WMCA Monthly Economic Insights

September 2026

The Economic Intelligence Unit

The **WMCA** economy continues to grow, with total GVA reaching £87.3bn in 2024, up 1.7% and ahead of England's 1.3% growth. The business base has also expanded to 94,700 enterprises, while regional R&D expenditure rose strongly to £6.1bn. However, the announcement that JLR plans to cut 4,000 jobs over the next two years represents a significant shock for the region's automotive ecosystem, with its headquarters in Coventry and major operations in Solihull and Wolverhampton. This comes as recruitment demand has weakened sharply, with job postings down 54.9% year-on-year and claimants rising. Goods exports have also fallen 5.3%, highlighting the exposure of the region's manufacturing economy to international competition, tariffs and changing technologies. Innovation provides an important counterpoint; 47.4% of grant-backed businesses have yet to secure follow-on investment or achieve recognised scale-up growth. This highlights a significant opportunity to convert the region's strong innovation base into greater commercialisation, business growth and high-value employment.

Birmingham remains the WMCA's largest economy, generating £36.5bn of GVA in 2024, an increase of 1.5%. Its business base also expanded to 38,605 enterprises, although current labour demand is considerably weaker, with job postings down 53.8% compared with a year ago and claimant numbers increasing. Household prosperity remains a particular challenge: GDHI per head was £19,205, considerably below the UK average, while 47% of children are eligible for free school meals – the highest proportion in the WMCA. New research on housing development around transport stations nevertheless highlights Birmingham's longer-term growth potential, suggesting substantially greater housing capacity could be unlocked through higher-density development around existing public transport infrastructure.

Coventry's economy generated £12.4bn of GVA in 2024, increasing by 1.2%, while its business base grew relatively strongly by 2.9% to more than 10,000 enterprises. However, GVA per head declined by 1.5%, and current labour market indicators point to softer conditions, with job postings down 53.8% and claimant numbers 750 higher than a year ago. The planned JLR restructuring is particularly relevant given Coventry's position as the company's global headquarters and the city's wider automotive and advanced manufacturing specialisms. Against this backdrop, continued business formation and Coventry's established innovation and university assets will be important in supporting diversification and capturing opportunities associated with the transition towards new automotive and transport technologies.

Dudley experienced a more challenging year for economic output, with total GVA declining 2.3% to £6.2bn in 2024 and GVA per head falling 3.4% to £18,688. This leaves productivity and economic output per resident as important longer-term challenges. Current recruitment conditions have also weakened, with job postings around half their level a year ago. There are, however, more positive signals elsewhere: Dudley's business base expanded to 10,100 enterprises, while GDHI per head increased 6.2% to £20,171 – the strongest growth in the WMCA.

Sandwell recorded modest real economic growth in 2024, with GVA increasing 0.7% to £7.6bn, alongside particularly strong growth in its business population, which increased 3.6% to 10,505 enterprises – the fastest rate across the WMCA. However, GVA per head declined slightly and remains well below the WMCA average. Household income is also a key challenge, with GDHI per head of £17,273 the lowest amongst the seven metropolitan authorities, while 37.7% of children are eligible for free school meals. Sandwell's manufacturing-intensive economy also remains particularly exposed to elevated energy costs and weaker regional goods exports, making productivity, industrial competitiveness and business scale-up increasingly important to future growth.

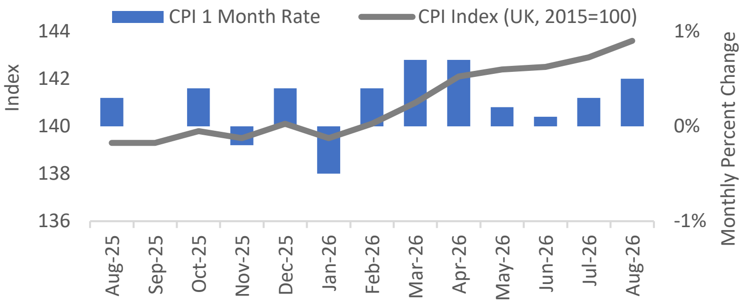
Solihull was the standout WMCA economy for output growth in 2024, with GVA increasing 6.3% to £12.2bn. GVA per head reached £55,315 – almost twice the WMCA average – and increased 5.6% over the year, reinforcing the borough's position as a major high-value employment centre. Its business base also expanded by 2.7%. However, current indicators point to a markedly cooler recruitment environment, with job postings down 60.7% year-on-year. The planned JLR job reductions are also particularly significant given the company's major Solihull manufacturing operation. The contrast between strong recent output performance and weakening current labour demand will therefore be important to monitor as automotive restructuring and wider economic uncertainty feed through.

Walsall's latest indicators show a more challenging growth picture. GVA declined by 0.8% in 2024, while GVA per head fell 2.3% to £18,581 – the lowest amongst the seven metropolitan authorities. Recruitment demand has also weakened particularly sharply, with job postings down 61.9% year-on-year, the largest fall in the WMCA, while claimant numbers have increased. There are nevertheless signs of resilience within the business base: the number of enterprises grew by 2.9% to 8,625, above the England growth rate, while GDHI per head increased by 5.6%. Converting this entrepreneurial activity into higher productivity, stronger employment demand and increased household prosperity remains an important opportunity for the borough.

