

# GM Quarterly Economic Briefing Q2 2024

27<sup>th</sup> June 2024

Subrahmaniam Krishnan-Harihara

Deputy Director - Research & Information Systems

GM Chamber



# Quarterly Economic Briefing

Welcome & Introduction

Chris Fletcher, *Policy Director*

Setting the scene

James Finucane, *Intercity Technology*

QES presentation

Subrahmaniam Krishnan-Harihara, *Deputy Director – Research & Information Systems*

Panel discussion and Q&A

James Finucane

Sharon Seville, First Executive Recruitment

Subrahmaniam Krishnan-Harihara

Chaired by: Chris Fletcher

#GMEconomics for tweets





# Setting the scene

James Finucane  
Intercity technology



#GMEconomics



# What is the Quarterly Economic Survey (QES)?

- The Greater Manchester QES is part of the UK's largest and most reliable business confidence survey
- GM Chamber administers the survey in GM and co-ordinates the North West QES, which goes to the BCC.



National QES results are used by the likes of HM Treasury, Bank of England and OECD for decision making.



GM QES is the primary source of economic intelligence in Greater Manchester.



From the QES results, we calculate the GM Index™, a composite economic indicator for the GM Economy.



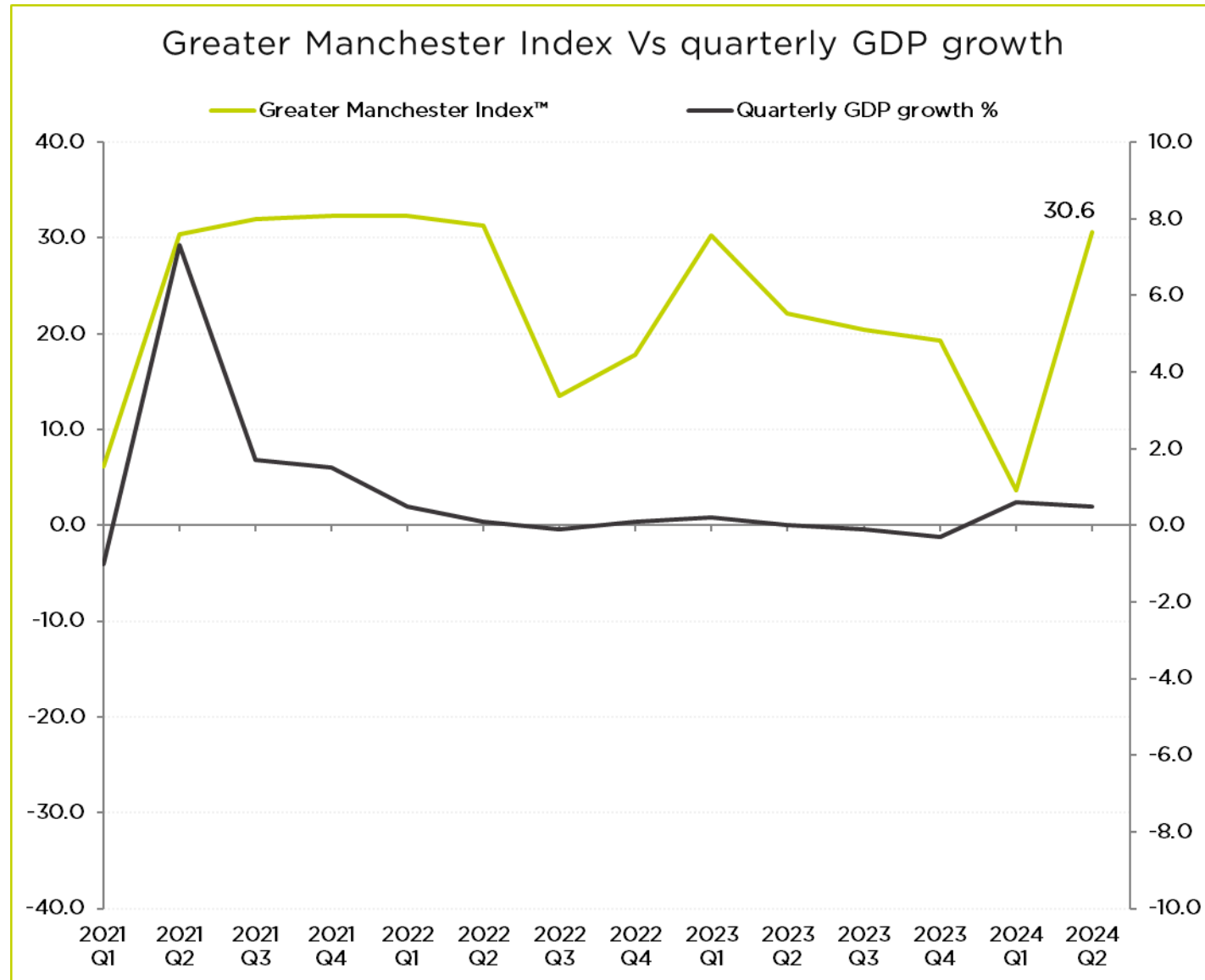
The findings are presented to the Greater Manchester Combined Authority's Economic Resilience Group and the 10 councils in GM for local decision making.

## Where were we last quarter?



Source: GMCC QES, ONS GDP Quarter on Quarter growth: CVM SA %

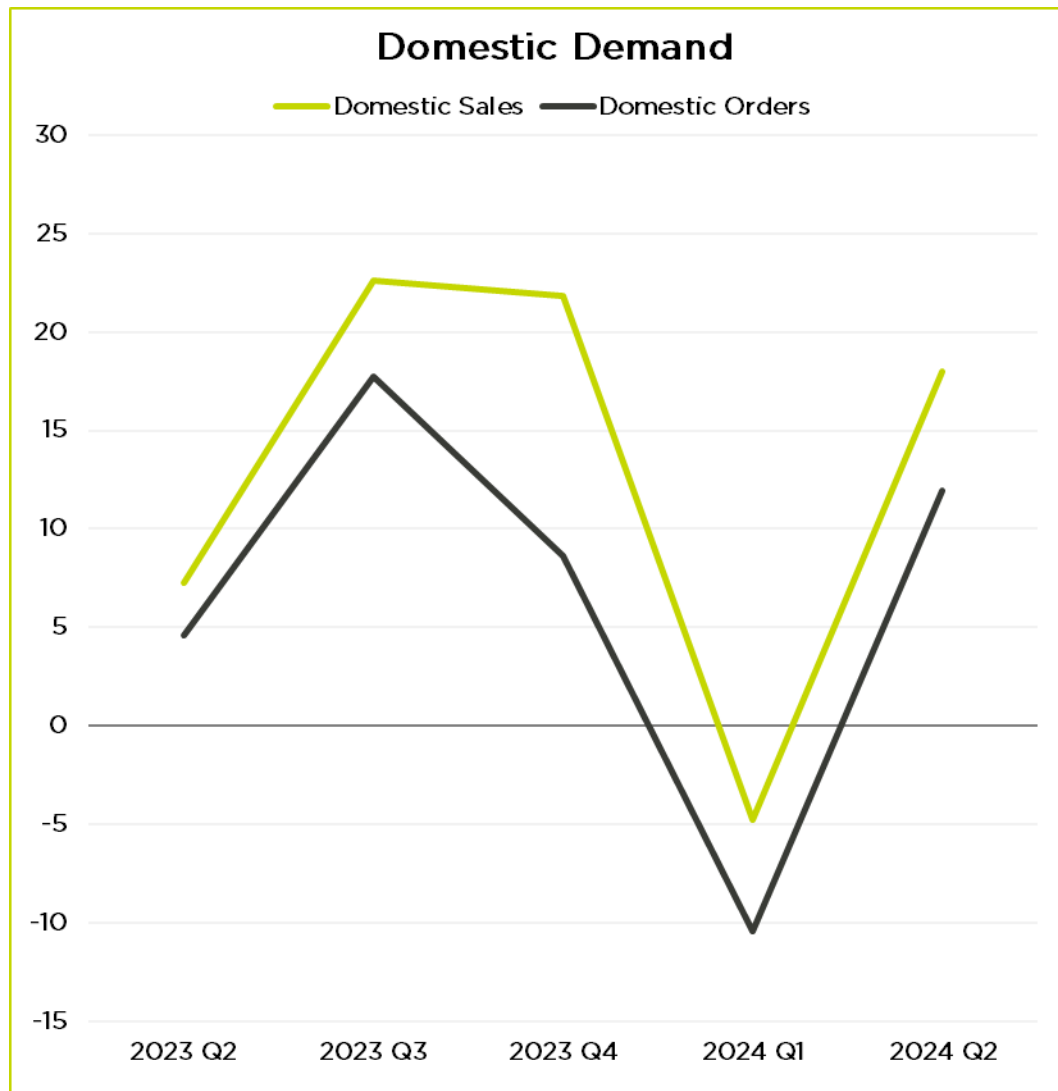
# Where are we now?



