**, and over **90%** in most other sectors.
- **Advanced Manufacturing exception:** More variation is seen, with **23% small** and **14% medium-sized** businesses alongside 64% micro firms.
- **Clean Energy Industries mix:** While 67% are micro, the sector also includes **9% small, 6% medium, and 18% large firms**, reflecting some scale.
- **Defence structure:** Evenly spread with **33% micro, 33% medium, and 33% large**, unlike other sectors.
- **Digital & Technologies and Professional & Business Services:** Strongly micro-dominated (**99% and 91%** respectively), with only a small minority in other categories.



Source: ONS, 2023. Data for ‘Clean Energy Industries’ and ‘Defence’ taken from The Data City, 2025.

Proportion of Employees

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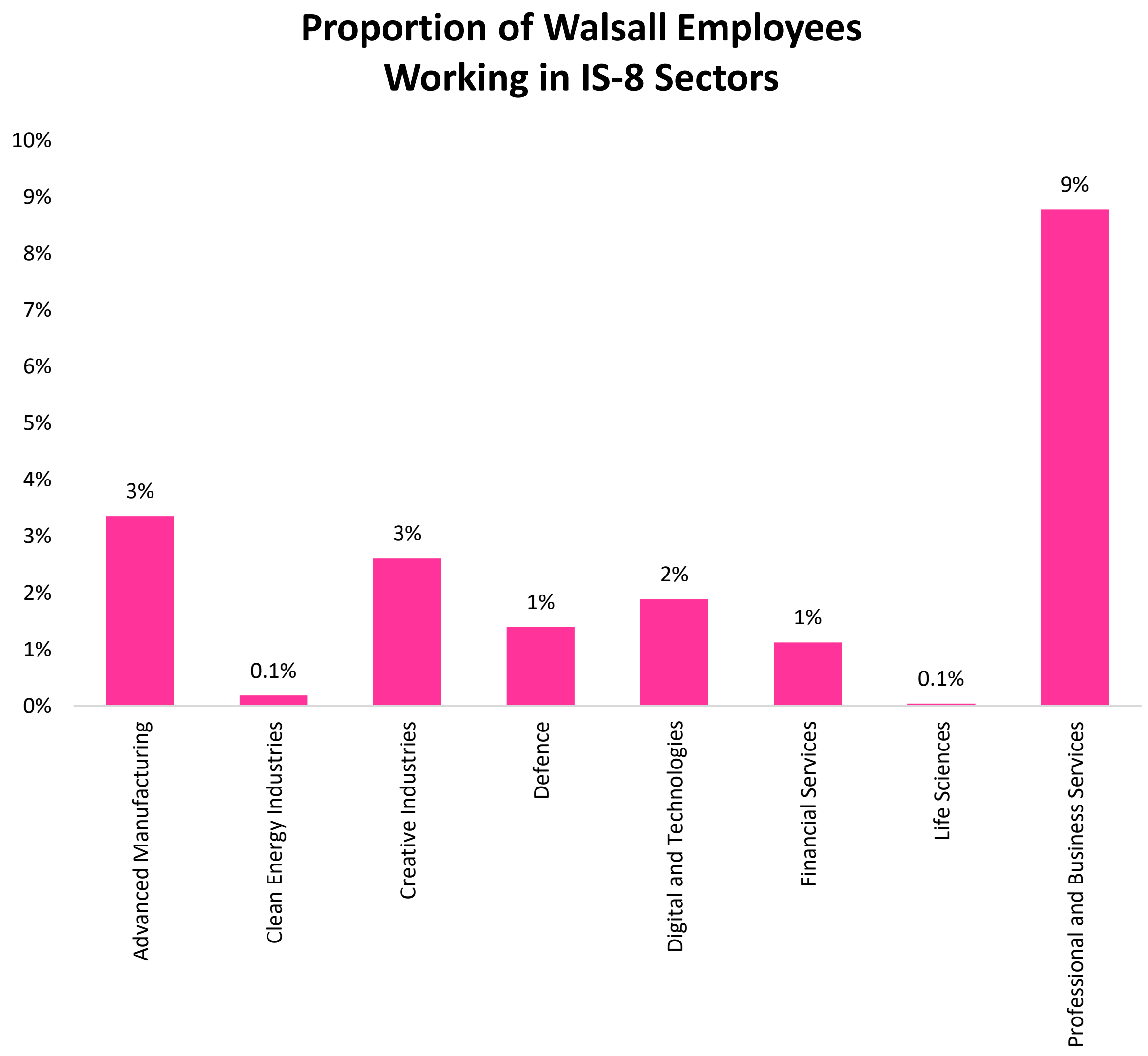
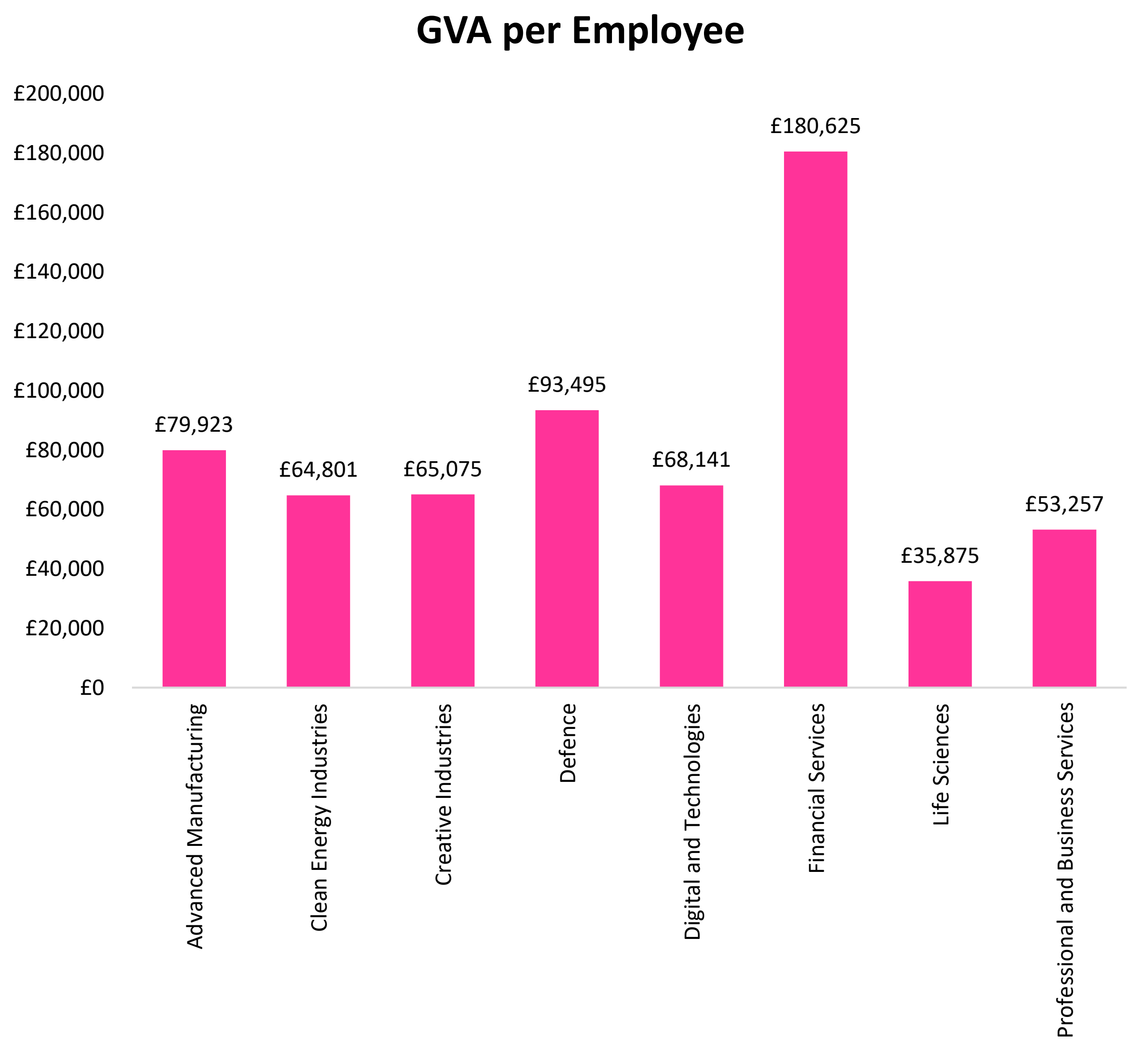


