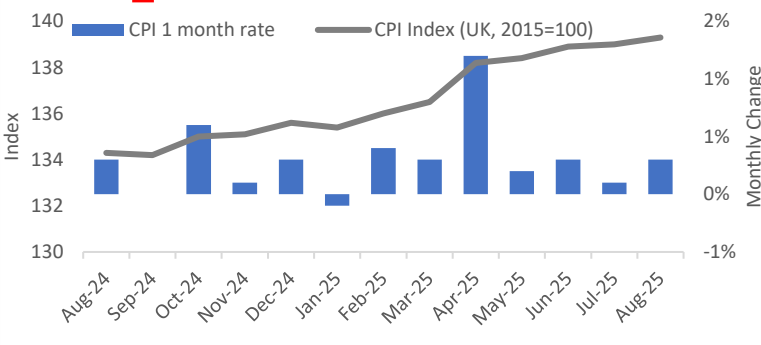


Sandwell Monthly Economic Insights, September 2025

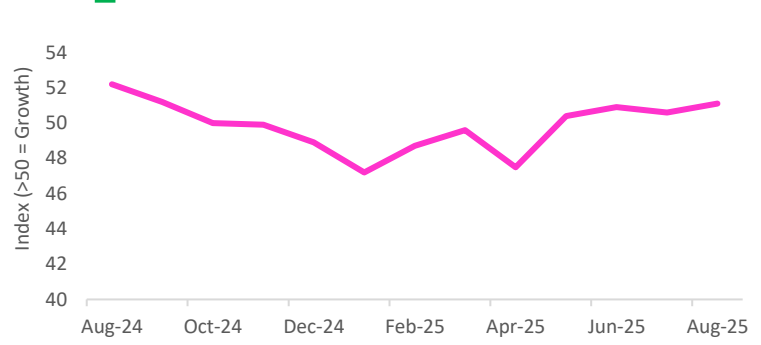
In the lead-up to the Autumn Budget the summer months have been marked by sluggish growth and economic uncertainty in the wider economy. The financial pressures on employers are becoming unsustainable; rising costs are forcing businesses to freeze recruitment and ongoing uncertainty with speculation about further tax increases in the autumn budget, is creating a climate of caution. Businesses are holding back on investment decisions, including hiring, until they have greater clarity on future costs and regulatory requirements. Regional businesses in the supply chain to Jaguar Land Rover have suffered a massive blow in the wake of the cyber attack and subsequent shutdown of production. More locally in Sandwell, gross disposable household income is up, and the local population continues to rise.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

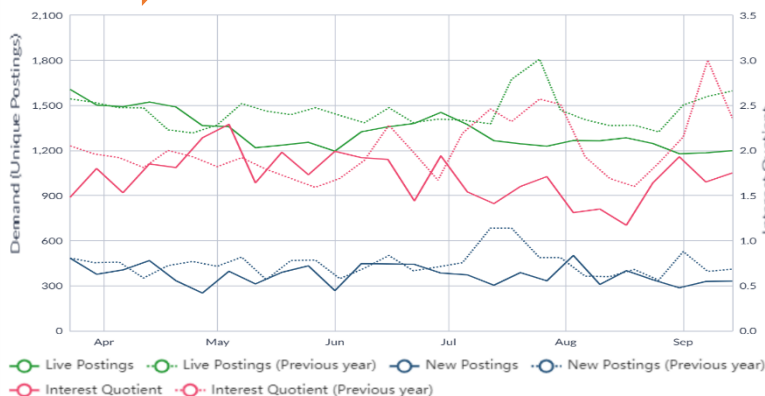


West Midlands Business Activity Index

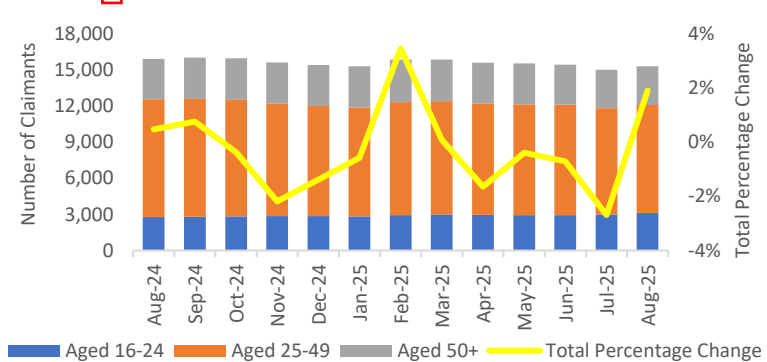


- Utilising a base year of 2015, UK CPI was **139.3** in August 2025 – an increase of **0.3%** from the previous month.
- The West Midlands Business Activity Index increased from 50.6 in July 2025 to **51.1** in August 2025.

