

NatWest UK Regional Growth Tracker

Embargoed until 00:01 UK 10 June 2026

UK regions lose momentum in May as costs continue to increase

Key Findings

- Business activity growth confined to North East, London and South East
- Rates of input cost and output price inflation remain elevated despite easing in over half of cases
- Northern Ireland and South East defy declining employment trend

Growth in business activity was confined to just a handful of areas in May, with the latest NatWest Growth Tracker survey results highlighting a general loss of momentum across the UK amid elevated inflationary pressures and uncertainty.

The Tracker's headline figure is the Business Activity Index. Any reading above 50.0 signals growth, and the further above the 50.0 threshold it is, the faster the rate of signalled growth.

The North East (index at 53.8), London (53.6) and the South East (50.8) each saw sustained, albeit slower, rises in business activity in May. This was the joint-lowest number of regions in growth territory since April 2025.

Output was little-changed in the South West (49.9), while all other areas recorded decreases of varying degrees. The steepest declines were seen in Northern Ireland (43.3) and the East Midlands (45.3).

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

"Given the backdrop of the recent shock to energy markets and supply chains, it isn't at all surprising to see a loss of momentum across the UK's nations and regions. Some pockets of, even quite solid, growth still exist, but for most parts of the UK the picture is one of headwinds to demand dampening activity.

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
www.linkedin.com/company/natwest-business/

PMI[®]
by **S&P Global**

News release



"The survey's measures of inflation have steadied somewhat after the unprecedented surges seen in recent months. Cost pressures eased slightly in two-thirds of the regions monitored in May, but that will feel like little consolation to the businesses in those areas considering how far rates of cost inflation have risen in such a short space of time.

"Although the mood among businesses is generally still one of positivity, it's notable that confidence in all areas of the UK has come down a notch or two since the start of the year, highlighting that growth will inevitably be more challenging in the face of higher inflation and continued geopolitical uncertainty."

-ENDS-

Demand

As with business activity, just three of the 12 UK nations and regions monitored recorded an increase in new business in May. London posted the strongest growth, ahead of the North East and North West, respectively. Demand fell across all other areas, dropping most notably in Northern Ireland, where it fell at the quickest rate for over a year.

Inflation

Input cost inflation remained historically elevated across the board in May. Northern Ireland once again posted the strongest cost pressures, and Scotland the weakest. In two-thirds of cases, however, rates of inflation ticked down from the month before.

It was a similar story for average prices charged for goods and services, which continued to rise steeply in each of the 12 monitored nations and regions, but more slowly in over half of cases. One of the exceptions was Northern Ireland, which registered the sharpest rate of output price inflation and one that was the highest since July 2022.

Employment

The majority of the UK nations and regions surveyed saw a reduction in employment in May. Only the South East and Northern Ireland went against the trend, with both recording slight increases in workforce numbers. Firms in Wales posted the most marked fall, followed by those in Yorkshire & Humber.

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
www.linkedin.com/company/natwest-business/

PMI[®]
by **S&P Global**

News release



Capacity

Of the 12 UK nations and regions monitored, only the North West recorded a rise in backlogs of work in May – the first increase in the region for four years. At the other end of the scale, companies in Northern Ireland registered the most marked decrease in outstanding business, closely followed by those in Yorkshire & Humber.

Outlook

Although business expectations towards activity in the coming year remained almost universally positive in May, the latest data did show that the majority of areas experienced a loss in confidence. Firms in London were the most upbeat about the outlook, followed by their counterparts in the West Midlands. Sentiment turned negative in Northern Ireland for the first time in almost three-and-a-half years.

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
www.linkedin.com/company/natwest-business/

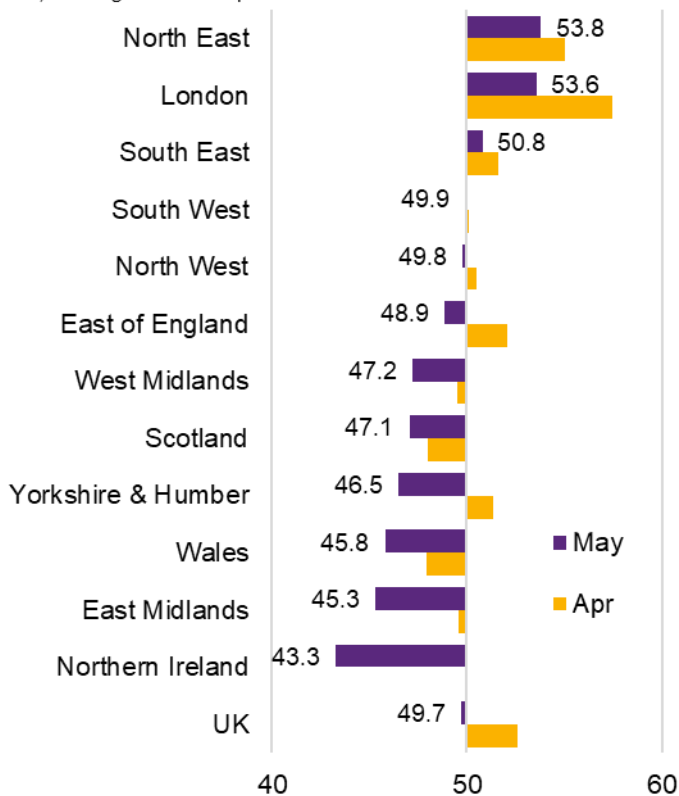
PMI[®]
by **S&P Global**

News release



Business Activity Index

sa, >50 = growth since previous month



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
www.linkedin.com/company/natwest-business/

PMI[®]
by **S&P Global**

News release



Contact

NatWest

Jessica Barker

Regional Affairs Manager

+44 7483 636493

jessica.barker@natwest.com

S&P Global Market Intelligence

Phil Smith

Economics Associate Director

+44 1491 461 009

phil.smith@spglobal.com

Hannah Brook

EMEA Communications Manager

+44 7483 439 812

hannah.brook@spglobal.com

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
www.linkedin.com/company/natwest-business/

Information Classification - Restricted

PMI[®]
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 May were collected 12-27 May 2026.

For further information on the survey methodology, please contact 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.

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.

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
www.linkedin.com/company/natwest-business/