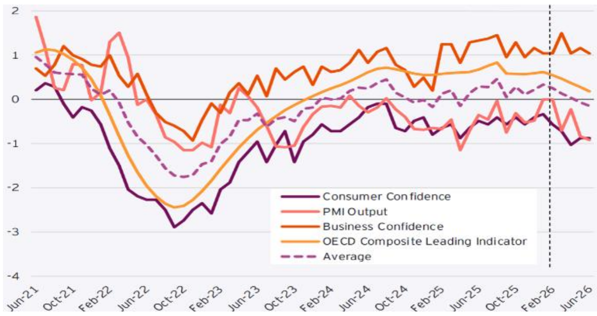
Wolverhampton recorded a strong improvement in economic output, with GVA increasing 4.0% to £6.9bn in 2024 – second only to Solihull across the WMCA. GVA per head also increased by 1.9%, contrasting with declines across several neighbouring authorities. Current labour demand has weakened, although Wolverhampton recorded the smallest annual fall in job postings among the WMCA (-51.8%), while claimant numbers remain marginally below their level a year ago. The city is nevertheless exposed to the planned JLR restructuring through the company's Wolverhampton operations and the wider automotive supply chain. Continued growth in advanced manufacturing, engineering and innovation will therefore be important in maintaining the stronger momentum evident in the latest GVA figures.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

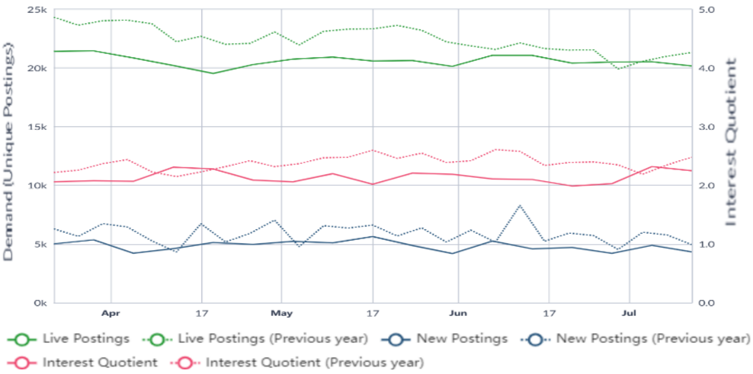


UK Selected Leading Indicators of GDP Growth

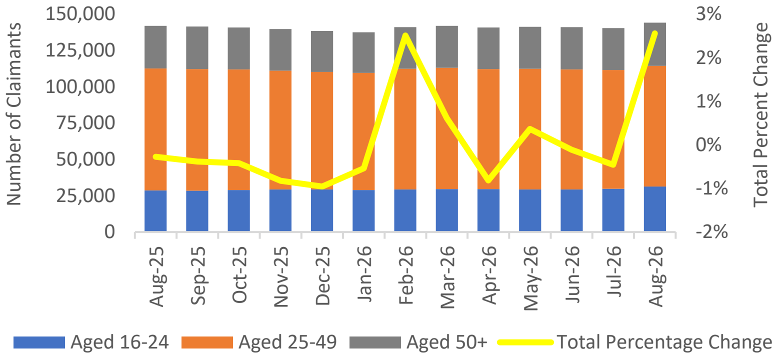


- Utilising a base year of 2015, UK **CPI was 143.6** in August 2026, an **increase of 0.5%** from the previous month (**+3.1%** y- o-y).
- Leading indicators of **economic growth fell at the start of the Middle East conflict**, though by much less than in 2022.

WMCA Job Demand and Interest Trend



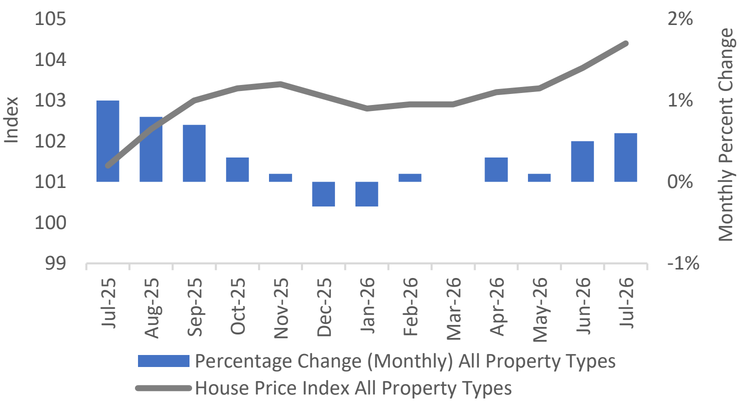
WMCA Claimants



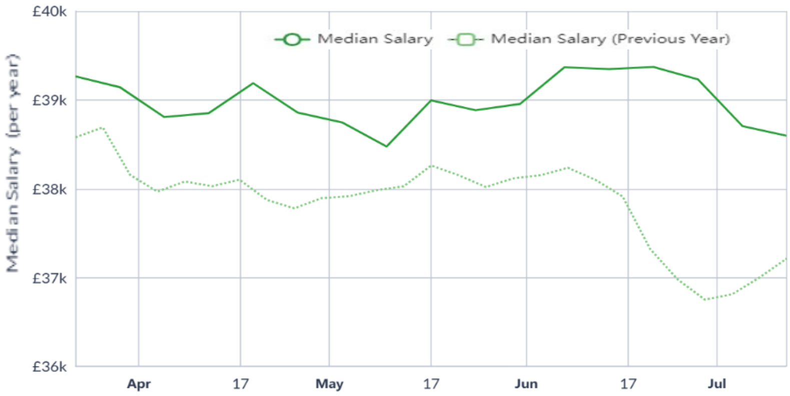
- In the past month for the WMCA: **20,172 postings (-54.9% y-o-y)**, **2.3 (high) Interest Quotient** (IQ).
  B'ham: 11,404 (-53.8%), 13.1 (high). **Coventry**: 2,237 (-53.8%), 2.6 (high). **Dudley**: 1,274 (-52.6%), 2.2 (high).
  Sandwell: 1,092 (-59.9%), 1.8 (high). **Solihull**: 1,270 (-60.7%), 1.8 (high). **Walsall**: 976 (-61.9%), 1.1 (avg.). **W'ton**: 1,910 (-51.8%), 2.2 (high).