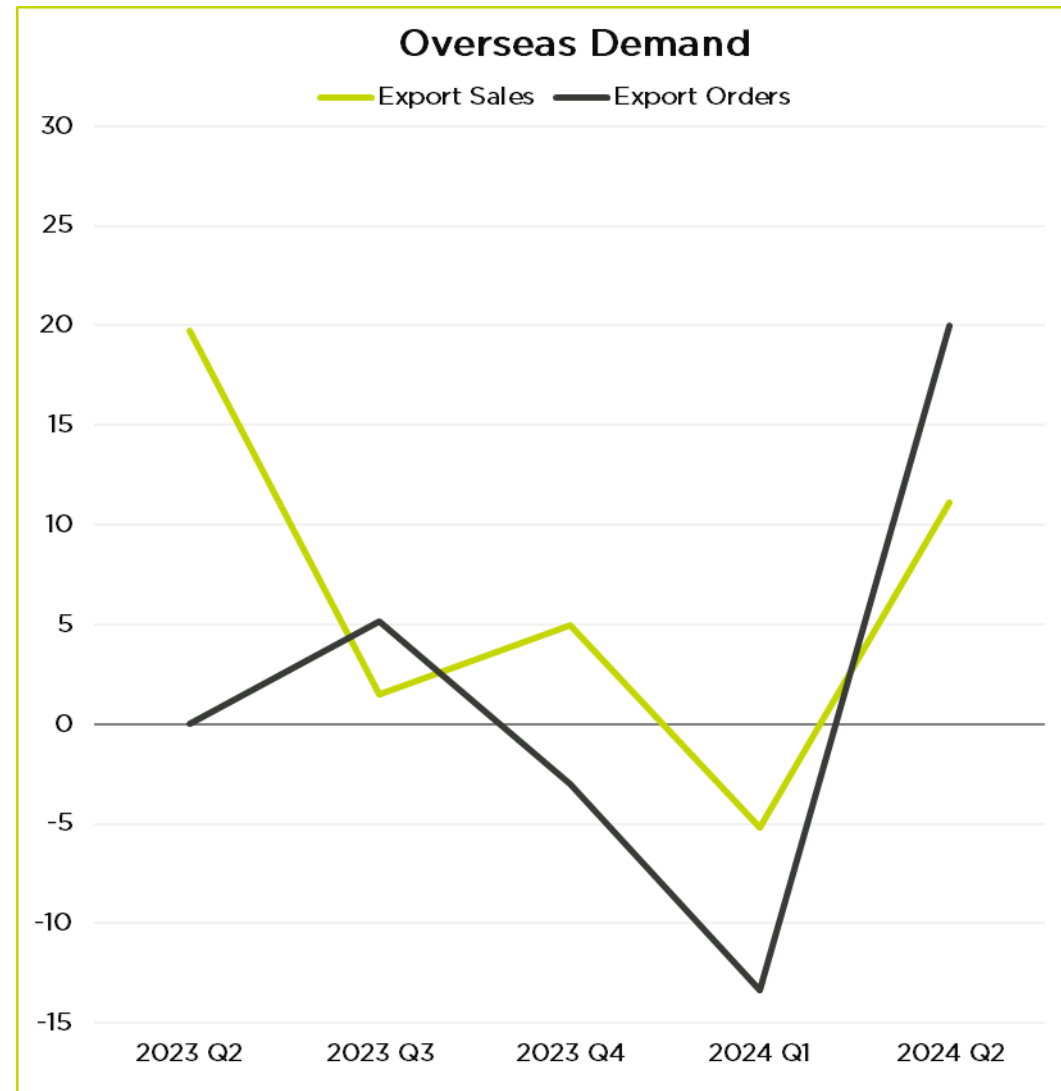
- GM Index in Q1 2024: **30.6**
- Optimism returning and business activity picking up
- 0.6% growth in Q1 2024 indicating a bounce back from 0.3% contraction in Q4 2024
- 0.7% growth between Feb – Apr
- In Q1 2024:
  - Services **0.7%**
  - Manufacturing **1.4%**
  - Construction **0.9%**
- PMI indices for May indicate expansion
  - Services **52.9**
  - Manufacturing **51.2**
  - Construction **54.7**

