

WMCA Monthly Economic Insights

May 2026



**The Economic
Intelligence Unit**

The **WMCA** economy showed continued signs of slowing momentum in May 2026 despite resilient UK growth figures earlier in the year. Business activity moved into contraction territory, while inflationary pressures and higher energy costs continued to impact firms and households. Job postings across the WMCA fell sharply year-on-year, although claimant growth remained relatively modest. Business confidence remains fragile, with the West Midlands recording the weakest small business sentiment nationally amid rising operating costs, geopolitical uncertainty and weaker consumer demand. Manufacturing, retail and hospitality sectors continue to face particular pressures from energy costs and subdued demand. Good connectivity and rising equity finance activity across the region provides optimism.

There are continued challenges in the **Birmingham** economy caused by the renewed disruption to energy supply which represents a major headwind and likely to increase prices, drive up inflation and keep interest rates higher for longer. Consumer spending is already squeezed, and businesses are reportedly cutting costs and delaying investments. Consumer-facing and industrial sectors are most exposed (as they were during the energy price shock in 2022-23), with sectors such as hospitality and retail remaining especially impacted by the high costs in the current economic environment. Positively, local businesses report recruitment activity picking up. Nevertheless, the economic turbulence of the last few years has eroded the capacity of many businesses to absorb additional costs.

The global and UK economy had proved remarkably resilient in 2025, and at the start of 2026, despite headwinds from ongoing geopolitical uncertainty, particularly around the impact of tariffs on global trade. But now the Middle East conflict means households and businesses are bracing for another round of energy price inflation. In **Coventry** job postings fell sharply year-on-year while claimant numbers rose slightly compared to last year, reflecting softer labour market conditions. However, local business surveys suggest Coventry and Warwickshire continue to outperform national confidence trends, particularly within manufacturing and engineering sectors. Grounds for optimism include excellent full fibre connection for premises, the highest rate in the WMCA.

Despite modest growth in the UK economy in early 2026, **Dudley** faces structural challenges from inflation, energy insecurity, rising employment costs, and uncertain trade dynamics. Key sectors like automotive and manufacturing remain exposed to tariffs and skills shortages. Regional business optimism is fragile, and policy clarity is urgently needed to maintain momentum. In Dudley, challenges remain within the borough but are spread unevenly. Claimant numbers have improved, but job postings have declined at the fastest pace in the WMCA. Opportunities remain, as the borough is more connected to gigabit and full fibre than the UK average and local business confidence has improved modestly as firms reporting stronger expectations around turnover and training investment over the next year.

Sandwell continues to navigate mixed economic signals. West Midlands small business confidence remains the weakest of any UK region and regional business activity has moved into contraction, although there are signs of local resilience. A UK-Gulf trade deal offers potential opportunities for exporters, while risks linked to US tariffs and global uncertainty remain. Rising energy costs and supply chain pressures continue to constrain investment, a key concern for the region's industrial base. Sandwell also has the second highest rates of fuel poverty in England, while nationally the number of young people not in education, employment or training (NEET) has risen above one million, highlighting growing concerns around youth employment prospects. Despite these challenges, exports and connectivity remain a strength.

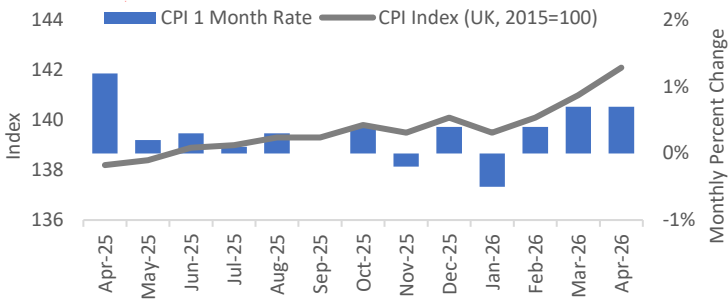
Solihull's economy remains comparatively resilient despite broader economic uncertainty and weaker regional business activity. Job postings declined notably year-on-year, although claimant levels remain relatively low. Business confidence has softened amid rising labour, energy and operating costs, with firms becoming more cautious around investment decisions. Higher energy prices drive up the cost of essential spend, leading to a hit on consumer spending power. This will have a disproportionate impact on lower income groups, with the better off able to call on savings built up since the pandemic. As the WMCA's most affluent local economy, with comparatively higher household incomes, some Solihull residents are likely to be somewhat more insulated from rising energy prices and inflationary pressures.

Walsall remains exposed to national and global pressures. Regional business confidence is in negative territory with inflation, skills shortages, and rising energy costs challenging regional recovery, requiring targeted support and reindustrialisation strategies. In Walsall, workforce sentiment is weakening. Vacancy numbers are falling, placements are down, and rising employment costs are squeezing both employers and employees. Businesses across the wider Black Country continue to report concerns around taxation, business rates and labour costs, although confidence around turnover expectations has improved slightly. Local exports have seen a significant decline. Despite these challenges, Walsall continues to attract investment linked to circular economy activity and manufacturing production.