Sandwell Job Demand and Interest Trend

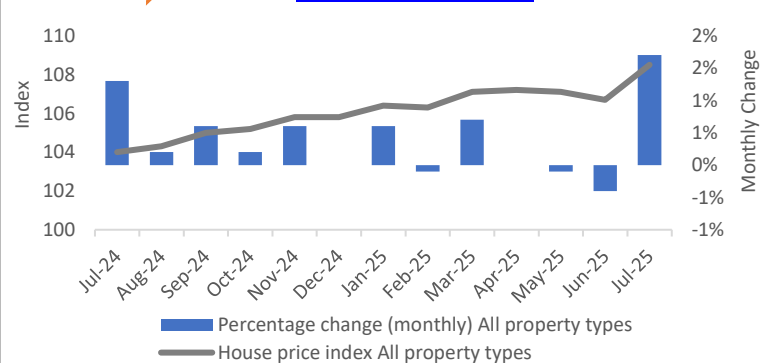


Sandwell Claimants



- In the past month: **2,706** job postings (-24.3% YoY), **1,296** new postings (-38.1% YoY). 1.6 (high) Interest Quotient.
- In total, **15,305** claimants in August 2025; +285 since July 2025, (-610 since Aug '24).

Sandwell House Price Index



Sandwell Salary Trend



- Sandwell's House Price Index was **108.5** in July 2025. The monthly Index increased by **1.7%**.
- In the past month, on Adzuna: Median Salary of **£34,335**, +8.1% year on year.

Other Recent Releases

- We have published the [Impact of the Jaguar Land Rover Shutdown on the WMCA Automotive Supply Chain](#).
- The WMCA have released [Inclusive Growth in the West Midlands: An Evidence Informed Approach](#).
- The [Demos-PwC Good Growth for Cities report](#) looks at the priorities of communities across the UK, and how local leaders can play a greater role in delivering inclusive economic growth in their areas.
 - **The Black Country ranks bottom of the rural areas, one place lower than last year's ranking (-0.76 from -0.33), due to consistently below average performances across all indicators.**
- The Office for National Statistics (ONS), updated [population estimates](#) for mid-2024, Sandwell figures are:
 - **353,860 residents**, an increase of 4,026 (+1.2%, England: +1.4%) since mid-2023.
 - **Population density: 4,135 per sq. km** (Eng. 450).
- The ONS released data on [subnational trade in services](#), covering up to the 2023 period, for Sandwell:
 - **Service exports: £401m**, an increase of £42m (+11.7%) since 2022.
 - **Service imports: £196m**, a decrease £4m (-2.0%) since 2022.
- The ONS published [regional Gross Disposable Household Income](#) (GDHI) covering up to 2023, Sandwell's findings are:
 - **Total GDHI of nearly £5.8bn**, an increase of £463m since 2022 (+8.7%, UK: +9.5%)
 - **GDHI per head of £16,562**, an increase of £1,202 since 2022 (+7.8%, UK: +8.4%). A shortfall of £8,274 to reach UK level.
- The ONS have released [private rental affordability](#) (ratio of median rent price to median gross annual workplace-based earnings) for 2024, with a affordability threshold of 30%, figures for Sandwell are:
 - **30.7% rental affordability** (England 36.3%).
- The ONS have released data on [gross domestic expenditure on R&D](#), across the UK for 2023, West Midlands regional figures are:
 - Businesses spent nearly **£5.6% on R&D**, an increase of £744m (+15.4%, UK: +4.3%) since 2022. The **West Midlands had the highest percentage increase across the UK and second highest in real terms.**
- [HMRC UK Regional Trade in Goods Statistics](#) reports that for the West Midlands region in the year ending Q2 2025:
 - **Exported £34.2bn** worth of goods, a decrease of £1.2bn (-3.5%, UK: -0.8%) since Q2 2024.
 - **Imported £42.4bn** worth of goods, an increase of £27m (+0.1%, UK: +2.2%) since Q2 2024.

