West Midlands
Economic Impact Monitor

WM REDI CITY REDI

Issue 87 Publication Date 16/09/22

This monitor aims to pull together information across regional partners to understand the impacts of Covid-19 on the economy. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging situation.

In a truly historic week, after reigning for 70 years, Queen Elizabeth II, the UK's longest serving monarch, died peacefully on 8th September. She is succeeded by King Charles III. Also, Liz Truss became the UK's third female Prime Minister two days before the death of Her Majesty, succeeding Boris Johnson.

Economy

- The System Average Price (SAP) of gas decreased by 16% in the week to 4th September it is now 223% higher than the equivalent level seen on 5th September 2021. It was 1575% higher when compared to the pre-Coronavirus baseline.
- The EPG will raise household bills to £2,500 a year from 1st October from £1,971 currently. The new EPG will fix unit rates for domestic consumers for 2 years. The typical household bill will still be 83% higher than pre-crisis levels. The government has announced that it will provide 'equivalent support' to businesses over a period of 6 months. However, full details of this are yet to be announced.
- According to data from 2020, the West Midlands has the highest rate of fuel poverty of any region in the UK, with the highest number of households being in fuel poverty in Wolverhampton (22.4%), Birmingham (21.8%) and Sandwell (20.8%).
- According to Kantar, grocery price inflation hit 12.4% during the past month, a new record based on their data. This means that the average annual grocery bill will go from £4,610 to £5,181, an extra £572 a year.
- 49.8% of responding WM businesses reported that exporting stayed the same in August 2022 when compared to August 2021. 54.2% of responding WM businesses reported that importing stayed the same in August 2022 when compared to August 2021.
- 9.8% of WM businesses reported gas prices were fixed and expiring December 2022, 4.6% expiring by March 2023, 19.5% expiring after March 2023. 19.4% of WM businesses gas prices are variable. 13.1% of WM businesses reported electricity prices were fixed and expiring December 2022, 6.4% expiring by March 2023, 24.1% expiring after March 2023, 20.9% of WM businesses electricity prices are variable.
- Many businesses are struggling to absorb major increases in the costs of electricity, gas and food, but against the backdrop of the cost-of-living crisis, they feel unable to pass on cost increases to customers.
- Employees working from home are taking the decision to move to working back in the office to reduce their domestic energy bills.
- There has been a continued increase in companies seeking energy reduction grants to install solar panels / LED lighting / new boilers.
- Repowering the Black Country and the WM Combined Authority have announced the WM Industrial Energy Taskforce. The taskforce will build on the work already underway to identify specific short-term measures government and industrial partners can take to mitigate the immediate impacts of industrial energy cost increases.

Purchasing Managers Index

- WM Business Activity Index decreased from 50.3 in July 2022 to 49.3 in August 2022, indicating a quicker deterioration in demand conditions leading to a renewed fall in business activity (below the 50-growth mark, although marginal). Firms indicated that business activity contracted due to reduced client purchasing, consumers reducing expenditure, economic uncertainty, and product availability issues
- The WM Future Business Activity Index decreased from 68.3 in July 2022 to 67.8 in August 2022. Firms in the WM remain optimistic for the upcoming year; however, the degree of optimism was at its second-weakest level since October 2020 and below its historical average as firms reported inflation concerns, recession fears and energy price volatility.
- The WM Export Climate Index decreased from 50.1 in July 2022 to 48.5 in August 2022, indicating weakening in trade prospects since mid-2020.
- The WM Employment Index decreased from 54.1 in July 2022 to 53.5 in August 2022 – but still an 18 month increase for job creation.
- The WM Prices Charged Index increased marginally from 65.9 in July 2022 to 66.0 in August 2022 – although this is a contrast to the slowdown in cost inflation, there was a quicker increase for prices charged. The overall rate is the second lowest in 2022 so far.

Labour Market

- For the UK, early estimates for August 2022 indicate that the number of payrolled employees rose by 2.8% (+803,000) compared with August 2021; and by 2.5% (+718,000) since February 2020.
- The UK employment rate for May to July 2022 for people aged 16 to 64 years decreased by 0.2 percentage points (pp) on the quarter to 75.4% and is still below pre-coronavirus pandemic levels. Full-time employees and self-employed workers increased over the latest three-month period, while part-time employees decreased.
- The UK unemployment rate for May to July 2022 decreased by 0.2pp on the quarter to 3.6%, the lowest rate since May to July 1974.
- The UK economic inactivity rate increased by 0.4 percentage points on the quarter to 21.7% in May to July 2022. This increase in the latest three-month period was largely driven by those aged 16 to 24 years and those aged 50 to 64 years. Looking at economic inactivity by reason, the increase during the latest three-month period was driven by those inactive because they are students or long-term sick.
- For the UK, the number of job vacancies in June to August 2022 was 1,266,000: a decrease of 34,000 from the previous quarter – the largest quarterly fall since June to August 2020. In June to August 2022, the total number of vacancies was 470,000 (+59.1%) above the January to March 2020 pre-coronavirus pandemic level and 215,000 (+20.4%) above when compared to same period in the previous year.
- This fall in vacancies, the second quarterly fall in consecutive periods, may reflect uncertainty across industries, with an increased number of respondents reporting recruitment freezes. Although the rapid growth in vacancies seen in the summer of 2021 has slowed significantly, the elevated numbers of vacancies, alongside low levels of unemployment, indicate a historically tight labour market.
- There were 145,285 claimants in the WMCA (3 LEP) area in August 2022. In the last month there has been an increase of 1.0% (+1,415) claimants in the WMCA (3 LEP) area, the UK also increased by 1.0
- Overall, for the WMCA (3 LEP) area the number of claimants as a proportion of residents aged 16 - 64 years old was 5.5% compared to 3.7% for the UK in August 2022.
- There were 25,210 youth claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there was an increase of 2.8% (+690) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%.
- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18- 24 years old was 6.4% compared to 4.5% for the UK in August 2022.
- According to Lightcast, the WMCA area is mirroring national vacancy data, the number of job postings across the WMCA 3 LEP area decreased by 22,819 or -14% in August 2022. All 19 local authority areas recorded a drop in job postings.

Incomes of ethnic minorities: effects since 2010

- The net monthly income of an average person of an ethnic minority before the Equality Act 2010 was introduced (, in 2009-2010) was 7.07% lower than the incomes of people of any other ethnicity.
- Incomes of ethnic minorities increased on average by 9.53% after the Equality Act was introduced, while the rest of the population saw their incomes increase by 5.33%.

War in Ukraine – and wider implications

- Ukraine has reported making significant territorial gains within the last week, taking more than 1,000sqkm (385 miles) of territory in its south and east from Russia.
- Russia has completely halted gas supplies to Europe via a major pipeline, stating that repairs need to be made. The Russian state-owned energy giant, Gazprom, said on the 1st of September that the restrictions on the Nord Stream 1 pipeline would last for three days. However, the pipe has still not been reopened in over 2 weeks now.
- In 2021, the UK imported £10.3 billion of goods from Russia, which accounted for 2.2% of all goods imports, making Russia our 12th biggest importing partner. There were £3.0 billion of goods exports to Russia (0.9% of all goods exports), making Russia the UK's 24th biggest exporting partner. The UK imported £5.2 billion of fuel from Russia in 2021 which accounted for 9.7% of all fuel imported.
- Ukraine ranks #2 to export Oil - seeds & oleaginous fruits to the UK and Russia ranks #1 to export Refined Oil. According to Chris Mejia Argueta, one of the most alarming supply chain issues resulting from the Russia-Ukraine war is food shortages, particularly acute in low-income countries in Africa. Ukraine and Russia account for about a third of the world's wheat and a quarter of barley production, not to mention some 75% of the sunflower oil supply — all critical commodities for keeping humans fed.
- Bottlenecks in international freight remain high and are being accentuated by the Ukraine war and the shutdowns in China. The freight route across Russia, which for decades served as the main overland link between Europe and China, has become problematic as Beijing and other countries try to shield their economies from the snags caused by the sanctions on Moscow.
- Potential options in the light of these changes are: (1) consider alternative sourcing - now is the time to either diversify partners or find alternative sourcing modes; (2) capitalize on new opportunities - to fill the gaps created by the volatility, creating new business models and potentially improving the lives of others; (3) understand that quantitative approaches can help, but there are challenges - while modelling can help optimize supply chain changes, there are limits to this approach given that most supply chain models assume a steady state, which is not applicable for redesigning something that is in transition; (4) accept that this is the new normal - the key to sustaining growth in uncertain times is developing best-in-class agile competencies.

Global, National and Regional Outlook

Alice Pugh, WMREDI

Global

Ukraine

Ukraine has reported this week significant territorial gains in the conflict with Russia. President Volodymyr Zelensky stated Ukraine had retaken more than 1,000sqkm (385 miles) of territory in the south and east from Russia. The President said more than 30 settlements had been "liberated" in the Kharkiv region. The BBC reported analysis from the Institute for the Study of War that troops were likely now just 15km (9 miles) from Kupiansk, home to an essential railway junction that Moscow has been using to supply its troops on the battlefield.

It has been reported that Russia's highest ranking official in Kharkiv has conceded that Ukrainian forces have won a 'significant victory'. Vitally, this official told Russian TV that the Ukrainians had broken through the Russian defence line. However, the Russian official also said that civilians were being evacuated. Russia is now also believed to be sending reinforcements to the region. It also appears that Ukraine has recaptured the town of Balakliya, as videos have emerged of Ukrainian flags flying from administrative buildings and there are Ukrainian troops within the town.

Weaponising Energy

Russia has completely halted gas supplies to Europe via a major pipeline, stating that repairs need to be made. The Russian state-owned energy giant, Gazprom, said on the 1st of September that the restrictions on the Nord Stream 1 pipeline would last for three days. However, the pipe has still not been reopened in over 2 weeks now. The pipeline stretches from Russia to Germany and can supply up to 170 million cubic metres of gas per day from Russia to Germany.

Germany is highly dependent on Russian gas. However, Germany has actively reduced this dependency in recent months, from 55% in February to around 26% at present. This has been done through the reduction of energy use by households and businesses, as well as switching to alternative import sources. However, it expected that Germany will not be independent of Russian energy until 2024.

This is bad news for German businesses who have seen the price for electricity already increase to more than €700 per megawatt hour; this is more than 15 times the level seen in previous years. The Financial Times reported that a survey of German based businesses, found that 73% of the companies were experiencing "severe strain" from higher energy prices. Alongside this, when asked about the outlook for their business over the next 6 months, 10% said their "existence is under threat". However, the impact on businesses will likely vary dependent on the volume of consumption. Business in high energy intensity consumption sectors, such as manufacturing, will likely be those most likely to suffer the most from the rapid energy price rises.

The European Union has now proposed a cap on Russian gas prices. However, Putin has threatened that if the EU was to take such steps, it would cut of gas supplies to the EU, risking potential rationing of energy across EU countries. Additionally, if Russia withdraws its energy supplies as a result, it could lead to rapidly increasing prices across the EU. This will substantially impact output across all these economies, especially as it is likely that households will be the main priority as the winter months approach.

It is now likely that Germany is set to enter a recession. A Reuters poll found Germany would be likely to see three consecutive quarters of negative growth, surpassing the definition of a technical recession which requires only two. The potential indefinite reduction in the energy supply will likely deepen the growing recession and Europe is likely heading towards a winter of discontent in the coming months.

National

Queen Elizabeth II

After reigning for 70 years, Queen Elizabeth II, the UK's longest serving monarch, died peacefully on Thursday 8th September. During the Queen's tenure of head of state, she has remained steadfast through post-war austerity, and has seen the transformation of the Empire to the Commonwealth, the end of the Cold War and the entry and withdrawal from the European Union. She also reigned throughout a period when initially there were few women in positions of leadership.

The Queen continued to work up to her final days. Liz Truss became Prime Minister on the Tuesday 6th September. The Queen appeared in a sketch in June with Paddington Bear for her Platinum Jubilee this year, similar to the James Bond at the London Olympics one in 2012.

The Queen has offered stability and has died at a time of great uncertainty with the UK on the verge of a recession, in the depths of a cost-of-living and energy crisis, a spiralling climate crisis and a war in Ukraine. King Charles III has is now monarch, having been the longest ever tenure as Prince of Wales. Leading constitutional expert Professor Bogdanor expects, that given the increased diversity of the British population, compared to when his mother became Queen, the King will act as a visible unifying force reaching out to a multi-cultural, multi-faith Britain. However, it is anticipated that there will be greater royal patronage of the arts, music and culture, and less emphasis on horse racing. Whilst, the new monarch will likely settle into the neutrality of a constitutional monarch, he is well known for his longstanding involvement with issues such as climate change and organic farming.

The Queen's funeral on Monday 19th September will see hundreds of foreign dignitaries in attendance, including royal families from around Europe, as well as political leaders. It is expected whilst the Queen lies in state before the funeral, as many as 750,000 people could travel to London. As a mark of respect to Queen Elizabeth II on the day of her funeral, a number of large retailers will be closing including the following, with the list likely to grow before the funeral as more businesses announce their plans:

- Aldi
- Alton Towers
- Apple
- Argos
- B&Q
- Centre Parcs
- Co-op (shops closed to 5pm)
- Costa
- Currys
- Dreams
- Dunelm
- Halfords
- Holland & Barrett
- Homebase
- Iceland
- Ikea
- JD Sports
- John Lewis
- Kwik Fit
- Larger Sainsbury's shops (convenience stores and petrol stations will open from 5pm till 10pm)
- Larger Tesco shops (smaller express stores will open from 5pm)
- Lidl
- Morrisons
- Next
- Pets at Home
- Poundland
- Primark
- Waitrose
- Waterstones
- WH Smiths
- Wickes
- Wilko
- Zara

New Prime Minister
Liz Truss has become the UK's third female Prime Minister following the no confidence vote in Boris Johnson. She was selected by Conservative party members after she won the vote for leader with 81,326 votes (57.4%), compared to Rishi Sunak's 60,399 (42.6%).

However, the wider public has low public trust in Liz Truss and her policies in tackling the wider cost-of-living crisis. Following the leadership contest results, YouGov held a poll and found that 50% of Britons were either 'very disappointed' (33%) or 'fairly disappointed' (17%), compared to 22% who stated they were either 'very pleased' (4%) or 'fairly pleased' (18%). Even amongst Conservative voters her popularity is not strong, with only 4 in 10 Conservatives (41%) being either 'very pleased' (9%) or 'fairly pleased' (32%) that Liz Truss is the new prime minister. More than a third of Conservative party voters were either 'very disappointed' or 'fairly disappointed'.

The lack of enthusiasm for the new Prime Minister, likely in part stems from many Britons having little confidence in Liz truss' policies at combating the cost-of-living crisis. 67% of voters have either 'no confidence' (38%) or 'not very much confidence' (29%) that Liz Truss's government has the right policies and plans to tackle the cost-of-living crisis. Even amongst Conservative voters 54% have little or no confidence in the new government to tackle the cost-of-living crisis. Ipsos Mori also found that Keir Starmer was leading on public confidence as well in a number of areas, compared to Liz Truss.

The new key players in the Cabinet are:

- Therese Coffey- Deputy Prime Minister and Health Secretary
- Kwasi Kwarteng- Chancellor
- James Cleverly- Foreign Secretary
- Suella Braverman- Home Secretary
- Ben Wallace- Defence Secretary
- Nadhim Zahawi- Chancellor of the Duchy of Lancaster
- Simon Clarke- Levelling Up Secretary
- Jacob Rees-Mogg- Business Secretary
- Kemi Badenock- International Trade Secretary
- Chloe Smith- Work and Pensions Secretary
- Brandon Lewis- Justice Secretary
- Kit Malthouse- Education Secretary
- Ranil Jayawardena- Environment Secretary
- Anne-Marie Trevelyan- Transport Secretary

10 members of the 14 in the new Cabinet are returning players from the last cabinet. Only fourof those listed are new. However, there has been a reshuffle, and all have new homes; nobody retained the same position they had in the previous cabinet, except Ben Wallace.

This is likely one of the most diverse cabinets in history. 30% of the cabinet are women, with only Gordan Brown and Theresa May's Cabinet also having 30% women. Additionally, none of those in the top four jobs are white and male, all are either a woman and/or BAME. On the other hand, this is the most socially exclusive cabinet with 68% being privately educated; this is the greatest number of privately educated members since the time of John Major's premiership.