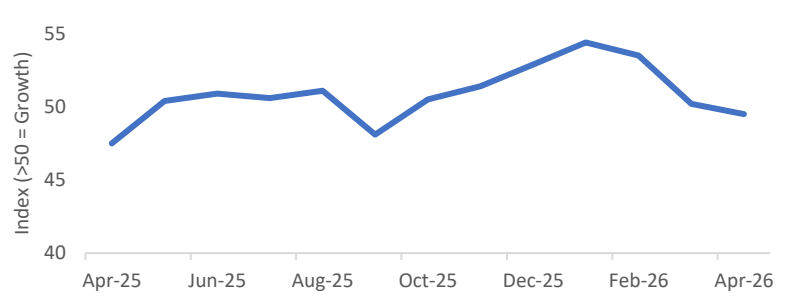
In **Wolverhampton** significant structural and cost pressures remain. Inflation is proving persistent, driven by energy price volatility and labour market tightness, while rising employment costs are weighing heavily on business sentiment and hiring intentions. Vacancies are falling across the region, permanent and temporary placements are in decline, and employers are increasingly cautious about workforce investment. In Wolverhampton, fuel poverty proves to be a continuing issue, ranking as the 3rd highest area for fuel poverty in England. However, the city continues to demonstrate resilience through improving business confidence, rising expectations around turnover growth, stronger cashflow positions for some firms, and increasing investment intentions in workforce training across the Black Country economy.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

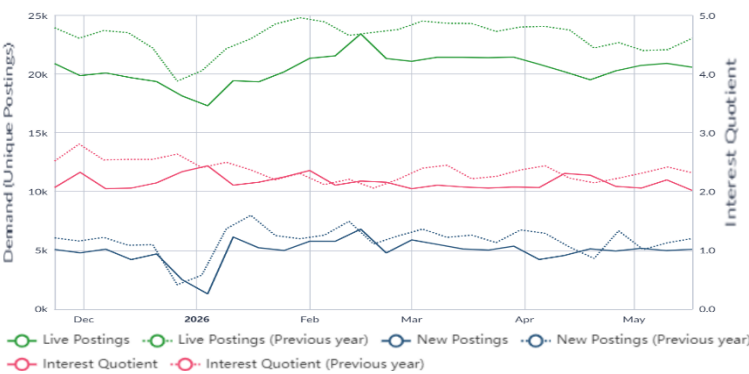


West Midlands Business Activity Index

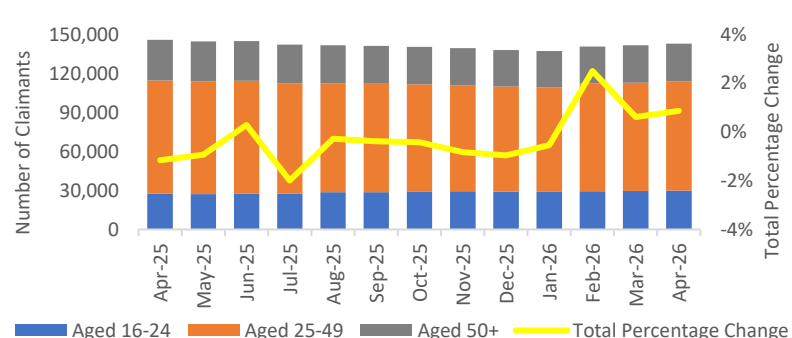


- Utilising a base year of 2015, UK CPI was **142.1** in April 2026, an **increase of 0.7%** from the previous month (**+2.8% y-o-y**).
- The West Midlands **Business Activity Index** **decreased** from 50.2 in March 2026 to **49.5** in April 2026.