- In total, **143,985 WMCA claimants in August 2026**; **+3,590 since July 2026**, (+2,095 since Aug '25).
  B'ham: 77,930; +1,810, (+760). **Coventry**: 14,155; +305, (+750). **Dudley**: 9,375; +240, (+50).
  Sandwell: 15,105; +455, (+160). **Solihull**: 4,750; +125, (+125). **Walsall**: 10,835; +330, (+285). **W'ton**: 11,840; +330, (-30).

WMCA House Price Index



WMCA Salary Trend



- WMCA's **House Price Index was 104.4 in July 2026**. The monthly **Index increased by 0.6%**.
  B'ham: 100.8, +0.5%. **Coventry**: 104.6, +1.4%. **Dudley**: 106.5, +0.2%.
  Sandwell: 107.7, +0.1%. **Solihull**: 102.1, -0.1%. **Walsall**: 108.0, +0.2%. **W'ton**: 110.4, +1.8%.

- In the past month for the WMCA, on Adzuna: **Median Salary of £38,533 per year**, (**+4.6% y-o-y**).
  B'ham: £40,465 (+4.2%). **Coventry**: £36,680 (-3.4%). **Dudley**: £35,071 (+6.4%).
  Sandwell: £35,741 (+5.6%). **Solihull**: £35,502 (+7.1%). **Walsall**: £36,168 (+2.6%). **W'ton**: £35,824 (+0.6%).

Other Recent Releases

- **The ONS** have released annual figures on **[Regional economic activity by gross domestic product, UK: 1998 to 2024](#)**. ***Read our full briefing [here](#)*.** **Key headlines** (figures are in Chain Volume Measures (CVM) in 2023 money value basis)**:**
  - **Total Gross Value Added (GVA) in the WMCA: £87.3bn in 2024**, (annual change: +1.7%, England: +1.3%).

    B'ham: £36.5bn, (+1.5%). **Coventry**: £12.4bn, (+1.2%). **Dudley**: £6.2bn, (-2.3%).
    Sandwell: £7.6bn, (+0.7%). **Solihull**: £12.2bn, (+6.3%). **Walsall**: £5.5bn, (-0.8%). **W'ton**: £6.9bn, (+4.0%).

  - **GVA per head in the WMCA: £28,749 in 2024**, (annual change: +0.3%). England: £36,995 (+0.1%).

    B'ham: £30,886, (+0.3%). **Coventry**: £33,580, (-1.5%). **Dudley**: £18,688, (-3.4%).
    Sandwell: £21,593, (-0.4%). **Solihull**: £55,315, (+5.6%). **Walsall**: £18,581, (-2.3%). **W'ton**: £24,391, (+1.9%).

- **The ONS** have released annual figures on **[Regional gross disposable household income, UK: 1997 to 2024](#)**. ***Read our full briefing [here](#)*.** **Key headlines:**
  - **Total Gross Disposable Household Income (GDHI) in the WMCA: £59.8bn in 2024**, (annual change: 7.0%, UK: +7.4%).

    B'ham: £22.7bn, (+7.0%). **Coventry**: £7.3bn, (+7.4%). **Dudley**: £6.7bn, (+7.3%).
    Sandwell: £6.1bn, (+6.7%). **Solihull**: £6.1bn, (+6.6%). **Walsall**: £5.6bn, (+7.2%). **W'ton**: £5.2bn, (+7.1%).

  - **GDHI per head in the WMCA: £19,688 in 2024,** (annual change: +5.5%). UK: £25,965 (+6.2%).

    B'ham: £19,205, (+5.8%). **Coventry**: £19,773, (+4.5%). **Dudley**: £20,171, (+6.2%).
    Sandwell: £17,273, (+5.5%). **Solihull**: £27,713, (+5.9%). **Walsall**: £18,993, (+5.6%). **W'ton**: £18,493, (+5.0%).

- **The ONS** have released annual data on **[UK business; activity, size and location: 2026](#)**. ***Read our full briefing [here](#)*.** **Key headlines** (snapshot figures as of March 2026)**:**
  - **94,700 enterprises in the WMCA in 2026,** (annual change: +2.3%, England: +1.6%).

    B'ham: 38,605, (+2.1%). **Coventry**: 10,110, (+2.9%). **Dudley**: 10,100, (+1.0%).
    Sandwell: 10,505, (+3.6%). **Solihull**: £8,490, (+2.7%). **Walsall**: 8,625, (+2.9%). **W'ton**: 8.265, (+1.7%).

- The **Ministry of Defence** (MOD) have released **[regional expenditure statistics with industry](#)**. In 2025/26, **MOD Expenditure in the West Midlands region was £1.8bn**, an **annual increase of 3.0%** (constant prices) compared to the previous year. MOD expenditure across the UK increased by 3.2%. **The West Midlands accounted for 5.3% of MOD expenditure in the UK. Read our full briefing [here](#).**

- **[Gross domestic expenditure on research and development](#)** (R&D) from **the ONS** shows that in 2024, **businesses in the West Midlands region spent a total of nearly £6.1bn on R&D** - accounting for 7.7% of UK R&D expenditure. Compared to the previous year, R&D expenditure in the West Midlands **increased by £548m** (+9.9%, UK: +4.8%). **Read our full briefing [here](#).**

- The latest **[regional trade in goods statistics](#)** released from **HMRC** found for the **West Midlands region**: Since the year ending Q2 2025, the West Midlands region's **goods exports decreased** by £1.8bn (**-5.3%**) to **£32.4bn in the year ending Q2 2026** (UK increased by 1.6%). Goods imports to the West Midlands region were worth £45.4bn, an increase of £3.0bn (+7.0%) since year ending Q2 2025 (UK +6.2%). **Read our full briefing [here](#).**

- The **Living Wage Foundation** have published the **[eighth edition of Life on Low Pay](#)** which shows how **rising living costs are affecting low-paid households.** While this data is based on workers' subjective assessments, it serves as a useful indicator of the transformative impact the real Living Wage can have in workers' lives.