It is likely that the coming months will most likely decide the government's fate. The cost-of-living crisis and energy crisis will be at the forefront of people's concerns and if the government fails to adequately protect the economy and households in the coming months, the public may lose greater confidence and so might Conservative party members, especially if excess winter deaths rise significantly as a result of people choosing between heating and eating.

Energy crisis

Households

However, Liz Truss started her premiership by announcing a new 'Energy Price Guarantee'(EPG), showing a willingness to help people in this crisis. The EPG will rise household bills to £2,500 a year from 1st October 2022 from £1,971 currently. This is based on a household which uses 12,000 kWh of gas a year, and 2,900 kWh of electricity a year. Households with grater usage should expect to pay more. However, this is a smaller increase than was expected as OFGEM was setting the price cap rise at £3,549 a year from the 1st October. There will also be a one-off payment to all households which will receive a £400 fuel discount on energy bill payments.

The new EPG will fix unit rates for domestic consumers for 2 years. Energy prices will likely continue to change for energy retailers, but the government will be paying the excess instead of customers. It is expected that the cost to government of absorbing this could be as high as £120bn to £150bn; this is more than it cost to bail out banks during the financial crisis. There will be no windfall tax on energy wholesalers following the billions in profit which was made in Q2 of this year. This has been met with much public criticism, given the taxpayer will eventually have to pay the cost of government absorbing the price rises. Additionally, this analysis was conducted before Russia reduced energy supplies to Europe; if supplies were to be cut off, wholesale prices would rocket, adding to the cost for the government and ultimately the taxpayer.

Without the EPG though prices would have risen to devasting heights, of £3,549 in October and £4,586 in January, which would have pushed many more into poverty. The new EPG according to the Resolution Foundation, should maintain prices at around their current level, dependent on household energy use. However, whilst it will prevent prices from reaching eyewatering levels, the typical household bill will still be 83% higher than pre-crisis levels, which will increase to 2.2 times the original figure once the rebates expire in April 2023.

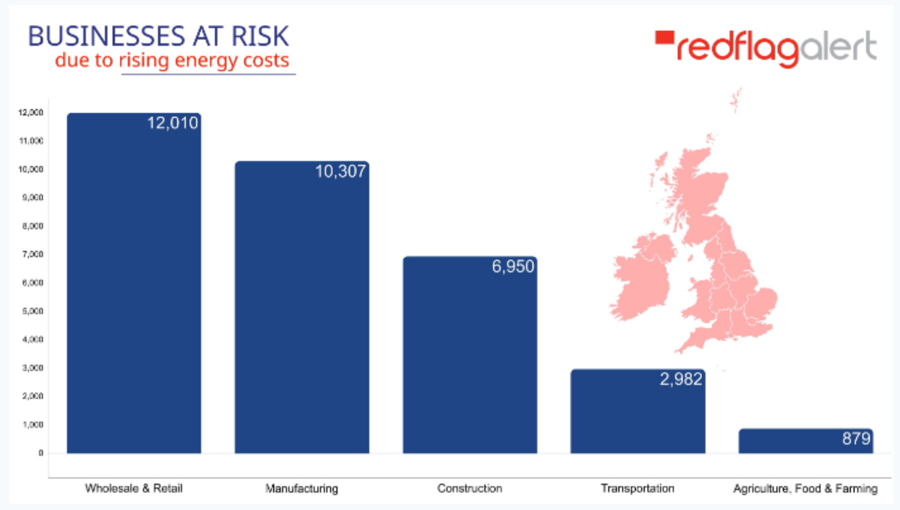
Source: Resolution Foundation, 2022

Higher income households will likely benefit more from the EPG, according to analysis from the Resolution Foundation, with the top fifth gaining around £1,300 this winter comparative to the lowest-income fifth gaining £1,100. However, combined with the wider government support package now in place for 2022-23, gains will be relatively equal across all income distributions (in cash terms), with each household on average gaining around £2,200. However, if the government was to go ahead with the tax cut to National Insurance (NI) then the overall support would be skewed in favour of better-off households. The highest income decile could see benefits of up to £4,700 on average whilst the poorest tenth will receive £2,200.

Businesses

The government has announced that it will provide 'equivalent support' to businesses over a period of 6 months. However, full details of this are yet to be announced. It is expected there will likely to be an energy price cap of some form for all businesses in the first 6 months, followed by targeted support after this.

Without support from the government for businesses forecast are dire. Red Flag Alert forecasts, there are 355,000 companies with a turnover of higher than a £1m designated as high energy users. Of those, 75,972 are being placed at risk of insolvency due to energy price rises. Red Flag Alert estimates that the price increases could cause **26,720** of those companies to fail from January. Whilst these statistics are shocking, the data only includes businesses turning over £1m, there are likely many more SMEs, especially in the retail and hospitality sectors, that will also likely face failure. The split of the businesses at risk can be seen below.



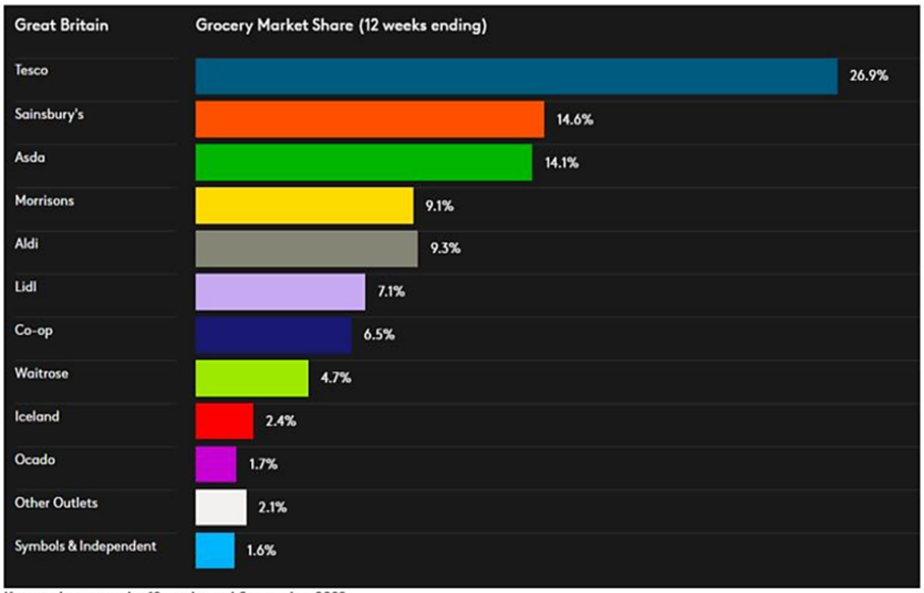
Source: Red Flag Alert, 2022

Whilst supporting businesses mitigates the costs of energy, companies may be forced to lay-off staff, to prevent failure and insolvency. This would be devastating for households across the country and the ripple of effects of high energy costs will threaten more livelihoods than the pandemic and economic shutdown combined. To survive, SMEs will have to build a survival strategy within the coming months, which will have to consider prioritising energy use over staff to prevent failure, as well as increasing energy efficiencies where possible.

Cost of Living news

According to Kantar, grocery price inflation hit 12.4% during the past month, a new record based on their data. This means that the average annual grocery bill will go from £4,610 to £5,181, an extra £572 a year. Categories like milk, butter and dog food are rising especially quickly at 31%, 25% and 29% respectively. The supermarket sector is fiercely competitive, and supermarkets are reacting fast to make sure they're seen to be acknowledging the challenges facing consumers, by offering best value goods, in particular own brand label ranges. Consumers are receiving these promotions well, with sales of the very cheapest value own-label products up by 33% in the last 4 weeks, comparative to the same time last year. With nearly 1 in 4 baskets containing one of these lines. Overall, Kantar found that spending on retailer own brand labels was £393 million higher during the last four weeks, pushing the market share of own brand labels to 51.1%.

Shoppers are taking steps to manage their budgets including switching retailers, with the discount grocers benefiting. Aldi saw its sales rise by 18.7% in the 12 weeks to 4th September 2022, reaching a market share of 9.3%. Pushing Morrisons with 9.1% market share out of the big 4, with Aldi now the 4th biggest supermarket in the UK for the first time. Meanwhile, Lidl saw its sales increase by 20.9%, growing its market share to 7.1%.



Source: Kantar, 2022

The big 4, Tesco, Asda, Sainsburys and Morrisons, have ruled the supermarket sector for over a decade accounting for more than three quarters of the market. However, the tradition big four is no more. The rising cost of living is resulting in people reassessing their shopping, with more consumers switching to cheaper brands to save money. Resulting in budget retailers seeing dramatic increases in sales, as people place greater value on budget brands rather than named brands. In the coming months as the cost of living worsens, it will be likely that more people will make the switch and the sales in budget retailers will likely increase.

Regional

Energy crisis

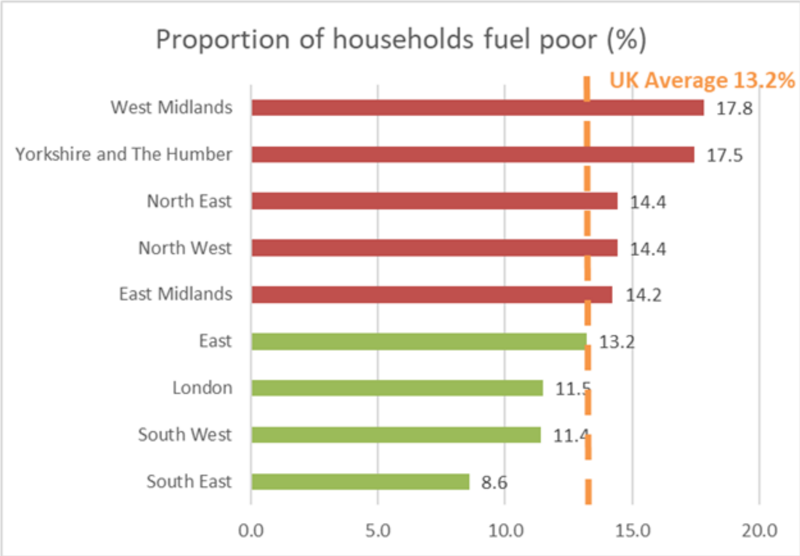
Households

The graph below shows the proportion of fuel poor households by region; however, it should be noted that the most up to date data estimates were for 2020. Therefore, the data does not consider the increased energy prices seen over the last year. It is unlikely therefore, that these forecasts are a true depiction of the status of many households at present.

It does provide an indication, on the other hand, of which areas are most likely to be impacted by the rising prices. As of 2020, the West Midlands has the highest rate of fuel poverty of any region in the UK. Consequently, it is households in this region which will be most impacted by the rising energy bill prices.

Unsurprising, the most affluent regions have the lowest rates of fuel poverty, these being the South East (8.6%), South West (11.4%) and London (11.5%). Yet, within these regions there is also great intra-regional disparities. For instance, Newham in London has a 17.8% of households in fuel poverty, compared to Kensington and Chelsea where 9.1% of households are fuel poor.

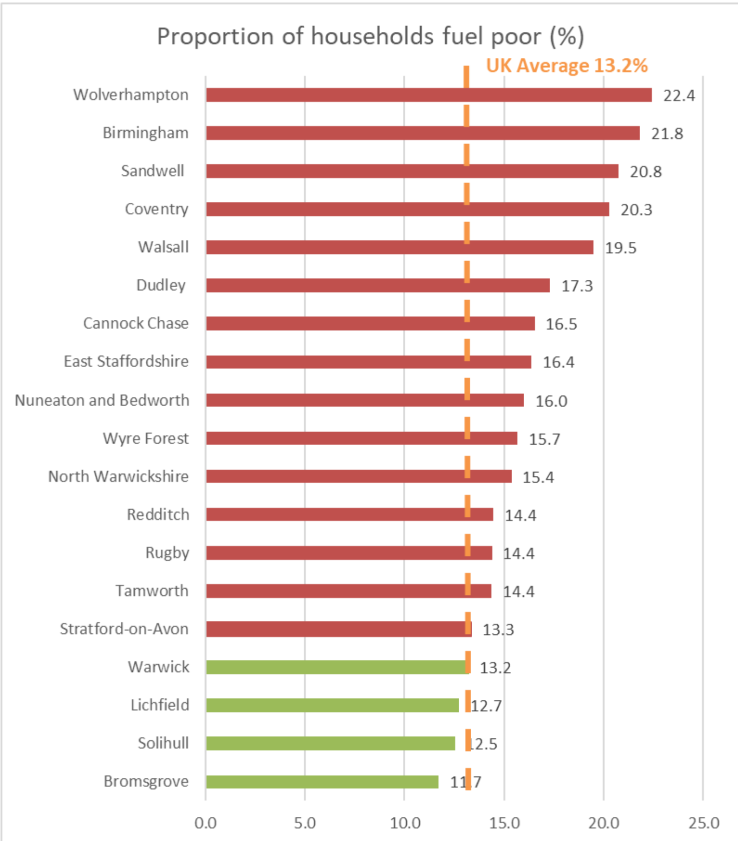
The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI



Data Source: [ONS](), 2022

The table below shows the percentage of those living within the WMCA by local authority, that are considered fuel poor according to ONS calculations. As can be seen in the figure below, 4 of the 19 local authorities within the WMCA area have a higher fuel poverty than the UK average of 13.2%. The areas with the highest rates of fuel poverty are Wolverhampton (22.4%), Birmingham (21.8%) and Sandwell (20.8%). 4 local authorities within the WMCA have more than 20% of its households living in fuel poverty. Rising energy bills will likely push a significant proportion of additional households into poverty, as well squeezing those already in it. Especially, as energy bills are 83% higher than they were before the pandemic.

Unsurprisingly, it is more affluent areas of the WMCA area, Bromsgrove (11.7%), Solihull (12.5%) and Lichfield (12.7%), have lower fuel poverty rates. This is likely as a result of not only higher incomes, but more efficient housing reducing energy bills.



Data Source: [ONS](), 2022

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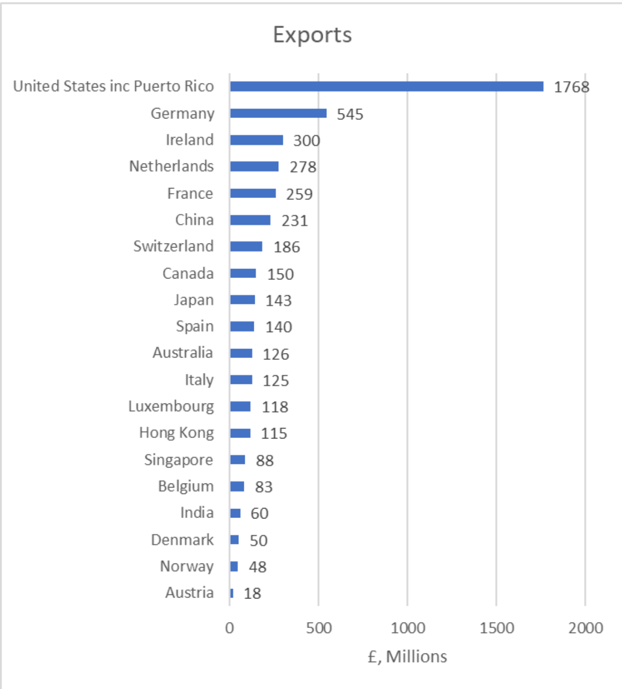
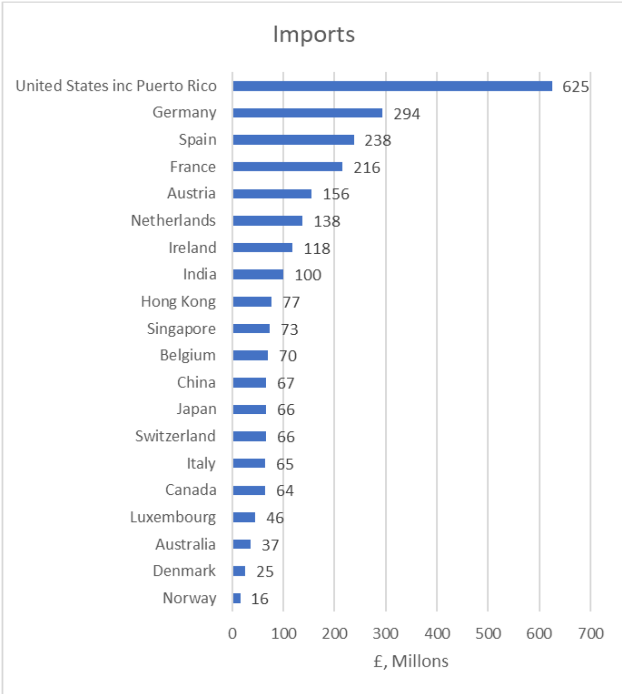
Business and Trade

With Russia reducing energy supplies to Europe, it is set to impact highly dependent countries. Germany, whilst it has reduced its energy dependency, is still highly reliant on Russian energy and will likely be the main victim of energy reductions from Russia. If the restriction on energy supplies continues, Germany might even face an under supply in energy, resulting in power outages across the country. This, alongside Germany entering an official recession, will reduce output. Currently, Germany is the West Midlands 2nd largest international trading partner in goods after the US, with exports between the region and country worth £545m and imports worth £294m.