WMCA Job Demand and Interest Trend

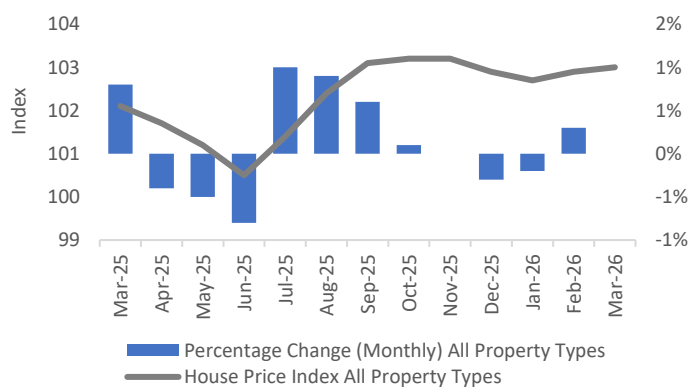


WMCA Claimants

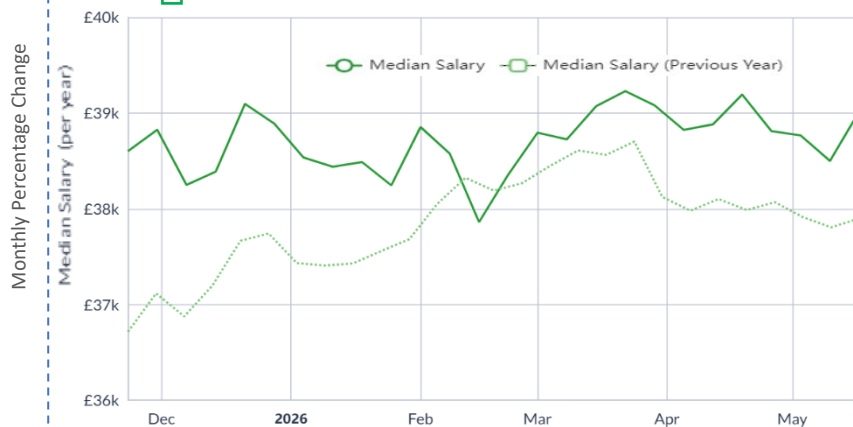


- In the past month for the WMCA: **41,279** postings (**-22.1% y-o-y**), **2.1 (high) Interest Quotient (IQ)**.
B'ham: 23,488 (-20.5%), 12.8 (high). **Coventry**: 4,530 (-25.3%), 2.6 (high). **Dudley**: 2,237 (-29.6%), 1.4 (avg.).
Sandwell: 2,353 (-27.7%), 1.5 (high). **Solihull**: 2,839 (-23.0%), 1.7 (high). **Walsall**: 2,235 (-21.4%), 0.9 (avg.). **W'ton**: 3,589 (-18.1%), 2.6 (high).
- In total, **143,080** WMCA claimants in April 2026; **+1,235** since March 2026, (-3,040 since Apr '25).
B'ham: 77,325; +750, (-1,925). **Coventry**: 14,020; +400, (+195). **Dudley**: 9,415; -90, (-330).
Sandwell: 15,025; +160, (-580). **Solihull**: 4,750; +35, (+20). **Walsall**: 10,690; +155, (-100). **W'ton**: 11,855; +35, (-520).

WMCA House Price Index



WMCA Salary Trend



- WMCA's **House Price Index** was **103.0** in March 2026. The monthly Index **increased by 0.1%**.
B'ham: 100.3, +0.4%. **Coventry**: 101.0, -1.3%. **Dudley**: 104.8, -0.4%.
Sandwell: 109.8, +1.8%. **Solihull**: 100.0, +0.5%. **Walsall**: 106.5, -1.9%. **W'ton**: 106.1, +0.4%.
- In the past month for the WMCA, on Adzuna: **Median Salary of £38,759 per year, (+2.4% y-o-y)**.
B'ham: £40,533 (+2.7%). **Coventry**: £38,891 (+3.4%). **Dudley**: £33,998 (-2.2%).
Sandwell: £35,092 (-0.1%). **Solihull**: £35,584 (+2.4%). **Walsall**: £36,573 (+1.2%). **W'ton**: £36,951 (+1.2%).

Other Recent Releases

- **The Department for Energy Security & Net Zero** have released [annual sub-regional fuel poverty estimates](#) covering the 2024 period.
 - **For the WMCA area, 12.8% (151,099) of households were fuel poor, annual change: -26.4%. England: 9.9%, -11.8%.**
B'ham: 13.8% (60,832), -26.7%. **Coventry:** 13.3% (18,646), -27.5%. **Dudley:** 11.3% (16,112), -26.8%. **Sandwell:** 13.5% (18,312), -25.1%.
Solihull: 8.9% (8,300), -22.4%. **Walsall:** 12.1% (14,126), -27.7%. **W'ton:** 13.5% (14,771), -26.0%.

- **Ofcom** have released an [interim update from the Connected Nations series](#), as of January 2026:
 - **88.9% (1,069,278) of premises in the WMCA area had full fibre connectivity – above the UK average of 81.8%**
B'ham: 85.6% (392,713). **Coventry:** 96.8% (141,533). **Dudley:** 89.6% (126,668). **Sandwell:** 91.4% (123,721). **Solihull:** 81.7% (77,765).
Walsall: 86.3% (98,017). **W'ton:** 96.0% (108,861).

- **HM Revenue & Customs** have released annual [UK regional trade in good statistics disaggregated by smaller geographical areas](#) covering the 2024 period.
 - **WMCA exports: £15.6bn (+2.1% since 2023) and WMCA imports: £18.7bn (+0.1% since 2023).**
B'ham: exports: £3.4bn (-8.8%), imports: £5.2bn (-10.3%). **Coventry:** exports: £2.6bn (-8.7%), imports: £4.2bn (+6.5%).
Dudley: exports: £608m (-5.7%), imports: £1.2bn (-6.5%). **Sandwell:** exports: £860m (+0.8%), imports: £1.7bn (-10.3%).
Solihull: exports: £6.5bn (+18.5%), imports: £4.5bn (+21.4%). **Walsall:** exports: £561 (-17.5%), imports: £757m (-7.1%).
W'ton: exports: £1.1bn (+3.0%), imports: £1.2bn (-7.6%).

- **Public First's Night Out Index** which shows **UK nightlife has declined over the past decade, with pubs and bars down 10% and licensed clubs down 28%** (around 7,000 venues lost overall). The index ranks 112 UK locations for nightlife vibrancy. **Locally, scores and rankings were** (Higher scores in the Index indicate stronger and more vibrant nightlife):
B'ham: 8.15 (rank 89). **Coventry:** 7.2 (rank 101). **Dudley:** 7.64 (rank 96). **West Bromwich:** 10.11 (rank 66).
Walsall: 9.5 (rank 72). **W'ton:** 8.3 (rank 87).

- **HESA's new local authority-level measure tracks UK and international graduate locations from residence to study to work.** Findings include that **one in five graduates employed in the UK stay to work where they studied.**

- **Green Alliance's Work in progress: getting young people ready for the jobs of the 2030s** report examines **how the green and AI transitions will reshape jobs and skills across 12 sectors over the next decade.**

- **Fabian Society's Building skill: tackling the built economy skills crisis** report highlights **the importance of the construction and built environment sector** to the UK economy and **examines its major skills and workforce shortages**, particularly in construction and engineering trades. It also sets out **policy recommendations** to help develop the skilled workforce needed to deliver homes and infrastructure.

- **Uneven cities: The geography of deprivation in urban Britain**, published by Centre for Cities, **examines how deprivation is distributed between and within UK cities, and how that distribution has changed since 2010.** Detailed maps are for Birmingham and Coventry are available to download.