Economy and Business Intelligence

THEME	KEY INSIGHTS
Economic Outlook	<ul style="list-style-type: none"> • Recent data from the Office for National Statistics (ONS) reveals monthly GDP is estimated to have shown no growth in July 2025, following growth of 0.4% in June 2025 and a fall of 0.1% in May 2025. Real GDP grew by 0.2% in the three months to July 2025 compared with the three months to April 2025, down from three-month-on-three-month growths of 0.3% in June 2025 and 0.6% in May 2025. • UK Government debt servicing costs are the highest among OECD rich countries, putting more pressure on the Government and adding to the sense of pessimism surrounding the economic outlook. • The latest British Chambers of Commerce (BCC) economic forecast has upgraded growth expectations for 2025. But overall, the outlook remains subdued: <ul style="list-style-type: none"> ○ GDP growth in 2025 revised up to 1.3% (from 1.1% in the previous forecast) GDP forecast for 2026 and 2027 remains unchanged at 1.2% and 1.5%. ○ Business investment is expected to grow by only 1.6% this year and will remain subdued across 2026, rising only by 1.9%. ○ Net trade will continue to weigh on GDP, with exports projected to increase by 3.1% in 2025 and 3.3% in 2026, while imports are expected to rise 4.4% this year and then slow to 1% in 2026. ○ The inflation rate is forecast to hit 3.7% in Q4 2025, before easing to 2.5% by the end of 2026. ○ The interest rate is expected to remain at 4% for the rest of 2025 and fall to 3.5% by the end of 2026. • After an unexpectedly strong start to the year, KPMG expect a more muted pace of growth in the second half of 2025 which will persist into the early part of 2026. The overall GDP growth rate will be 1.2% in 2025 and 1.1% in 2026.

THEME	KEY INSIGHTS
	<p>Internal and external headwinds continue to dominate the outlook, with modest tailwinds arising from lower interest rates and increased public spending in the UK and Europe on defence and infrastructure. Elevated levels of global uncertainty, together with the impact of tax rises both in the 2024 Autumn Budget and those expected in the 2025 Autumn Budget, could result in relatively modest increases in business investment despite falling interest rates. Investment could see a growth of 1.9% this year.</p>
Trading Environment	<ul style="list-style-type: none"> • The Office for National Statistics (ONS) confirmed that inflation is at its highest level since January 2024, sitting at 3.8%, unchanged from July. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.1% in the 12 months to August 2025, down from 4.2% in the 12 months to July. • NIESR forecast inflation to average 3.4% over the next 6 months, a reduction from current levels, but remaining well above the Bank's target. • Businesses will be worried by inflation holding at 3.8% at a time when cost pressures continue to bite, especially on wages. The British Chamber of Commerce's latest economic forecast expects inflation to remain at around this level until the end of the year. Firms are clear that April's rise in national insurance, continued strong wage growth and higher tariffs are all eroding their operating margins. There is also growing concern that sticky inflation will limit the scope for further interest rate cuts. • The latest NatWest Purchasing Managers Index (PMI) reports the West Midlands Business Activity Index increased from 50.6 in July 2025 to 51.1 in August 2025, a fourth consecutive month of expansion to its fastest rate since September 2024. The UK Business Activity Index increased from 51.5 in July 2025 to 53.5 in August 2025. • The West Midlands Future Business Activity Index increased from 69.6 in July 2025 to 74.2 in August 2025, the highest of any region across the UK. • The flash S&P Global composite PMI fell back to 51.0 in September. Although it remained in positive territory, the services PMI fell to a much more subdued 51.9. EY says it still appears likely that UK growth will be sluggish as consumer spending power is squeezed, fiscal policy is tightened, and some households refinance mortgages to higher interest rates. • 28% of trading businesses reported that economic uncertainty was having an impact on their turnover, up three percentage points from early August 2025. This has consistently been the most reported challenge since October 2022. • A decrease in the monthly number of corporate insolvencies in England and Wales highlights tentative signs of recovery, but business owners should prepare for significant economic challenges moving through the final quarter of 2025. Corporate insolvencies decreased by 1.7% in August to a total of 2,048. • A new report has found that West Midlands exports grew by 32% between Q1 2021 and Q1 2025 – well above the national average of 24%. • UK mergers and acquisitions are down due to uncertainty. Volumes fell by over 19% in the first half of 2025 compared with the first six months of 2024. Values fell by 12.3% to £57.3bn, although average deal value increased by 8.5%. Every sector apart from healthcare has seen a contraction in deal volumes in H1 2025 against the first six months of 2024, with deal values falling most sharply in the consumer markets sector (from £17.8bn in H1 2024 to £6.5bn in H1 2025). • The National Centre for Universities and Business (NCUB) warns that the UK's attractiveness as a destination for life sciences and R&D investment is under threat. AstraZeneca's decision to pause its £200m Cambridge expansion, alongside Merck's withdrawal from a planned £1bn London discovery centre, highlights mounting risks to Britain's competitiveness in a sector that should be central to economic growth. The UK has world-class science, but too often that strength does not translate into business confidence and investment. Business R&D spend fell to £50bn in 2023 – 6% lower in real terms than in 2021 – while other countries forge ahead.
Labour Market	<ul style="list-style-type: none"> • Estimates for payrolled employees in the UK fell by 142,000 (0.5%) between July 2024 and July 2025. • The estimated number of vacancies in the UK fell by 10,000 (1.4%) on the quarter, to 728,000, in June to August 2025. This is the 38th consecutive period where vacancy numbers have dropped compared with the previous three months, with vacancies decreasing in 9 of the 18 industry sectors. • Annual growth in employees' average earnings in Great Britain for regular earnings (excluding bonuses) was 4.8%, and for total earnings (including bonuses) was 4.7% in May to July 2025. Annual average regular earnings growth was 5.6% for the public sector and 4.7% for the private sector. • The latest annual CBI/Pertemps Employment Trends Survey 2025 highlights a UK labour market facing mounting pressures as businesses grapple with rising costs, regulatory changes, and an increasingly challenging economic environment. Against a backdrop of falling vacancies and rising unemployment, business confidence in the UK labour market remains low. Companies are warning that the cumulative cost of doing business is a major threat to the UK's current and future competitiveness with jobs, investment and future pay rises at risk.