Currently, of the countries considered below, Germany makes up 11.3% of goods exports from the West Midlands. A reduction in consumption will likely spread contagion to the West Midlands economy as exports will likely fall as the economy slows. Additionally, 11.5% of goods imports are from Germany, if industries were forced to closed as a result of rapidly rising energy prices and energy supply shortages, it may lead to producers struggling to find the resources they need.





Data Source: ONS, 2022

NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region- Released September 2022[1]

Black Country Consortium Economic Intelligence Unit

In Summary:

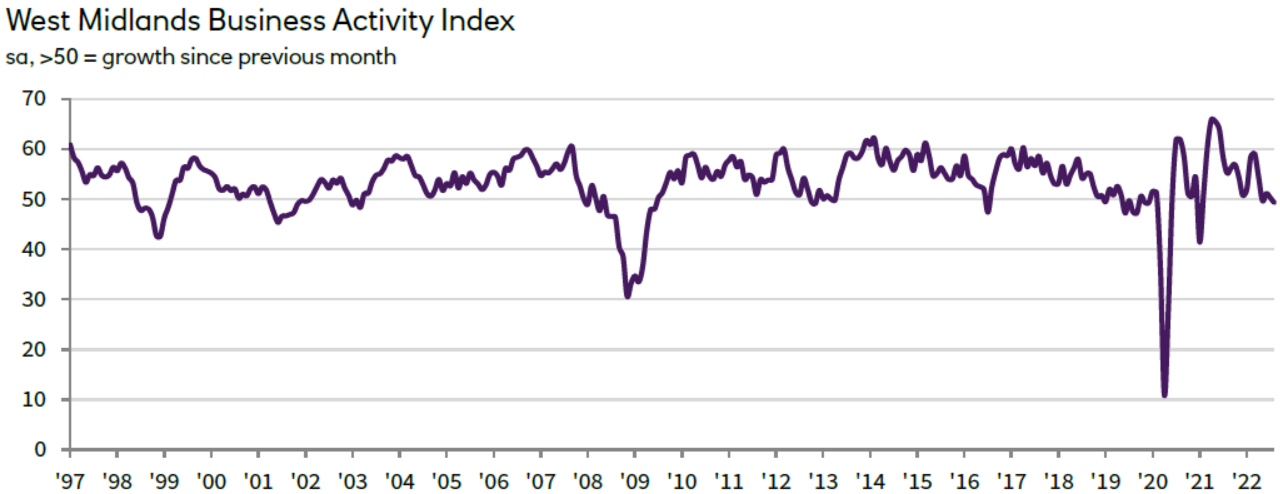
- The West Midlands Business Activity Index decreased from 50.3 in July 2022 to 49.3 in August 2022, indicating a quicker deterioration in demand conditions leading to a renewed fall in business activity (below the 50-growth mark, although marginal). Firms indicated that business activity contracted due to reduced client purchasing, consumers reducing expenditure, economic uncertainty and product availability issues.
- Out of the 12 UK regions, the West Midlands was the fourth highest for Business Activity in August 2022.
- The UK Business Activity Index decreased from 52.1 in July 2022 to 49.6 in August 2022.
- The West Midlands Future Business Activity Index decreased from 68.3 in July 2022 to 67.8 in August 2022. Firms in the West Midlands remain optimistic for the upcoming year; however, the degree of optimism was at its second-weakest level since October 2020 and below its historical average as firms reported inflation concerns, recession fears and energy price volatility.
- Out of the 12 UK regions, the West Midlands was fourth highest for Future Business Activity in August 2022.

In Detail:

Business Activity Index

The West Midlands Business Activity Index decreased from 50.3 in July 2022 to 49.3 in August 2022, indicating a quicker deterioration in demand conditions leading to a renewed fall in business activity (below the 50-growth mark, although marginal). Firms indicated that business activity contracted due to reduced client purchasing, consumers reducing expenditure, economic uncertainty and product availability issues.

The following graph show the West Midlands Business Activity Index trends up to August 2022:

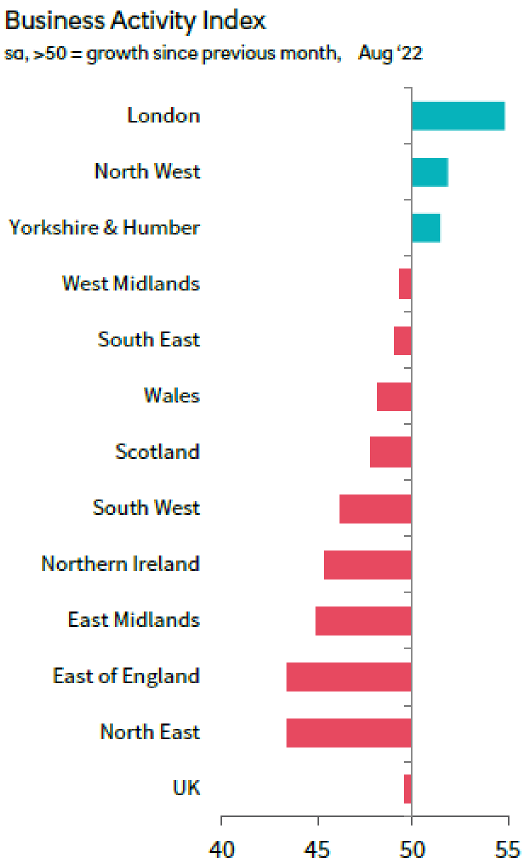


Source: NatWest PMI, September 2022

Out of the 12 UK regions, the West Midlands was the fourth highest for Business Activity in August 2022. London was the highest with 54.9 and the North East was the lowest at 43.4.

The following chart shows the Business Activity Index across all UK regions in August 2022:

[1] Source: NatWest - West Midlands PMI, September 2022. The seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.



Source: NatWest PMI, September 2022

Demand

The West Midlands New Business Index decreased from 49.6 in July 2022 to 48.5 in August 2022, the third consecutive month for a decline in new work intakes (50 and above indicates growth). The decline in new business was linked to subdued demand conditions during economic uncertainty.

Exports

The West Midlands Export Climate Index decreased from 50.1 in July 2022 to 48.5 in August 2022, indicating weakening in trade prospects since mid-2020. This is reflected by the in contractions for the USA (44.6) and Germany (46.9).

The following tables shows the top export markets for the West Midlands in August 2022:

Top export markets, West Midlands

Rank	Market	Weight	Output Index, Aug '22
1	USA	21.2%	44.6
2	Germany	11.1%	46.9
3	China	8.7%	53.0
4	France	6.1%	50.4
5	Ireland	6.2%	51.0

Source: NatWest PMI, September 2022

Business Capacity

The West Midlands Employment Index decreased from 54.1 in July 2022 to 53.5 in August 2022 – but still an 18 month increase for job creation. Where staff numbers increased, firms reported the replacement of voluntary leavers, efforts to fill outstanding vacancies and the expectations of a pick-up in demand. While other firms reported that skill shortages, a lack of new work and resignations led to lower staff numbers.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

The West Midlands Outstanding Business Index decreased from 53.2 in July 2022 to 47.3 in August 2022, ending a 17-month sequence of growth. Firms reported efficiency gains and reduced sales was linked to the renewed drop in unfinished work.

Prices

The West Midlands Input Prices Index decreased from 75.2 in July 2022 to 72.1 in August 2022. Although, this still indicates a sharp increase in operating expenses with firms reporting greater energy, food, fuel and staff costs. The overall rate of increase has eased to a 17-month low linked to softer pressures from freight and some materials (for example, metals) prices.

The West Midlands Prices Charged Index increased marginally from 65.9 in July 2022 to 66.0 in August 2022 – although this is a contrast to the slowdown in cost inflation, there was a quicker increase for prices charged. The overall rate is the second lowest in 2022 so far. 32% of firms reported higher fess compared with 5% of firms that offered discounts.

Outlook

The West Midlands Future Business Activity Index decreased from 68.3 in July 2022 to 67.8 in August 2022. Firms in the West Midlands remain optimistic for the upcoming year; however, the degree of optimism was at its second-weakest level since October 2020 and below its historical average as firms reported inflation concerns, recession fears and energy price volatility.

Out of the 12 UK regions, the West Midlands was fourth highest for Future Business Activity in August 2022. Yorkshire and The Humber was the highest with 74.0 and the Northern Ireland was the lowest at 45.1.

The following chart shows the Future Activity Index across all UK regions in August 2022:

Source: NatWest PMI, September 2022

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

Labour Market Statistics and Claimant Count: Released September 2022

Black Country Consortium Economic Intelligence Unit

UK Summary[2]

- For the UK, early estimates for August 2022 indicate that the number of payrolled employees rose by 2.8% (+803,000) compared with August 2021; the number of payrolled employees was up by 2.5% (+718,000) since February 2020. The latest monthly change shows payrolled employment increased by 0.2% (+71,000) when compared to July 2022[3].
- In May to July 2022, reports of UK-wide redundancies in the three months prior to interview[4] increased by 0.3 per thousand employees, compared with the previous three-month period, to 2.3 per thousand employees.
- The UK employment rate for May to July 2022 for people aged 16 to 64 years decreased by 0.2 percentage points (pp) on the quarter to 75.4% and is still below pre-coronavirus pandemic levels. Full-time employees and self-employed workers increased over the latest three-month period, while part-time employees decreased.
- The UK unemployment rate for May to July 2022 decreased by 0.2pp on the quarter to 3.6%, the lowest rate since May to July 1974. In the latest three-month period, the number of people unemployed for up to six months decreased to a record low, and those unemployed between 6 and 12 months increased. Meanwhile, the number of people unemployed for over 12 months continued to decrease.
- The UK economic inactivity rate increased by 0.4 percentage points on the quarter to 21.7% in May to July 2022. This increase in the latest three-month period was largely driven by those aged 16 to 24 years and those aged 50 to 64 years. Looking at economic inactivity by reason, the increase during the latest three-month period was driven by those inactive because they are students or long-term sick.
- For the UK, the number of job vacancies in June to August 2022 was 1,266,000; this was a decrease of 34,000 from the previous quarter – the largest quarterly fall since June to August 2020. In June to August 2022, the total number of vacancies was 470,000 (+59.1%) above the January to March 2020 pre-coronavirus pandemic level and 215,000 (+20.4%) above when compared to same period in the previous year.
- Notably for vacancies - *This fall in vacancies, the second quarterly fall in consecutive periods, may reflect uncertainty across industries, with an increased number of respondents reporting recruitment freezes. Although the rapid growth in vacancies seen in the summer of 2021 has slowed significantly, the elevated numbers of vacancies, alongside low levels of unemployment, indicate a historically tight labour market.*
- The UK growth in average total pay (including bonuses) was 5.5%, and growth in regular pay (excluding bonuses) was 5.2% among employees in May to July 2022. In real terms (adjusted for inflation), growth in total and regular pay fell on the year in May to July 2022 at 2.6% for total pay and 2.8% for regular pay; this is slightly smaller than the record fall seen last month (3.0%), but still remains among the largest falls in growth since comparable records began in 2001.

Regional Labour Market Summary[5]

- For the three months ending July 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.3%. Since the three months ending April 2022, the employment rate decreased by 0.6pp for the West Midlands region. There was an increase of 1.1pp when compared to the same period in the previous year – joint highest increase (with Scotland) across all UK regions. The UK employment rate was 75.4%, a decrease of 0.2pp when compared to the previous quarter but an increase of 0.3pp when compared to the previous year.
- For the three months ending July 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.6%, which has increased by 0.1pp since the previous quarter but decreased by 0.6pp from the previous year. The UK unemployment rate was 3.6%, a decrease of 0.2pp from the previous quarter, and a 1.0pp decrease when compared to the previous year.
- For the three months ending July 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.0%, an increase of 0.4pp from previous quarter but a decrease of 0.6pp when compared to the previous year, with the latter being the joint highest decrease with Yorkshire and the Humber. The UK economic inactivity rate was 21.7%, increasing by 0.4pp from the previous quarter and an increase of 0.5pp from the previous year.

[2] Source: ONS, Labour Market Overview; UK: September 2022
[3] This should be treated as a provisional estimate and is likely to be revised when more data is received next month.
[4] The redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey interviews; it does not take into consideration planned redundancies.
[5] Source: ONS, Labour Market in the Regions of the UK: September 2022

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

- Between March and June 2022, workforce jobs in the West Midlands increased by 31,000 to a total of just over 3 million.

WMCA (3 LEP) Claimant Summary

- There were 145,285 claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there has been an increase of 1.0% (+1,415) claimants in the WMCA (3 LEP) area, the UK also increased by 1.0%. When compared to August 2021, the number of claimants has decreased by 20.7% (-38,025) in the WMCA (3 LEP) area, with the UK decreasing by 28.3% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.6% (+27,695) in the WMCA (3 LEP) area, with the UK increasing by 21.2% over the same period.
- Overall, for the WMCA (3 LEP) area the number of claimants as a proportion of residents aged 16 - 64 years old was 5.5% compared to 3.7% for the UK in August 2022.
- There were 25,210 youth claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there was an increase of 2.8% (+690) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%. When compared to August 2021, the number of youth claimants has decreased by 26.0% (-8,855) in the WMCA (3 LEP) area, with the UK decreasing by 32.4% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 11.6% (+2,630) in the WMCA (3 LEP) area, with the UK increasing by 6.7% over the same period.
- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18- 24 years old was 6.4% compared to 4.5% for the UK in August 2022.

In Depth:

UK Labour Market Stastics - Vacancies[6]

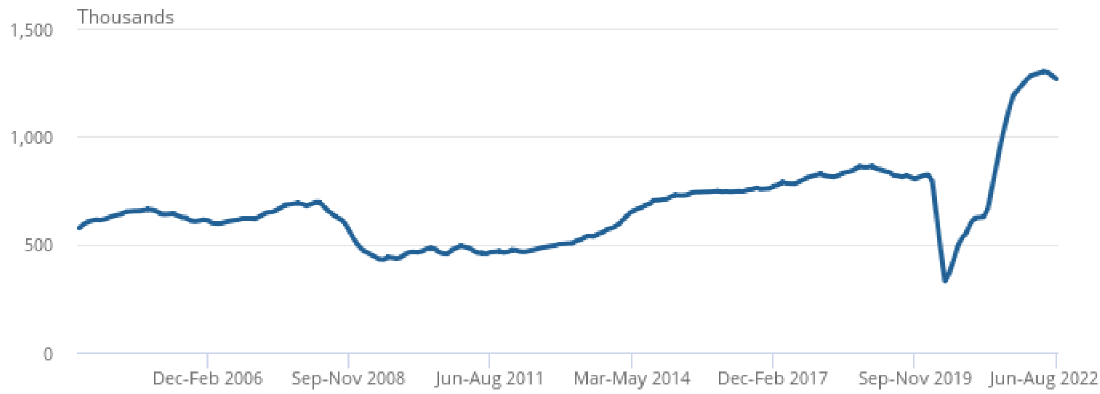
- The number of job vacancies in June to August 2022 was 1,266,000, a decrease of 34,000 from the previous quarter and the largest quarterly fall since June to August 2020.

- In June to August 2022, vacancies were 470,000 (59.1%) above the January to March 2020 pre-coronavirus (COVID-19) level, and 215,000 (20.4%) above the same time last year.

- In May to July 2022, despite the fall in vacancies, the number of unemployed people per vacancy remains at an historical low of 1.0 for the sixth consecutive period.

- The total number of workforce jobs in the UK in June 2022 rose by 290,000 on the quarter to a record 35.8 million and, for the first time, exceeds the pre-coronavirus level of December 2019.