Economy and Business Intelligence

| THEME | KEY INSIGHTS |
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| Economic Outlook | <ul style="list-style-type: none"> • The global and UK economy had proved remarkably resilient in 2025, and at the start of 2026, despite headwinds from ongoing geopolitical uncertainty, particularly around the impact of tariffs on global trade. • Recent data from the Office for National Statistics (ONS) reveals in the three months to March 2026, compared with the three months to December 2025: <ul style="list-style-type: none"> ○ Real gross domestic product (GDP) grew by 0.6%, following a growth of 0.5% in the three months to February 2026 and a growth of 0.4% in the three months to January 2026 (revised up from a growth of 0.3%). • In the month to March 2026: <ul style="list-style-type: none"> ○ Monthly GDP grew by 0.3% in March 2026, following a growth of 0.4% in February 2026 and no growth in January 2026 (revised down from growths of 0.5% and 0.1%, respectively). • NIESR forecast growth of 0.6% in Q2 2026 with shallow monthly growth outturns as disruption from the energy price shock ripples through the economy. • Meanwhile, the EY UK Economic Outlook Spring 2026 reveals: |

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| | <ul style="list-style-type: none"> ○ The global economy was holding up at the beginning of the year, with the US in particular beating expectations, against a backdrop of geopolitical uncertainty. ○ There had been signs that UK growth was picking up at the start of 2026, helped by a recovery in retail sales volumes. ○ The impact of the Middle East conflict will lead to weaker UK GDP growth through 2026 and into 2027, despite the strong start to the year. Growth is forecast to slow to 0.8% this year and 1.2% in 2027, down from 1.3% and 1.4% in EY's pre-conflict forecast. ○ Higher energy prices will send inflation back above 4% by the end of 2026, delaying any further interest rate cuts until spring 2027. ○ Weaker growth and increased uncertainty mean businesses are likely to reduce headcount and shelve planned investments, increasing unemployment levels to 6%. ● The International Monetary Fund (IMF) has upgraded its forecast for the UK's growth this year, but warned the Iran war and "domestic uncertainty" could hit the economy. The growth estimate has been upgraded to 1% from 0.8% for 2026, which said last month that the UK would be hit hardest by the Iran war among the world's advanced economies. In its latest forecast, it said the UK "remained resilient" but added a prolonged conflict in the Middle East risked hitting growth and resulting in "higher energy and food prices". "Domestic uncertainty could also add to the already volatile global environment, holding back consumption and investment decisions," it added. |
| Trading Environment | <ul style="list-style-type: none"> ● The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.0% in the 12 months to April 2026, down from 3.4% in the 12 months to March. On a monthly basis, CPIH rose by 0.8% in April 2026, compared with a rise of 1.2% in April 2025. The Consumer Prices Index (CPI) rose by 2.8% in the 12 months to April 2026, down from 3.3% in the 12 months to March. On a monthly basis, CPI rose by 0.7% in April 2026, compared with a rise of 1.2% in April 2025. ● While this CPI decline may look promising, NIESR say this is likely as low as it gets. With the ongoing Middle East conflict keeping global oil prices elevated for nearly three months, the effects are becoming increasingly visible in UK petrol prices and are beginning to feed through to food prices and household energy bills. The pressure is expected to intensify further in July, with forecasts of a sharp rise in the Ofgem price cap pushing energy costs higher still. ● The latest NatWest Purchasing Managers Index (PMI) reports the West Midlands Business Activity Index decreased from 50.2 in March 2026 to 49.5 in April 2026, signalling contraction. The UK Business Activity Index increased from 50.3 in March 2026 to 52.6 in April 2026. ● Sentiment among the small business and self-employed community remained suppressed in the first quarter of 2026, driven by the prospect of mounting costs from Q2 onwards, stemming in large part from policy decisions made by ministers. After eight consecutive quarters of negative readings, the outlook for small business growth is bleak, and growth in the economy will not come from relying just on the UK's large corporate firms. Small firms and self-employed people, with their thinner financial cushions and reduced ability to absorb higher overheads or hedge prices for vital inputs, are likely to face a disproportionate financial impact from the crisis in the Middle East. The FSB Small Business Index is -52.5 across the UK, and the West Midlands recorded the most pessimistic sentiment at -71.6. ● S&P Global Flash UK PMI index fell below the critical 50 threshold for the first time in over a year, pointing to a contraction of around 0.2% on a quarterly basis. The headline seasonally adjusted Index fell from 52.6 in April to 48.5 in May. ● More than half of Midlands businesses say a combination of supply chain pressures and higher energy and fuel costs are among their biggest challenges, as they grapple with the impact of conflict in the Middle East. As a result of ongoing uncertainty, three in five mid-sized companies (61%) in the Midlands intend to halt or reduce investment as they wait for the situation to stabilise. Businesses are considering steps such as increasing customer costs (31%) and reducing or not paying bonuses (30%) as a result. A quarter of business leaders in the region are looking to prioritise UK-based suppliers (25%), and a further 30% are considering onshoring or nearshoring in a move that could provide a boost to Midlands manufacturing. ● The Black Country Chamber of Commerce Quarterly Economic Survey for Q1 2026 reveals 52% of Black Country businesses believe turnover will improve over the next 12 months compared to 47% in Q4. 42% of Black Country businesses believe profitability will improve over the next 12 months, unchanged from 42% in Q4. Taxation and business rates are amongst the highest concern for firms across all sectors in the region at 40% and 34% respectively. Cashflow has increased for 18% of firms while investment plans for training increased for 21% of Black Country businesses. |

