

National and international

Indicator	Latest position	Chart	Trend
Economic headlines	<p>There was a broad based upturn in global growth in 2017, with the IMF estimating total output increased by 3.7%, up from 3.2% in 2016. With 120 countries accounting for 75% of global output seeing growth pick up, this represents the broadest upturn since 2010.</p> <p>UK GDP increased by 0.4% in the final quarter of 2016, maintaining the growth rate seen in Q3. The UK economy grew by 1.7% across 2017 as a whole, down slightly on the 1.9% growth recorded in 2016 and lower than in other G7 nations.</p>	<p>Global growth - actual and forecast, 2016-19</p>	
Business performance & confidence	<p>The pace of expansion slowed across the service, manufacturing and construction sectors at the start of 2018, according to the Markit/CIPS PMIs for January.</p> <p>Whilst all sectors continued to expand, service sector output increased at its slowest pace since September 2016, whilst manufacturing recorded its slowest growth since June 2017. Whilst the service sector reported an easing of price pressures, the opposite was true among manufacturers.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-18</p>	
Trade and exports	<p>The volume of retail sales was broadly flat in the three months to the end of January, compared to the preceding three months, with sales growing at their slowest pace in 9 months.</p> <p>The UK's trade deficit (the difference between exports and imports) increased to £10.8bn in the three months to December. Exports to the EU decreased, whilst imports from non-EU nations increased. Declining fuel exports also contributed.</p>	<p>UK balance of trade - 2007-17</p>	
Labour market	<p>The number of people in work in the UK increased by 88,000 in Q4 2017, though there was a month on month dip in total employment in December. The employment rate stands at 75.2%, close to the joint-highest on record first reached in July 2017 and high by historic UK standards.</p> <p>Unemployment also increased over the same period, increasing by 46,000 to 1.47 million. That took the unemployment rate from 4.3% to 4.4% - the first time the rate has increased in almost two year though it remains low by historic standards.</p>	<p>UK employment growth 2008-17</p>	
Forecasts/prospects	<p>The IMF expect momentum in the world economy to continue to strengthen, forecasting growth of 3.9% in both 2018 and 2019. Recent tax reforms in the US are expected to strengthen demand in America and its main trading partners, in the near term at least.</p> <p>Favourable global conditions have also led to upward revisions to the outlook of major European economies and Japan. The IMF's forecasts for the UK are for growth of 1.5% in both 2018 and 2019, broadly in line with their previous projections. Other forecasters have recently revised their UK projections upwards however.</p>	<p>Global growth - actual and forecast, 2016-19</p>	

Summary 2017 saw a broad upturn in growth across developed and developing nations, cementing the recovery which has until now been relatively patchy. Despite some risks, 2018 is expected to see a continuation of recent positive trends. Economic growth in the UK maintained its recent trajectory in Q4, though the pace of growth was down in 2017 as a whole and below that of other major economies. December also saw a hint that employment may have peaked, though the labour market remains strong in historical terms. These same trends are also evident in Leeds City Region. Whilst employment growth may have peaked, business confidence remains high according to the QES, which when combined with other survey data supports the view that businesses in our region retain a positive outlook for 2018.

Leeds City Region

Indicator	Latest position	Chart	Trend
Economic headlines	<p>Business activity in Yorkshire & Humber expanded in January 2018 according to the IHS Markit Regional PMI. The region's index was third highest among English regions.</p> <p>Both the service and manufacturing sectors continue to report increased domestic sales in the according to the Quarterly Economic Survey (QES) with the Chambers of Commerce for Q4 2017. The 16,450 new business bank accounts opened in 2017 in Leeds City Region was very similar to 2016, outperforming England which saw a 3.6% fall over the year.</p>	<p>Purchasing Managers Index (PMI) - Northern Powerhouse regions, 2016-17</p>	
Business performance & confidence	<p>Businesses in Leeds City Region ended 2017 in relatively confident mood, with expectations of profitability increasing among manufacturers according to the QES.</p> <p>Confidence on this measure dipped among service sector firms in Q4, but remains above the level seen at the start of the year and is now similar to manufacturing.</p>	<p>Profitability expectations, 2012-17</p>	
Trade and exports	<p>The value of goods exported from the Yorkshire & Humber Region totalled just over £4bn in Q3 2017, according to data from HMRC. This represents a fall of 2.9% on Q2, similar to the 2.2% fall seen nationally. The value of goods exports from the region is 11% higher than in Q3 2016.</p> <p>The pace of export growth slowed in both services and manufacturing in Q4 2017, according to the QES with the Chambers of Commerce in Leeds City Region. Nonetheless, export activity remains high by recent standards.</p>	<p>Export of goods - Yorkshire & Humber and UK, 2013-17</p>	
Labour market	<p>The number of Leeds City Region residents in work has remained relatively stable in the first three quarters of 2017 at around 1.405 million. The employment rate has dipped to 73.3%, falling by 0.1 percentage points in each of the last two quarters. It remains above the 73.1% recorded a year earlier.</p> <p>Total unemployment remained unchanged at 71,000 between Q2 and Q3, though the unemployment rate dropped from 4.8% in Q2 to 4.6% in Q3, taking it back to the joint-lowest level seen since 2005 and in line with the rate for the UK as a whole.</p>	<p>Employment rate - Leeds City Region districts, 2015-17</p>	
Other indicators	<p>House prices in Yorkshire & Humber grew by 2.8% between December 2016 and December 2017, a slower pace of growth than the 5.2% seen across the UK as a whole. All districts of Leeds City Region saw house prices increase in 2017, albeit to varying degrees. Both Kirklees (+6.7%) and Leeds (+6.1%) saw prices increase faster than the national average.</p> <p>Office market fundamentals in West Yorkshire remain relatively strong, according to the latest analysis from CoStar. Robust occupier demand has helped to boost average rents.</p>	<p>Office vacancy rates and rents, 2008-17</p>	

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