The following chart shows the number of vacancies in the UK, seasonally adjusted, June to August 2003 to June to August 2022:

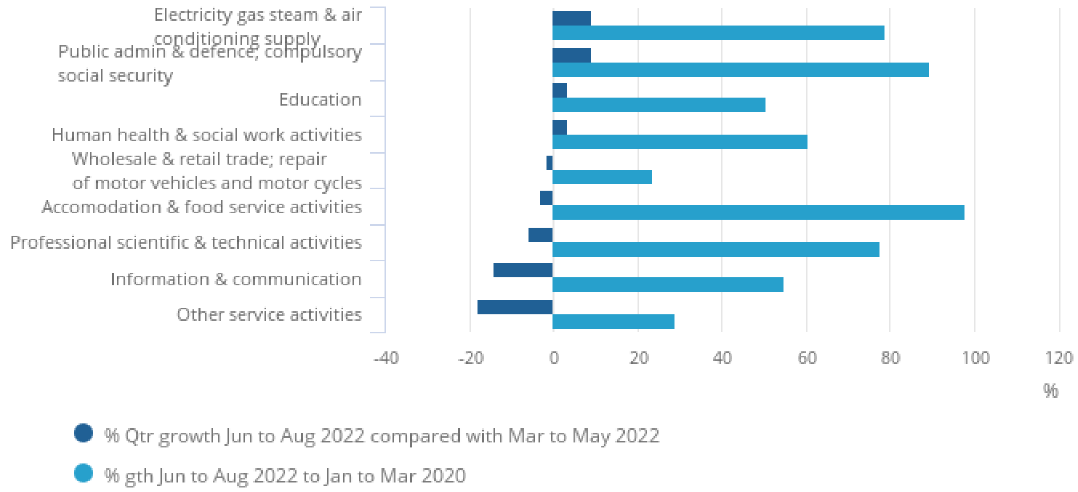


Source: ONS – Vacancy Survey

[6] Source: UK labour market, vacancies and jobs in the UK: September 2022

- In June to August 2022, the estimated number of vacancies fell by 34,000 on the quarter to 1,266,000, the largest quarterly fall for two years.

The following chart shows for June to August 2022 the three-month average vacancies in the UK, quarterly percentage growth from March to May 2022 and percentage growth from pre-pandemic January to March 2020:



Source: ONS – Vacancy Survey

- The overall quarterly growth rate fell -2.6% in June to August 2022, with the number of vacancies falling in 12 of the 18 industry sectors. The lowest rate of growth was in other service activities, at -17.8%.

- In June to August 2022, the 34,000 decrease in the number of vacancies was the largest fall on the quarter we have seen since June to August 2020. The industry sectors showing the largest falls in vacancy numbers were the information and communication industry, which was down 11,000 vacancies and the professional, scientific and technical activities industry, which was down 8,000 vacancies on the quarter. Human health and social work had the largest increase in vacancies, up by 7,000 on the quarter.

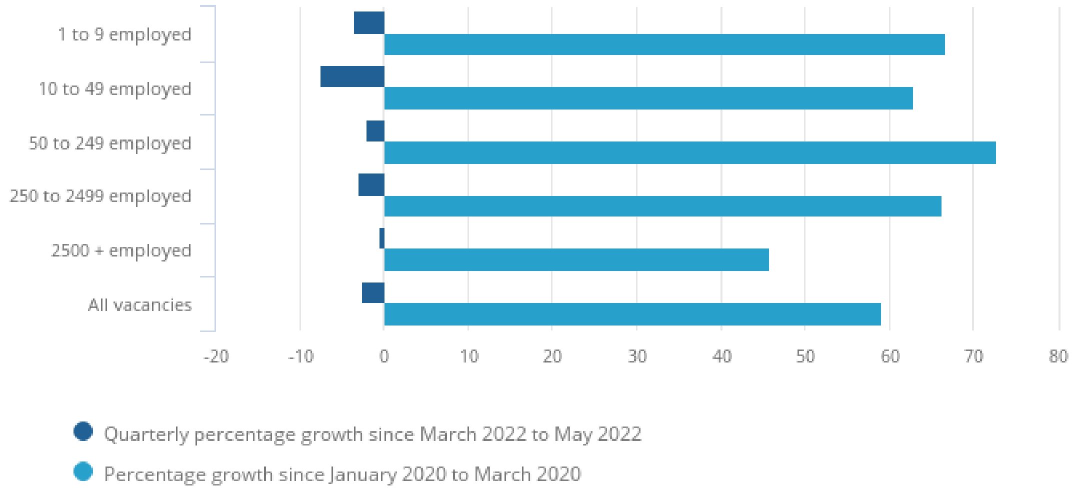
- ***This fall in vacancies, the second quarterly fall in consecutive periods, may reflect uncertainty across industries, with an increased number of respondents reporting recruitment freezes.***

- In June to August 2022, the total number of vacancies was 470,000 (59.1%) above the January to March 2020 pre-pandemic level, with the largest increases in accommodation and food service activities, and human health and social work, both up 83,000. When comparing with the same time last year, total vacancies rose by 215,000 (20.4%), with human health and social work showing the largest growth of 47,000 (27.4%).

- ***Although the rapid growth in vacancies seen in the summer of 2021 has slowed significantly, the elevated numbers of vacancies, alongside low levels of unemployment, indicate a historically tight labour market.***

- The number of unemployed people to every vacancy remained at a record low of 1.0 in May to July 2022. Although both fell, the larger fall in the number of unemployed people was enough to keep vacancies above the number of unemployed for the third consecutive period.

The following chart shows for June to August 2022 three-month average vacancies in the UK, quarterly growth from March to May 2022 and growth from a pre-pandemic January to March 2020:



Source: ONS – Vacancy Survey

- On the quarter, the smaller companies with fewer than 50 employees had the greatest impact on the fall in vacancies in June to August 2022.

Regional Labour Market[7]

- For the three months ending July 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.3%. Since the three months ending April 2022, the employment rate decreased by 0.6pp for the West Midlands region. There was an increase of 1.1pp when compared to the same period in the previous year – joint highest increase (with Scotland) across all UK regions. The UK employment rate was 75.4%, a decrease of 0.2pp when compared to the previous quarter but an increase of 0.3pp when compared to the previous year. The highest employment rate within the UK for the three months ending July 2022 was in the East of England at 78.6% and the lowest in Northern Ireland at 69.6%.

- For the three months ending July 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.6%, which has increased by 0.1pp since the previous quarter but decreased by 0.6pp from the previous year. The UK unemployment rate was 3.6%, a decrease of 0.2pp from the previous quarter, and a 1.0pp decrease when compared to the previous year. The highest unemployment rate in the UK for the three months ending July 2022 was in the North East with 4.7%, with the lowest unemployment rate in the South West at 2.7%.

- For the three months ending July 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.0%, an increase of 0.4pp from previous quarter but a decrease of 0.6pp when compared to the previous year, with the latter being the joint highest decrease with Yorkshire and the Humber. The UK economic inactivity rate was 21.7%, increasing by 0.4pp from the previous quarter and an increase of 0.5pp from the previous year. The highest economic inactivity rate in the UK for the three months ending April 2022 was in Northern Ireland at 28.2% and the lowest was in the East of England at 18.9%.

The table below provides a summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, May to July 2022:

[7] Source: ONS, Labour Market in the Regions of the UK: September 2022

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	Employment rate – May to Jul 22 (aged 16- 64 years)	Change on Feb to Apr 22	Unemployment rate - May to Jul 22 (16 years +)	Change on Feb to Apr 22	Inactivity rate – May to Jul 22 (aged 16-64 years)	Change on Feb to Apr 22
UK	75.4%	-0.2pp	3.6%	-0.2pp	21.7%	0.4pp
Great Britain	75.6%	-0.2pp	3.6%	-0.2pp	21.5%	0.4pp
England	75.8%	-0.1pp	3.7%	-0.2pp	21.2%	0.3pp
North East	71.3%	0.1pp	4.7%	-0.5pp	25.3%	0.5pp
North West	74.0%	0.1pp	3.5%	-0.8pp	23.3%	0.6pp
Yorkshire and The Humber	73.9%	0.9pp	4.5%	-0.2pp	22.6%	-0.8pp
East Midlands	75.9%	0.2pp	2.8%	0pp	21.9%	-0.3pp
West Midlands	**75.3%**	**-0.6pp**	**4.6%**	**0.1pp**	**21.0%**	**0.4pp**
East	78.6%	0.8pp	3.1%	-0.6pp	18.9%	-0.3pp
London	74.8%	-0.3pp	4.2%	-0.6pp	21.7%	0.8pp
South East	77.8%	-0.7pp	3.5%	0.5pp	19.3%	0.4pp
South West	78.3%	-1.0pp	2.7%	-0.1pp	19.5%	1.2pp
Wales	72.0%	-1.9pp	3.2%	-0.3pp	25.6%	2.3pp
Scotland	75.2%	-0.3pp	3.1%	-0.2pp	22.4%	0.5pp
Northern Ireland	69.6%	-0.6pp	2.9%	0.3pp	28.2%	0.4pp

Source: ONS – Labour Force Survey

- Between March and June 2022, workforce jobs increased in ten out of twelve regions of the UK, London had the largest increase of 89,000, while Scotland and the East of England had falls of 13,000 and 9,000 respectively. The West Midlands region increased by 31,000 to a total of just over 3 million over the quarter.

- When compared to June 2021, workforce jobs in the West Midlands increased by 30,000 (+1.0%).

- In June 2022, 81.4% (nearly 2.5 million) of workforce jobs in the West Midlands were in the services sector.

- Across all industries in June 2022 for the West Midlands, 14.1% (425,668) of workforce jobs were in wholesale & retail trade; repair of motor vehicles and motor cycles. This was followed by 12.8% (384,783) in human health & social work activities and then 10.2% (305,731) in manufacturing.

- The latest quarterly change shows at industry level that human health & social work activities had the largest number increase by 11,089 to 384,783 workforce jobs (12.8% of total), followed by education increasing by 9,235 to 263,139 workforce jobs (8.7% of total jobs). In contrast, accommodation & food services decreased by 7,271 to 179,146 workforce jobs (6.0% of jobs), this was followed by wholesale & retail trade; repair of motor vehicles & motor cycles, decreasing by 4,574 to 425,668 jobs (14.1% of total).

Claimant Count

Claimant count for people aged 16 years and over[8]:

- There were 145,285 claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there has been an increase of 1.0% (+1,415) claimants in the WMCA (3 LEP) area, the UK also increased by 1.0%. When compared to August 2021, the number of claimants has decreased by 20.7% (-38,025) in the WMCA (3 LEP) area, with the UK decreasing by 28.3% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.6% (+27,695) in the WMCA (3 LEP) area, with the UK increasing by 21.2% over the same period.

[8] ONS/DWP, Claimant count, September 2022. Please note, figures for previous months have been revised.

- The Black Country LEP area had 44,645 claimants aged 16 years and over in August 2022, an increase of 550 (+1.2%) claimants from the previous month. Compared to the same month in 2021, Black Country LEP claimants decreased by 12,095 (-21.3%). When compared to March 2020, the number of claimants has increased by 6,370 (+16.6%).

- In Coventry and Warwickshire LEP, there were 21,730 claimants aged 16 years and over in August 2022, an increase of 360 (+1.2%) claimants since July 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP claimants decreased by 6,140 (-22.0%). When compared to March 2020, the number of claimants has increased by 5,905 (+37.3%).

- In Greater Birmingham and Solihull LEP, there were 78,910 claimants aged 16 years and over in August 2022, an increase of 505 (+0.6%) claimants since July 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP claimants decreased by 19,790 (-20.1%). When compared to March 2020 the number of claimants has increased by 15,420 (+24.3%).

The following table shows a breakdown of number of claimants aged 16+ in August 2022 and change on selected months for WMCA and UK:

	Mar 2020	Aug 2021	Jul 2022	Aug 2022	Aug 2022 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Aug 21	% Change Since Jul 22
Birmingham	49,370	74,980	61,270	61,700	8.4%	25.0%	-17.7%	0.7%
Bromsgrove	1,165	2,110	1,575	1,550	2.6%	33.0%	-26.5%	-1.6%
Cannock Chase	1,655	2,720	1,930	2,010	3.2%	21.5%	-26.1%	4.1%
Coventry	8,000	14,580	11,575	11,840	4.6%	48.0%	-18.8%	2.3%
Dudley	8,515	12,040	9,375	9,400	4.8%	10.4%	-21.9%	0.3%
East Staffordshire	1,720	3,200	2,185	2,210	3.0%	28.5%	-30.9%	1.1%
Lichfield	1,320	2,110	1,540	1,590	2.6%	20.5%	-24.6%	3.2%
North Warwickshire	845	1,480	995	1,010	2.5%	19.5%	-31.8%	1.5%
Nuneaton and Bedworth	2,830	4,160	3,135	3,155	4.0%	11.5%	-24.2%	0.6%
Redditch	1,535	2,565	1,975	2,015	3.9%	31.3%	-21.4%	2.0%
Rugby	1,535	2,550	1,965	1,950	2.9%	27.0%	-23.5%	-0.8%
Sandwell	10,780	16,790	13,265	13,410	6.5%	24.4%	-20.1%	1.1%
Solihull	3,650	6,060	4,350	4,240	3.3%	16.2%	-30.0%	-2.5%
Stratford-on-Avon	1,050	2,300	1,610	1,665	2.2%	58.6%	-27.6%	3.4%
Tamworth	1,490	2,325	1,680	1,670	3.5%	12.1%	-28.2%	-0.6%

	Mar 2020	Aug 2021	Jul 2022	Aug 2022	Aug 2022 (Claimants as proportion aged 16-64) Rates	% Change Since Mar 20	% Change Since Aug 21	% Change Since Jul 22
Walsall	8,605	12,850	9,525	9,775	5.6%	13.6%	-23.9%	2.6%
Warwick	1,570	2,805	2,095	2,110	2.3%	34.4%	-24.8%	0.7%
Wolverhampton	10,380	15,060	11,930	12,060	7.4%	16.2%	-19.9%	1.1%
Wyre Forest	1,580	2,635	1,905	1,930	3.3%	22.2%	-26.8%	1.3%
WM 7 Met.	**99,300**	**152,360**	**121,290**	**122,425**	**6.6%**	**23.3%**	**-19.6%**	**0.9%**
Black Country LEP	38,275	56,740	44,095	44,645	6.1%	16.6%	-21.3%	1.2%
Coventry and Warwickshire LEP	15,825	27,870	21,370	21,730	3.6%	37.3%	-22.0%	1.7%
Greater Birmingham and Solihull LEP	63,490	98,700	78,405	78,910	6.2%	24.3%	-20.1%	0.6%
WMCA (3 LEP)	**117,590**	**183,310**	**143,870**	**145,285**	**5.5%**	**23.6%**	**-20.7%**	**1.0%**
United Kingdom	1,268,620	2,144,330	1,523,345	1,538,025	3.7%	21.2%	-28.3%	1.0%

- Overall, for the WMCA (3 LEP) the number of claimants as a proportion of residents aged 16 - 64 years old was 5.5% compared to 3.7% for the UK in August 2022.

Youth Claimants (Aged 18-24)

- There were 25,210 youth claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there was an increase of 2.8% (+690) youth claimants in the WMCA (3 LEP) area, while the UK increased by 3.6%. When compared to August 2021, the number of youth claimants has decreased by 26.0% (-8,855) in the WMCA (3 LEP) area, with the UK decreasing by 32.4% over the same period. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 11.6% (+2,630) in the WMCA (3 LEP) area, with the UK increasing by 6.7% over the same period.

- The Black Country LEP area had 7,945 youth claimants in August 2022, an increase of 245 (+3.2%) youth claimants from the previous month. Compared to the same month in 2021, Black Country LEP youth claimants decreased by 2,950 (-27.1%). When compared to March 2020, the number of youth claimants has increased by 255 (+3.3%).

- In Coventry and Warwickshire LEP, there were 3,625 youth claimants in August 2022, an increase of 155 (+4.5%) youth claimants since July 2022. Compared to the same month in 2021, Coventry and Warwickshire LEP youth claimants decreased by 1,265 (-25.9%). When compared to March 2020, the number of claimants has increased by 750 (+26.1%).