- **Professional and Business Services dominance:** The largest employment sector in Walsall amongst the IS-8, accounting for **12%** of all local jobs.
- **Advanced Manufacturing and Financial Services:** Each contributes **2%** of employment, representing steady but modest activity.
- **Clean Energy, Creative, and Digital:** Each sector makes up **1%** of local employment.
- **Minimal presence in Defence and Life Sciences:** These sectors record **0.1%** of Walsall's workforce.
- **Concentrated employment structure:** Jobs are skewed towards a few sectors, with Professional and Business Services significantly outweighing others.

Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.

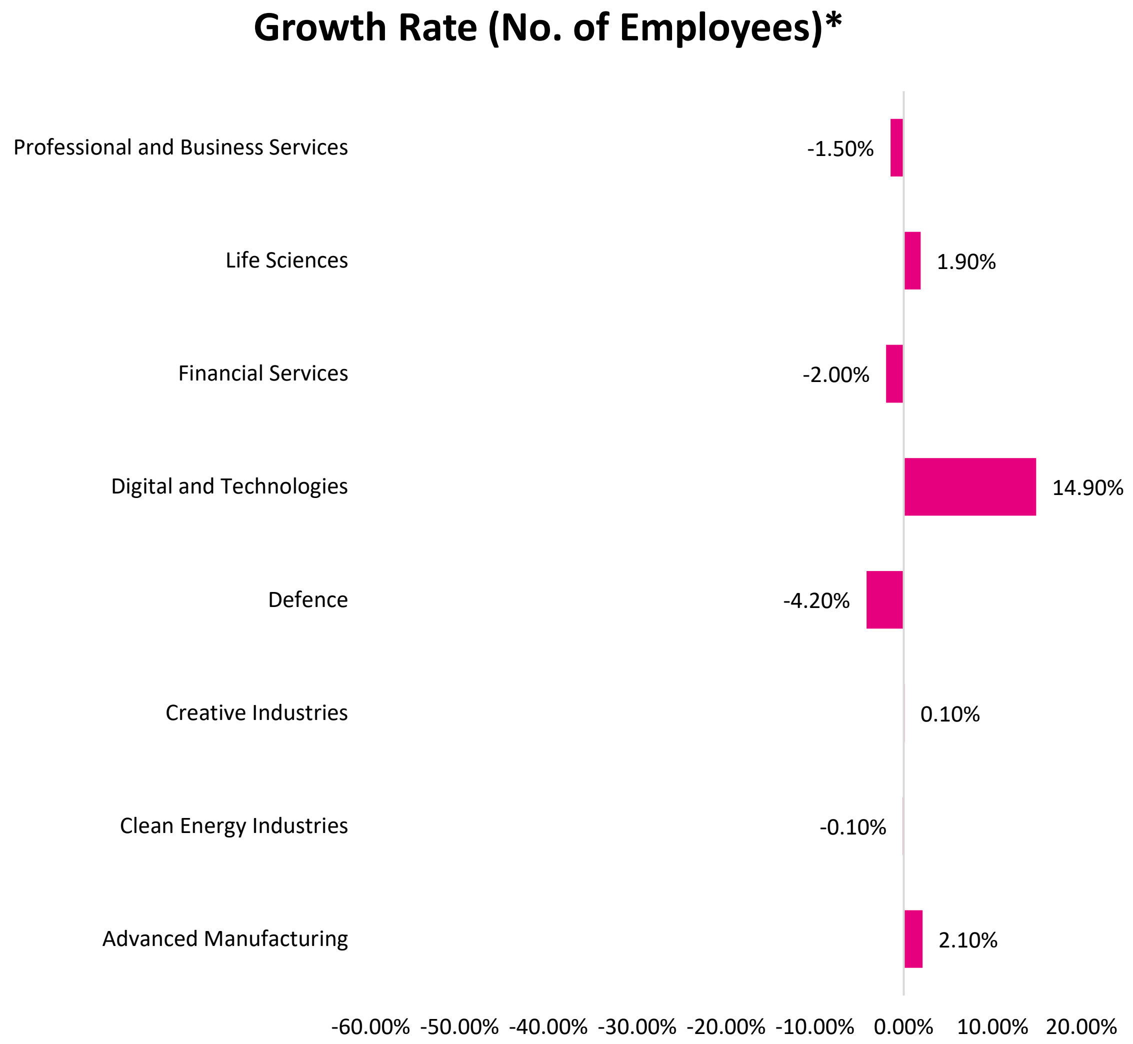
GVA per Employee



- **Financial Services highest productivity:** At **£180,625 per employee**, this sector is by far the most productive in Walsall's economy.
- **Defence and Manufacturing strong:** Defence (**£93,495**) and Advanced Manufacturing (**£79,923**) both perform well, above many other sectors.
- **Digital and Creative moderate:** Digital and Technologies (**£68,141**) and Creative Industries (**£65,075**) generate mid-range productivity levels.
- **Professional Services and Clean Energy lower:** Professional and Business Services (**£53,257**) and Clean Energy Industries (**£64,801**) sit below the manufacturing and defence averages.
- **Life Sciences weakest:** At **£35,875 per employee**, productivity in Life Sciences is significantly below all other sectors.

