**Economic Dashboard**

**Claimant Unemployed - Mar 2018**
- 6.4%
- +217

**Economic Output GVA (Nominal) - 2016**
- +£1.2bn
- +4.8%

**Resident Employment - Q4 2017**
- 63.6%
- -1,800

**NVQ3+ Qualifications - 2017**
- 50.4%
- -2.0% points

**Productivity (GVA per Hour Worked) - 2016**
- +£0.50
- +1.8%

**Business Start-Ups - 2016**
- 65.8
- per 10,000 pop
- +37%
International & National Economic Trends

The Global Economy

According to the April 2018 World Economic Outlook from the IMF the global economy will grow faster than previously expected this year and next. The pick-up in global activity has been broad based and is reflected in stronger performances in both developed and emerging markets.

The global economy grew by 3.8% in 2017 half a percentage point above the growth achieved in 2016 and the highest rate since 2011. Global growth is forecast to tick up slightly in 2018 and 2019 to 3.9% before slowing in 2020. The improving growth picture is largely being driven by higher levels of investment and trade combined with a favourable fiscal stance in key economies like the US.

The UK Economy

The UK economy grew by a relatively subdued 1.8% in 2017, a slight fall on the 1.9% growth recorded in 2016 resulting in the UK being the only member of the G8 group of advanced economies to see a slowdown in growth last year. Growth weakened at the beginning of the year with the economy only managing to expand by 0.1% in Q1, the slowest pace for 5 years.

Despite this slowdown the UK jobs market appears to be powering on. The most recent data for December to February 2018 shows there are over 32 million people in work in the UK. Employment increased by 55,000 on the previous quarter, pushing the employment rate up to 75.6%; the highest since comparable records began in 1971.

However, there are concerns that the UK is experiencing the 'wrong type of growth' with the economy and labour market still too reliant on consumer spending and associated lower paid employment.

UK Productivity increased in Q4 2017 (+0.7%) but productivity growth still remains relatively subdued and below pre-recession levels.

The latest forecasts for economic growth over the next five years from the OBR point to a sustained period of muted growth with GDP forecast to grow by just 1.5% in 2018, 1.3% in 2019, 1.3% in 2020, 1.4% in 2021 and 1.5% in 2022.
**Business**

**Birmingham Economy Grows Faster than UK and London**

The latest official economic output (GVA) figures for the city for 2016 were released by the ONS in December 2017. The figures show a positive picture for the local economy with strong growth in economic output which grew by 4.8% locally compared to the UK (3.7%) and London (4.4%). Economic Output in the city in 2016 stood at £26.2bn an increase of £1.2bn on the 2015 figure.

**Birmingham Economic Output 2016**

- **£26.2 Billion GVA**
- **Nominal +£1.2bn +4.8%**
- **Real +£769m +3.0%**

The latest 2016 productivity data for the city shows that GVA per hour worked stood at £28.13 an increase of 1.8% on the previous year. Productivity in Birmingham however, was well below the UK figure of £32.58 and was the second lowest amongst the UK core cities (the 10 major UK cities).

**Business**

65.8
Business
Start-ups
per 10,000 Pop.

56.3%
3 Year
Survival
Rate

36.3
Business
Deaths
per 10,000 Pop.

£8.9bn
WM Exports
Q4 2017

13m
Passengers in
2017

**Business Sentiment**

The West Midlands Regional Purchasing Mangers Index (PMI) is part of a closely watched suite of international PMI surveys which are seen as leading indicators of business activity. The latest data for March 2018 shows that the region had the 6th highest business activity index amongst the UK regions; and whilst the index had shown modest growth the pace of growth had slowed on the previous month and business confidence in the region declined to a 20 month low.

The latest Chamber of Commerce Quarterly Business Report (QBR) for the Greater Birmingham area for Q1 2018 indicated that despite economic uncertainty businesses in the local area feel generally positive about business conditions but sentiment had moderated slightly at the beginning of 2018 when compared to Q4 2017.