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| | <ul style="list-style-type: none"> • This comes as new data reveals there were 2,085 corporate insolvencies in April 2026 – 2.4% more than in March 2026 (2,037), and 2.8% more than in April 2025 (2,028). • The structure of the UK energy market, and long-term decisions around the generation mix, means that gas prices typically set the marginal price for wholesale electricity. The volatility in commodity markets (particularly for gas) since 2022 have resulted in the UK having some of the highest energy prices in Europe. This has driven extensive policy debate as to whether it is possible to de-link gas prices from wholesale power prices. • UK industrial energy prices were broadly comparable to European benchmarks prior to 2019 — since then, much steeper relative price increases have left UK industry paying more for energy than the rest of Europe. Since 2019, higher relative energy costs have seen output from the UK’s energy-intensive industries fall by 8%, compared to economy-wide growth of 6%. If the energy-intensive sector had instead simply kept pace with the wider economy, then GDP would have been £30bn higher in 2025. This latest energy price shock will intensify these pressures, leading to further headwinds for UK industry. <ul style="list-style-type: none"> ○ Business services including, ICT, professional services and finance gain marginally from a reallocation of productive resource towards less energy-intensive sectors. ○ Consumer services such as retail, hospitality and events suffer from lower household demand. ○ Energy utilities see lower demand and squeezed margins. While water companies face higher energy costs. ○ Energy-intensive manufacturing, including chemicals, refining and metals, sees the largest reduction in output. • The Chancellors announcement that there will be no fuel duty rise this year will offer some relief to firms across the UK. Almost two-thirds (61%) of transport firms told the British Chamber of Commerce in Q1 that fuel prices were a cost pressure. Additional government support for both the chemicals and ceramics sectors is welcome. Members will be looking closely at the details, alongside recent changes to the British Industrial Competitiveness Scheme. • A free trade agreement has been made with the six Arab states which comprise the Gulf Cooperation Council, opening new opportunities for inward investment, exports and supply chains. Once ratified, there will be improved market access for key UK services sectors and lower tariffs on food and drink, automotives, and industrial goods. • Beauhurst have released insights on the UK equity investment landscape, spanning valuations, regional distribution, and industry trends. This year’s data suggests that the UK equity market is not retreating so much as refining its focus. Key findings include: <ul style="list-style-type: none"> ○ Amount raised into UK companies in 2025 has increased by 3.34% from last year. ○ The number of first-time deals in 2025 has increased by 23.6% year on year. The amount raised has also reached a record high since 2020, up 74.3% to £6.27b. ○ Total number of deals has continued to ease, down 7.87% from 2024. ○ The West Midlands defied the national decline, with overall deal volumes rising by 3.37%. Growth was driven by the highest increase in first-time deals across all regions, which nearly doubled, rising by 97.9% year on year. At the same time, average deal sizes in the region fell by 22.2%, the third largest decline among UK regions. • The UK secured 730 FDI projects in 2025 according to the EY 2026 UK Attractiveness Survey, which represented a 14% decrease from 2024, when 853 projects were recorded. France (852 projects) ranked first in Europe for the seventh consecutive year. UK led Europe in attracting investment into technology and business and professional services last year. The UK continued to lead Europe for FDI-related job creation in 2025, generating 28,867 jobs across projects where employment totals were disclosed and outperforming France (27,921). |
| Labour Market | <ul style="list-style-type: none"> • Latest figures suggest the labour market remains soft, with vacancies at their lowest level in five years and unemployment higher than a year ago. The number of payroll employees continued to fall in the three months to March, while regular wage growth slowed further. • Lower-paying sectors such as hospitality and retail have seen some of the largest falls in vacancies and payroll numbers, both in recent months and over the last year. • Early estimates of the number of people on payroll in April point to further weakness. However, at the start of the new tax year these figures carry greater uncertainty and have often seen larger than average upward revisions. • This comes as the latest figures from the Office for National Statistics reveals there were 1,012,000 young people classed as NEET between January and March 2026, making up 13.5% of all young people in the UK. |