- [Research](#) from **Centre for Cities** reveals that **Birmingham would have 211,000 additional homes if densities around existing stations matched those in peer French and Japanese cities.** And if the network coverage was also increased, this would increase to 281,000 additional homes.

- **House of Commons** research briefing on **[Food poverty: Households, food banks and free school meals](#)** found that in 2024/25, 6m people, including 14% of children, experienced food insecurity. In 2025, Trussell supplied 2.64m emergency food parcels. This briefing provides statistics on food poverty in the UK, including food banks and free school meals. **Proportion of children eligible for free school meals across the WMCA:**

  B'ham: 47%. **Coventry**: 28.7%. **Dudley**: 27.9%. **Sandwell**: 37.7%. **Solihull**: 25.9%. **Walsall**: 37.3%. **W'ton**: 44.2%.

- **The TUC** has released a paper on how to [Reindustrialise Britain](#) - A plan to **rebuild sovereign manufacturing capability, create good jobs and renew Britain's industrial communities.**

- **The [Thriving Places Index](#) (TPI)** provides an up-to-date picture of **how well different areas are doing in creating the conditions for everyone to thrive.**

Economy and Business Intelligence

THEME	KEY INSIGHTS
Economic Outlook	• EY note **the Chancellor's fiscal headroom has narrowed sharply and much of the tax base is already committed**. With little room for manoeuvre, the choices made in this Budget could have important implications for how UK businesses plan, invest and grow. This Budget will also be shaped by more than domestic policy. Persistent fiscal pressures, **higher borrowing costs and geopolitical uncertainty** are all influencing the options available to the Chancellor. • Recent data from the Office for National Statistics (ONS) reveals in the three months to July 2026, compared with the three months to April 2026: ○ **Real gross domestic product (GDP) grew by 0.4%**, following a growth of 0.4% in the three months to June 2026 and a growth of 0.6% in the three months to May 2026. • In the month to July 2026: ○ **Monthly GDP grew by 0.4% in July 2026**, following a growth of 0.3% in June 2026 and no growth in May 2026. • The UK economy started the third quarter strongly, continuing the resilience shown in the first half of the year. However, with business confidence fragile amid continued global volatility, near-term risks remain firmly to the downside. **NIESR forecast growth of 0.7% in the third quarter**. • Oxford Economics reveal the **European economy is forecast to grow by 1.4% in 2027**, marking an acceleration from this year and reflecting increased German investment, stronger intra-European exports, and improving consumer spending. However, challenges remain, particularly from rising energy prices and geopolitical tensions. • The global economy has again proven **remarkably resilient** to a swathe of geopolitical shocks in 2026, and Oxford Economics expect that to continue into 2027. Still, risks that oil market stress or a disorderly end to the AI boom could end the economic cycle are growing, and they've marked down the growth forecasts for 2027 with **global GDP growth to move back into the 2.8% to 3.0% range**.
Trading Environment	• **Inflation has risen.** ○ **The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.3%** in the 12 months to August 2026, up from 3.1% the previous month. ○ On a monthly basis, **CPIH rose by 0.5%** in August 2026, compared with a rise of 0.3% in August 2025. ○ **The Consumer Prices Index (CPI) rose by 3.1%** in the 12 months to August 2026, up from 2.9% the previous month. ○ On a monthly basis, **CPI rose by 0.5%** in August 2026, compared with a rise of 0.3% in August 2025. • New modelling by the New Economics Foundation (NEF) finds that **fossil fuel price shocks play the most systemically significant role in headline inflation** in all but two of the countries studied. A 50% shock to these prices, comparable to the 47% rise in oil prices over the past year, would add between 0.8 and 1.8 percentage points to headline inflation across EU countries. Compared to the European Central Bank's (ECB) 2% inflation target, these results are significant. **Electricity and fuel bills react most strongly to the shock, but effects also trickle through to food prices and transport and water supply services, with the effects on food having the largest impact on headline inflation of the three.** • On 17 September, the Bank of England's Monetary Policy Committee (MPC) announced it had left interest rates unchanged at 3.75%. • The latest NatWest Purchasing Managers Index (PMI) reports the **West Midlands Business Activity Index decreased from 50.6 in July 2026 to 50.0 in August 2026, while the UK comes in at 52.5.** • **Businesses across the West Midlands are broadly positive about the region's economic prospects, with 85% expecting it to grow over the next three years,** according to the latest Lloyds Business Barometer. The survey also found that 80% of West Midlands businesses believe they have already seen notable economic growth in the region over the past three years. However, only half of West Midlands businesses believe the region receives a fair share of public investment. • **UK incorporations fell 5.7% year-on-year in H1 2026, to 402k**. That's the second consecutive half-year decline and the lowest H1 total in five years, **with the West Midlands recording the 2nd largest shortfalls over the annual period (down 4.34%) and the 2nd largest shortfall over a 5 year period (down 10.5%)**. • **Growth in the Tech sector is masking weakness in manufacturing, production and construction**. The Growth Commission says this is not surprising as the manufacturing and production sectors are most directly affected