- In Greater Birmingham and Solihull LEP, there were 13,640 youth claimants in August 2022, this is an increase of 290 (+2.2%) youth claimants since July 2022. Compared to the same month in 2021, Greater Birmingham and Solihull LEP youth claimants decreased by 4,640 (-25.4%). In the Greater Birmingham and Solihull LEP area, when compared to March 2020, the number of claimants has increased by 1,625 (+13.5%).

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

The following table shows a breakdown of number of youth claimants in August 2022 and change on selected months for WMCA and UK:

	Mar 2020	Aug 2021	Jul 2022	Aug 2022	Aug 2022 (Claimants as proportion aged 18-24) Rates	% Change Since Mar 20	% Change Since Aug 21	% Change Since Jul 22
Birmingham	9,105	13,805	10,340	10,570	7.6%	16.1%	-23.4%	2.2%
Bromsgrove	215	395	250	260	4.3%	20.9%	-34.2%	4.0%
Cannock Chase	365	535	375	410	5.7%	12.3%	-23.4%	9.3%
Coventry	1,535	2,565	1,945	2,035	3.7%	32.6%	-20.7%	4.6%
Dudley	1,750	2,340	1,620	1,650	6.9%	-5.7%	-29.5%	1.9%
East Staffordshire	320	545	330	325	3.8%	1.6%	-40.4%	-1.5%
Lichfield	270	355	265	290	4.1%	7.4%	-18.3%	9.4%
North Warwickshire	160	290	190	190	4.3%	18.8%	-34.5%	0%
Nuneaton and Bedworth	555	785	560	585	6.3%	5.4%	-25.5%	4.5%
Redditch	310	460	340	345	5.8%	11.3%	-25.0%	1.5%
Rugby	235	425	290	285	3.9%	21.3%	-32.9%	-1.7%
Sandwell	2,115	3,180	2,320	2,380	9.0%	12.5%	-25.2%	2.6%
Solihull	825	1,245	790	760	5.0%	-7.9%	-39.0%	-3.8%
Stratford-on-Avon	160	330	195	220	2.7%	37.5%	-33.3%	12.8%
Tamworth	295	480	325	335	6.0%	13.6%	-30.2%	3.1%
Walsall	1,915	2,620	1,790	1,880	8.2%	-1.8%	-28.2%	5.0%
Warwick	230	490	290	305	1.8%	32.6%	-37.8%	5.2%
Wolverhampton	1,910	2,755	1,975	2,030	9.8%	6.3%	-26.3%	2.8%
Wyre Forest	310	460	335	345	5.2%	11.3%	-25.0%	3.0%
WM 7 Met.	**19,155**	**28,510**	**20,775**	**21,310**	**7.0%**	**11.3%**	**-25.3%**	**2.6%**
Black Country LEP	7,690	10,895	7,700	7,945	8.5%	3.3%	-27.1%	3.2%
Coventry and Warwickshire LEP	2,875	4,890	3,470	3,625	3.6%	26.1%	-25.9%	4.5%
Greater Birmingham and Solihull LEP	12,015	18,280	13,350	13,640	6.8%	13.5%	-25.4%	2.2%
WMCA (3 LEP)	**22,580**	**34,065**	**24,520**	**25,210**	**6.4%**	**11.6%**	**-26.0%**	**2.8%**
United Kingdom	238,085	375,920	245,315	254,095	4.5%	6.7%	-32.4%	3.6%

- Overall, for the WMCA (3 LEP) the number of youth claimants as a percentage of residents aged 18- 24 years old was 6.4% compared to 4.5% for the UK in August 2022.

Claimant Count by Age and Gender (WMCA 3 LEP)[9]

- As seen in the following table, the majority of age bands reported an increase in claimants from July 2022 to August 2022.

- For those aged 16-24 in the WMCA (3 LEP) area, when comparing August 2022 to the previous month, there was an overall increase of 700 claimants. This can be split by an increase of 305 males and an increase of 400 females.

- For those aged 25-49 in the WMCA (3 LEP) area, when comparing August 2022 to the previous month, there was an overall increase of 635 claimants. This can be split by an increase of 215 males and an increase of 415 females.

[9] Please note, figure may not sum due to rounding.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

- For those aged 50 years and over in the WMCA (3 LEP) area, when comparing August 2022 to the previous month, there was an overall increase of 85 claimants. This can be split by an increase of 45 males and an increase of 35 females.

The following table shows a breakdown by age brackets and gender for the WMCA (3 LEP) area in August 2022 and over selected time periods and change:

		Mar 2020	Aug 2021	Jul 2022	Aug 2022	No. Change Since Mar 20	No. Change Since Jul 21	No. Change Since Aug 22
Total	**Age 16+**	**117,590**	**183,310**	**143,870**	**145,285**	**27,695**	**-38,025**	**1,415**
	Aged 16-24	**22,835**	**34,385**	**24,760**	**25,460**	**2,625**	**-8,925**	**700**
	Aged 16-17	250	325	240	255	5	-70	15
	Aged 18-24	22,580	34,065	24,520	25,210	2,630	-8,855	690
	Aged 25-49	**67,130**	**106,180**	**84,755**	**85,390**	**18,260**	**-20,790**	**635**
	Aged 25-29	15,945	24,445	18,395	18,645	2,700	-5,800	250
	Aged 30-34	15,635	25,150	19,995	20,095	4,460	-5,055	100
	Aged 35-39	13,715	22,335	18,420	18,585	4,870	-3,750	165
	Aged 40-44	11,230	18,355	15,445	15,535	4,305	-2,820	90
	Aged 45-49	10,605	15,900	12,510	12,530	1,925	-3,370	20
	Aged 50+	**27,635**	**42,735**	**34,350**	**34,435**	**6,800**	**-8,300**	**85**
	Aged 50-54	9,960	15,415	12,160	12,205	2,245	-3,210	45
	Aged 55-59	8,985	13,460	10,670	10,660	1,675	-2,800	-10
	Aged 60-64	7,675	11,405	9,425	9,435	1,760	-1,970	10
	Aged 65+	1,020	2,455	2,095	2,125	1,105	-330	30
Male	**Age 16+**	**69,420**	**108,475**	**85,005**	**85,575**	**16,155**	**-22,900**	**570**
	Aged 16-24	**14,100**	**21,060**	**15,420**	**15,725**	**1,625**	**-5,335**	**305**
	Aged 16-17	115	135	115	115	0	-20	0
	Aged 18-24	13,980	20,930	15,305	15,605	1,625	-5,325	300
	Aged 25-49	**38,965**	**62,390**	**49,415**	**49,630**	**10,665**	**-12,760**	**215**
	Aged 25-29	9,610	15,010	11,265	11,405	1,795	-3,605	140
	Aged 30-34	9,095	14,815	11,740	11,765	2,670	-3,050	25
	Aged 35-39	7,730	12,910	10,485	10,525	2,795	-2,385	40
	Aged 40-44	6,440	10,535	8,740	8,795	2,355	-1,740	55
	Aged 45-49	6,080	9,115	7,195	7,140	1,060	-1,975	-55
	Aged 50+	**16,355**	**25,010**	**20,175**	**20,220**	**3,865**	**-4,790**	**45**
	Aged 50-54	5,820	8,980	7,095	7,125	1,305	-1,855	30
	Aged 55-59	5,295	7,920	6,310	6,295	1,000	-1,625	-15
	Aged 60-64	4,575	6,620	5,485	5,485	910	-1,135	0
	Aged 65+	655	1,485	1,285	1,305	650	-180	20
Female	**Age 16+**	**48,175**	**74,840**	**58,865**	**59,710**	**11,535**	**-15,130**	**845**
	Aged 16-24	**8,730**	**13,320**	**9,340**	**9,740**	**1,010**	**-3,580**	**400**
	Aged 16-17	135	190	125	140	5	-50	15
	Aged 18-24	8,595	13,130	9,215	9,600	1,005	-3,530	385
	Aged 25-49	**28,165**	**43,790**	**35,345**	**35,760**	**7,595**	**-8,030**	**415**
	Aged 25-29	6,340	9,435	7,130	7,240	900	-2,195	110
	Aged 30-34	6,530	10,335	8,255	8,335	1,805	-2,000	80
	Aged 35-39	5,985	9,430	7,945	8,065	2,080	-1,365	120
	Aged 40-44	4,790	7,815	6,705	6,730	1,940	-1,085	25
	Aged 45-49	4,525	6,785	5,315	5,385	860	-1,400	70
	Aged 50+	**11,280**	**17,725**	**14,180**	**14,215**	**2,935**	**-3,510**	**35**
	Aged 50-54	4,135	6,435	5,060	5,080	945	-1,355	20
	Aged 55-59	3,690	5,545	4,365	4,370	680	-1,175	5
	Aged 60-64	3,100	4,785	3,945	3,950	850	-835	5
	Aged 65+	360	965	810	820	460	-145	10

Lightcast Job Postings WMCA 3 LEP Geography: For August 2022[10]

Note: The data below reports unique job postings, derived from the Lightcast Analyst Tool, and is not comparable to official vacancy data.

- Mirroring national vacancy data, the number of job postings across the WMCA 3 LEP area decreased by 22,819 or -14% in August 2022.
- All 19 local authority areas recorded a drop in job postings.
- Bromsgrove and North Warwickshire were hit hardest with both areas logging 19% fewer job postings than the previous month, although most areas recorded negative double-digit change.
- Unsurprisingly, posting intensity, i.e., the effort towards hiring for particular positions was subdued in all 19 LAs, it however remained strongest across the 7 Met. areas.

The following table reports the number of unique job postings across the WMCA (3 LEP) local authorities in August 2022 and the percentage change from the previous month:

Local Authority Name	Aug 2022 Unique Postings	% Change (Jul 2022 - Aug 2022)
Birmingham	55,463	-17%
Bromsgrove	1,394	-19%
Cannock Chase	2,339	-1%
Coventry	13,935	-11%
Dudley	6,144	-16%
East Staffordshire	5,252	-7%
Lichfield	2,435	-6%
North Warwickshire	1,202	-19%
Nuneaton and Bedworth	3,226	-17%
Redditch	3,248	-17%
Rugby	3,170	-9%
Sandwell	6,447	-7%
Solihull	6,104	-16%
Stratford-on-Avon	3,595	-12%
Tamworth	3,084	-9%
Walsall	4,391	-15%
Warwick	7,282	-14%
Wolverhampton	6,779	-13%
Wyre Forest	1,632	-11%

[10] Lightcast, September 2022 - please note, as of March 2022, Lightcast, previously known as Emsi Burning Glass implemented new data collection and processing procedures within the Analyst Tool. It is estimated that this will result in an approximate 22% reduction in overall job posting counts, which will vary depending on the filters used within the research. Lightcast believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process.

Regional Clusters: Place Branding for the Co-Location of Firms

Simon Collinson, WMREDI

Simon Collison discusses how city-regions need to build a straightforward narrative that captures why people and businesses would want to visit, live, work, invest and commit to that particular place.

Place branding and local leadership is often focused on promoting inward investment around clusters of economic activity, which can contribute to regional economic growth and improve the long-term prospects for city regions. As part of the CBI's series of 'Thriving Regions' events, the 'Clusters Think In' podcasts focused on clusters, and place branding and leadership were common areas of discussion.

Many visitors who came to watch the Commonwealth Games this summer will have had their preconceptions of Birmingham transformed by this experience. The reputation, identity, and 'brand' of the city as a place to visit, learn, live, and work, were boosted by this one-off event.

Far from being cosmetic or superficial, place branding can make a real and measurable impact on investment, employment, and the well-being of city regions. Changing the perceived attractiveness of a place can lead to increased visitor footfall, more events, and local spending, with immediate multiplier effects on incomes and employment. A longer-term increase in inward investment, with greater attraction and retention of talent and skills, can transform local prosperity. This in turn can create a virtuous cycle with wider investment in transport and urban infrastructure alongside amenities, parks, leisure facilities, schools, cultural and creative industries, and the arts, all underpinning quality of life as a major location advantage. The outcomes go beyond the economic benefits, including social and community enrichment and growth in civic pride.

Evaluating ***how much*** a place brand contributes to this overall growth effect is very difficult. Longitudinal data analysis and surveys can help correlate economic performance outcomes (visitor income, inward investment, Gross Value Added (GVA), employment, household income, etc.) with a range of inputs, but isolating brand and reputation from a very large number of other factors are complex.

Clusters: Place Branding for Targeting Inward Investment

Some city regions are known/as specific industry clusters, or agglomeration economies, and others see this as an approach for creating, identifying, developing, or promoting the current or potential future distinctiveness of a local economy. Michael Porter defined these a long time ago as "geographic concentrations of interconnected companies and institutions in a particular field". Notably, despite talk of the 'death of distance', there are still benefits to physical proximity for firms which can stem from economies of scale, reduced costs, and access to particular endowment factors which underpin shared competitive advantages (such as skilled labour, transport infrastructure, university-based R&D, etc.).

From the Rhine-Ruhr and Silicon valleys, Hollywood, and Detroit, to Mumbai Bollywood, Tel Aviv's 'Silicon Wadi', and Shenzhen's ICT cluster, smart specialization has helped many city-regions grow, for extended periods in some cases. It is important to understand that the identity of a place as a distinctive economic cluster often emerges, as opposed to being pre-planned. Stories and brands that persist, build up over time to create an enduring reputation. But these narratives can be both inputs and outputs of cluster formation. As momentum grows around a specific area of specialization this can crystallize the narrative and help create the identity. This also presents an opportunity for local (and national) governments to provide post-hoc rationalisations showcasing their own contribution to this success.

In some cases, city regions have evolved well beyond widely held, but out-of-date views about their distinctive economic strengths. 30 per cent of the West Midlands economy is generated by business professional financial services (BPFS) with high levels of investment from global multinationals like HSBC, PwC, and Goldman Sachs. Despite this fact, the region is branded as a leading automotive manufacturing cluster (and it is, see below) which accounts for a much smaller proportion of jobs and GVA.

Above all, a strong and coherent consensus about which identity to promote is critical to having a positive impact on visitors and investors. A lack of local consensus producing mixed messages and multiple storylines highlighting a confusing variety of different attractions and features of a place has a damaging effect on identity formation.

Strong Place Leadership

Strong leadership is needed to build and maintain a local consensus on a single, straightforward narrative that captures why people and businesses would want to visit, live, work, invest and commit to a particular place. As in other areas of life, a consistent, unifying story can change mindsets and embedded beliefs, in this case providing a home with a clear and positive identity.

Strong leadership is also needed to drive forward new narratives around future potential areas of growth, as opposed to past glories. The automotive industry in the West Midlands provides an important illustration. The region is well-known for its long tradition of automotive R&D, design, and manufacturing, and has the highest concentration of such firms in the country, with a 'location quotient' of over 4.5 (over 1 indicates more than the average concentration). The industry is directly worth just over £8 billion to the regional economy, and the components supply chain adds another £3.2 billion. The benefits of hosting these firms, in terms of investments and jobs and strong multiplier effects on local service businesses (cinemas, retailing, restaurants, etc.) are evident.

This is far from a dying legacy, but an exclusive reputation for advanced automotive manufacturing can become a constraint as a region tries to adapt to new economic opportunities. The West Midlands region needs to leverage these well-known innovation assets, and its strong manufacturing reputation, to create new clusters for the future. There is already growing momentum behind 'clean tech' and 'med tech' clusters, covering a wide variety of technologies, processes, and practices, products, services, or solutions that are energy efficient and environmentally friendly, or used to save and improve people's lives.

The sheer scale of the regional economy and some of the innate competitive advantages underpin the potential for these new areas of growth. Again, branding is important. Where latent advantages exist, promoting these as part of a renewal process through a unifying narrative can be a powerful tool.

New Report: Equality Act 2010 Effects on Incomes of Ethnic Minorities

Maryna Ramcharan, WMREDI

A new report by Maryna Ramcharan looks at the Equality Act 2010 and how the incomes of ethnic minorities changed when the new legislation came into force.

Discrimination in the workplace is a problem for businesses as an individual who is being discriminated against could be under-employed, resulting in a reduced talent pool for the business if they recruit or promote someone who is less able to do the job. At the same time, inequality in the workplace has a negative effect on the social well-being of those who are discriminated against and a much wider effect on the national economy.

According to ONS analysis on pay gaps by ethnicity, many ethnic groups – including Bangladeshi, Pakistani, and Arab ethnic groups – consistently earned less from 2012 to 2019 than those of White British ethnicity over the same time period.