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| | <ul style="list-style-type: none"> • Competition for jobs appears to be rising, with 5.5 out-of-work people wanting a job for every vacancy. • A leading business figure in Coventry and Warwickshire is calling for stability after unemployment rose to 5%. Businesses have been hit by rising employment costs and increased red tape at a time when economic growth is fragile. The rise in unemployment reflects that. • The latest Quarterly Economic Survey by the Greater Birmingham Chamber of Commerce for Q1 2026 paints a tentatively optimistic picture, with an uptick in advance bookings domestically and abroad, recruitment activity picking up, and training investment returning to positive territory. While 25% of businesses reported workforce growth, 34% expect employee numbers to increase over the next three months, and 51% are currently recruiting. However, skills shortages continue to constrain hiring across sectors. This is particularly evident in manufacturing, where demand is stronger, with 42% of firms expecting workforce growth over the next quarter and 71% actively recruiting. However, 84% report recruitment difficulties. Greater Birmingham businesses are resilient. Nevertheless, the economic turbulence of the last few years has eroded the capacity of many businesses to absorb these kinds of additional costs – particularly alongside domestic pressures such as changes to employment rights and increases to the National Living Wage. • Median incomes for working-age families have crawled up annually by just 0.2% between 2021-22 and 2025-26, a fraction of the 1.3% a year increase witnessed over the two decades before the pandemic. For many poorer families, real annual incomes fell over those four years – and, at the bottom, sank on average by nearly £1,800 (16.0%). The war in the Middle East is set to cause a £550 hit to the typical working-age household this year – enough to turn income growth of 1.2% into a fall of 0.5%. • Joseph Rowntree Foundation modelling suggests that if the Government hit its stated target of 80% employment, Universal Credit spending would be around £10 billion (12%) lower in 2029/30, with around half a million (8%) fewer households receiving it. • The Midlands recorded a sharper reduction in permanent staff appointments at the start of the second quarter, with the decline one of the most marked since the initial wave of the Covid-19 pandemic in 2020. The latest KPMG and REC, UK Report on Jobs: Midlands survey said recruiters noted that the war in Iran and the subsequent rise in economic uncertainty had led employers to cancel or delay hiring plans. However, temp billings increased again in April, as some panellists noted a preference for more flexible workers. At the same time, vacancies continued to fall in the Midlands, with both permanent and temporary positions declining at steeper rates than those seen across the UK as a whole. • The IFS have published evidence on the rise in NEET rates, and they find that it is at least partly structural – not just a cyclical blip. They investigate whether rises in youth minimum wages are to blame. Their central estimates say no but with big uncertainties. Employer NICs look unlikely to be the primary culprit either, given that employment was already falling two years before the change was announced. And graduates aren't being hit harder than non-graduates, meaning any AI related effects are not ones disproportionately hitting graduates. • The Resolution Foundation say the Government's Employment Rights Act is a step in the right direction – but rules only work if they're enforced. A major new government-commissioned report on labour market enforcement reveals between 2023 and 2025 one-in-seven workers experienced at least one of: being paid below the minimum wage (6 – 11%), not getting a payslip (5%), not getting a contract before starting work (23% of new starters), and being charged illegal fees by agencies (7% of agency workers). Workers experiencing one type of violation are significantly more likely to experience others, with migrant and low-paid workers most at risk of exploitation. • The long-awaited interim report of the Pension Commission warns of growing pension inequalities, from the self-employed to the gender pension gap, and the growing uncertainty which the Triple Lock is creating for long-term pension planning and analysis. The most popular retirement ages are 65,60 and 55 (which, in 2024-25, was the earliest date funds could be accessed) – with one in six accessing funds at the earliest possible age. From April 2028, that minimum age will rise to 57, but that is still a full decade before the State Pension kicks in. Early pension access enables earlier exit from the workforce. That's a counterintuitive incentive for the Government to provide given our ageing population and the challenging demographic skewing that will entail. With the old age dependency ratio rising and the State Pension age under review, the Government should be focused on how to encourage people to work longer, rather than giving people a reason to hand in their P45 a decade early. |

Economy and Business Intelligence – By Sector

| SECTOR | KEY INSIGHTS |
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| Manufacturing and Engineering | <ul style="list-style-type: none"> • Manufacturing output volumes fell in the three months to May, extending a period of flat or falling volumes that began in late 2022 – according to the CBI's latest Industrial Trends Survey (ITS). Manufacturers anticipate output volumes falling again in the three months to August. Total and export order books were reported as below "normal" in May, with total order books standing at their weakest since September 2020. • Meanwhile, the S&P Global UK Manufacturing PMI figure of 53.7 for April suggests UK manufacturing is showing greater resilience than many expected at the start of the year, reaching its strongest level since May 2022. Activity is expanding, hiring has resumed and demand is improving across a broad range of subsectors, pointing to a sector that is adapting to challenging conditions rather than pulling back. • MakeUK's new report, <i>Unblocking Growth: Fixing Planning to Unlock UK Manufacturing Investment</i>, finds that the current planning system is too often acting as a barrier to industrial growth rather than enabling investment. Nearly half (46%) of manufacturers say the UK planning system is holding back the UK's economic potential, while 43% believe it is slowing their ability to grow or invest in their business. Almost half (48%) also identify the complexity of planning regulations as one of the biggest barriers within the current system. • The British Chambers of Commerce (BCC) has warned that changes to UK steel quotas and tariffs could add millions of pounds to manufacturers' costs. The new system, which is set to be introduced on July 1, reduces tariff-free import quotas by 60% overall, significantly higher than the EU's 47% reduction. However, some categories of steel are facing cuts of up to 90%. At the same time, tariffs on imports above the quota limits are set to rise from 25% to 50%, creating a double hit for firms already grappling with high costs and fragile supply chains. • Mondelēz International, the company behind Cadbury, BelVita, Philadelphia, Toblerone and OREO, has reported that across its three West Midlands sites – Bournville, Marlbrook and Minworth – the company has generated more than £900m in gross economic value added (GVA) for the West Midlands in 2025 and employed more than 2,000 people. Recent investments include £15m for a new Bournville production line and £3.3m to open a Consumer Research Centre. It added that £1.3bn has been spent with more than 1,000 UK suppliers, from dairy farmers to logistics firms. This comes alongside £135m invested in UK manufacturing since 2022 and £24m in R&D. |
| Construction | <ul style="list-style-type: none"> • Total construction output is estimated to have grown by 0.4% in Quarter 1 (Jan to Mar) 2026 compared with Quarter 4 (Oct to Dec) 2025; repair and maintenance grew by 3.4%, while new work fell by 1.9%. |
| Retail, Hospitality and Tourism | <ul style="list-style-type: none"> • The quantity of goods bought (volume) in retail sales is estimated to have risen by 0.5% in the three months to April 2026, compared with the three months to January 2026. • Cost of living pressures are driving pessimism in consumer sentiment in the Midlands, according to PwC's Consumer Sentiment Survey, a barometer of consumers' spending intentions. Sentiment in the Midlands has fallen in line with the national picture, with the regional index at -13. While the headline score mirrors the UK average, concern is more pronounced across key pressures in the region. Levels of anxiety are higher around everyday costs (92% vs 90% nationally) and household earnings (67% vs 63%). |
| Digital / Tech | <ul style="list-style-type: none"> • A new report from the British Chambers of Commerce (BCC) reveals a fifth (21%) of businesses say they have experienced cyber attacks. Theft, fraud, scams and cyber-attacks are increasingly affecting firms of all sizes and across all sectors. • Tech incorporations across the Midlands surged during the first quarter of 2026, despite ongoing geopolitical tensions and uncertainty. In the West Midlands, this momentum reflects the groundwork laid over the past 12 to 18 months. Previously announced investments in digital infrastructure and innovation support, including the West Midlands Artificial Intelligence Missions, are now translating into incorporations. Birmingham is firmly established as a regional centre for software and AI focused startups. The recent launch of the £50m West Midlands Innovation Fund is likely to accelerate this trend further by improving access to early-stage capital. |
| Transport Technologies and Logistics | <ul style="list-style-type: none"> • Members of the UK's Hydrogen in Aviation Alliance (HIA) have committed to the investment in a bid to accelerate hydrogen-fuelled aviation. The new investment, which is confirmed up to 2028, will go towards research and development (R&D) and relevant technologies. • From this weekend, London Northwestern Railway is completing the rollout of its brand-new electric trains onto routes on the Trent Valley Line connecting the capital with destinations in Staffordshire, Warwickshire and Buckinghamshire. Their rollout represents an overall 20% increase in capacity on LNR routes between Euston and Birmingham, bringing more than 14,000 extra seats each week. |