THEME	KEY INSIGHTS
	by the **UK's poor goods regulation and high energy costs**, with 71% of businesses with more than ten employees are concerned about rising energy prices. • **The UK's market for first-time equity investment is evolving fast**, and increasingly moving beyond London. **First-time equity investment reached £4.4bn in 2025, up 11.7% on 2024,** with the number of newly funded companies rising 29.9% to its highest level since 2021. **For the first time since 2022, more first-time deals were completed outside London than within it, with regions such as the West Midlands and Scotland growing faster than the capital. In the West Midlands there were 96 deals in 2025, a value of £259m**. AI was the largest single contributor to UK market growth in 2025, with its share of first-time equity value rising from 17.0% in 2024 to 32.9% in 2025. • **The West Midlands is home to England's biggest untapped innovation opportunity, as 47.4% of the region's grant-backed businesses remain active and trading but have yet to secure follow-on investment, achieve an exit or demonstrate recognised scale-up growth**. That's the **highest proportion** of any major English region, against a UK average of 38.1%. The West Midlands is home to 1,743 innovative businesses and 838 recipients of public innovation grants, with established strengths in **advanced manufacturing, transport technologies, engineering, clean energy and health innovation**. But only **15.4%** of grant-backed businesses in the region have secured follow-on equity investment, compared with a UK average of 26.4%. **The report concludes that the region's next economic prize lies not in creating more innovation, but in helping more innovative businesses scale successfully and create long-term value where they were founded.**

Labour Market	• **The labour market remains broadly stable, with employment and unemployment rates largely unchanged in the latest period. However, payrolled employee numbers continue to edge down, with falls over the past year particularly evident in the retail and hospitality sectors.**
	• **Vacancies remain at their lowest level outside the pandemic period for more than a decade**, with smaller businesses continuing to report that increased labour costs are affecting hiring decisions.
	• Regular wage growth has remained relatively stable in recent months, while total pay growth, which includes bonuses, has eased and was last lower nearly six years ago. **There remains a notable difference between public and private sector pay growth**, with public sector figures continuing to be affected by the timing of NHS pay awards this year.
	• Headline stability in the job stats masks two underlying and related challenges. The first is that one million young people are not in education, employment or training, **risking long-term harm to their career prospects**. The Learning and Work Institute argues ramping up efforts to change that can't wait. The second is the **stalling of job growth in parts of the private sectors like retail and hospitality**, down 150,000 payroll jobs since last year. This **limits first job opportunities for young people and reflects underlying economic weakness that ongoing international uncertainty won't help**. The employment rate is relatively high by international standards, but risks trending in the wrong direction with 3.9 million people not in work but saying they want a job.
	• The Living Wage Foundation released the eighth edition of its **Life on Low Pay** report, illustrating how workers paid less than the real Living Wage are struggling to meet everyday costs. For example:
	  ○ **31% of low-paid workers have no savings.**
	  ○ 85% would not be able to cover a sudden £200 expense using their current income, or could only do so by making cutbacks, using savings or borrowing money.
	  ○ 45% said their level of pay increases their anxiety.
	  ○ **Certain groups, including single-parent households, disabled workers and social renters, are experiencing greater financial pressures across multiple measures.**
	• The West Midlands is among more than 200 areas across Britain helping design a new system aimed at **keeping people with health conditions in work**, as part of a drive to tackle the **£212bn annual cost of long-term sickness to the UK economy**. Almost **130,000 people in the West Midlands are currently off work due to being long-term sick, part of a wider national picture where 2.8 million working-age people are economically inactive due to ill health or disability**. The new "Workplace Health System" aims to bring together employers, the NHS, local leaders and support services so people get help early, rather than falling out of work unnecessarily.
	• Re:State argue that **Britain's employment support system is failing the people who need it most**. Its backbone – Jobcentre Plus – remains a highly centralised, one-size-fits-all institution, despite the importance of local labour markets and the need to join up employment support with health, skills, housing and other public services. The barriers people face in moving into work are often local and interconnected, yet the system remains largely designed and delivered from the centre. Re:State says the **employment support system has failed to adapt to today's challenges, while outcomes continue to deteriorate:**