Source: GMCC QES, ONS GDP Quarter on Quarter growth: CVM SA %

# Customer Demand

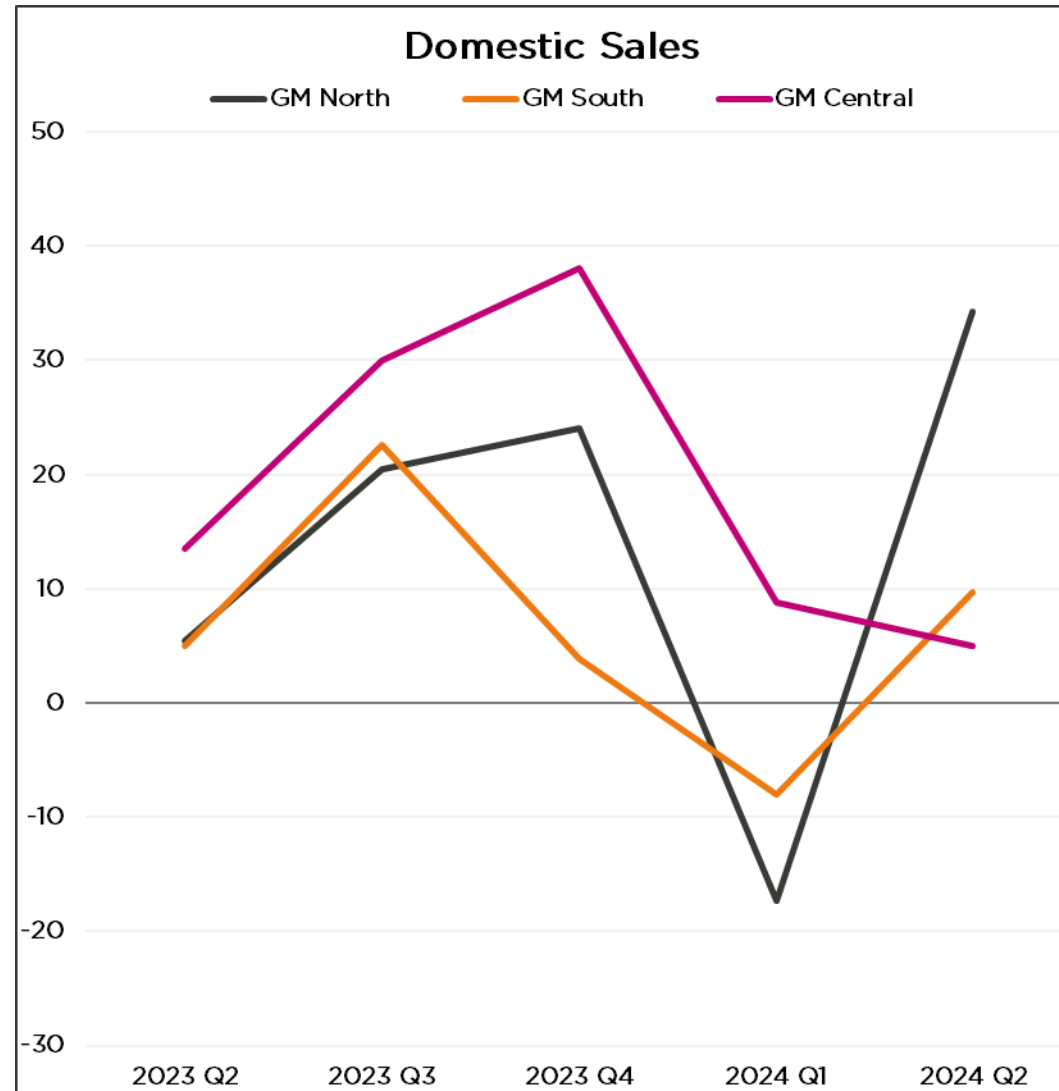


Source: GMCC QES

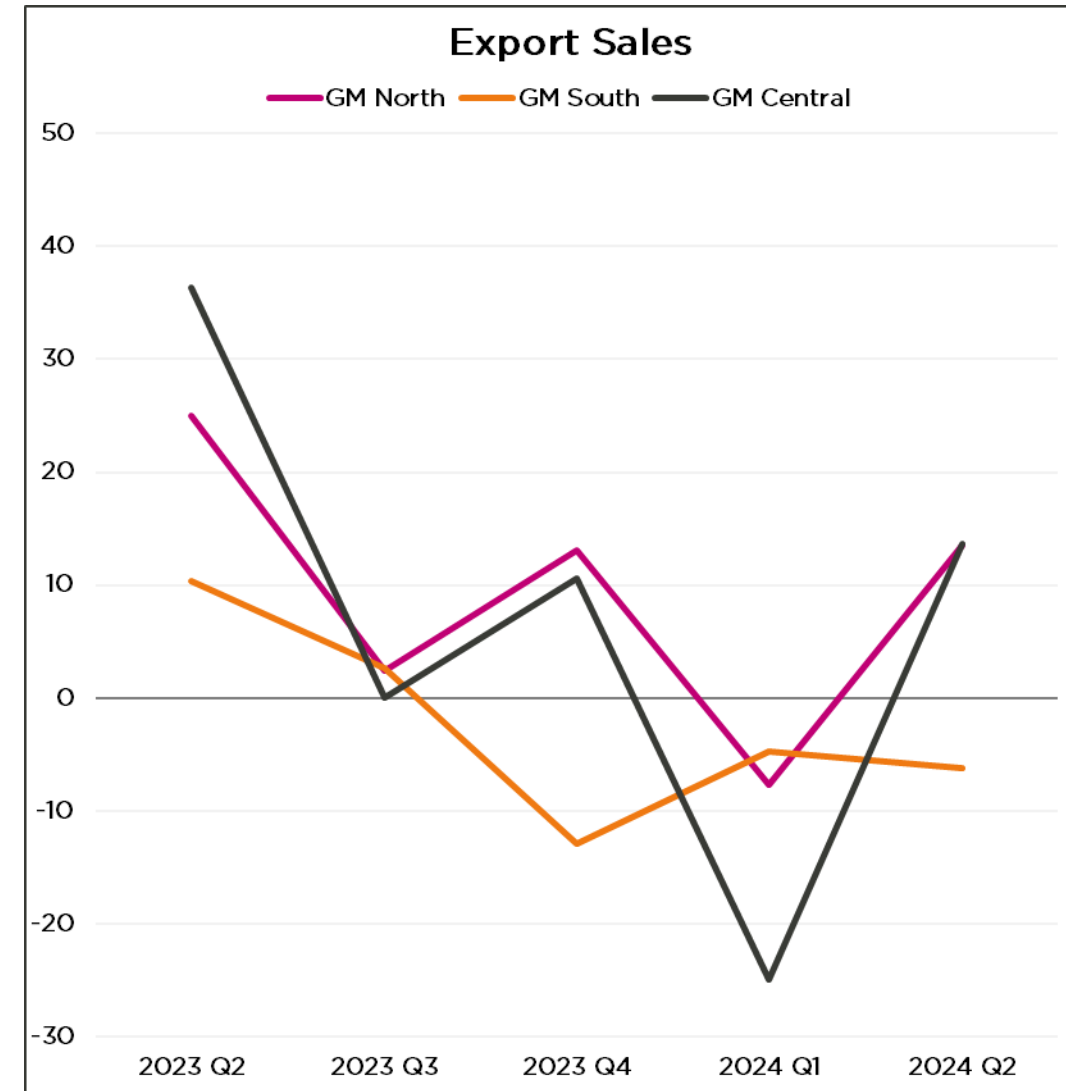


Source: GMCC QES

