

National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	<p>A range of geopolitical and trade tensions have heightened concerns about the global economy of late, with a mixed outlook for near term prospects.</p> <p>GDP increased by 0.7% in the three months to August. This is substantially higher than the 0.1% growth in March-May. Warm weather was an important factor in this. UK productivity increased by 0.5% in Q2 2018, following a QoQ fall in Q1. Productivity growth remains below the pre-recession trend.</p>	<p>UK GDP growth, 2008-18</p>		Economic headlines	<p>Business activity continued to expand across Yorkshire and Humber through September according to the Natwest Regional PMI, albeit at a reduced pace. The region's PMI dipped from 56.1 to 55.2 from August to September (a reading over 50 indicates growth), though it remains the 3rd highest among English regions.</p> <p>Yorkshire businesses reported increased domestic and international demand in the PMI survey, and remain optimistic that output will continue to increase over the next year.</p>	<p>Purchasing Managers Index (PMI) - Northern Powerhouse regions, 2016-18</p>	
Business performance & confidence	<p>Expansion continued across the manufacturing, services and construction sectors in October. The pace of growth slowed in the two former sectors, but quickened in construction.</p> <p>Domestic and overseas demand softened for manufacturers. Business optimism was dampened across all three sectors, with companies in all saying Brexit uncertainty was hindering demand, particularly in consumer sectors.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-18</p>		Business performance & confidence	<p>3,800 new business bank accounts were opened in Leeds City Region in Q3 2018 according to BankSearch, down from over 4,000 in Q2 and from 4,100 in Q3 2017. Over the first three quarters of 2018, the number of new business accounts opened is down 6.7% in Leeds City Region and 9.7% nationally.</p> <p>Barnsley saw the number of new account openings increase by 9.6% between Q2 and Q3, with Bradford up 1%. All other districts were either flat or saw declines.</p>	<p>Number of new business bank accounts - LCR districts, 2014-18</p>	
Trade and exports	<p>Total employment in the UK was largely unchanged in the three months to August, according to ONS. 289,000 more people are in work than a year ago. The employment rate dipped to 75.5% from a record high of 75.7%.</p> <p>Unemployment fell by 47,000 to 1.36 million, an unemployment rate of 4%. There was however a 100k increase in economic inactivity (neither in work nor seeking work) to 8.75m.</p>	<p>UK employment growth 2008-18</p>		Trade and exports	<p>The value of goods exports from Yorkshire & Humber increased at a faster rate than any other English region between Q1 2018 and Q2 2018. The region's goods exports increased by 3.4% in Q2, compared to a 2.2% fall nationally, according to HMRC data.</p> <p>Yorkshire & Humber has seen the joint fastest growth in goods export of any English region since the EU referendum in June 2016. However, it has seen lower growth in service exports than other English regions in the past five years.</p>	<p>Export of goods - Northern Powerhouse regions, 2016-18</p>	
Labour market	<p>Retail sales increased by 1.2% in the three months to September, though this was largely down to strong summer performance, with sales volumes down 0.8% between August and September.</p> <p>The UK's trade deficit narrowed by £4.7bn to £2.8bn in the three months to August. Imports increased by £2.5bn, but this was outpaced by export growth of £7.2bn.</p>	<p>UK retail sales, 2008-18</p>		Labour market	<p>Total employment in Leeds City Region increased by 4,000 (0.3%) between Q1 and Q2 2018, according to the ONS Annual Population Survey. Leeds (+0.8%) and Kirklees (+1.6%) both saw total employment increase by over 3,000 last quarter.</p> <p>The employment rate for Leeds City Region has increased to 73.7%, up from 73.5% in Q1 to a new record high. The unemployment rate is 4.4%, also its lowest since 2005.</p>	<p>Private, full-time and total employment rates - Leeds City Region districts, Q2 2018</p>	
Forecasts/prospects	<p>Inflation fell to 2.4% in September, down from 2.7% in August. Transport costs were the main driver of price increases, rising by 5.5%, whilst energy costs also increased.</p> <p>Average earnings increased by 3.1% in the three months to August, the highest annual growth rate since 2008. Real pay has increased by 0.7% in the past three months, with wage growth outpacing inflation for five consecutive months.</p>	<p>Wage growth and inflation, 2008-18</p>		Housing and property	<p>House prices increased by 3.7% in Yorkshire & Humber in the year to August 2018. This is faster than regions in the south and north of England, but slower than the Midlands. Within the City Region, price growth ranged from 7.4% in Barnsley to just 0.2% in Craven.</p> <p>Office rents have been little changed over the past year in most parts of West Yorkshire. There is increasing pressure on industrial space in West Yorkshire, with vacancy rates falling 9% in 2013 to 3% in Q3 2018.</p>	<p>Housing market change August 2018</p>	
Summary	<p>UK economic and labour market headlines remain relatively strong, though there are signs that a strong summer has given way to a more subdued autumn with Brexit increasingly on the minds of businesses. Many surveys suggest businesses in Yorkshire & Humber are among the most optimistic of any in the country. The region's strong export performance since the Brexit referendum and the associated fall in the pound is likely a factor in this. Nonetheless, there is an increasing recognition of the risks posed by Brexit uncertainty, with more businesses starting to enact their contingency plans in the event of a "no deal" scenario. The Leeds City Region labour market remains strong, but the slowing pace of activity in commercial and residential property markets may suggest both people and businesses are cautious about making significant investments in an uncertain environment.</p>						