To reduce inequalities in the workplace and protect people from discrimination, the government issued The Equality Act 2010 which states that discrimination or unfair treatment based on certain personal characteristics such as race, age, sex, and others is against the law in almost all cases.

Key findings

- The net monthly income of an average person of an ethnic minority before the Equality Act 2010 was introduced (specifically, in 2009-2010) was 7.07% lower than the incomes of people of any other ethnicity.
- Incomes of ethnic minorities increased on average by 9.53% after the Equality Act was introduced, while the rest of the population saw their incomes increase by 5.33%. This could be attributed to the effect of the Equality Act 2010 under the assumption that the incomes of ethnic minorities and other people did not change at different rates for other reasons.
- Women earned less than men by 21.2%, and people with a degree earned 18.09% more than people without a degree on average, given the same amount of education, ethnicity, gender and occupation.
- Incomes vary greatly between occupations. SOC Major Group 7 "Sales and customer service occupations" earn 51.6% less than managerial positions of Group 1 "Managers, directors and senior officials", followed by SOC Major Group 9 "Elementary occupations" with a 50.52% income gap with management positions and SOC Major Group 6 "Caring, leisure and other service occupations" with the income gap of 40.73%.
- The estimates of this analysis should be treated with caution as being accompanied by low accuracy and broad confidence intervals being caused by high variability of self-reported data.

Methodology

Pooled Cross Section analysis is based on a natural experiment. A natural experiment occurs when some exogenous event – often a change in government policy – changes the environment in which individuals, families, firms, or cities operate. A natural experiment always has a control group, which is not affected by the policy change, and a treatment group, which is thought to be affected by the policy change. Unlike a true experiment, in which treatment and control groups are randomly and explicitly chosen, the control and treatment groups in natural experiments arise from a particular policy change. To control for systematic differences between the control and treatment groups, we need two time periods of data, one before the policy change and one after the change. Thus, the sample is usefully broken down into four groups:

- the control group before the change,
- the control group after the change,
- the treatment group before the change, and
- the treatment group after the change.

This analysis aims to determine the effects of the Equality Act 2010 on the personal incomes of ethnic minorities and utilises data from the Understanding Society survey to design a pooled cross-section regression model. The hypothesis tested is that the personal incomes of ethnic minority people will rise after Equality Act 2010 because of reduced discrimination they face in workplaces. So, the question examined here is:

Data
As a baseline dataset, we used the Understanding Society Survey, particularly Wave 01 and Wave 03. The choice of waves was determined by the design of the analysis as fieldwork for Wave 01 happened in 2009-10 and reflects the situation ***before*** the Equality Act 2010 was introduced while Wave 03 with data collected in 2011-2013 reflects the situation ***after*** the Equality Act 2010. The actual regression analysis was run on a subset of Understanding Society survey data which included employed respondents between 16 and 60 years old.

We developed a regression model looking at personal monthly net income, controlling for the following factors that are considered to be influential factors in people's income:

1. ***Gender***. According to the Office for National Statistics (ONS), the median pay for all employees was 15.4% less for women than for men in April 2021. Compared with lower-paid employees, higher earners experienced a much larger difference in hourly pay between the sexes. There is a large difference in the gender pay gap between employees aged 40 years and over and those aged below 40 years. The gender pay gap is higher in every English region than in Wales, Scotland and Northern Ireland
2. ***Degree***. Graduate labour market statistics show that 66% of working-age graduates were in high-skilled employment, compared with 78.4% of postgraduates and 24.5% of non-graduates. The median salary for working-age graduates was £35,000 in 2020. This was £9,500 more than non-graduates (£25,500) but £7,000 less than postgraduates (£42,000).
3. ***Occupation***. Gross weekly earnings statistics by Office for National Statistics (ONS) show that average (mean) gross weekly earnings vary between occupations from £981 per week for 'Managers, directors and senior officials' (Major group 1 of the Standard Occupational Classification (SOC) 2010) to £403 per week for occupations in 'Caring, leisure and other services (Major group 7 of SOC 2010).
4. ***Region***. The dummy variables for geographical regions were used in the model to explore differences in incomes in the West Midlands as the region of interest and London as a salient outlier which may potentially cover part of the variation in regional incomes.

You can view and download the full report on the Income Inequality, Policies and Inclusive Growth project page.

The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

International trade and supply chain disruptions in the light of the Russia-Ukraine war.

Maryna Ramcharan, WMREDI

With the Russian invasion of Ukraine both countries subsequently reduced their trade with the world and supply chains were disrupted subsequently. This blog looks at UK international trade with both countries and subsequent supply chain disruptions.

International trade of the UK has a negative trade balance. Imports from Ukraine accounted for 0.2% of all goods imports. Imports of refined oil from Russia accounted for almost a quarter of all UK imports of this commodity. In 2021, the UK imported £830 million of goods from Ukraine (0.2% of all goods imports) and exported £670 million of goods (0.2% of all goods exports). The UK imported £270 million of material manufactures from Ukraine in 2021, which primarily included iron and steel. While the main goods export was machinery and transport equipment (£320 million). (Figure 1)

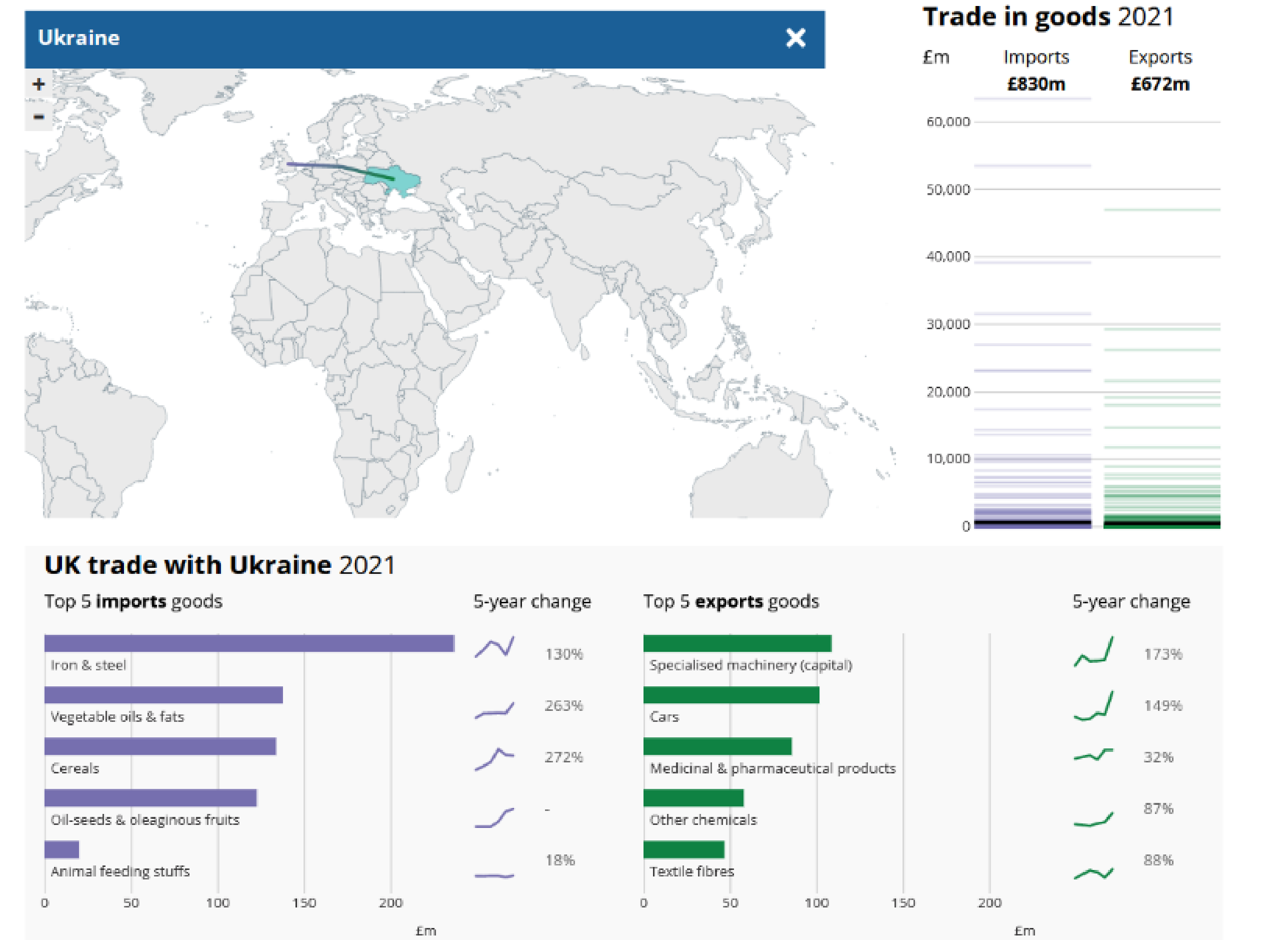


FIGURE 1 UK TRADE IN GOODS WITH UKRAINE IN 2021. SOURCE - ONS

In 2021, the UK imported £10.3 billion of goods from Russia, which accounted for 2.2% of all goods imports, making Russia the UK's 12th biggest importing partner. There were £3.0 billion of goods exports to Russia (0.9% of all goods exports), making Russia our 24th biggest exporting partner.

The UK imported £5.2 billion of fuel from Russia in 2021 which accounted for 9.7% of all fuel imported. The main imported fuel type was refined oil (£3.0 billion), which is oil that has been refined to be used as petrol or diesel for road vehicles, or lubricating oil. Russia was the UK's largest supplier of refined oil in 2021, accounting for 24.1% of all imports of this commodity (Table 1).

TABLE 1 TRADE IN GOODS WITH RUSSIA BY DETAILED COMMODITY TYPE, TOP FIVE IMPORTS AND EXPORTS. SOURCE – [ONS – UK TRADE STATISTICS, CURRENT PRICES, NON-SEASONALLY ADJUSTED]()

Imports			Exports		
Commodity	**Value (£bn)**	**Percentage of all UK imports of this commodity**	**Commodity**	**Value (£bn)**	**Percentage of all UK exports of this commodity**
Refined oil	3.0	24.1%	Cars	0.4	1.6%
Unspecified goods	2.6	20.2%	Medicinal and pharmaceutical products	0.3	1.4%
Non-ferrous metals	1.5	8.0%	Specialised machinery (capital)	0.2	3.4%
Crude oil	1.0	5.9%	Mechanical power generators (intermediate)	0.2	1.0%
Gas	1.0	4.9%	General industrial machinery (capital)	0.1	1.7%

The top five suppliers of refined oil in the UK were Russia, Netherlands, United Arab Emirates, Belgium, and Sweden in 2021.

Ukraine ranks #2 to export Oil - seeds & oleaginous fruits to the UK and Russia ranks #1 to export Refined Oil. [According to Chris Mejia Argueta](), one of the most alarming supply chain issues resulting from the Russia-Ukraine war is food shortages, particularly acute in low-income countries in Africa. Ukraine and Russia account for about a third of the world's wheat and a quarter of barley production, not to mention some 75% of the sunflower oil supply — all critical commodities for keeping humans fed.

Although the UK's trade with both countries are rather minor parts of the UK's total international trade, Ukraine was the second main partner of the UK to export vegetable oils and Russia was the main partner selling refined oil to the UK in 2021 (Figure 2).

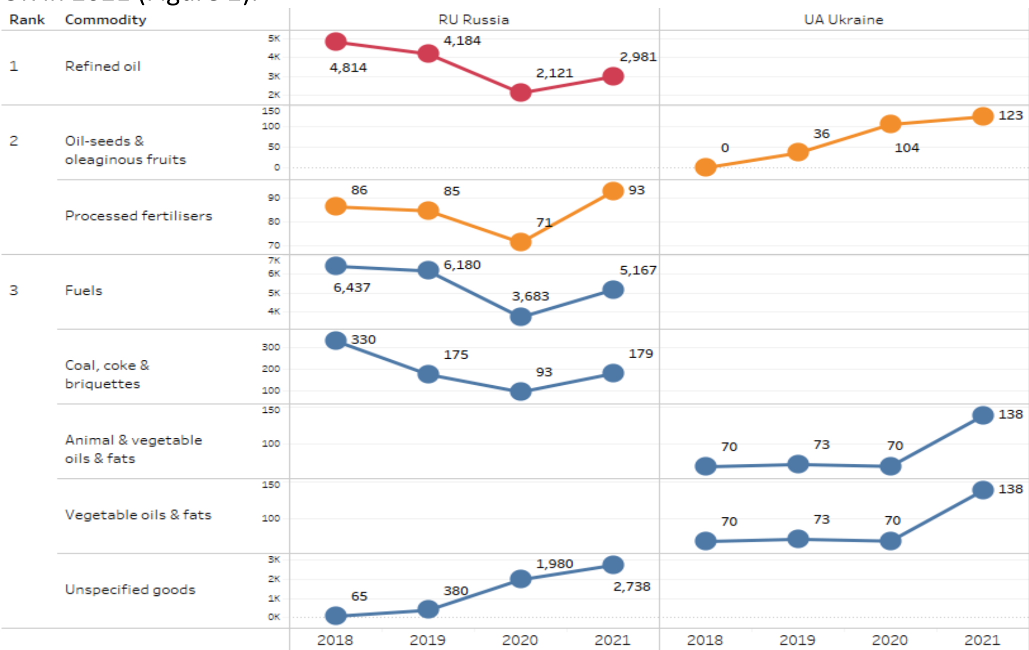


FIGURE 2 UKRAINE AND RUSSIA AS UK'S TRADING PARTNERS IN COMMODITY IMPORTS. RUSSIA RANKED #1 TO EXPORT REFINED OIL AND UKRAINE RANKED #2 TO SUPPLY OIL SEEDS & OLEAGINOUS FRUITS AS IN 2021. SOURCE – [ONS. TRADE IN GOODS: COUNTRY-BY-COMMODITY IMPORTS.]()

That reset entails establishing alternative suppliers, forging public-private partnerships, and leveraging advanced analytics to forecast food waste and identify opportunities to divert resources to shore up global food supplies, [EU Foreign Policy Chief Josep Borrell suggests]().

Russian invasion and subsequent sanctions put pressure on an already stressed global supply chain system. China – Europe supply chain routes have been disrupted. The Russian invasion in Ukraine followed Covid-2019 outbreaks and subsequent lockdowns have been putting pressures on an already stressed global supply chain system. In a [global supply chain survey Jabil conducted in partnership with Industry Week](#) in January and February 2022, 41% of supply chain professionals surveyed across a wide range of industries said they believe delayed shipments, price volatility and supplier component/material shortages will continue beyond the pandemic. A full quarter expected to see travel restrictions and port closures extend into the future as well.

Bottlenecks in international freight remain high and are being accentuated by the Ukraine war and the shutdowns in China. The freight route across Russia, which for decades served as the main overland link between Europe and China, has become problematic as Beijing and other countries try to shield their economies from the snags [caused by the sanctions on Moscow](#). These have been overlaying disruptions which arose as the impact of the strict zero-COVID strategy in China.

These hurdles have been reflected in steady decreasing both Manufacturing Purchasing Managers' Index and Services Purchasing Managers' Index in the UK (Figure 3). These indices are based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity. The decline in the PMI's therefore indicates the prevailing direction of economic trends in manufacturing and services according to the experts' opinions.