THEME	KEY INSIGHTS
	○ **The UK's employment rate is lower, and its levels of economic inactivity are higher, than they were before the pandemic.** ○ It is estimated that **over 1 million 16- 24-year-olds are not in employment, education or training. A significant portion of these individuals are not claiming benefits and are therefore largely "hidden" from the system.** ○ The number of people claiming **Universal Credit (UC) Health or Employment and Support Allowance rose from just over 2 million pre-pandemic to 3.7 million** by mid-2025. ○ The proportion of people who have been in the out of work UC "Searching for work" conditionality group for a year or more has almost doubled compared to pre-pandemic (from just over 20% to just under 40%). ○ **A work coach carries around 100 claimants and may see each for as little as ten minutes despite the complexity of the rising caseload.** • The future jobs challenge is one that universities and businesses must tackle together, argues the NCUB. Graduates need the technical and specialist skills to thrive in a changing economy, alongside the core skills that enable them to adapt, innovate and work effectively with new technologies. • This comes as new economic modelling by Public First finds that the **UK's universities have almost nowhere left to grow their international student numbers safely. The countries where growth is still available are, with a handful of exceptions, the countries least able to be relied on year after year**. The modelling scores every country on two measures: **stability**, meaning how dependable it is as an ongoing source of students, and **opportunity**, meaning how much additional growth is realistically available. The central finding is that the two barely overlap. ○ **China has reached a ceiling**. The potential for growth is set to decline as China's university-age population shrinks. ○ **The UK already recruits more students from India than India's demographics, incomes and competition from rival destinations can sustain**. Demand fell 12% in 2024-25, and the model expects that decline to continue under current Home Office policy. ○ **Growth is almost entirely available in less stable countries**. Globally mobile countries, Zimbabwe, Nepal and Vietnam among them, are largely in the bottom 50% of countries for stability. ○ Only nine countries sit in the "**viable zone**", scoring highly for both stability and opportunity, including the US, Ireland and Italy. ○ **Emerging competitors could narrow the room further**. If the UK begins losing students to high-quality Asian systems such as Japan, South Korea and Malaysia, or to regional hubs including India and South Africa, the headroom available for growth shrinks again. • **Not all first jobs are equal – and the difference can last a lifetime. Good first jobs can help young people build momentum. They provide skills, confidence, workplace knowledge, professional contacts and clear progression pathways. Poor first jobs can slow people down before their career has properly begun**. Those who might benefit most from high-quality first jobs are often more likely to start in roles with weaker support, fewer networks and less progression. Research from the Social Market Foundation reveals that **access to good first jobs that enable progression is socially patterned:** ○ **Graduates**, respondents from more advantaged backgrounds and private school respondents were more likely to access **stronger first-job pathways**. ○ Access to good first jobs were also highly variable by place, both in terms of **region** and in terms of **urban/rural divides**. ○ **Disabled respondents experienced some of the weakest first-job outcomes**. Almost one in four were in a low-mobility pathway, compared with around one in ten non-disabled respondents. • New research from the Joseph Rowntree Foundation reveals **experience of poverty heightens the risk of not earning or learning as a young adult, particularly when it is persistent**. Young people who experienced persistent poverty growing up were over 3 times more likely not to be learning or earning at age 17 or 23 (3.3 and 3.4 times respectively) compared to someone who did not experience poverty. **This makes poverty one of the strongest predictors of not earning or learning in young adulthood.** • Climate shocks are shutting classroom doors around the world, disrupting children's learning and threatening their futures. From flooded classrooms to shuttered schools, climate shocks are closing the door on children's learning around the world. At least **1 in 10 students** had their schooling disrupted due to climate-related hazards in 2025. Globally, at least **171 million students** – from pre-primary to upper secondary education – experienced

THEME	KEY INSIGHTS
	school disruptions due to climate events in 2025. **75% of the 171 million affected students are in low- and lower middle-income countries.** • **Employers are investing less in training, and training is getting shorter, holding back productivity**. The reasons for this **differ by sector depending on the nature of product and labour markets, firm characteristics, and institutions.**

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	• **Manufacturing order books improved for the second consecutive month** according to the CBI's latest Industrial Trends Survey (ITS). Total order books were reported as below "normal" to the least extent since July 2023, with both total and export order books standing above their long-run averages. In September 2026, more manufacturers thought that output would decrease over the next three months than thought it would increase (a difference of -6%). In August, the balance was -7%. • In the S&P **Global PMI**, a value of 50 means that there is no change compared to the previous month. Values above 50 indicate an expansion, and values below 50 a contraction. The UK manufacturing PMI estimate for August 2026 was **51.7**, down slightly from 51.9 in July. This marks the **fifth consecutive month of growth**, although the pace of expansion was the slowest since April. Higher production levels were supported by an increase in new orders, with demand improving from both UK and overseas customers.
Construction	• Total **construction output is estimated to have fallen by 0.5% in the three months to July 2026;** this follows four consecutive increases in the three-monthly series, with strong growth seen in the three months to April and May, of 1.3% and 1.5%, respectively.

Retail, Hospitality and Tourism	• **The quantity of goods bought (volume) in retail sales is estimated to have risen by 0.9%** in the three months to August 2026, compared with the three months to May 2026. **Retail sales volumes are estimated to have risen by 0.5%** in August 2026. This follows a fall of 0.5% in July 2026, and a rise of 0.6% in June 2026 (revised down from a 0.7% rise). Non-store retailers partially recovered from falls in July 2026, with lower sales volumes in July attributed to promotions occurring earlier in June 2026. Department stores also picked up in August following stock availability issues in July.
	• Birmingham's accommodation sector has voted to establish the city's first **Accommodation Business Improvement District (ABID)**, creating a new industry-led mechanism to invest in attracting visitors, events and overnight stays to the city.
	• A new **£10 million Hospitality Grant Scheme has launched to support independent pubs, restaurants and cafés across the UK**. The three-year scheme will fund projects designed to help new hospitality businesses get started, bring vacant premises back into use, and support training programmes that help people develop the skills and experience needed for careers in hospitality. More than £3 million of the funding will be earmarked for Pub is The Hub, an independent organisation that helps pubs in rural and deprived communities diversify their services. This can include introducing village shops, community cafés, play areas and other activities that help pubs become important community hubs.
	• **The BBC** is currently responsible for **billions in spending and output which supports Britain's creative economy, as well as supporting both employment and exports**. Modelling from the Social Market Foundation reveals an estimated **£2.1 to £3.3 billion is likely to be lost from the culture and broadcasting industry** as a result of the removal of the BBC licence fee. Reducing licence fee funding would cut broadcasting's economic output by between **£3.7 and £6 billion**. Between **18,000 and 29,000 jobs would be lost**, including 7,300 to 11,800 directly in broadcasting.
	• **Coventry's visitor economy has passed £1bn for the first time,** with new data showing **12.6 million people visited the city in 2025**, generating a record economic impact of **£1.009bn**.
	• WPI Economics' report for BeStreamWise estimates the **full economic impact of illegal streaming**, which costs the economy at least:
	  ○ **£1.35bn in lost revenue**;
	  ○ **10,400 fewer jobs across the economy**;
	  ○ 4,200 fewer jobs in the broadcasting and media production sectors; and