# Customer Demand: sub-regional



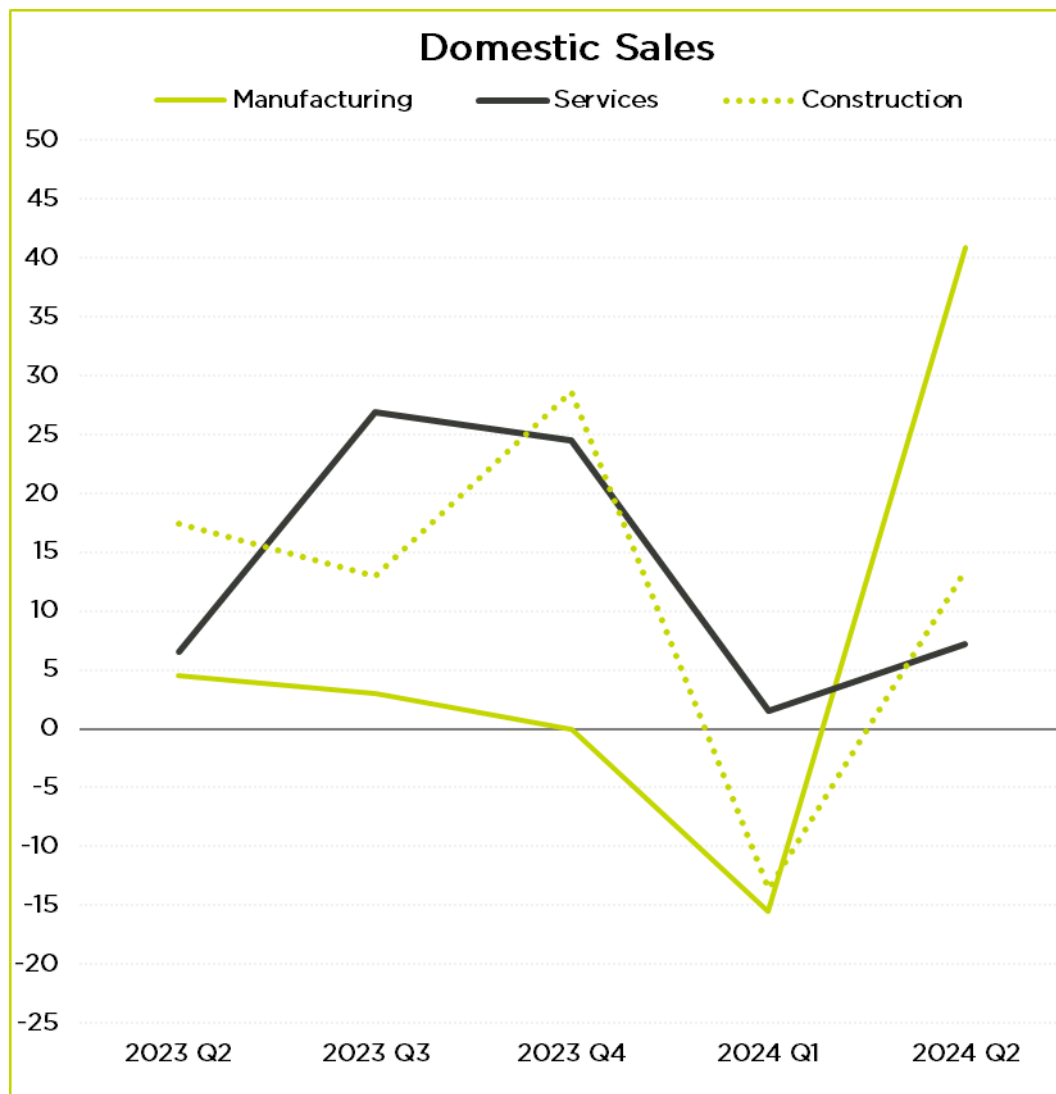
Source: GMCC QES



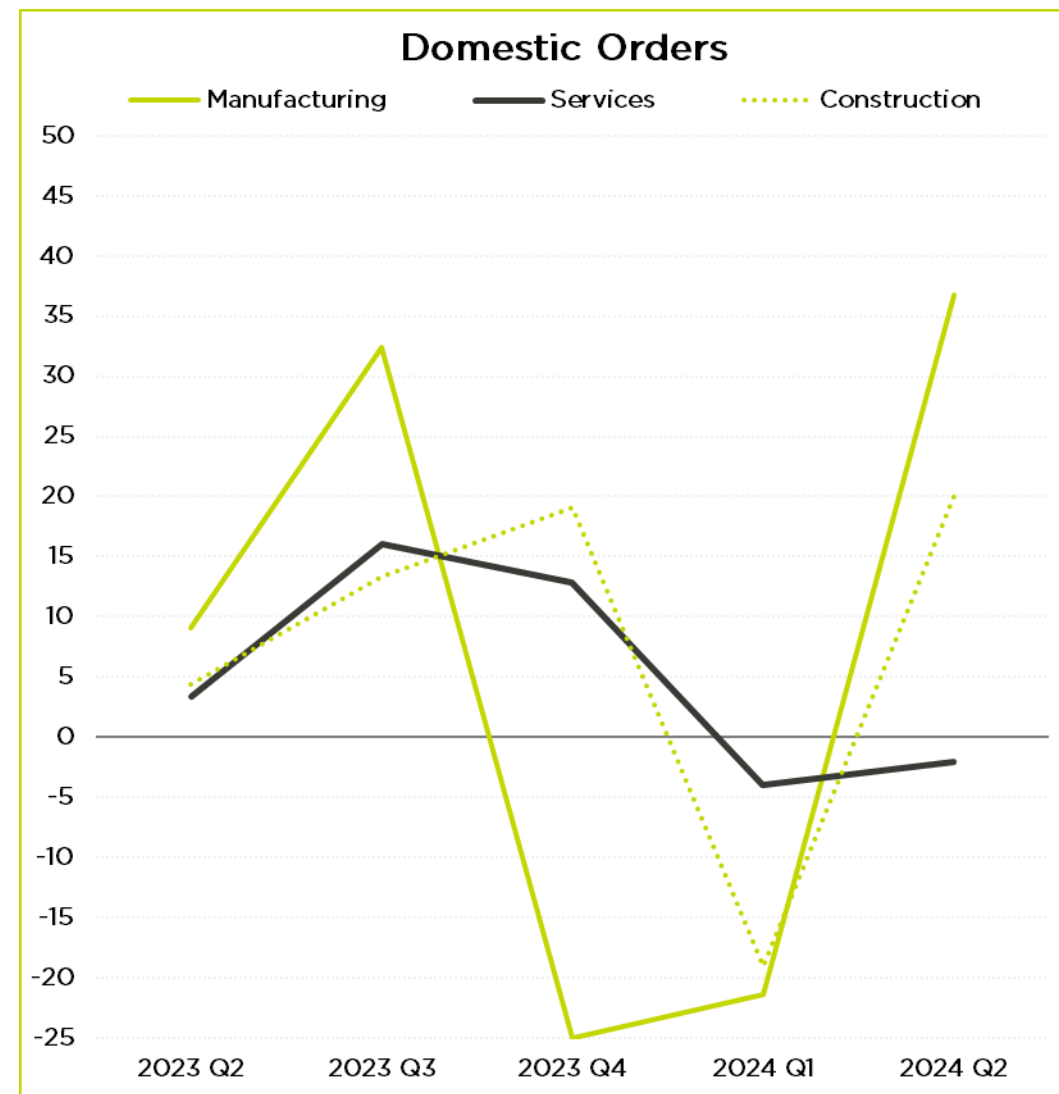
Source: GMCC QES



# Domestic Demand: sectoral

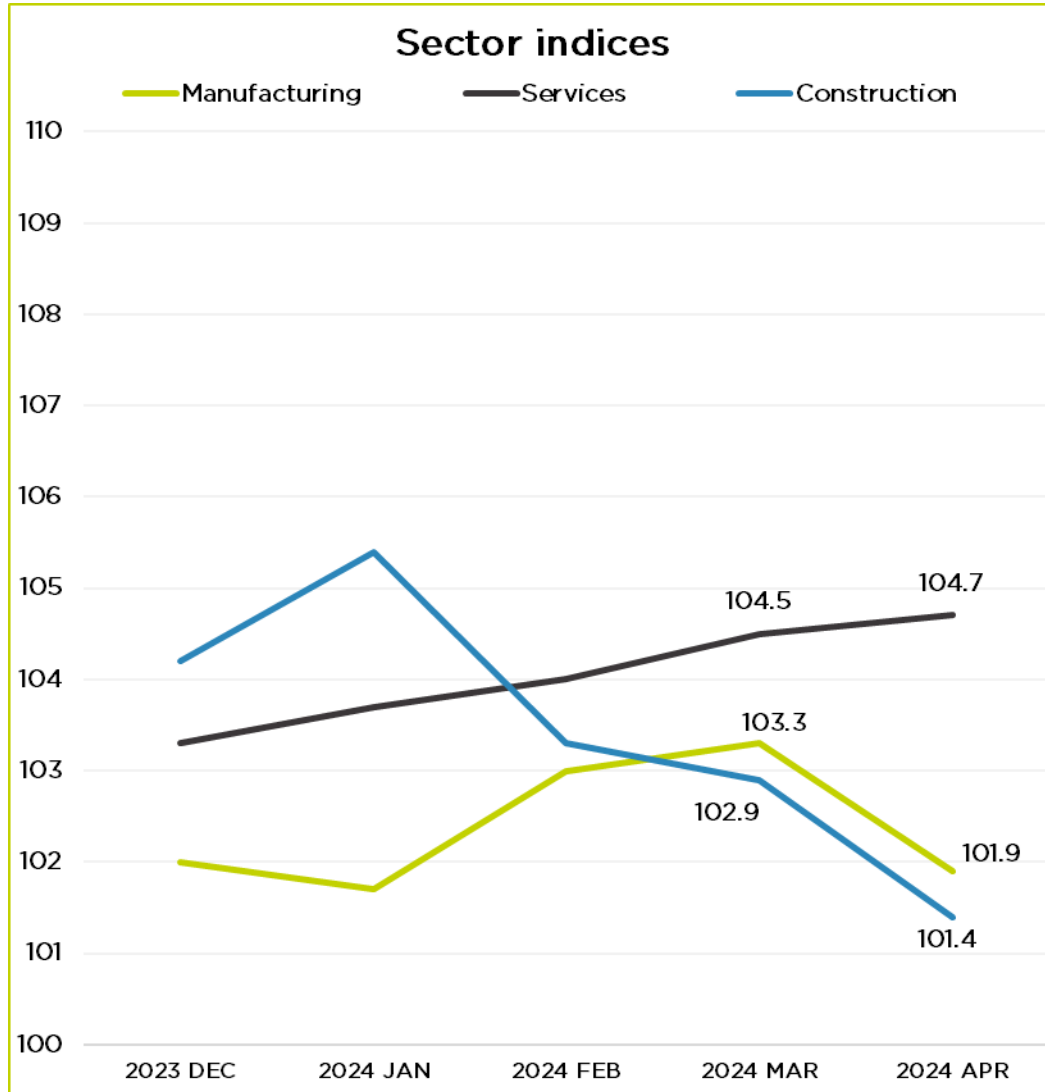