| SECTOR | KEY INSIGHTS |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • HS2 could cost more than £100bn and may not open until 2039, with trains to run slower than planned to save money. |
| Environmental Technologies | <ul style="list-style-type: none"> • The UK is unprepared for the growing impacts of climate change, the Government's independent climate advisers have warned, calling for urgent action to protect homes, infrastructure and public services from worsening heat, flooding and drought. This is according to a major new report, A Well-Adapted UK, published by the Climate Change Committee (CCC). • Published on UK Overshoot Day (22 May), data shows that British demand for everyday commodities is linked to almost 30,000 hectares of deforestation a year, most of which occurs abroad. Because the vast majority of deforestation occurs away from the UK, most corresponding greenhouse gas (GHG) emissions linked with UK consumption are also released abroad – 9.36 million tonnes out of 9.43 million tonnes. • Prices of weather-hit foods are rising more than twice as fast as the rest of the grocery basket, according to new analysis from the Energy & Climate Intelligence Unit (ECIU). |

New Economic Shocks

| COMPANY | LOCATION | SECTOR | DETAIL |
|--------------------------------|----------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REE Automotive | Coventry | Automotive / Technology | Jobs have been lost following an automotive technology company's collapse into administration. REE Automotive UK, based in Coventry , focused on the engineering of software-defined vehicle technology, which included process validation, verification, and testing activities, along with product assembly operations for commercial vehicles. The company was deemed to be economically unsustainable, and it was determined that administration was the most appropriate route forward, with 25 employees made redundant. |

New Investment, Deals and Opportunities

| COMPANY | LOCATION | SECTOR | DETAIL |
|--------------------------------------|------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MedBrief Services | Birmingham | Technology / Legal | Birmingham tech firm MedBrief has been backed by NatWest with a £3.5m funding package. The invoice finance facility is designed to address the working-capital gap created by longer payment cycles, supporting MedBrief's next phase of growth. It will enable the company to scale its client base, accelerate development of its proprietary technology and create additional technology roles in the region. |
| Jedi Temple Group | Birmingham | Circular Economy | Singapore-owned metals recycler has acquired a waste transfer site in Birmingham in a deal worth £3.21m arranged by commercial property agency Bromwich Hardy. Jedi Temple Group has bought the 2.35-acre site at in Kings Norton. This acquisition marks the beginning of a broader expansion strategy, with plans to add more recycling yards over time. |
| Hiatt Hardware Group | Birmingham | Manufacturing | A manufacturer of shower enclosures, doors and bath screens has been acquired out of administration in a deal that secures more than 120 jobs. Birmingham -headquartered Hiatt Hardware Group has completed the acquisition of Lakes Bathrooms Ltd and Lakes Showering Spaces. |
| Brandauer | Birmingham | Manufacturing | Brandauer, a Birmingham manufacturer, has partnered with an energy procurement company to support its £12m expansion plan. The company has tapped into advice from Greenfields Energy to move to a fixed contract on electricity and a cheaper agreement for gas that has generated more than £50,000 in savings. This has been channelled into an automated assembly line giving it the capacity to secure new orders from customers at home and overseas in the EU, China and the Middle East. |
| Tela Technology | Birmingham | Technology | Birmingham -based Telecoms service provider Tela Technology has furthered its growth strategy with the acquisition of IT support business Cambridge Helpdesk, which focuses on cybersecurity, telecoms and cloud-based services. |