SECTOR	KEY INSIGHTS
	○ 6,200 fewer jobs in other sectors, including sound recording and music publishing, advertising, publishing services, and retail sectors.
Digital / Tech	• **The tech sector is the jewel in the crown of the UK economy, directly accounting for around a quarter of the growth and presumably driving more than this through its knock on effects**. Moreover, unlike in the U.S. where AI seems to be reducing the number of jobs in the sector, the number of jobs in the sector in the UK remains higher than a year ago. • A report from Learning and Work Institute and The Rigby Foundation shows that **AI has transformative potential for the UK economy and could present a net uplift to productivity of up to £80 billion by 2035.**
Transport Technologies and Logistics	• **The UK government has slashed its hopes for electric planes and "sustainable aviation fuels" (SAFs)**, ahead of giving the green light to a third runway at Heathrow. An "ambitious" rollout of new technologies and efficiency upgrades will only cut flight emissions by a quarter over the next two decades, according to forecasts quietly released in June. **This would leave aviation emissions in 2050 nearly 50% higher than expected under the "jet-zero" strategy**, launched by the previous Conservative government in 2022. • **TransPennine Express (TPE) has confirmed that the £1bn investment will help to deliver Britain's first mainline battery-electric trains**. Funded by rail investor Rock Rail, the trains will be constructed at Alstom's Litchurch Lane Works in **Derby** and are set to be used across routes linking Liverpool, Manchester, York, Hull, Scarborough and Saltburn. It is part of TPE's broader Route Upgrade programme. Manufacturing is planned to start in 2028, and is expected to support over 350 highly skilled manufacturing jobs in **Derby**, as well as **more than 5,500 across the wider UK supply chain**. A further 100 roles will also be supported as part of the longer-term maintenance contract.
Environmental Technologies	• The UK Government has confirmed two agreements with the US to accelerate clean energy roll-out, which should also help **deliver over 10,000 UK jobs by 2030**. The partnership announcements follow publication of the Government's UK Fusion Investment Prospectus, which breaks down potential investment and commercial opportunities for **fusion**, a market that's estimated to be worth **£3trn-12trn globally**. The first agreement launches a new partnership between the UK Atomic Energy Authority and Princeton Plasma Physics Laboratory, enabling the institutions to share their expertise in artificial intelligence (AI), computing and nuclear fusion in order to help accelerate commercialisation of the technology. The second is a Joint Statement committing to closer collaboration on fusion regulation, which should help to support the sector and attract critical investment. • New research has found that **gas-fired power stations made £4.1bn in additional profits during the 2021 and 2022 energy crisis, while higher gas prices pushed up electricity bills for consumers.**

New Economic Shocks

COMPANY	LOCATION	SECTOR	DETAIL
Headlam Group	Birmingham	Wholesale	More than 150 jobs have been lost at **Birmingham**-based Headlam Group following the closure of almost 30 trade counters as the floor coverings distributor's administrators take cost reduction measures. The remaining 17 distribution centres and 48 trade counters will remain open and continue to trade.
Pneuride	Coventry	Automotive / Manufacturing	**Coventry** automotive components manufacturer Pneuride has filed a notice of intention to appoint administrators. Pneuride employs 75 people and designs and manufactures electronic control systems and air suspension components for the automotive and ancillary sectors. The company operates from a **Coventry** facility where it develops, validates and manufactures air suspension products.
Nuttall	Dudley	Manufacturing / Retail	The directors of The Alan Nuttall Partnership have taken the decision to close its Nuttall brand, a **Dudley**-based retail environment specialist which employs more than 80 people. The decision follows a formal consultation process and a review of the business' financial position, operational cost base and future opportunities.
Mackwell	Walsall	Manufacturing	**Walsall**-based lighting technology manufacturer Mackwell has taken a step towards administration after filing a notice of intention to appoint an administrator. Accounts show Mackwell employs 58 people. The company is a

COMPANY	LOCATION	SECTOR	DETAIL
			specialist in electronic technology for the global lighting industry, designing and manufacturing components and emergency lighting products.
Jaguar Land Rover	West Midlands	Manufacturing	Jaguar Land Rover (JLR) is to cut 4,000 jobs as the carmaker struggles with Chinese competition, US tariffs, and the transition to electric vehicles. The cuts will happen over the next two years and will mostly affect the head office. JLR has its global headquarters in **Coventry**, with plants in **Solihull**, **Merseyside** and **Wolverhampton**.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Cross + Morse	Birmingham	Manufacturing	A **Birmingham**-based manufacturer of power transmission products has secured a funding package from Arbuthnot Commercial Asset Based Lending to support its growth plans. Cross + Morse provides specialist engineering, manufacturing, and distribution services to customers worldwide.
ReelFlow	Birmingham	Media	ReelFlow, a **Birmingham**-based interactive video company established by the founders of Ackroo, has closed its crowdfunding campaign after raising more than £300,000 from 43 investors on Republic Europe. ReelFlow aims to bring B2B websites to life with interactive, short-form video content, and currently works with more than 40 customers.
Perk	Birmingham	Technology / Transport	An AI-powered travel and spend management platform has secured a £25m funding package from NatWest to support expansion across the UK, Europe and the US. **Birmingham**-based Perk has grown into a global provider of AI-native travel, expense and spend management technology and now employs more than 1,800 people worldwide.
Nourished	Birmingham	Retail	**Birmingham**-based nutrition brand Nourished has strengthened its UK retail footprint with the launch of products at Costco locations across the country. The company's Creatine+ Mind and Collagen+ Gut products are now available across all 29 Costco warehouses. The gummies are manufactured at the advanced **Birmingham** facility of parent company Rem3dy Health.
IMS Solutions	Birmingham	MedTech	Intelligent Mass Spec Solutions (IMS Solutions), a joint venture spin-out from the **University of Birmingham** and Imperial College London, is developing diagnostic products based on the identification of distinctive steroid signatures in blood and urine. The company has raised £1.1m in seed funding, led by Midlands Mindforge, with participation from SFC Capital, the UK's Innovation and Seed Capital Fund, managed by Future Planet Capital, NG Bio, British Business Bank and private investors.
Pulsant	Birmingham	Technology	Pulsant has invested £1m in upgrading its **Birmingham** data centre as demand for AI and advanced computing infrastructure continues to grow. The UK data centre and digital infrastructure operator said the investment will increase the capability of its 25,887 sq ft Birmingham facility, which it acquired from Specialist Computer Centres PLC last year.
Opus Safety	Birmingham	Professional Services	**Birmingham**-based Opus Safety has strengthened its position in the health and safety market after acquiring Suresite Health & Safety as it continues to grow through a series of strategic deals. Suresite works with more than 3,500 petrol stations across the UK, with its services including Dangerous Substances and Explosive Atmospheres Regulations risk assessments and compliance audits.
Nurton Capital	Birmingham / Coventry	Property	Nurton Capital has completed the £3.84m acquisition of a **Coventry** industrial estate as part of its strategy to build a portfolio of investment opportunities across key regional markets. The **Birmingham**-based business has acquired Albion Enterprise Park to sell the units individually on a freehold basis.