Source: The Data City, 2025

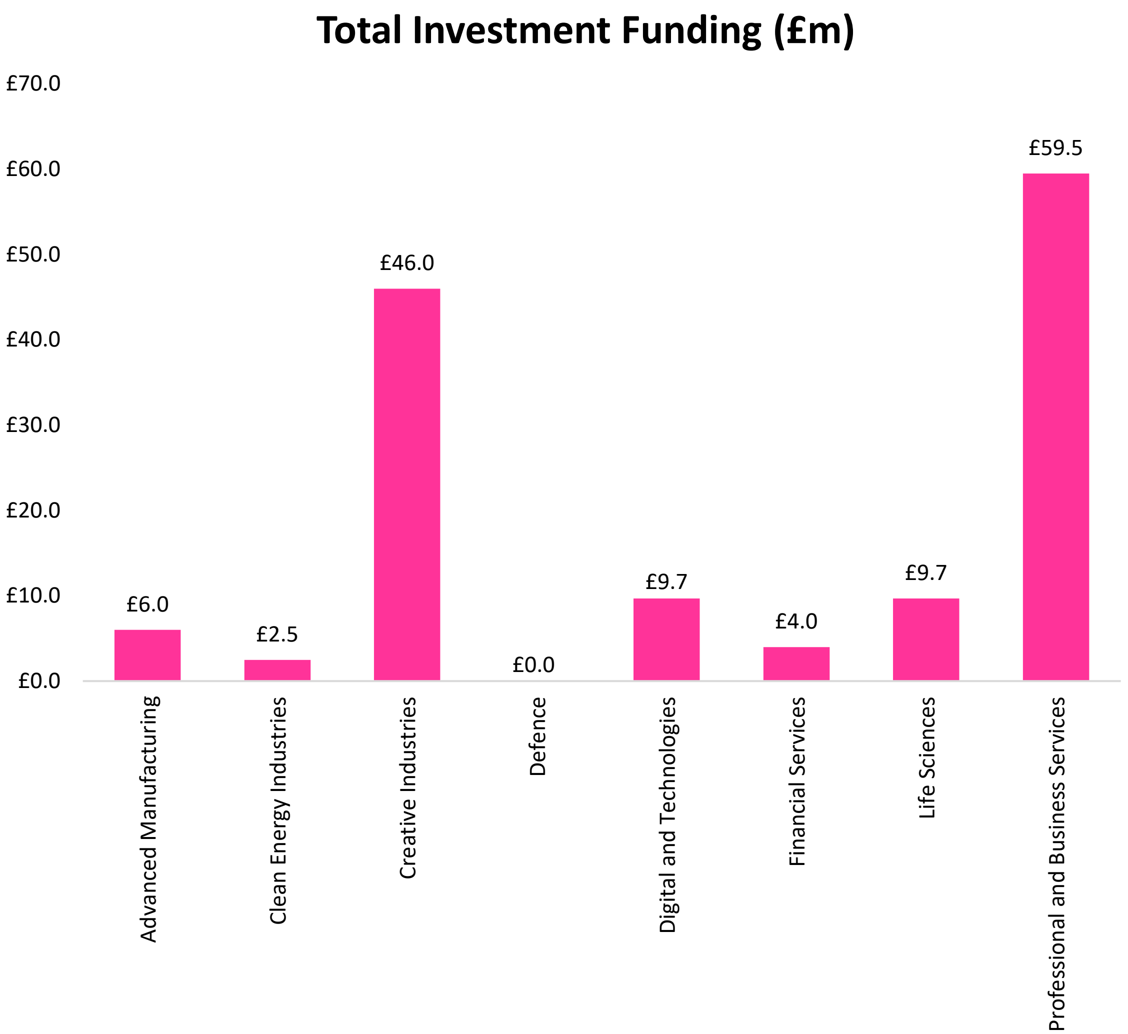
Growth Rate



- **Digital and Technologies fastest growing:** This sector shows strong momentum with an estimated annual employee growth rate of **+14.9%**.
- **Life Sciences and Manufacturing modest growth:** Life Sciences (**+1.9%**) and Advanced Manufacturing (**+2.1%**) are both expanding at a steady pace.
- **Creative and Clean Energy flat:** Creative Industries (**+0.1%**) and Clean Energy Industries (**-0.1%**) remain largely stable with minimal growth.
- **Professional and Financial Services declining:** Professional and Business Services (**-1.5%**) and Financial Services (**-2.0%**) are both experiencing contraction.
- **Defence in sharper decline:** Defence is the weakest performer with a projected fall of **-4.2%** per year.

**Source: The Data City, 2025. The growth rate is calculated by The Data City as a best estimate of the annual growth rate of the number of employees of all companies in the sector.*

Investment



- **Professional and Business Services lead:** Attracted the highest level of funding with **£59.5m**, making it the top sector for external investment.
- **Creative Industries significant:** Secured **£46.0m**, reflecting strong investor confidence in Walsall's creative economy.
