

National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	<p>The recent upturn in global economic activity continues, with most major economies seeing strong growth in the first half of 2017 compared to previous years. Output in the Eurozone increased by 0.6% in Q3 whilst the US, the economy grew by 0.7%.</p> <p>UK GDP increased by 0.4% in Q3 2017, expanding at a similar rate to the 0.3% growth seen in Q2. Growth so far in 2017 has averaged around half the 0.6% quarterly average seen in the preceding three years and is now below that of other G7 nations.</p>			Economic headlines	<p>The Quarterly Economic Survey (QES) with the Chambers of Commerce for Leeds City Region for Q3 2017 found strong growth for both manufacturers and service sector firms. Export activity accelerated across both sectors, and whilst there was a slight dip in service sector domestic sales growth, it remains above its recent average.</p> <p>So far in 2017, 12,600 new business bank accounts have been opened in LCR, consistent with 2016. 2.6% fewer accounts have opened across England over that period. Only 5 LEPs have seen faster expansion in activity on this measure than LCR so far this year.</p>		
Business performance & confidence	<p>Subdued activity in the construction sector is confirmed by the latest Markit/CIPS PMI, which found growth in housebuilding was largely offset by weaker civil and commercial activity.</p> <p>More positively, service sector firms and manufacturers reported more robust growth, with the former seeing the fastest expansion in six months. Optimism for the year ahead remains relatively weak, however.</p>			Business performance & confidence	<p>The QES for Q3 found increasing confidence among City Region businesses. Almost half of all service sector firms and a third of manufacturers now expect profitability to increase over the next year, both up 10 points on the previous quarter. Despite this, concerns over cost pressures and exchange rates remain elevated.</p> <p>Manufacturers have also reported an increase in capital investment in Q3, with 31% of firms increasing investment.</p>		
Trade and exports	<p>The volume of retail sales declined by 0.8% between August and September in a further sign that consumer activity is slowing. The more stable three month average still shows growth of 0.6%, however.</p> <p>The UK's trade deficit (the difference between exports and imports) increased from £6.5bn in the three months to May to £9.5bn in the three months to September. Imports increased by £3.2bn in the last quarter, whilst exports fell slightly.</p>			Trade	<p>Goods to the value of £8.35bn have been exported from Yorkshire & Humber in the first half of 2017, an increase of 17.5% on the same period last year. This broadly mirrors national performance.</p> <p>The EU remains the primary destination for goods exported from the region, accounting for £4.8bn (58% of value in the first half of 2017, up from £4bn (56%) in 2016. Both the Middle East/North Africa and Asia/Oceania (+20%) have also seen strong growth in the value of trade from Y&H so far this year.</p>		
Labour market	<p>There were 32.1 million people in work in the UK in the 3 months to August, up 94,000 on 3 months earlier. The employment rate has now reached 75.1%. The unemployment rate has fallen to 4.3%, having stood at 5% a year ago.</p> <p>Inflation in the UK increased to 3% in September, up from 2.9% in August to its highest level since 2012. Meanwhile wage growth remains subdued, with average weekly earnings increasing by 2.1% in August. As such, pay fell by 0.4% in real terms (adjusted for inflation) in the year to August 2017.</p>			Labour market	<p>There are 26,000 more LCR residents in work in Q2 2017 than a year earlier. The employment rate stands at 73.4%, broadly unchanged from the 73.5% seen in Q1 and above the pre-recession peak of 73.3%.</p> <p>Employment growth over the past year has been fastest in Bradford and Leeds, both of which have seen job numbers increase by 4% since Q2 2016, in excess of the 1.1% growth seen nationally. The employment rate is above the national average in all of the North Yorkshire districts in LCR as well as Calderdale and Leeds.</p>		
Forecasts/prospects	<p>The broad upturn in global activity so far this year is reflected in the IMF's latest World Economic Outlook, which has revised up its forecast for global growth by 0.1% to 3.6% in 2017, an acceleration from growth of 3.2% last year.</p> <p>The IMF expect UK growth to slow from 1.8% in 2016 to 1.7% this year and 1.5% in 2018. This is below their forecast for advanced economies as a whole of 2.2% growth in 2017 and 2% in 2018.</p>			Other indicators	<p>House prices in Yorkshire & Humber grew by 4.8% between August 2016 and August 2017 – similar to the 5% increase seen nationally. House price growth is below the 6% seen in the region in the year to August 2016 but above the 4% seen in the same period in 2015.</p> <p>Within Leeds City Region, prices increased fastest in Wakefield, up 5% year on year, whilst Bradford (+4.6%) and York (4.5%) have also seen increases close to the national average.</p>		
Summary	<p>The global recovery is becoming more sustained, prompting attention to turn towards removing some of the stimulus measures propping up the economy since 2008. There remain concerns about the underlying health of advanced economies however, with low inflation and wage growth a key issue. The UK economy has maintained its recent steady performance. Whilst growth remains a little below that of other major economies employment remains at record highs, though that is not as yet translating into stronger wage growth. City Region businesses appear to be continuing their "business as usual" approach, with solid domestic demand and expanding export activity ensuring businesses remain optimistic about the year ahead.</p>						