Performance in relation to the domestic market had weakened significantly in comparison to Q4, export markets, had also worsened though not as markedly as UK markets. A similar pattern is also in evidence for firms intentions to invest and plans to recruit staff.

Business confidence for the coming 12 months had also softened with firms expectations of turnover and profitability less positive than in the previous quarter.
People

Unemployment

Seasonally adjusted claimant count unemployment which includes JSA claimants and out of work Universal Credit claimants, increased in March 2018 by 217 on February to stand at 32,817. Birmingham’s claimant unemployment rate increased to 6.4% well above the corresponding UK figure of 2.6% and the West Midlands region of 3.3%.

The seasonally adjusted number of youth (18-24) claimants (including UC) in Birmingham decreased slightly from 6,190 in February to 6,153 in March – a decrease of 37.

ILO Unemployment is a broader measure of unemployment not limited to benefit eligibility. ILO unemployment in Q4 2017 fell by 2,300 on the previous quarter.

Resident Employment

The latest employment data for Birmingham residents (Q4 2017) shows working age employment decreasing by 1,800 in the last quarter to stand at 458,900. The employment rate (% of 16-64 population) in the city fell to 63.6% (-0.3% point). The resident employment rate locally is well below the corresponding UK and core city average rates of 74.7% and 68.5% respectively.

Qualifications & Skills

The comparatively high unemployment and low employment rates in the city are linked to the skills gap that exists locally with residents having lower skill and qualification levels than the national average.

The chart below highlights this showing how Birmingham (12.6%) has a greater proportion of working age residents with no qualifications compared to the UK (8.0%) and the core city average (10.7%).

The city has seen a decrease in the number of residents with no qualifications in 2017 down by 10,900 with the rate falling by 1.6 percentage points to 12.6%. The number of residents with NVQ3+ qualifications rose by 17,000 and the rate increased by 2.0% points to 50.4%.

![Qualification Levels - 2017](image_url)

<table>
<thead>
<tr>
<th>NVQ3+</th>
<th>No Quals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>GBSLEP</td>
</tr>
<tr>
<td>50.4%</td>
<td>52.1%</td>
</tr>
<tr>
<td>12.6%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>
Place

Visitor Economy

Figures from the Regional Observatory part of the West Midlands Growth Company show that 2016 was a record year for Birmingham’s visitor economy. Visitor numbers increased by 2.5% to 39 million in 2016. It is estimated that visitor spend in the city rose to £6.5bn, supporting around 70,000 jobs.

Record Visitor Numbers

39 million

House Prices - February 2018

<table>
<thead>
<tr>
<th></th>
<th>Monthly Change</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>+0.7%</td>
<td>+6.6%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>+2.2%</td>
<td>+7.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-0.1%</td>
<td>+4.4%</td>
</tr>
</tbody>
</table>

Development Activity

The latest data from the 2018 Deloitte Birmingham Crane Survey which looks at development activity across central Birmingham shows that in 2017 there were 24 schemes under construction, down marginally last year’s total of 25 but well above the 10 year average of 13.

The latest survey shows continued strong development activity in the city’s office market with office construction well over 1 million square feet for the second consecutive year. The residential market in the city has seen a surge in activity with over 4,000 units under construction, nearly ten times the 10 year average (441). The survey also points to a strong office pipeline with 1.2m sq. ft. of new office floorspace to come to market in the next two years.

Office Market - Record Take-up in 2017

Birmingham’s office market had a record breaking year in 2017 with strong activity in the final quarter of the year pushing office take-up over the 1m sq. ft. mark for the first time.

The latest figures for Q1 2018 compiled by the Birmingham Office Market Forum (BOMF), show a steady start to 2018 with take up of 148,483 sq. ft. in the first three months of the year, around the long term average.

2018 Q1 Take-Up

148,483 sq. ft.