- **Digital and Life Sciences moderate:** Both sectors received **£9.7m**, showing meaningful inflows into knowledge-based and innovation-driven activity.
- **Manufacturing and Finance smaller:** Advanced Manufacturing drew **£6.0m**, while Financial Services attracted **£4.0m**.
- **Clean Energy and Defence weak:** Clean Energy received only **£2.5m**, while Defence recorded **no investment**.

Source: The Data City, 2025

IS-8 Sector Summary

Summary of jobs and enterprises by IS-8 sector for Walsall (and percentage of total for the UK):

Shaded cells indicate sectors where Walsall's share is at or above the national level.

	Employees			Businesses		
	Walsall	**Walsall % of Total**	**UK % of Total**	**Walsall**	**Walsall % of Total**	**UK % of Total**
Advanced Manufacturing	2,445	2%	2%	110	1%	1%
Clean Energy Industries	1,234	1%	3%	67	1%	1%
Creative Industries	1,060	1%	5%	370	4%	10%
Defence	293	0.1%	0.1%	3	0.1%	0.1%
Digital and Technologies	650	1%	7%	435	5%	10%
Financial Services	1,750	2%	3%	90	1%	2%
Life Sciences	215	0.1%	0.1%	15	0.1%	0.1%
Professional and Business Services	12,060	12%	14%	1,325	16%	21%
Total	**19,707**	**20.2%**	**34.2%**	**2,415**	**29.2%**	**45.2%**

Source: ONS, 2023. Data for 'Clean Energy Industries' and 'Defence' taken from The Data City, 2025.