



The Birmingham Economic Review BER 2019

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Birmingham Economic Review 2019 Summary

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West Midlands
Growth Company

Connect. Support. Grow.



Foreword

Summary

Adapting, Innovating and Leading the Future

Creating a Workforce Fit for Tomorrow

Connecting Communities with Opportunities

Making Inclusive Economic Growth Happen

Changing Perceptions of Birmingham



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(1) Strong Economic Growth Rate – compared to other UK regions

- The West Midlands had the second highest growth from Q4 2017 to Q4 2018, at 3.2% - above the UK growth of 1.5% (most recent regional growth data from ONS). Only London experienced higher growth rate in 2018.
- Biggest destination for inward migration outside of London.
- Highest productivity growth rate in terms of GVA/hour worked and filled job (again, outside of London).
- Falling unemployment rate into 2019 (largest fall of any UK region)

+ Changing economic drivers

- Some decline in manufacturing, particularly Automotive and in exports in 2019
- Strong growth in Construction
- Some investments (and property price increases) are driven by future expectations around HS2 and other major projects
- Potential shadows – regional business activity monitor

(2) Persistent inter- and intra-regional inequality

- Employment rate is 65.3% (2018) vs. national rate of 75.0%.
- Unemployment at 7.8% for 16-64 age group (national rate is 4.3%)
- Very low (but growing) average level of household income (second-lowest Gross Domestic Household Income of core cities)
- Over 107,000 households are workless, with dependent children
- Index of Multiple Deprivation shows 56.4% of Birmingham's population live in the most deprived 20% of areas in England
- Birmingham's Health Profile Report (2019) reveals that for 2013-15, life expectancy in the most deprived areas in Birmingham was 10 years lower for men and 8 years lower for women than in the least deprived areas.

(3) The regional impact of Brexit

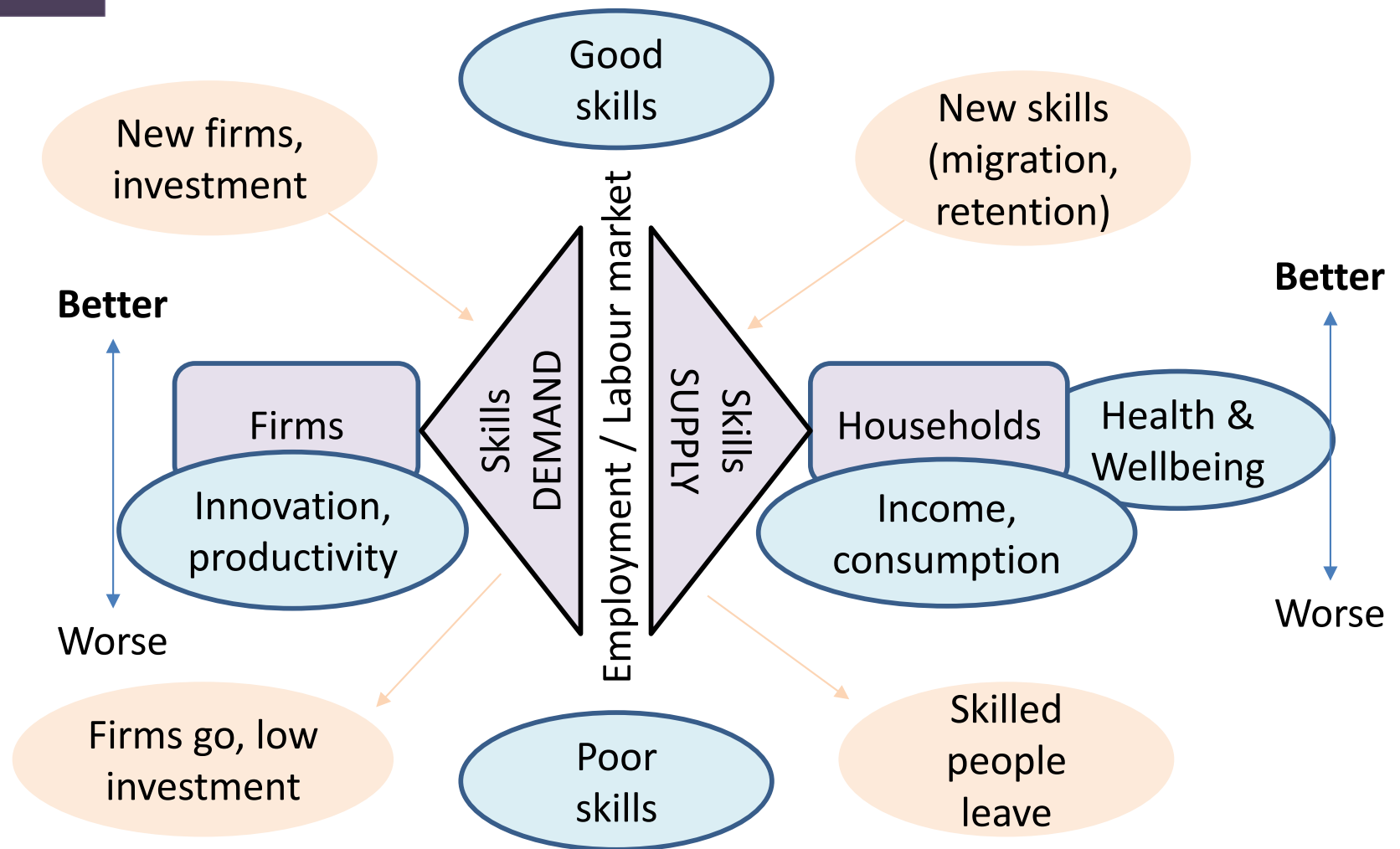
Businesses are concerned about:

- Scale and scope across all aspects of doing business (people, trade, data, IP, tax, regulation & standards)
- Understanding the indirect effects (e.g. on supply chain and key customers)
- Continued uncertainty on the Brexit timeline

Brexit research shows

- West Midlands is most exposed after Northern Ireland and the North East
- 12.2% of West Midlands GDP is at risk because of negative trade-related consequences.
- 32.3% of the GDP of the manufacturing sector is at risk owing to its dependence on frictionless trade and just-in-time supply chains.

Skills at the Centre of Economic Growth Cycles



S. Collinson. 2019



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Thank you



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