Source: GMCC QES

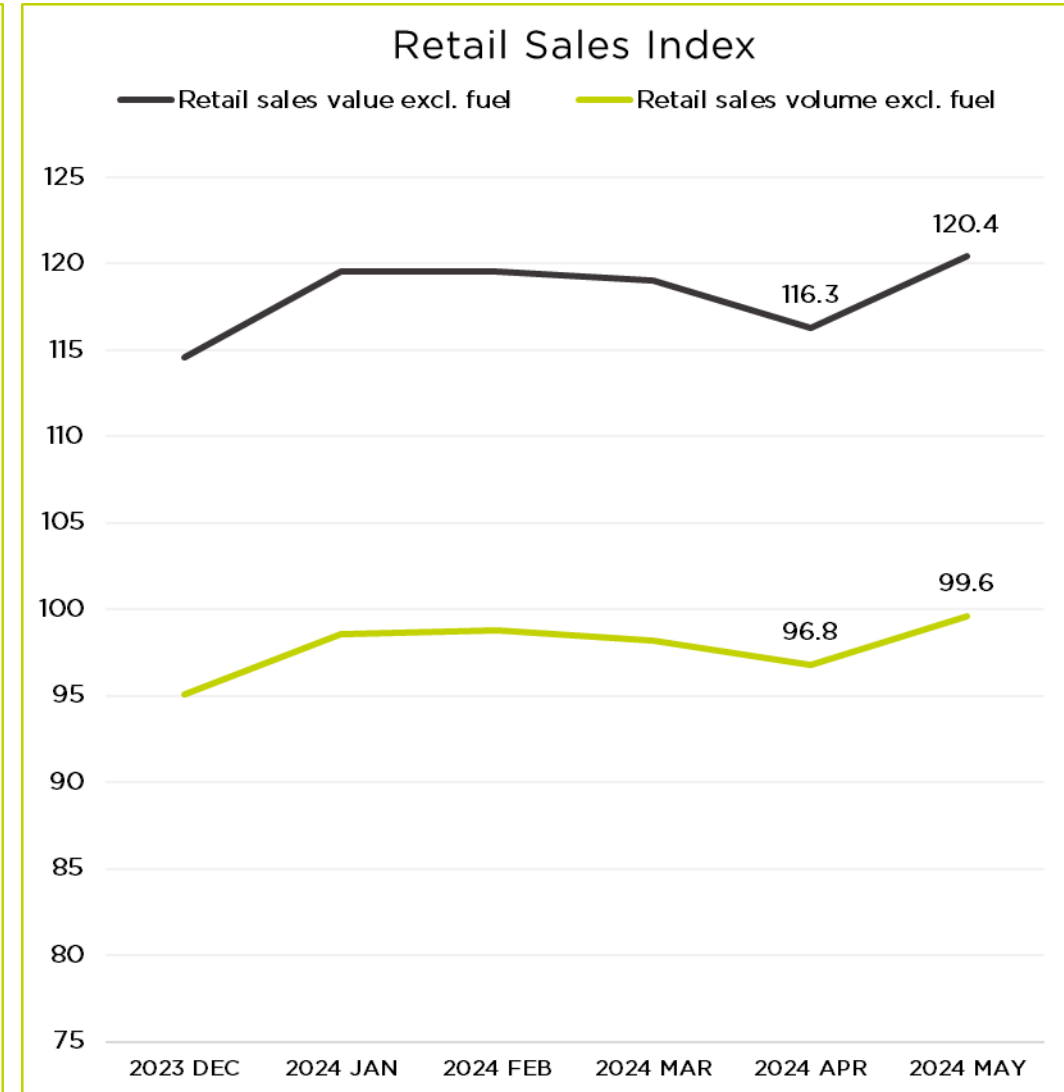


Source: GMCC QES

# UK Sector Performance

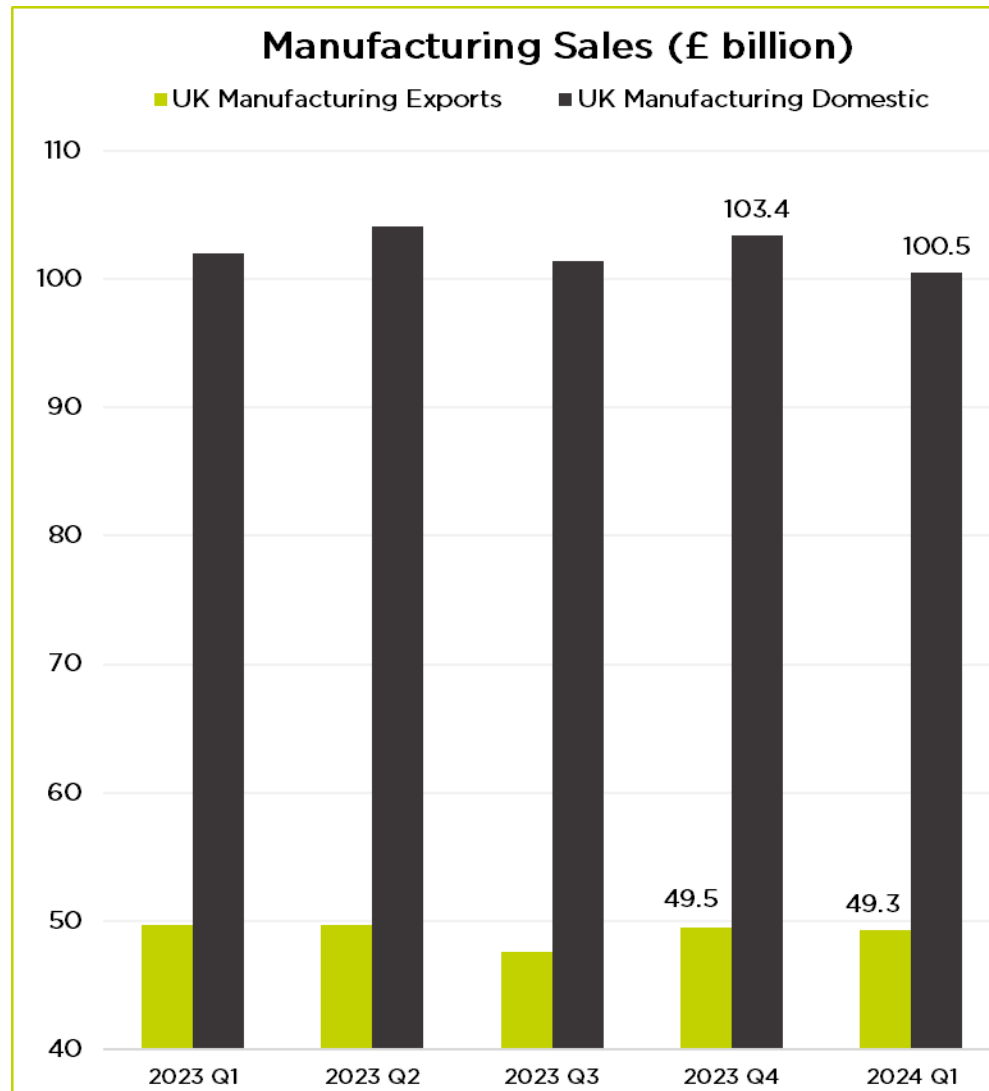


Source: ONS

