

National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP growth has been revised down to 0.2% in Q1 2017, its lowest level since the start of 2016. The service sector was the only area of the economy to record growth in Q1, up 0.2%. Output from production and construction was largely flat.</p> <p>Markets have fluctuated in recent times with uncertainty about the UK's approach to Brexit increasing after the inconclusive general election outcome. Elsewhere, the recovery in the Eurozone is gathering pace and US data suggests the labour market remains healthy.</p>	<p>UK GDP growth - 2007-17</p> <p>Source: Office for National Statistics, 2017</p>		Economic headlines	<p>Business activity in Yorkshire & Humber accelerated in May according to the Markit/Lloyds Bank Regional PMI. The region's PMI of 57.7 is above the UK reading of 54.4, suggesting activity expanding at a more rapid pace locally than nationally (a reading of above 50 represents growth).</p> <p>The Yorkshire & Humber PMI is higher than other northern regions, each of which saw slowing growth in May, and Yorkshire is second only to East Midlands among UK regions.</p>	<p>Purchasing Managers Index (PMI) - Northern Powerhouse regions, 2016-17</p> <p>Source: Markit/Lloyds Bank Regional PMI, 2016-17</p>	
Business performance & confidence	<p>Data from the Markit/CIPS PMI surveys suggests business activity continued to expand in June. Though the pace of expansion slowed for manufacturing, construction and service sector firms, it remained in positive territory. Concerns over input prices remain elevated but have eased recently.</p> <p>An Institute of Directors survey immediately after the general election found a sharp fall in confidence among IoD members with 57% pessimistic about the UK outlook, up from 37% a month earlier.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-17</p> <p>Source: Markit/CIPS PMIs, 2016-17</p>		Business performance & confidence	<p>1,440 new business bank accounts were opened in LCR in May, broadly in line with May 2016 and up 11.5% from April's low. 7,150 new accounts have been opened in Leeds City Region so far in 2017, an almost identical figure to 2016. This compares to a 2.5% fall in new accounts opened nationally.</p> <p>At district level, Harrogate (+15.8%), and Barnsley (3.5%) have seen the fastest increases so far this year, whilst the number of new accounts is down on last year in Calderdale, Craven, Selby and York.</p>	<p>Number of new business bank accounts - Leeds City Region, year to May 2008-17</p> <p>Source: Banksearch, 2017</p>	
Trade and exports	<p>Growth in the volume of retail sales slowed to 0.6% in the three months to May. This slowdown is emphasised by a 1.2% fall in sales between April and May, whilst year on year growth is at its lowest level since 2013.</p> <p>The UK's trade deficit (the difference between exports and imports) widened to £8.6bn in the three months to April, compared to a deficit of £6.9bn in the preceding three months. Service sector exports declined, whilst some goods imports increased.</p>	<p>UK balance of trade - 2007-17</p> <p>Source: UK Trade, ONS 2017</p>		Trade	<p>The Yorkshire & Humber region exported goods worth £3.9bn in Q1 2017, according to HMRC's Regional Trade Statistics. This is the highest value of goods exported from the region in a single quarter for over 4 years. This is an increase of 6.2% on Q4 2016, the fastest increase of any English region and outpacing overall UK growth of 1.6%.</p> <p>Additional analysis carried out by HMRC at LEP level, suggests that the US is the City Region's largest single trading partner, accounting for 33% of LCR goods exports in 2015, followed by Germany (7%) and France (5%).</p>	<p>Export of goods - Yorkshire & Humber and UK, 2013-17</p> <p>Source: Regional Trade Statistics, HMRC 2017</p>	
Labour market	<p>The number of people in work continues to rise, with 109,000 more people employed in the three months to April than the preceding three months. The employment rate is at a record high of 74.8%.</p> <p>Unemployment has fallen by 50,000 over the past three months, to 1.53 million. The unemployment rate of 4.6% is also a record low. However, regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. With inflation at 2.7%, incomes are declining in real terms</p>	<p>UK employment growth, 2008-17</p> <p>Source: Office for National Statistics, 2017</p>		Labour market	<p>Employment in Yorkshire & Humber increased by 14,000 in the three months to April, taking the region's employment rate to 73.5% up from 72.2% a year ago. The rate is below that of the UK (74.8%), but higher than the North East (72.2%) and similar to the North West (73.9%).</p> <p>As with the national picture, recent trends have seen full-time positions increase, with a slight fall in the number working part-time.</p>	<p>Employment rate - Northern Powerhouse regions 2007-17</p> <p>Source: ONS, 2017</p>	
Forecasts/prospects	<p>The latest Economic Outlook from the OECD points to a modest acceleration in global growth, from 3% in 2016 to 3.5% in 2017. Global trade is picking up and investment is increasing, though productivity and wage growth remains subdued.</p> <p>The OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018, with real incomes continuing to be squeezed by high inflation and low wage growth.</p>	<p>Global growth - actual and forecast, 2015-19</p> <p>Source: IMF World Economic Outlook, April 2017</p>		Other indicators	<p>The mean house price paid in the City Region stood at £188,000 at the end of 2016, up 3.7% on a year earlier. Prices in England and Wales increased by 5.3% across 2016, to an average of £219,000.</p> <p>Affordability ratios were higher than the national average of 7.7 in Harrogate (where prices are 8.8 times average earnings), York and Craven (both 8.3). Barnsley (4.7) and Calderdale (4.8) are the most affordable areas, with prices elsewhere in West Yorkshire around 5.5 times average earnings.</p>	<p>Mean price paid - LCR and England/Wales, 1995-2016</p> <p>Source: ONS / Land Registry</p>	
Summary	<p>Much of the survey data suggests that the UK economy remains relatively healthy, with activity continuing to expand at a solid pace across all areas of the economy. Labour market data is also positive, with employment continuing to reach new record highs. The fact that expansion is now being driven by the creation of full-time positions suggests that the degree of slack in the labour market is lessening. However, official data has confirmed that the economy is slowing, and consumer confidence is falling on the back of weak wage growth and high inflation. These factors are likely to weigh on growth in the coming months. Local data suggests the City Region has seen modest strengthening of late, with data on exports, business activity and employment growth all relatively strong.</p>						