

National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
<b>Economic headlines</b>	<p>The global economy had a stronger than anticipated start to 2019, with many key markets recording growth which exceeded expectations.</p> <p>UK GDP increased by 0.5% in Q1 2019, up from 0.2% in the last quarter of 2018. January and February saw strong growth, though GDP is estimated to have contracted by 0.1% in March.</p>			<b>Economic headlines</b>	<p>Manufacturers in Leeds City Region saw an increase in sales both domestically and internationally in Q1 2019, according to the latest Chambers of Commerce Quarterly Economic Survey (QES). Conversely, service sector companies saw both domestic sales and exports slow last quarter.</p> <p>The proportion of businesses saying they were confident in their preparations for a no deal Brexit dropped from 54% in Q4 2018 to 51% in Q1 2019.</p>		
<b>Business performance &amp; confidence</b>	<p>The UK manufacturing sector showed signs of a slowdown in April, with the headline IHS Markit/CIPS PMI index falling from 55.1 to 53.1 (a reading of 50 or higher indicates growth). Brexit stockpiling has been a key factor in recent activity, but there are signs this is levelling off.</p> <p>Both the services and construction sectors returned to growth in April following declining activity earlier this year, but with readings around 50.5, activity in these sectors is subdued.</p>			<b>Business performance &amp; confidence</b>	<p>Companies continue to report increasing pressures on cash flow, at least partly driven by stockpiling ahead of the anticipated original Brexit deadline at the end of Q1. Profitability expectations also fell in both sectors.</p> <p>3.7% more businesses started up in Leeds City Region during the first three months of this year compared with the corresponding period of last year. This growth rate ranks Leeds City Region LEP at 14 out of the 39 LEPs.</p>		
<b>Labour market</b>	<p>The number of people in work in the UK increased to 32.7 million in the three months to March 2019, up from 32.6 million at the end of 2018, according to ONS. The employment rate is at a joint record high of 76.1%. Full-time employment has accounted for all employment growth over the past year.</p> <p>Unemployment has fallen by 119,000 over the past year, to 1.3 million, an unemployment rate of 3.8% which again is the lowest on record.</p>			<b>Labour market</b>	<p>The number of Leeds City Region residents in work increased by 3,200 (0.2%) between Q3 and Q4 2018. Unemployment fell by 4,200 (6.6%)</p> <p>The City Region employment rate increased from 73.1% in Q3 to 73.3% in Q4, but remains slightly below the 2018 record high of 73.7%.</p> <p>The proportion of 16-24 year olds out of work in Leeds City Region has fallen to 9.7%, making Leeds City Region the only core city LEP area where the rate is below 10%.</p>		
<b>Trade and exports</b>	<p>The volume of retail sales increased by 1.6% in the first three months of 2019 compared to the end of 2018. Volumes were up 5% over the year.</p> <p>The UK's trade deficit widened by £8.9 billion to £18.3 billion in the three months to March 2019. A widening goods deficit was largely responsible for this, with goods exports up £2.5bn and imports up £8.9bn.</p>			<b>Trade &amp; exports</b>	<p>Yorkshire &amp; Humber businesses exported goods worth £4.65bn in Q4 2018. Exports increased by 2% from Q3, similar to other northern regions and compared to 2.7% nationally.</p> <p>Goods exports from the region increased by 7.8% to £18.1bn in 2018. This increase is three times the 2.6% increase seen nationally. The EU accounted for 60% of goods exports from the region in 2018, compared to 50% nationally.</p>		
<b>Inflation and wages</b>	<p>Inflation remained at 1.9% in March, unchanged from February. Housing costs, transport and recreation made upwards contributions to costs.</p> <p>Regular pay increased by 3.3% in the year to March 2019. Accounting for the effects of inflation, wages increased by 1.5% over this period.</p>			<b>Housing and property</b>	<p>House prices in Yorkshire and Humber have been relatively static over the past year, with an average sale price of £155,700 in February 2019. Prices increased by 0.6% nationally over this period. The average sale price in Yorkshire is 31% below the national average.</p> <p>There is substantial variation within the Leeds City Region, with prices increasing by 8.7% in Craven, 5.5% in York and 3% in Barnsley and Calderdale. Conversely, prices were 3.3% lower over the year in Selby, and were largely flat in Leeds.</p>		
<b>Summary</b>	<p>Some Brexit-related issues appear to have given a short-term boost to national and local economies of late, with stockpiling helping to drive business activity, particularly in the manufacturing sector. There are signs that the stockpiling-driven momentum may be tailing off now that the UK's departure from the EU is less imminent than had appeared in late Q1. Whilst the recent trend towards growth in full-time permanent employment is undoubtedly positive, it is also clear that there has been a persistent lull in capital investment. Given the critical role that investment plays in productivity growth, this could have longer term implications for economic competitiveness.</p>						