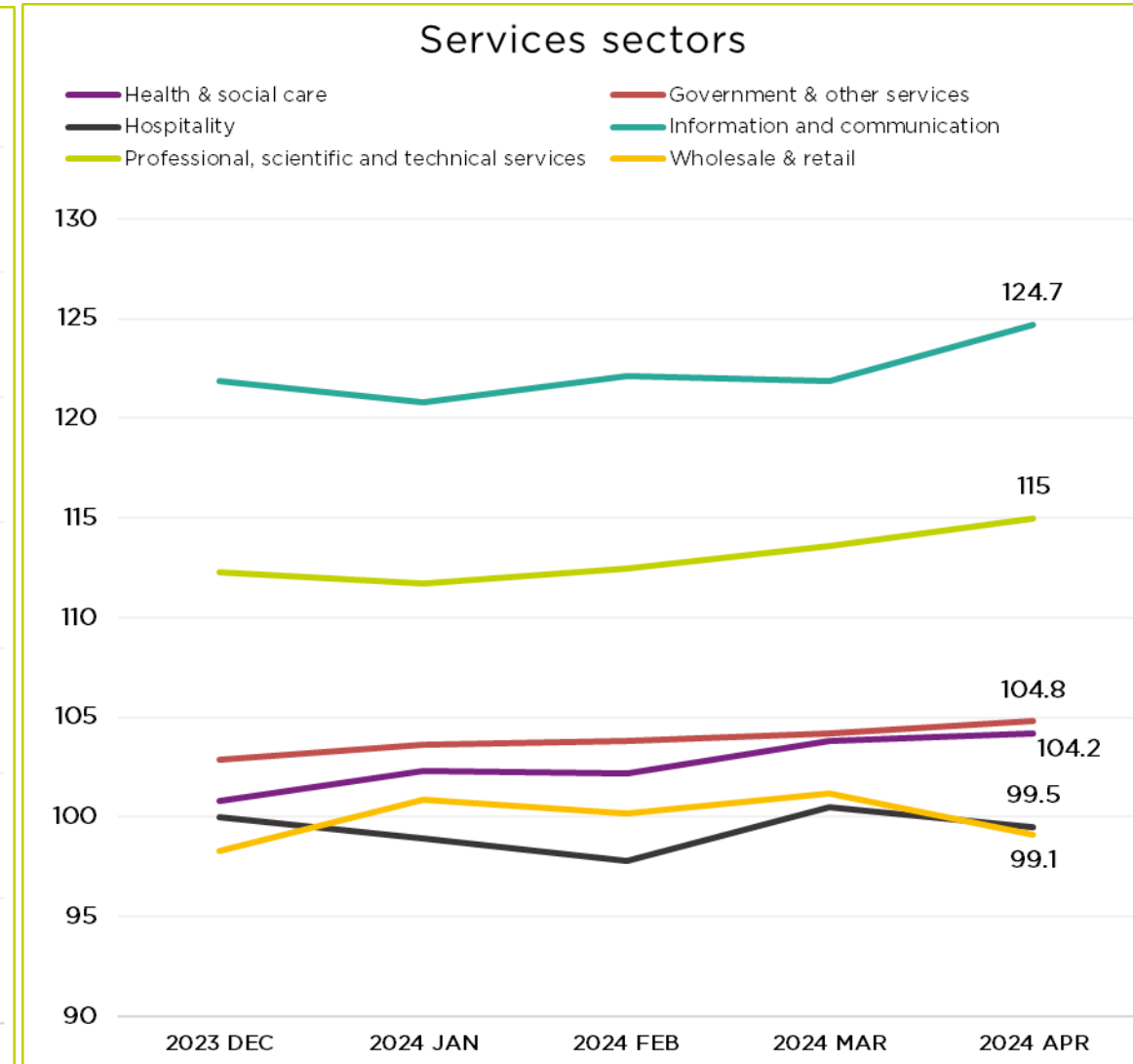


Source: ONS

# UK Sector Performance

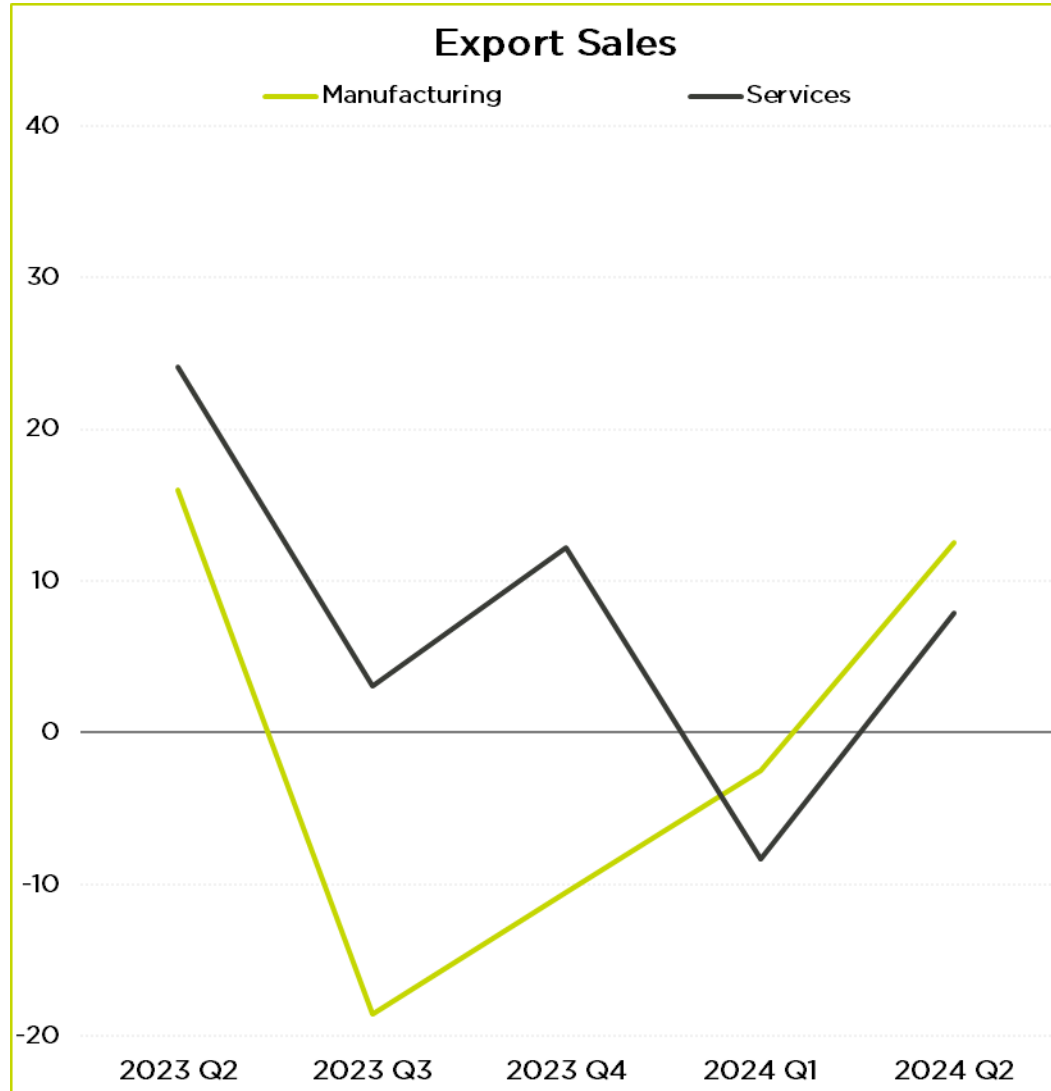


Source: ONS



Source: ONS

# Export demand: sectoral

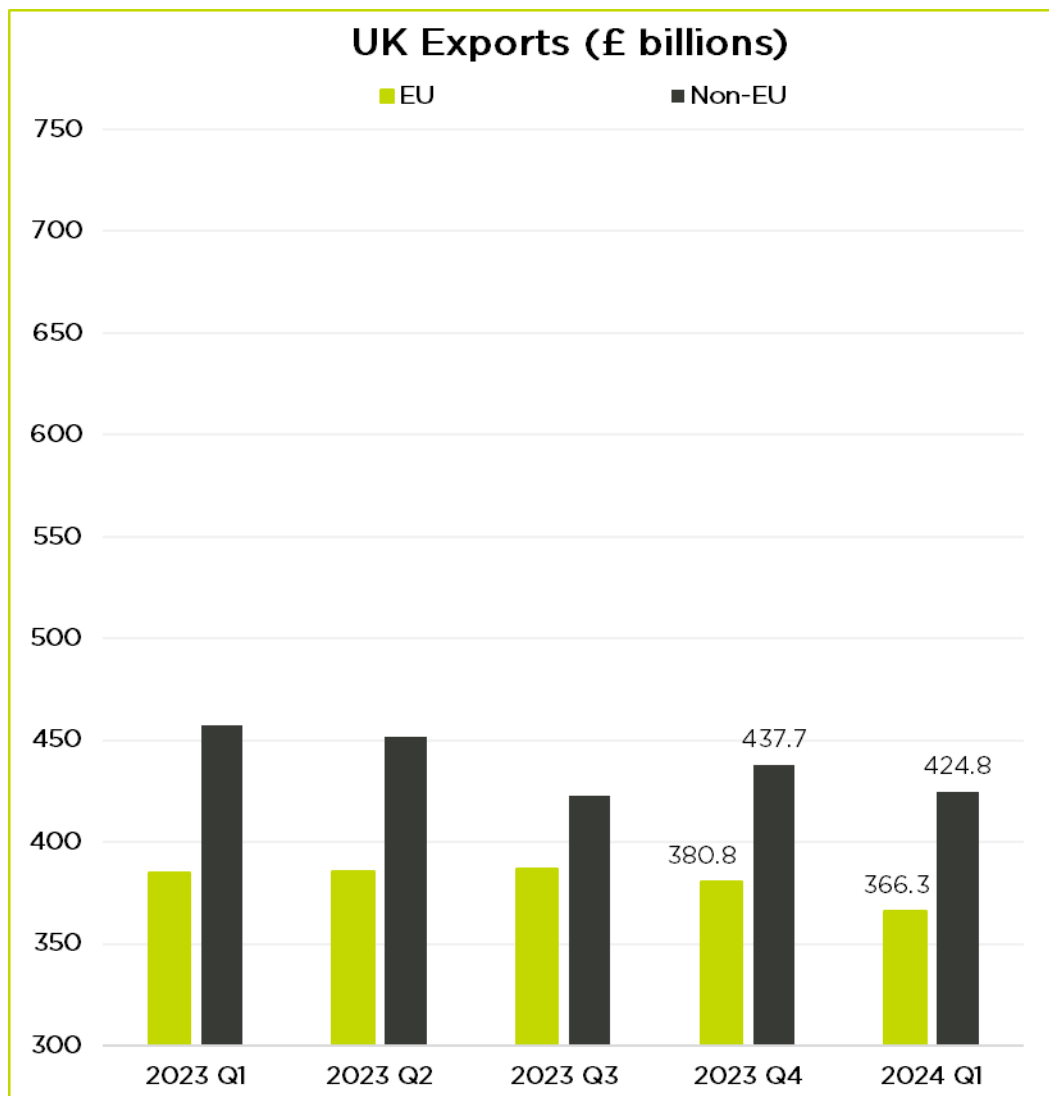