THEME	KEY INSIGHTS
	<ul style="list-style-type: none"> There is no doubt that the recent rises in National Insurance Contributions (NICs) and the National Living Wage have made it harder for firms to hire, invest and grow. Taken together, the increase in NICs and the past three National Living Wage increases add up to an additional cost of over £24 billion for businesses each year. Latest unemployment figures for the West Midlands paint a stark picture, revealing the region has the highest unemployment figure out of all UK regions - with 189,000 people listed as unemployed. The Black Country Chamber of Commerce, has said the unemployment figures for the West Midlands paint a worrying picture of the challenges facing businesses in the region and called for "policy stability and support for businesses to grow, not additional financial burdens". The latest report updates the Minimum Income Standard to 2025, setting out what people agree is needed for a minimum socially acceptable standard of living. A single person needs to earn £30,500 a year to reach a minimum acceptable standard of living in 2025. A couple with 2 children needs to earn £74,000 a year between them. Public First have modelled the economic impact on a potential levy on international students, finding that with a 6.38% rise in international student fees, the sector will lose over 16,100 international students in the first year the levy is introduced. In financial terms, such a decline in student numbers would see an approximately £240 million loss in fee income in the first year the levy was introduced. Over 5 years, the total number of international student enrolments could decrease by over 77,000 students, and could cost the sector around £2.2bn. In 2011, 3.2 million people were in insecure work. By 2024, this was 4 million. This means that over 14 years the net increase in insecure employment was around 800,000. Between 2011 and 2024, the proportion of those in insecure work also grew, from 10.7% of the workforce to 11.7%. Over 80% of workers with a Defined Contribution pension are not saving enough to achieve a Living Pension pot. With pension incomes set to fall further over the next 20 years, The Living Wage Foundation say it is more important than ever for businesses to support their workers to live with dignity in retirement by accrediting to the Living Pension standard. The OECD's Education at a Glance 2025 report, demonstrates that the UK's higher education system continues to deliver progress on access, attainment, investment, and international reputation. Nearly 60% of young adults in the UK now hold a higher education qualification — well above the OECD average. 90% of tertiary-educated adults in the UK were in work, while just 2.3% were unemployed — among the lowest rates across the OECD. This comes as care experienced students are disproportionately underrepresented in UK Higher Education. Government widening participation figures show that in 2023/24 only 15% of pupils in England who were looked after continuously for 12 months or more, and 13% of care leavers, entered HE by age 19, compared with 46% of all other pupils.