COMPANY	LOCATION	SECTOR	DETAIL
Crossbay	Black Country	Logistics	Three major logistics assets totalling 325,000 sq ft and located in **Tipton, Halesowen** and Lutterworth have been acquired by Crossbay, the urban logistics business of real estate investment manager MARK Capital Management. The acquisitions were said to further accelerate Crossbay's momentum in the UK, where its current portfolio exceeds 1.75m sq ft
NP Aerospace	Coventry	Manufacturing	Details have been revealed of a £30m funding package which has supported NP Aerospace's acquisition of a US provider of advanced defence protection services. The **Coventry**-headquartered company has bought Iten Defense from Edgewater Capital Partners and other minority shareholders. The move has been supported by funding from NatWest, backed by UK Export Finance. This includes a £19m trade loan and a £7.5m term loan.
Aurrigo International	Coventry	Manufacturing	Aurrigo International plc has completed its relocation to a new global headquarters in **Coventry** totalling more than 130,000 sq ft. The 130,615 sq ft site, more than three times the size of Aurrigo's previous UK facility, now serves as its global headquarters for advanced engineering, autonomous vehicle development and high-volume manufacturing.
C.H. Guenther & Son	Coventry	Food Manufacturing	US food manufacturer C.H. Guenther & Son has opened a new Centre of Excellence at its flagship **Coventry** bakery, designed to accelerate development of premium bakery products across the UK and Europe. The facility brings together a commercial-scale bakery, customer demonstration kitchen, sensory evaluation facilities and collaboration spaces in one location, allowing customers to work on-site alongside CHG's commercial, culinary and technical experts to develop bespoke bakery products.
mfg Solicitors	Dudley	Legal	Law firm mfg Solicitors has strengthened its commitment to the **Black Country** with confirmation it will open a new, larger office at Custom House in **Brierley Hill**'s Waterfront development. The move to larger offices also reflects the increase in demand for the firm's services and underlines its long-term commitment to the area's business community.
Ansons Law	Dudley	Legal	Ansons Law has expanded its **Dudley** office after growing its team from four to 16 people in its first 12 months. The firm has hired at every level in **Dudley** over the past year, from senior solicitors to newly qualified lawyers and trainees, with staff drawn from **Dudley** and the wider **Black Countr**y rather than relocated from elsewhere.
Rotala Group	Sandwell	Transport	Bus operator Rotala Group, based in **Sandwell**, has taken ownership of two depot sites to strengthen its operational footprint, backed by an eight-figure funding package from HSBC UK. The funding has enabled Rotala to acquire the freehold of its Heathrow depot as well as a new depot in Bolton.
Speciality Steel UK	Sandwell	Manufacturing	The government has announced it will work towards the public acquisition of Speciality Steel UK (SSUK), protecting more than 1,300 jobs across its sites, including in **Wednesbury**. SSUK's four sites have produced specialist steel for sectors including aerospace, defence and advanced manufacturing, among products such as aircraft landing gear, helicopter rotors, missiles, munitions and artillery casings.
The NEC Group	Solihull	Visitor Economy	The NEC Group is planning a £100m investment drive amid rising demand for live events. Planned investments include three new venues for families, hundreds of hotel rooms, a renovation of the NEC's public areas and the creation of more hospitality and leisure venues.
Correla	Solihull	Technology	Esyasoft Technologies UK, a global energy transition technology group, has acquired Correla, a **Solihull**-based energy technology and data services firm. Correla, serves the UK energy sector and Esyasoft offers smart utilities, software, analytics and AI, energy-as-a-service, e-mobility, and battery storage across more than ten countries.
Eric Lyons	Solihull	Food Manufacturing	**Solihull**-based food business Eric Lyons has expanded its production capacity with a new 5,000 sq ft facility at Oakland Food Park in Redditch. The move

COMPANY	LOCATION	SECTOR	DETAIL
			separates manufacturing from the company's retail operations, giving its shops more space to focus on customers while creating additional capacity for its online and retail growth.
RAW Charging	Wolverhampton	Green Energy / Automotive	RAW Charging has switched on **Wolverhampton**'s largest ultra-rapid electric vehicle charging hub at Bentley Bridge Leisure Park, adding 22 charging bays to the destination. RAW provides end-to-end EV charging infrastructure for property owners, covering planning, grid connections, installation, operation and maintenance.

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