Source: GMCC QES

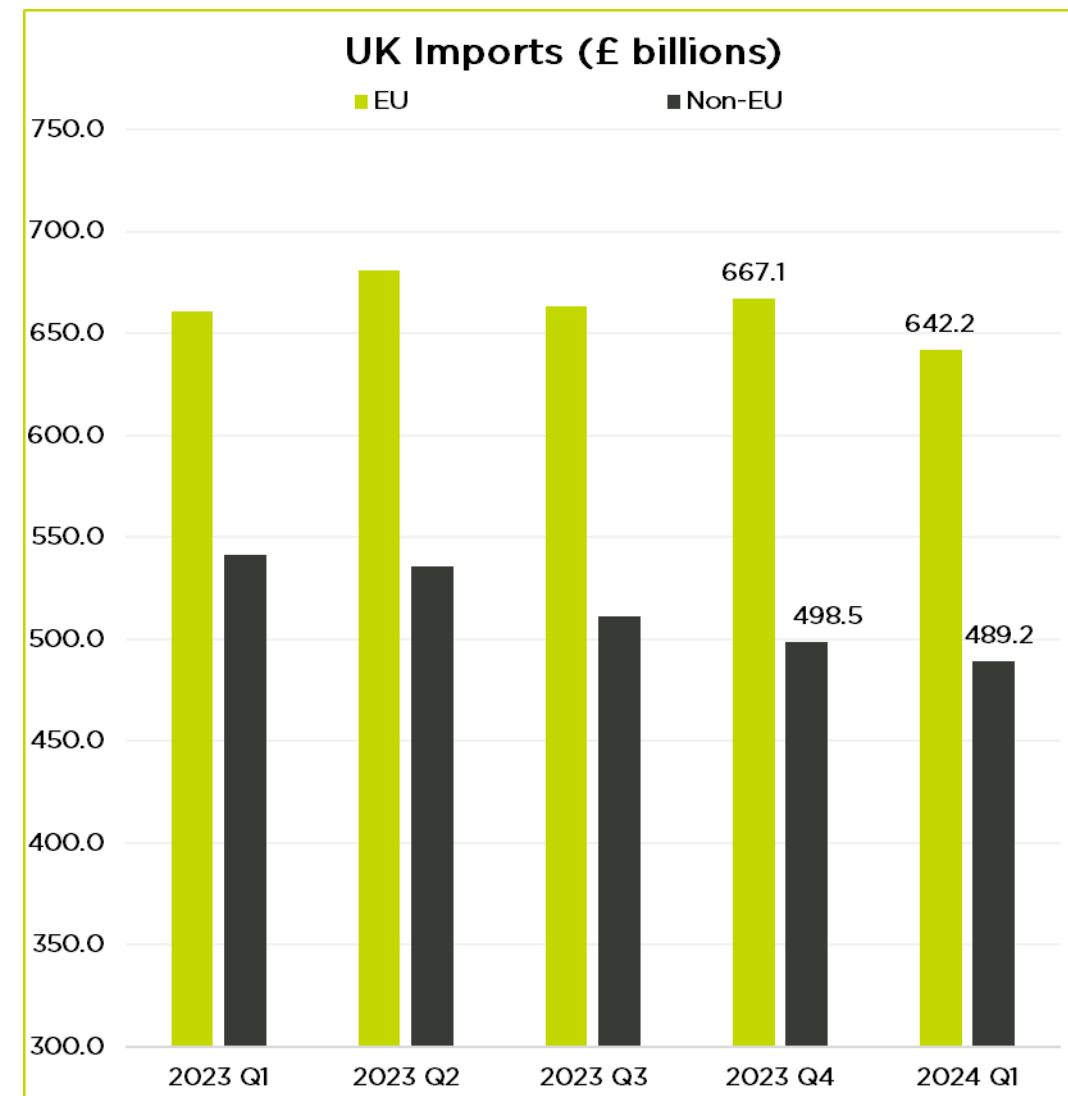


Source: GMCC QES

# UK International Trade

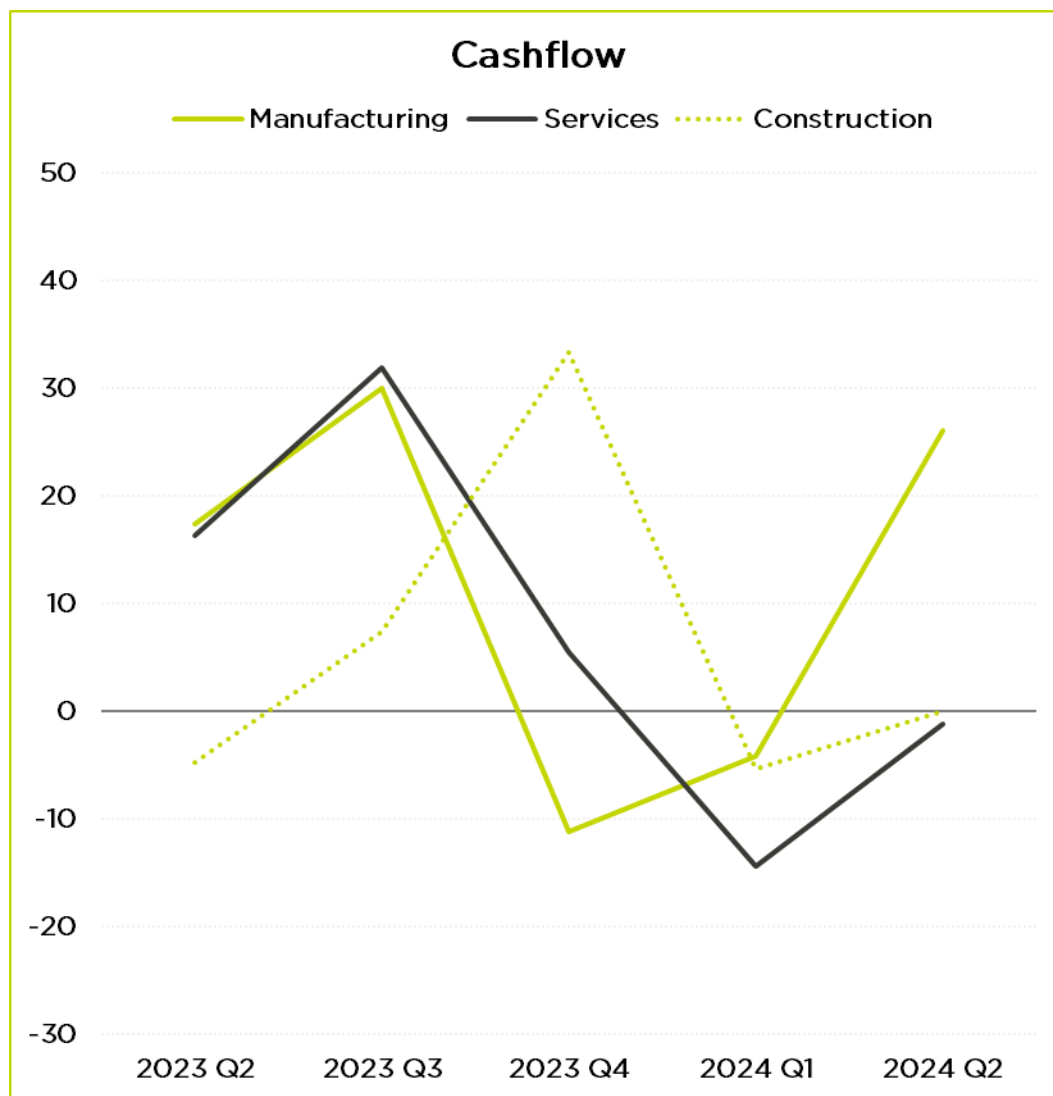


Source: ONS

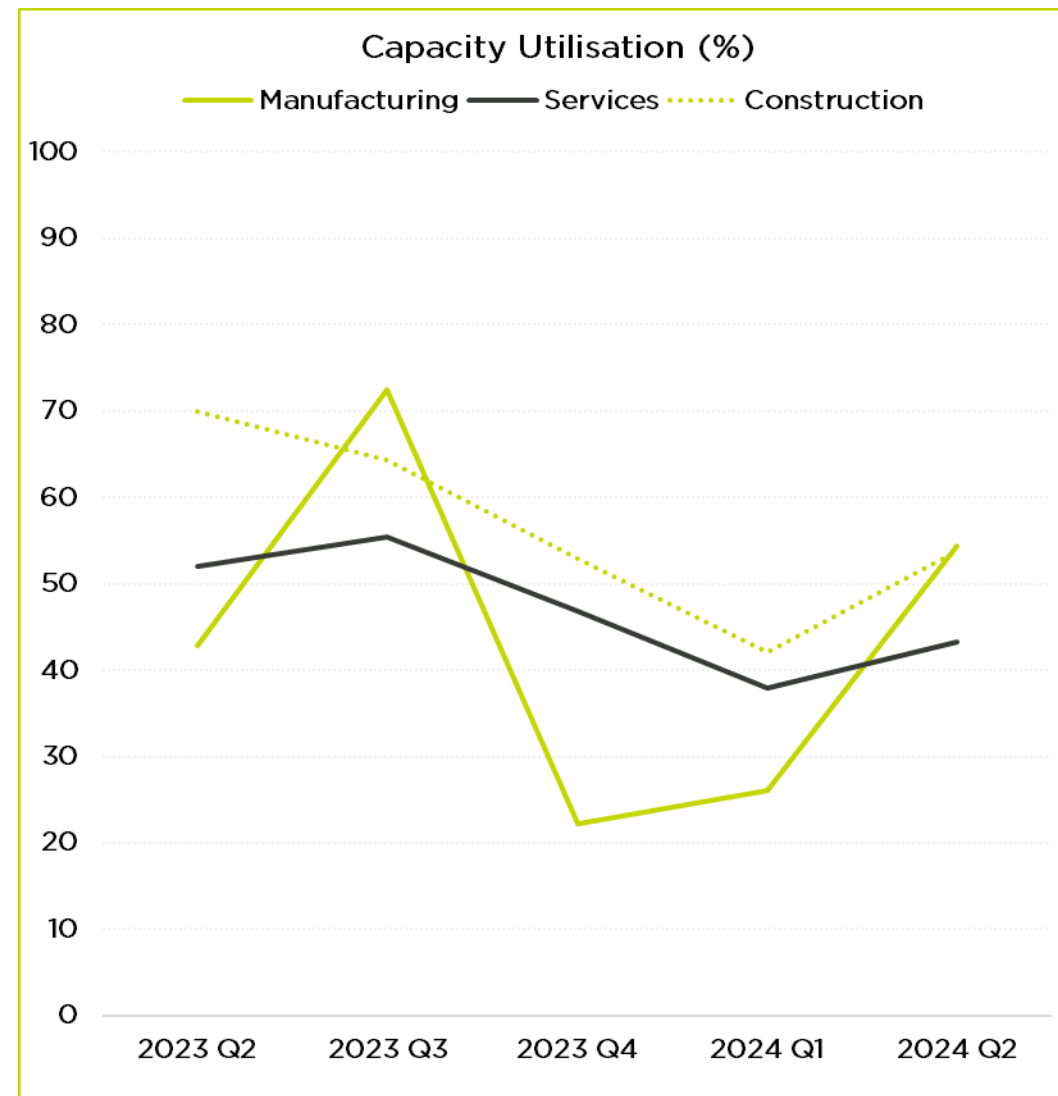