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	<ul style="list-style-type: none"> Manufacturing output volumes fell in the three months to September, although at a slower pace than the three months to August – according to the CBI's latest Industrial Trends Survey (ITS). Britain's manufacturers have seen a sharp rebound in activity this quarter, according to Make UK and BDO's Manufacturing Outlook 2025 Q3 report. After a series of weak periods, output volumes are expanding, export demand is rising, and both investment and recruitment intentions are on the up. The Confederation of British Metalforming has cautiously welcomed the Government's decision to support Speciality Steel UK, which has a plant in Wednesbury, while calling for greater support for the supply chain as businesses battle against "additional costs, logistical challenges and uncertainties".
Construction	<ul style="list-style-type: none"> Construction output is estimated to have grown by 0.6% in the three months to July 2025. Over the three-month period, new work increased by 1.0%, and repair and maintenance grew by 0.1%. The Midlands construction sector shows resilience despite a slowdown in the Build to Rent market according to new report. Stalled activity is due to a mix of investor caution surrounding the new Building Safety Act gateways and an increase in recently completed schemes, which has temporarily boosted supply. This is despite a strong pipeline of planning consents.
Retail, Hospitality and Tourism	<ul style="list-style-type: none"> Retail sales volumes (quantity bought) are estimated to have risen by 0.5% in August 2025, following an increase of 0.5% in July 2025. Some of Britain's biggest shops - from supermarkets to department stores - face a fresh wave of closures if the Government forces large shops into its proposed higher business rates tax band. The British Retail Consortium anticipates that if all 400 at-risk stores were to close, up to 100,000 jobs could be lost and local councils' business rates receipts from retail would fall by well over £100 million a year.

SECTOR	KEY INSIGHTS
	<ul style="list-style-type: none"> The Mayor of the West Midlands has announced more funding for the region's creative industries to develop new ideas for TV, film and online platforms. The BBC is set to begin its biggest expansion of production investment and the support of creative growth in the West Midlands. It will ensure BBC network television production spend in the West Midlands almost doubles from £24 million to £40 million a year by the end of 2027.
Digital / Tech	<ul style="list-style-type: none"> The UK and US have agreed the Tech Prosperity Deal. The deal includes a commitment to joint research schemes to further the use of AI, a pledge to advance pro-innovation AI policy frameworks and efforts to support US and UK-led AI technology adoption and an understanding of the common desire to enhance cooperation across science and technology matters. It was announced this week that the next AI Growth Zone in the North East, with sites in Blyth and Cobalt Park near Newcastle. Alongside a separate investment of £10bn from Blackstone into the Blyth site, it's been announced that Nscale, OpenAI and NVIDIA will partner to establish Stargate UK to deliver AI infrastructure across the UK, with sites in Cobalt Park. There was also further investment announcements – totalling around £31bn – including £22bn from Microsoft into AI infrastructure and ongoing operations in the UK, the opening of a new Google data centre in Waltham Cross totalling a £5bn investment into the UK as well as further investments from CoreWeave, Salesforce, AI Pathfinder, Scale AI and BlackRock. The UK's largest educator in artificial intelligence and coding has unveiled new £2.5 million state-of-the-art facilities in Birmingham aimed at increasing accessibility and inclusiveness in higher education. A recent wave of high-profile cyber attacks targeting major UK businesses – including a cyber breach that affected systems at Heathrow Airport and attacks at retailers including M&S, the Co-Op and Harrods – has underscored the urgent need for stronger cyber resilience.
Transport Technologies and Logistics	<ul style="list-style-type: none"> The recent cyber attack on Jaguar Land Rover has now halted production for a third consecutive week, with confirmation that disruption will continue until at least 1st October. The attack has frozen parts orders and locked suppliers out of JLR's digital ordering systems, preventing deliveries and fulfilment of contracts. This is affecting both the production of new vehicles and the maintenance of existing ones. JLR employs around 30,000 people in the West Midlands, with a further 100,000 working across its supply chain. This crisis is now affecting hundreds of local automotive businesses. The EIU has written an analysis of the potential impact to the WMCA.
Environmental Technologies	<ul style="list-style-type: none"> After one of the warmest and driest summers since records began in 1884, trees in woodlands have started to show signs of stress.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
Ace Embroidery	Cradley Heath	Retail / Wholesale	Ace Embroidery, a specialist in personalised clothing and promotional items, has received £25,000 in funding from the Midlands Engine Investment Fund II through BCRS Business Loans to relocate to new premises. The company has used the funding to move to a greener, more fit for purpose warehouse unit in Cradley Heath, Sandwell , that will support the long-term growth of the business.
BBC	West Midlands	Media / Creative	The BBC has announced what it calls its biggest expansion in the West Midlands for more than a decade. Production investment in the region set to double from £24m to £40m a year by the end of 2027 as part of its Across the UK strategy.
Coventry and Warwickshire Reinvestment Trust	West Midlands	Finance	West Midlands-based Coventry and Warwickshire Reinvestment Trust (CWRT) has been appointed by the British Business Bank as the third accredited delivery partner under its Community ENABLE Funding programme. CWRT will be allocated up to £13m under the programme to provide loans of more than £25,0000, supporting underserved smaller businesses across the West Midlands .