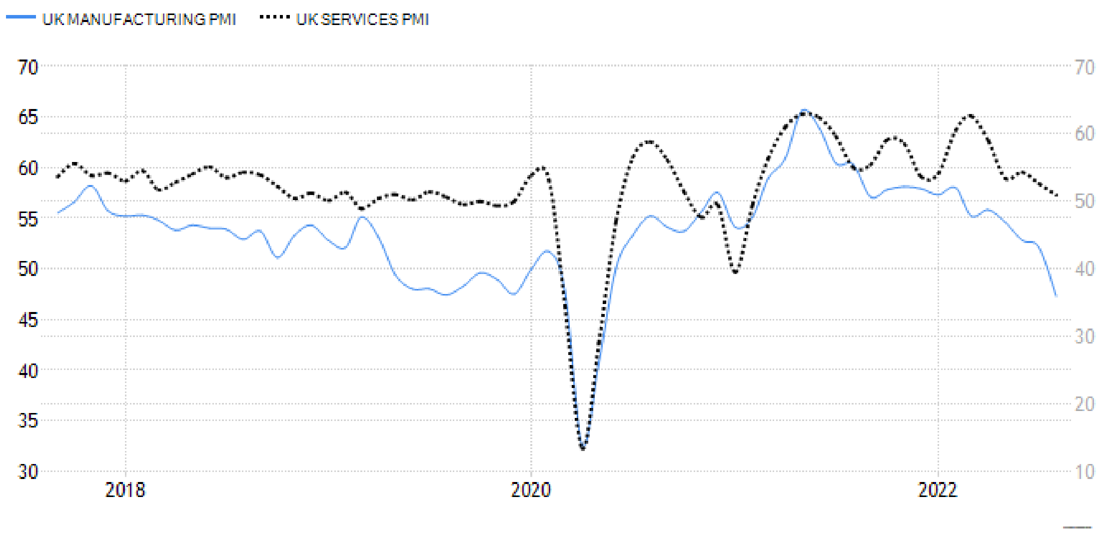


FIGURE 3 MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) AND SERVICES PURCHASING MANAGERS' INDEX (PMI) IN THE UK. SOURCE - [TRADINGECONOMICS.COM](#)

Some good news is that UK businesses seem to have managed to reroute their supply sources and replaced shortages from China, Japan, Hong Kong to European suppliers (Figure 4).

For instance, import of electrical machinery for capital needs supplied from China declined in July 2022 compared to the same month of the previous year, but due to more electrical machines being imported from European countries, the UK did not see a total decrease in imports of this commodity. The data show the same pattern for such goods as telecoms & sound equipment and office machinery. The import of mechanical power generators for capital usage has, however, declined since July 2021. It happened by the drop in trade from European suppliers, predominantly Denmark and Germany.

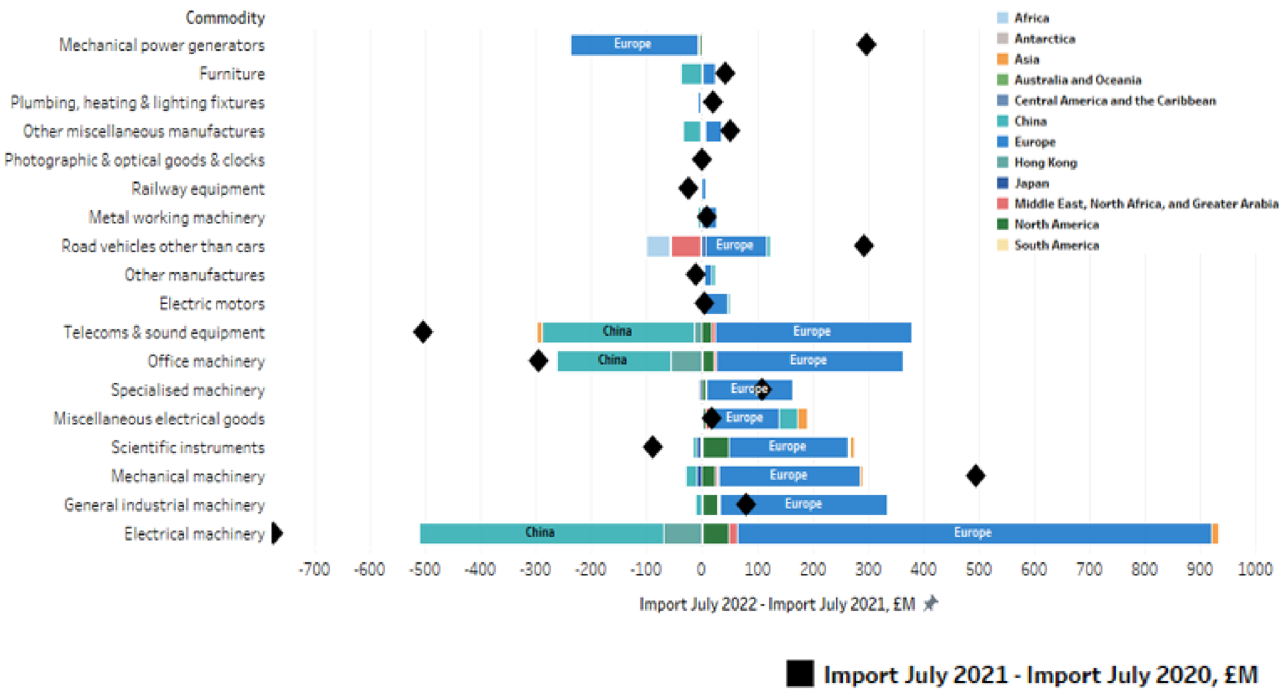


FIGURE 4 IMPORTS OF CAPITAL GOODS IN JULY 2022 COMPARED TO JULY 2021 BY COMMODITY. DATA SOURCE – ONS. TRADE IN GOODS: COUNTRY BY COMMODITY IMPORTS, CURRENT PRICES, NON-SEASONALLY ADJUSTED

As an alternative route, the east-west corridor, has progressed with developments on:

- the Trans-Caspian International Transport Route (TITR) known as the Middle Corridor and linking Southeast Asia and China, and runs through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and Turkey before reaching southern or Central Europe, and
- the Southern Gas Corridor, linking gas fields in Azerbaijan with a pipeline across the Caspian Sea to Georgia, Turkey and across the Mediterranean to Italy.

However, obstacles remain, such as unresolved customs and border controls or data management matters. Another big problem is the lack of modernized infrastructure in the areas surrounding the corridors. These issues thwart efficient integration, making the east-west freight route less economically competitive than the northern corridor across Russia or southern maritime routes.

Supply chain makeovers are needed and inevitable. Given the hurdles, the experts at a virtual symposium hosted by the MIT Centre for Transportation and Logistics contended that now is as good a time as any to re-evaluate supply chain positions and make adjustments. They offered the following suggestions:

- *Consider alternative sourcing.* With governments and businesses no longer able to depend on traditional suppliers, now is the time to either diversify partners or find alternative sourcing modes. While changes are necessary, there are ramifications. “When you change suppliers or change your supply mode, your lead time might increase, and when your lead time increases, there will be temporary shortages,” said Joachim Arts, a CTL research affiliate and associate professor at the Luxembourg Centre for Logistics and Supply Chain Management.
- *Capitalize on new opportunities*. For entrepreneurs, there is an opportunity to fill the gaps created by the volatility, creating new business models and potentially improving the lives of others. Mejía Argueta, the Research Scientist at the Centre for transportation and logistics, suggests that companies need to start collaborating through trade coalitions and other joint partnerships to increase capacity, when possible, they should transition from global to a localized set of suppliers. “If you know you need to collaborate with others in order to increase capacity, start doing it,” Mejía Argueta said. “It’s important to start working, not in silos.”
- *Understand that quantitative approaches can help, but there are challenges.* While modelling can help optimize supply chain changes, there are limits to this approach. Most supply chain models assume a steady state, which is not applicable for redesigning something that is in transition. “Decision makers should move to systems thinking and have multiple objectives and KPIs in mind when designing supply chain networks,” Pascal Wolff, an assistant professor at the SCALE Network’s Ningbo China Institute for Supply Chain Innovation said.

- *Accept that this is the new normal.* Planning can only get you so far in a world order that continues to be in constant flux. Therefore, the key to sustaining growth in uncertain times is developing best-in-class agile competencies. "You can't plan for everything," Pascal Wolff suggests. "Few saw this war coming or anticipated the pandemic. It's hard, but enterprises need to work on becoming agile organizations."

ONS economic activity and social change in the UK, real-time indicators

Black Country Consortium Economic Intelligence Unit

On the 8th September 2022, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on economic activity and social change in the UK. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a fortnightly basis the social insights on daily life and events, including impacts on health and well-being and the cost of living from the Opinions and Lifestyle Survey (OPN).

Online Job Adverts

Figures are taken from jobs adverts provided by Adzuna. The Adzuna categories do not correspond to SIC categories and therefore not comparable with the ONS Vacancy Survey. Please note, Index of job adverts on Adzuna by category, 100 = average job adverts in February 2020.

Nationally, between the 26th August and 2nd September 2022, total online job adverts decreased by 3.2%. However, on the 2nd September 2022, total online job adverts were still at 115.4% of their average level in February 2020. Out of the 28 categories (excluding unknown) 23 decreased; the largest weekly fall was in "IT/computing/software", which fell by 14.1%. In contrast, the highest increase was in "healthcare & social care", rising by 6.5% but was still below the February 2020 average level at 90.4%. There were a further nine categories that were below the February 2020 average level, with the lowest in "sales" at 81.6%.

Excluding Scotland, online job adverts across the UK regions decreased between the 26th August and 2nd September 2022. The West Midlands online job adverts decreased by 2.9% and on the 2nd September 2022, it was at 119.0% of the average level in February 2020. All 12 regions were above their February 2020 levels, varying from; 101.5% in the East of England to 163.5% in Northern Ireland.

Google Mobility

Google Mobility data provide an indicator of changes in the volume of visits to different location types compared with a pre-coronavirus baseline. ONS have transformed the publicly available anonymised data into an indexed seven-day moving average to smooth the weekday and weekend.

As of the 2nd September 2022, for the West Midlands region visits to retail and recreation, transit stations and workplaces had not yet returned to pre-coronavirus levels.

Visits to each location type for the West Midlands region in the week to 19th August 2022 compared with the previous week shows that grocery & pharmacy decreased by 0.2% (to 104.7%), residential decreased by 0.6% (to 104.6%) and workplaces decreased by 7.7% (to 68.4%). Transit stations remained at 80.4%. While retail & recreation increased by 2.7% (to 96.3%) and parks increased by 7.8% (to 151.7%).

National Company Incorporations and Voluntary Dissolutions

Companies House data shows for the UK, there were 13,411 company incorporations in the week to the 2nd September 2022, up from 12,385 recorded in same week in 2021. This is down from 15,343 recorded in the same week in 2020 but up in the same week in 2019 (12,714).

Also, for the week to the 2nd September 2022, there were 5,163 voluntary dissolution applications, up from 4,880 recorded in the same week in 2020. This is also up from 4,282 recorded in the same week of 2020 and from the same week in 2019 (4,594).

Potential Redundancies

HR1 forms are used by employers to notify the Insolvency Service's Redundancy Payments Service of potential redundancies. They are only required when firms wish to make 20 or more redundancies. The data is presented in a week-ending Sunday format. The data does not record the total number of redundancies; they record the number of potential redundancies filed on HR1 forms.

On the 28th August 2022, across the UK there were 41 employers proposing 3,101 potential redundancies. The potential redundancies 4-week rolling average was 3,251 and the employers proposing redundancies 4-week rolling average was 42. When indexed (100 = weekly average from week ending 21st April 2019 to week ending 23rd February 2020), the potential redundancies 4-week rolling average was 66 and the employers proposing redundancies 4-week rolling average was 75.

System Average Price of Gas

The System Average Price (SAP) of gas decreased by 16% in the week to 4th September 2022 (from the previous week), following a new peak level seen in the previous week, it is now 223% higher than the equivalent level seen on 5th September 2021. It was 1575% higher when compared to the pre-Coronavirus baseline.

Business Insights and Conditions Survey

The final results from Wave 64 of the Business Insights and Conditions Survey (BICS) based off the 5,055 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 24.8% (1,256) and 3,031 businesses that are head quartered in the West Midlands, with a response rate of 23.6% (714). Please note, the survey reference period was 1st to 31st August 2022 with a survey live period of 22nd August to 4th September 2022. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating the impact of Covid-19. Due to weighted data being available for the UK a comparison has not been included.

Trading Status

99.1% of responding West Midlands businesses were trading over the survey period, split by 97.0% fully trading and 2.1% partially trading.

Trade

Excluding “not sure” responses, 32.4% of responding West Midlands businesses reported to exporting within the last 12 months, 4.2% reported to exporting over 12 months ago. While 48.4% of West Midlands businesses reported to have never exported and do not have the goods or services suitable for export – although, 7.6% reported to never exporting previously but have goods or services that could be developed for exporting.

Excluding “not sure” responses, 49.8% of responding West Midlands businesses reported that exporting stayed the same in August 2022 when compared to August 2021. 19.8% of West Midlands businesses reported to exporting less and 13.9% reported to exporting more.

Excluding “not sure” responses, 54.2% of responding West Midlands businesses reported that importing stayed the same in August 2022 when compared to August 2021. 14.7% of West Midlands businesses reported to importing less and 15.3% reported to importing more.

Supply Chains

67.5% of West Midlands businesses were able to get the materials, goods or services it needed from within the UK in August 2022. 14.0% had to change suppliers or find alternative solutions and 7.0% of West Midlands businesses reported they could not get the materials, goods or services needed in August 2022.

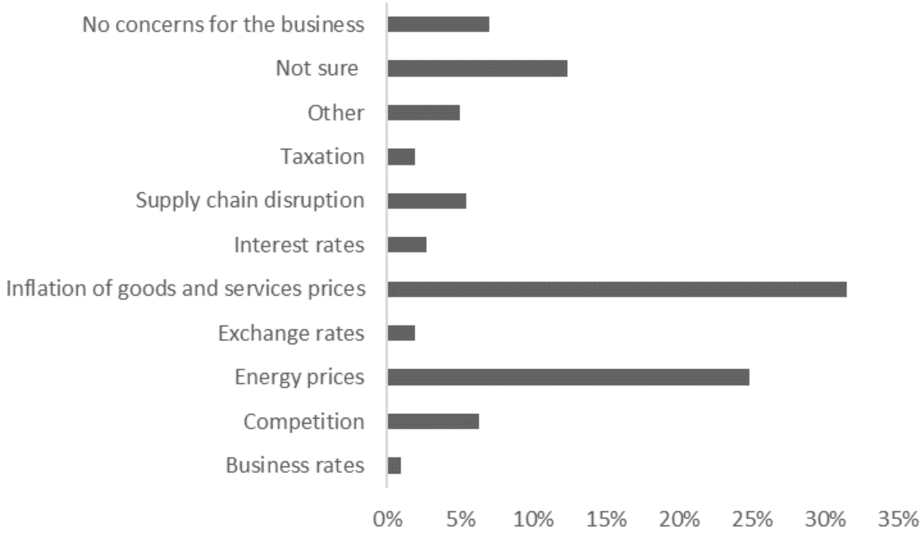
Global Supply Disruption

Where applicable, 24.0% of West Midlands businesses reported experiencing global supply chain disruption in August 2022. In contrast, 44.5% reported none.

Main Concerns for Business

31.5% of West Midlands businesses expect the main concern for business in October 2022 will be inflation of goods and services prices.

The following chart shows the main concern (if any) for businesses in the West Midlands:



Energy Prices
9.8% of West Midlands businesses reported gas prices were fixed and expiring December 2022. 4.6% of West Midlands businesses reported gas prices were fixed and expiring by March 2023. 19.5% of West Midlands businesses reported gas prices were fixed and expiring after March 2023. While 19.4% of West Midlands businesses reported gas prices are variable.

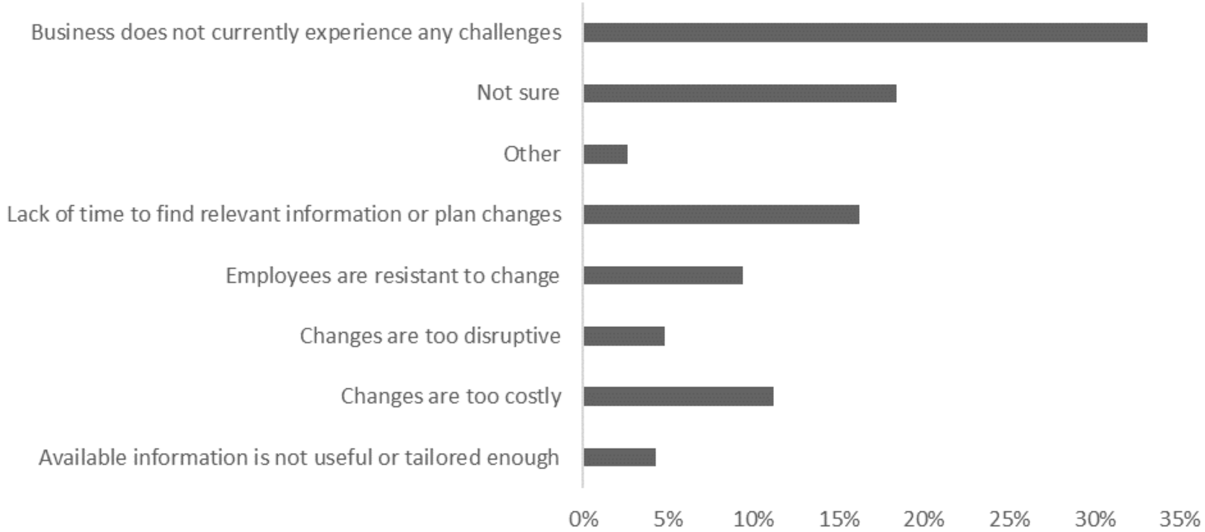
13.1% of West Midlands businesses reported electricity prices were fixed and expiring December 2022. 6.4% of West Midlands businesses reported electricity prices were fixed and expiring by March 2023. 24.1% of West Midlands businesses reported electricity prices were fixed and expiring after March 2023. While 20.9% of West Midlands businesses reported electricity prices are variable.

