

## NatWest UK Regional Growth Tracker

**Embargoed until 00:01 UK 12 August 2025**

### London and East of England drive UK business activity growth in July

#### Key Findings

London and East of England remain top performers for output growth

Growth expectations improve in most areas

Stubborn inflationary pressures signalled

Business activity rose in just over half of the UK's nations and regions in July, the latest NatWest Regional Growth Tracker showed, with the survey indicating increased confidence towards future growth prospects in most areas.

The Tracker – which surveyed businesses operating in the manufacturing and services sectors across 12 regions of the country – showed a rise in business activity in seven out of the nine English regions monitored.

Business activity growth in July was led by London and the East of England, with positive contributions also coming from the South East, North East, South West, West Midlands and East Midlands. Yorkshire & Humber was at the bottom of the rankings, recording its fastest fall in output for six months. Activity was meanwhile down slightly in Scotland, Wales and Northern Ireland.

Commenting on the Tracker's findings, **Sebastian Burnside, NatWest Chief Economist, said:**

*"There were pockets of solid business activity growth across the UK in July, namely in London and the East of England. In total, seven areas saw business activity rise in July, and several more were in or close to so-called recovery territory, with July's performance either in line with or better than the trend over the past six months.*

*"The results were achieved amidst a backdrop of demand headwinds and stubbornly high price pressures, with firms across the UK indicating growing challenges when it*

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](https://www.linkedin.com/company/natwest-business/)

**PMI**<sup>®</sup>

by **S&P Global**

# News release



*comes to winning new business, as well cost increases that continue to outpace the long-run average.*

*"Local job markets continue feel the effects of the recent instability and the rise in labour costs, with employment falling in most areas in July.*

*"Nevertheless, a rise in growth expectations across the majority of nations and regions suggests that there's a sense among businesses that the worst of the disruption from the hikes in National Insurance and tariff uncertainty has passed."*

**-ENDS-**

## **Demand**

July saw broad-based headwinds to demand, with all parts of the UK recording lower intakes of new business. For areas such as London and the West Midlands, the decreases in inflows of new work were only marginal. There were more marked falls in the likes of the East Midlands and Yorkshire & Humber, however, which saw the steepest declines since December 2022 and October 2023, respectively.

## **Employment**

Challenging labour market conditions persisted across most parts of the UK in July. Employment fell in nearly all areas, dropping particularly sharply in Yorkshire & Humber and the North West. Northern Ireland went against the trend and recorded solid workforce growth, while Scotland also showed some resilience on the job front.

## **Capacity**

In a sign of underutilised capacity across the UK, July saw outstanding business (i.e. the volume of orders or projects awaiting completion) decrease in all but one of the 12 nations and regions. The only exception was Scotland, where backlogs rose – albeit only marginally – for the first time in over a year. The most marked drop in work-in-hand was recorded in Yorkshire & Humber.

## **Inflation**

Firms in Northern Ireland reported the strongest cost pressures in July. The rate of input price inflation there was unchanged from the month before and remained above its long-run series average. At the other end of the scale, the West Midlands recorded

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](https://www.linkedin.com/company/natwest-business/)

**PMI**<sup>®</sup>

by **S&P Global**

# News release



the slowest increase in firms' operating expenses, with the rise being the least marked for eight months.

In a reversal of the situation in June, when there was a broad-based easing of output price inflation, rates of increase in prices charged for goods and services ticked up in the majority of areas in July. Northern Ireland saw the fastest increase in output prices, followed by the South West. Scotland meanwhile recorded the slowest, registering its softest rise for a year.

## Outlook

The majority of the 12 UK nations and regions monitored by the survey saw an improvement in business expectations for the year ahead. Firms in the South East were the most optimistic about the outlook for activity, while those in the North East recorded the biggest upswing in confidence since June.

Continued...

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

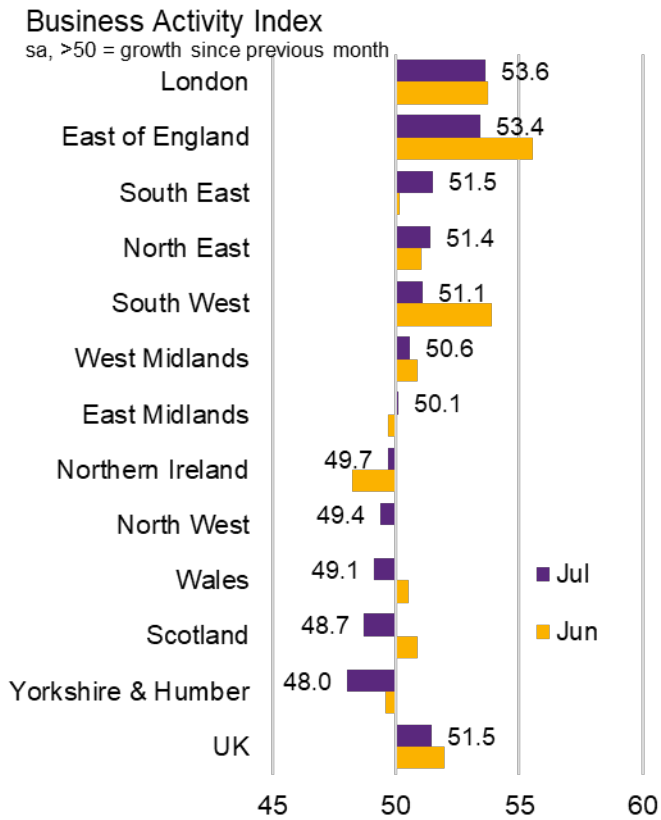
Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](https://www.linkedin.com/company/natwest-business/)

Information Classification - Restricted

**PMI**<sup>®</sup>  
by **S&P Global**

# News release



Sources: NatWest, S&P Global PMI.

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](https://www.linkedin.com/company/natwest-business/)

**PMI<sup>®</sup>**

by **S&P Global**

# News release



## Contact

### NatWest

Jonathan Rennie  
Regional Media & Campaigns Manager  
+44 7769 932 102  
[jonathan.ennie@natwest.com](mailto:jonathan.ennie@natwest.com)

### S&P Global Market Intelligence

Phil Smith  
Economics Associate Director  
+44 1491 461 009  
[phil.smith@spglobal.com](mailto:phil.smith@spglobal.com)

Hannah Brook  
EMEA Communications Manager  
+44 7483 439 812  
[hannah.brook@spglobal.com](mailto:hannah.brook@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](https://www.linkedin.com/company/natwest-business/)

Information Classification - Restricted

**PMI**<sup>®</sup>  
by **S&P Global**

# News release



## Notes to editors

### Methodology

The NatWest UK Regional Growth Tracker data are compiled by S&P Global from responses to questionnaires sent to companies that participate in S&P Global's UK PMI surveys. S&P Global compiles data for Scotland, Wales, Northern Ireland and nine English regions\*.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The 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. The indices are then seasonally adjusted.

The headline figure for each region is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously. The Business Activity Index is comparable to the UK Composite Output Index.

The survey data for July were collected 10-29 July 2025.

For further information on the survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

\*International Territorial Level 1 definitions.

### About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi).

### About S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com).

### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.  
[www.natwest.com/business/insights/economics](http://www.natwest.com/business/insights/economics)  
[www.linkedin.com/company/natwest-business/](http://www.linkedin.com/company/natwest-business/)

**PMI**<sup>®</sup>  
by **S&P Global**