| COMPANY | LOCATION | SECTOR | DETAIL |
|-------------------------------------------------------|---------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Greenfields Energy Group | Black Country | Energy | Energy management consultancy Greenfields Energy Group has signed a new commercial partnership with the Black Country Chamber of Commerce to help local firms navigate the increasingly complex energy market. The group, which already works with 64 companies in the region, will provide members with a no-cost review of their existing and future electricity, gas and water contracts. |
| Sarginsons Industries | Coventry | Manufacturing / Net Zero | Sarginsons Industries' Future Foundry, a Coventry -based aluminium foundry, has secured £650,000 in funding to begin transforming its existing facility and lay the foundations for what it says will be the world's first near-zero carbon casting hub. The company will use the funding for a Scale-Up Feasibility Study, ahead of future plans to overhaul its facility and install next-generation, low carbon, digitally enabled manufacturing equipment, with the objective of quadrupling production capacity and enabling zero carbon casting at scale. |
| Pailton Engineering | Coventry | Manufacturing | Pailton Engineering has continued its investment programme at its Coventry facility with a series of new machinery upgrades. The move is designed to boost production capacity, improve reliability and bring more manufacturing processes in-house. The latest upgrades follow the installation of a collaborative robot on the factory floor and form part of a wider strategy to modernise operations across the site. It also replaces ageing legacy equipment and supports the reshoring of previously outsourced work back into Coventry . |
| Aurrigo International | Coventry | Manufacturing | Coventry -based Aurrigo International plc has secured a £4.5m framework agreement to supply high-performance electrical sets for a next generation supercar programme. Under the terms of the three-year deal, £810,000 of contracted orders will be delivered this year, with remaining volumes ramping up across 2027 and 2028 in line with the customer's production schedule. |
| Pack Smart Group | Coventry | E-commerce | A Coventry -based fulfilment and e-commerce business has invested more than £50,000 in new in-house printing technology as it looks to expand services and reduce reliance on third-party suppliers. The investment will see direct-to-film printing brought into the Pack Smart Group's Foleshill headquarters, enabling print-on-demand production to be handled internally for business customers while also supporting the launch of a new direct-to-consumer brand. |
| Rydal Group / HBT Communication | Coventry | Information Technology | Rydal Group has completed the acquisition of HBT Communication, a Coventry -based telecoms and IT business. The acquisition strengthens Rydal's footprint in the Midlands and expands the range of optional services available to HBT customers. Following the acquisition, HBT Communications will continue to operate from its Coventry offices under its existing name, with no changes to staffing, management structure, customer contact details, contracts or commercial terms. |
| BlackRock Real Estate | Solihull | Commercial Property | The development of 93,900 sq ft of industrial, warehouse and R&D accommodation at Birmingham Business Park is being brought forward. Detailed planning consent has been granted for two units of 42,890 sq ft and 51,010 sq ft on a six-acre plot fronting Solihull Parkway. The development will be known as Diamond and will be completed on a design-and-build basis, funded by BlackRock Real Estate. |
| Pearcelegal Solicitors | Solihull | Legal | Pearcelegal Solicitors has expanded its footprint in Solihull with additional space in the town centre. The firm has taken up 800 sq ft of office space in addition to its existing premises. |
| Mulberry Waste Holdings / Ecobat | Walsall | Circular Economy | Mulberry Waste Holdings has acquired a lithium-ion battery recycling facility from Ecobat. Ecobat Solutions' Darlaston facility includes battery dismantling and health diagnostics, alongside a recently installed lithium-ion recycling process. Ecobat, which employs 115 staff, will continue to operate from its existing site following the deal. |
| Sgorran / PP Control & Automation | Walsall | Manufacturing | Sgorran is outsourcing production of its Inoca machines to Walsall -based contract manufacturer PP Control & Automation. The agreement shifts full build activity to PP C&A's facility, freeing Sgorran to focus on product development |

| COMPANY | LOCATION | SECTOR | DETAIL |
|-------------------------------------------|----------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | and R&D as it looks to expand sales of its automated vaccination systems for aquaculture. |
| Heineken UK | West Midlands | Hospitality | Heineken UK is looking to invest £2.35m into pubs in the West Midlands with licensees adding a further £175,000 on top, as part of a nationwide programme to upgrade 647 pubs in its Star Pubs estate in 2026. 11 pubs across the region are to benefit from substantial revamps, with 45 new jobs being created. A statement from Heineken said the investment is providing a lifeline as hospitality businesses find it difficult to secure finance in the current climate. |
| FBC Manby Bowdler | Wolverhampton / Solihull | Legal | Wolverhampton -based FBC Manby Bowdler has expanded its Knowle office with appointments and the creation of new contentious probate and residential property teams. |
| Brindley Group | Wolverhampton | Automotive | Brindley Group has partnered with a brand owned by Chinese giant Chery Automotive Group. The venture with Lepas will be located at the West Street facility in Wolverhampton , with the site scheduled for a transformation to accommodate the brand's arrival |
| School of Coding & AI | Wolverhampton / Birmingham | Education & Training | Wolverhampton -based computing and AI educator School of Coding & AI has formed a partnership with a specialist university to open a new urban hub in Birmingham . SoC is working with Harper Adams University to offer a new digital business management degree. It will be offered at SoC's Birmingham campus and is designed to equip students with the knowledge, skills, and mindset needed to navigate business and technology in a digital economy. |
| Phoenix Brands | Wolverhampton | Food & Drink | Wolverhampton -headquartered Phoenix Brands, a supplier of biscuit products, has been acquired by Orchard Foods Valley Ltd, a subsidiary of Oslo-based Orkla Food Ingredients. |
| StudentCrowd | Wolverhampton | Education / Technology | Wolverhampton -based StudentCrowd has secured £7m in Series A funding as it looks to expand its data platform into international markets. The round was led by YFM Equity Partners and backed by the Midlands Engine Investment Fund II via Mercia Ventures. |

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