Management
41.2% of West Midlands businesses reported to consulting employees about potential improvements as a way of improving management practices.

The following chart shows the ways (if any) that West Midlands businesses are currently undertaking to improve its management practices:

16.2% of West Midlands businesses reported the main challenge to improving how the business managed is the lack of time to find relevant information or plan changes.

The following chart shows the main challenges (if any) for West Midlands businesses to improve the way business is managed:

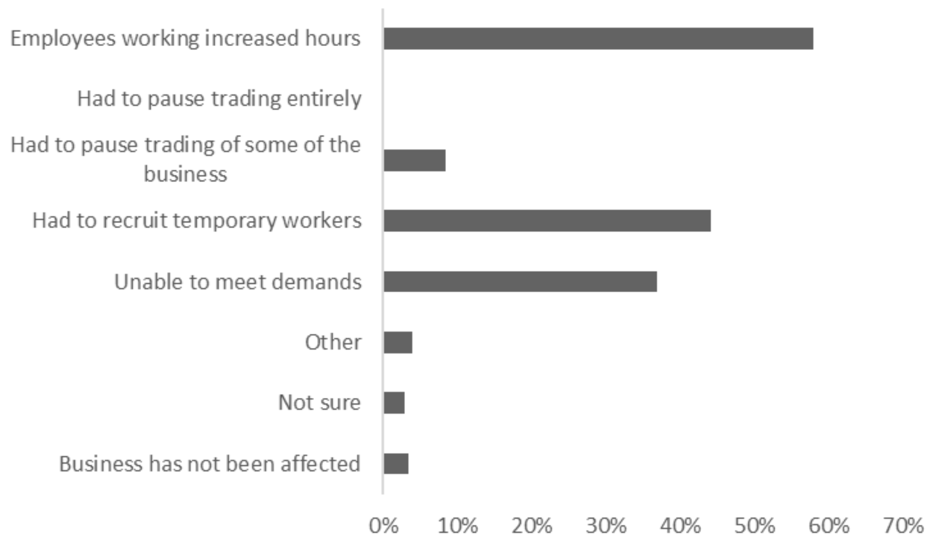


Worker Shortages

41.5% of West Midlands businesses reported to currently experiencing a shortage in workers. Although, 44.1% reported no shortages in workers.

57.9% of West Midlands businesses reported that the worker shortage had caused employees to work increased hours.

The following chart shows how the shortage of workers has affected West Midlands businesses:



Public opinions and social trends

Please note - a breakdown by region is no longer provided within this dataset due to the smaller responding sample size of the OPN survey. Estimates are based on data collected between 17th to 29th August 2022. On this occasion, the release only covers the main points due to the August bank holiday.

- 91% of adults reported their cost of living has increased over the last month; this is an increase since ONS first started asking this question in the period of 3rd to 14th November 2021 at 62%.

- Among adults who reported their cost of living has increased over the last month, the most reported reasons were an increase in the price of food shopping (96%), gas or electricity bills (79%) and the price of fuel (71%).

- 81% of adults reported being very or somewhat worried about rising costs of living in the past two weeks; this is an increase since ONS first started asking this question in the period of 27th April to 8th May 2022 at 74%.

- 19% of adults reported they had to borrow more money or take out more credit in the past month compared with a year ago, while 47% of adults stated they will not be able to save any money in the next 12 months.

- 45% of adults who pay energy bills found it very or somewhat difficult to afford them; this is the same as the previous period (3rd to 14th August).

- 24% of adults travelled abroad in the last eight weeks; among those, 16% of adults reported that they experienced some form of disruption to their travel plans while travelling abroad in the last eight weeks.

WMCA Growth Hub Intel for WM Weekly Economic Monitor- 14th September 2022

Black Country Consortium Economic Intelligence Unit

Headlines

<table>
<tr><th>SECTOR</th><th>KEY INSIGHTS</th></tr>
<tr><td>Cross Sector</td><td>
Trading Environment

A crisis in the cost of doing business is continuing to present significant challenges for businesses across all sectors. This is likely to continue despite the easing of inflation (9.9%) reported in September and as new government initiatives take shape in the coming weeks and months. Many businesses are struggling to absorb major increases in the costs of electricity, gas and food, but against the backdrop of the cost of living crisis, they feel unable to pass on significant cost increases to customers.

The energy crisis in particular is having a devastating impact upon businesses, both larger organisations and SMEs. The cost of doing business continues to escalate and with an anticipated increase to the energy cap both in October 2022 and early 2023, it is crucial that businesses across the region take important steps to reducing the financial impact of the energy crisis with effective support from Government.

The situation of energy costs has been described as “at critical point” for West Midlands businesses, with companies and local business / political leaders increasingly calling for help – for example through energy grants and commercial energy price caps. A Policy Manifesto was released by Greater Birmingham Chambers of Commerce, calling on the new Prime Minister to:

Enact urgent fiscal intervention to tackle inflation and keep businesses afloat
Reverse raised National Insurance Contributions implemented in April 2022, given that firms are reporting increased price pressures and labour costs
Meaningfully reform the business rates system, including reducing the level of the multiplier, removing plant and machinery from the ratings system and simplifying the appeals process
Remove VAT from energy bills and introduce an emergency energy grant for SMEs to help those experiencing extreme difficulties with skyrocketing prices
Extend VAT relief for hospitality businesses and non-essential retailer

While the Federation for Small Businesses (FSB) is calling on the Government to help SMEs now with energy bills, warning that many could go bust without support from government.

Time will tell on the effectiveness of the Government’s energy policy announcement in early September, but the policies have been welcomed by businesses. Businesses urgently need to see the detail on what the commercial energy price guarantee will look like in practice.

Separately:

Employees working from home taking the decision to move to working back in the office to reduce their domestic energy bills.
The CO2 crisis has intensified as a major supplier of food products has announced a price hike of up to 20 times current levels.
There has been a continued increase in companies seeking energy reduction grants to install solar panels / LED lighting / new boilers.
Repowering the Black Country and the West Midlands Combined Authority have announced the West Midlands Industrial Energy Taskforce. The taskforce will build on the work already underway to identify specific short-term measures government and

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The WM Weekly monitor is funded by the West Midlands Combined Authority, Research England/UKRI

SECTOR	KEY INSIGHTS
	industrial partners can take to **mitigate the immediate impacts of industrial energy cost increases.** Recent cost pressures are damaging the cashflow and viability of many regional businesses. Latest research from the Midlands branch of national insolvency and restructuring trade body R3 reveals **the West Midlands has the highest number of companies impacted by bad debts outside of Greater London and the North West.** The R3 report also indicates that the **382 bad debts held by West Midlands companies in August is the highest number for the region since the start of 2022** and a 61.9% increase on the July figure of 236. There has also been **stagnant growth in the wider West Midlands economy**, with a renewed fall in business activity reported in the latest Purchasing Managers Index. **Business confidence also fell** according to the latest Business Barometer from Lloyds Bank Commercial Banking, but remained among the highest in the UK. It is hoped that new government intervention on **energy and setting up the right environment for growth** will provide the region with more certainty and prosperity moving forward. **Labour Market** • Firms continue to have **difficulty recruiting the skilled talent they need to fill vacancies**, limiting their operational capacity and constricting their growth potential • Businesses across the region continue to be hit by the **lack of suitable staff, both for skilled/qualified positions and for unskilled and less desirable positions**. Inflated salaries offered for the most sought after candidates. 60**% of businesses engaged with one Growth Hub in August stating that they are experiencing recruitment issue**s. • A significant **problem with staff retention lingers** on as businesses offering inflated salaries continue to poach employees to competitors. • Examples of businesses **struggling to stimulate interest from younger people** and get the next generation involved. • **Flexible working conditions**, post COVID, continue to be a topic for discussion amongst business owners who are increasingly having to adapt to employee preferences. This issue is not abating as the next generation workforce filters through. A survey conducted by Coventry College showed that **50% of graduates want to work from home with the remaining 50% wanting the flexibility of hybrid working.** • Concern from businesses **worried about the governments proposed increase in the UK national living wage from the current £9.50 to £10.14** adding to the current strain of increased energy and materials costs. **Enquiries** • **HS2 Supply Chain** - Increased number of enquiries from predominantly manufacturing SMEs interested in accessing HS2 supply chain support. • **Grants** – Ongoing interest in grant funding. Typical projects include property purchases, new capital equipment and carbon saving initiatives many of which lead to job creation, upskilling of existing staff and apprenticeships. Businesses also looking for financial support for website development and marketing. • **International Trade** – Mentoring and guidance required to drive business forward with international trade. • **Accreditation/Quality Standards** – ISO, HR/Health & Safety, Import licensing and CE to UKCA marking support. • **ERP/MRP Software** – A number of more traditional manufacturing and engineering businesses seeking support with the implementation and roll out of Enterprise

SECTOR	KEY INSIGHTS
	Resource Planning (ERP) and Material Requirement Planning (MRP) software as they look to grow their businesses and make efficiencies. • **Property Searches** – Growing businesses looking for additional space or larger premises to consolidate multiple sites. • **Raising Finance** – Support for businesses looking to raise significant cash to aid future growth plans, particularly in the renewable energy sector. • **EU Shipping Costs** – The fallout from our exit from the EU continues to be felt by regional manufacturers. One example is the shipping of classic car parts having increased from £30 to £100+ for a 25kg parcel leading this business to put local European based distributors in place to mitigate the costs. • **Planning Frustrations –** Businesses looking to expand frustrated with complex, time consuming and outdated planning processes that threaten significant expansion plans and prevent recruitment. Calls for these processes to be quicker and more flexible. Some looking to build purpose-built facilities forced to look at alternative options such as leasing multiple sites. Longer term risk to retaining fast growing and ambitious businesses to other regions.
Manufacturing	• **Manufacturers across the region are struggling to cope with the continued rising energy costs.** West Bromwich-based Confederation of British Metalforming says the manufacturing businesses they represent face an **average of 400 to 600 per cent higher bills when they renew their contract.** • SME manufacturers hit particularly badly. Many have put plans (at least before the government announcement) to: - **Only work 3 days per week during the winter**. - **Relocate office staff to shop floor to close upper office areas** - **Look for opportunities in diversification** • **More detail about the government's new energy package is required** to assure manufacturers about their future sustainability. • The West Midlands has **the potential for a £1.5bn a year manufacturing dividend, according to new analysis by the UK's strategic hub for industrial research.** The High Value Manufacturing Catapult analysis marks the move of its HQ to Innovation Birmingham, part of the Bruntwood SciTech network and Birmingham's leading digital and tech campus.
Low Carbon	• **Sustainability is "very important" for SMEs but less than half use a recycling service**, in an indication that while awareness and education is improving, **businesses still need assistance in putting sustainability into practice.** • **Solar panel installers report a dramatic increase in recent demand for both residential and commercial projects.** However, this demand is offset by challenges in sourcing components, particularly PV panels from China. • **Securing investment and finance for tech-led low carbon businesses continues to grow,** with investors recognising the future potential for the sector. Government focus on developing the **cleantech sector continues to rise, which gives further confidence to investors and businesses developing new products for the space.**
Hospitality & Retail	• Hospitality is particularly hit by cost increases, **with pub and brewing company bosses signing an open letter to the Government urging it to act in order to avoid "real and serious irreversible damage"** to the sector. • Some in the sector have urged pubs and other hospitality businesses to **"diversify or risk losing the British pub industry".**

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COMPANY	LOCATION	SECTOR	DETAIL
Greswolde Construction	Solihull	Construction	A Solihull-based construction contractor has gone into administration, causing a number of job losses. Operations have now ceased at Greswolde Construction, which specialised in new-build construction.
West Midlands Metro	West Midlands	Public Transport	West Midlands Metro works are set to ballot for industrial action this September, over 'poverty pay rates'. More than 170 workers will be balloted following extensive negotiations with West Midlands Metro.
Amazon	Coventry	Retail	Workers at an Amazon warehouse in Coventry are prepared to take industrial action over pay, a union says. GMB Union says that more than 300 workers at the site have taken part in a consultative ballot, with 97% saying they were ready to walk out.

New Economic Shocks

New Investment, Deals and Opportunities

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
Manufacturing Assembly Network	West Midlands	Manufacturing	The Manufacturing Assembly Network, which comprises eight sub-contract manufacturers and a specialist engineering design agency in the West Midlands, is creating more than 50 different vacancies in fields such as quality technicians, casting and machine setting.
Parfetts	Birmingham	Wholesale	Employee-owned wholesale chain Parfetts is to open a depot in Birmingham in a move the group says could create more than 100 jobs.
The Disposal Company; Kora	West Midlands	Fintech	Two new Commonwealth-sourced foreign direct investment (FDI) projects were announced for the West Midlands, alongside the regional expansion of professional services giant Accenture. The investments have been made by India's first plastic credit platform, The Disposal Company, and Canada-based pan-African fintech company, Kora.
Auditing, Reporting and Governance Authority	Birmingham	Audit / Finance	Birmingham is set to house the new audit regulator, which will replace the Financial Reporting Council (FRC). Four hundred FRC staff are currently based in London – 200 of those will immediately move to Birmingham once the Auditing, Reporting and Governance Authority (Arga) is fully operational, with the rest to follow.
HS2	Solihull	Rail	The new £370m HS2 Interchange Station located near Birmingham Airport, will bring 1,000 jobs and 22 apprenticeships to the region. Construction on the station by Laing O'Rourke has already begun, but will not be open until 2027 at the earliest.
Aldi	West Midlands	Retail	Supermarket chain Aldi is on track to invest more than £15 million in new and upgraded stores across the West Midlands this year. The 2022 expansion plans for the West Midlands include a new store in Walsall, as well as an extension in Bearwood.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
McDonald's	Coventry	Food Service	The building of a new McDonald's drive-thru in Coventry will create at least 120 new jobs. The fast food giant announced plans for a new restaurant at Asda on London Road back in 2020.
Meggitt	Coventry	Aerospace	The £6.3bn acquisition of aerospace and defence engineering group Meggitt has completed. Meggitt and Parker-Hannifin Corporation reached an agreement on the terms of a recommended cash acquisition in August 2021 and shareholders of Meggitt voted in favour of the deal.
Coventry Building Society	Coventry	Finance	Coventry Building Society has posted a healthy set of half-yearly results with profits soaring to £158 million during the first six months of 2022
Kwere UK Property Unit	Sandwell	Property	An application proposing the construction of two employment buildings on an established trading estate in Tipton has been green lit. The project is expected to create hundreds of jobs.
Teepee Electrical	Walsall	Manufacturing	Teepee Electrical, a manufacturer of complex cable harnesses and wiring looms, has opened a second production site in the Black Country after a surge in orders from new and existing customers. The company, which has secured more than £500,000 of additional contracts since the turn of the year, has invested in excess of £200,000 in taking on and fitting out the additional unit in Aldridge.
Guardian Warehousing	Walsall	Warehousing / Logistics	A giant new £6 million warehouse extension has been officially opened at Willenhall business Guardian Warehousing. Guardian – on the former Aspray Logistics site at Noose Lane – now has 130,000 sq ft of high bay warehousing that is home to the new national distribution centre for Vibrant Foods, one of the largest South Asian food groups in Europe.
Westfield Sports Cars	Dudley	Automotive	It has been announced that Westfield Sportscares has been purchased out of administration by Westfield Chesil Ltd and aims to recruit past Westfield employees to bring production back as quickly as possible.
Wilko	Nuneaton and Bedworth	Retail	Wilko's new home in Nuneaton town centre has finally been confirmed. It has long been rumoured that the company is due to move into the former Woolworths store in Queens Road.

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Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

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