Source: ONS

# Cashflow & Capacity utilisation

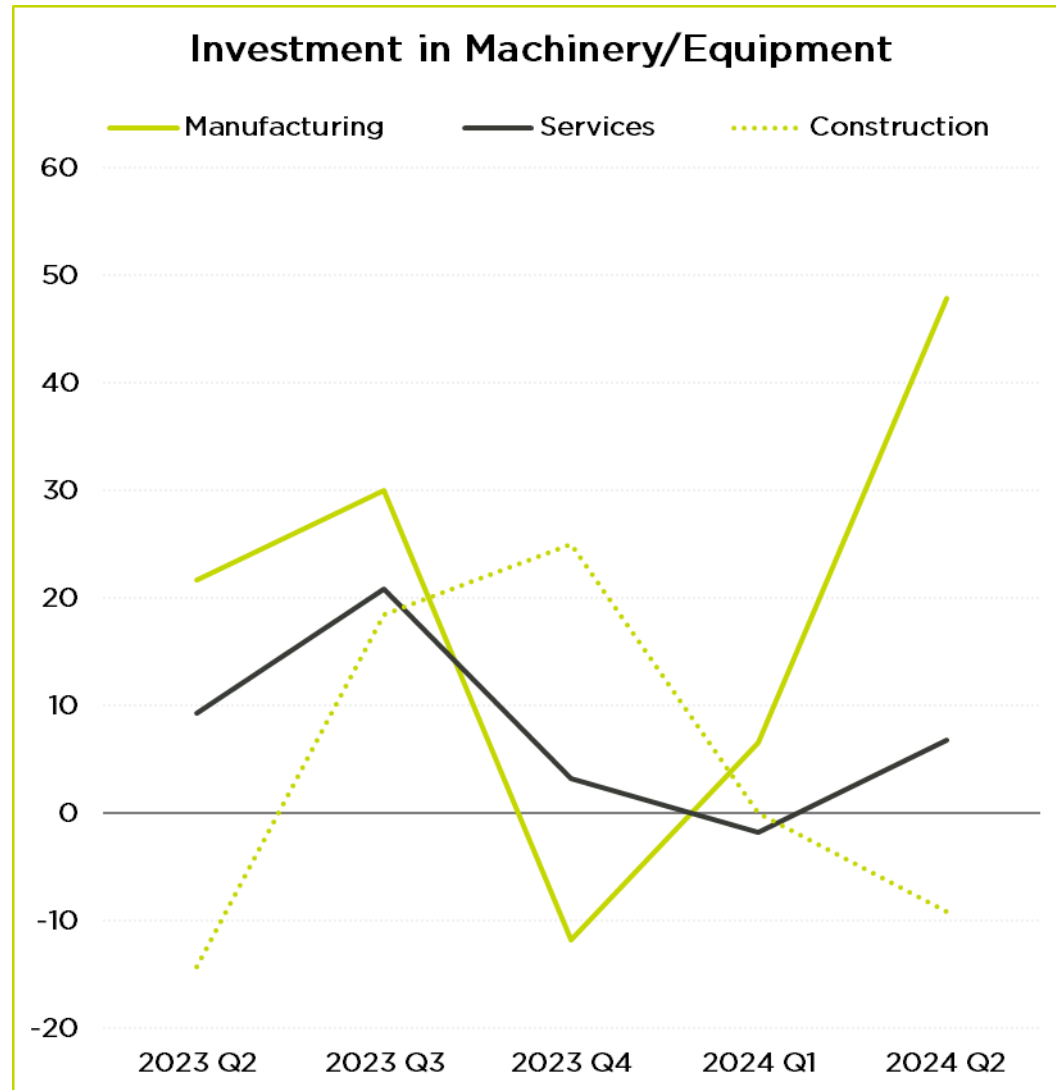


Source: GMCC QES

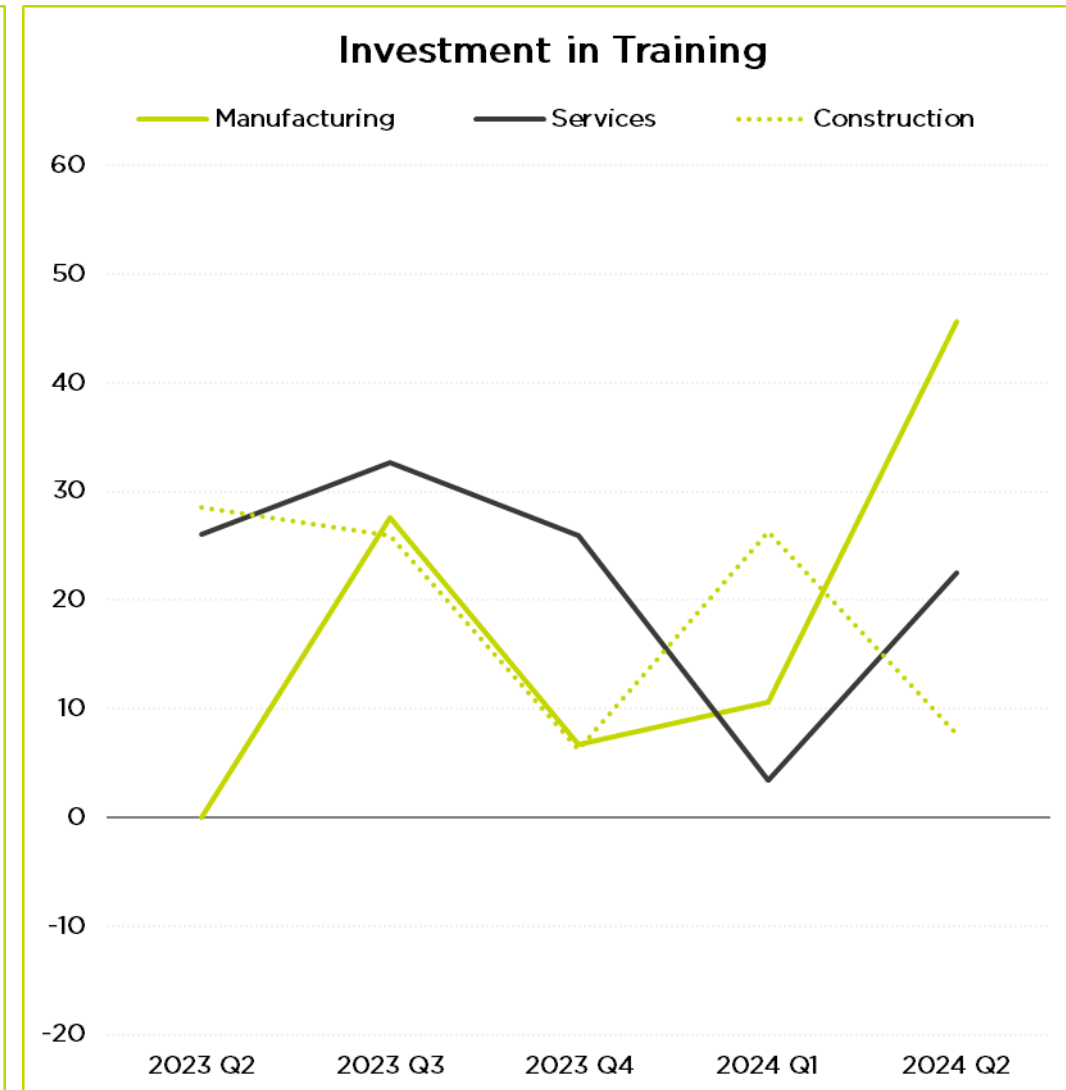


Source: GMCC QES

# Business Investment

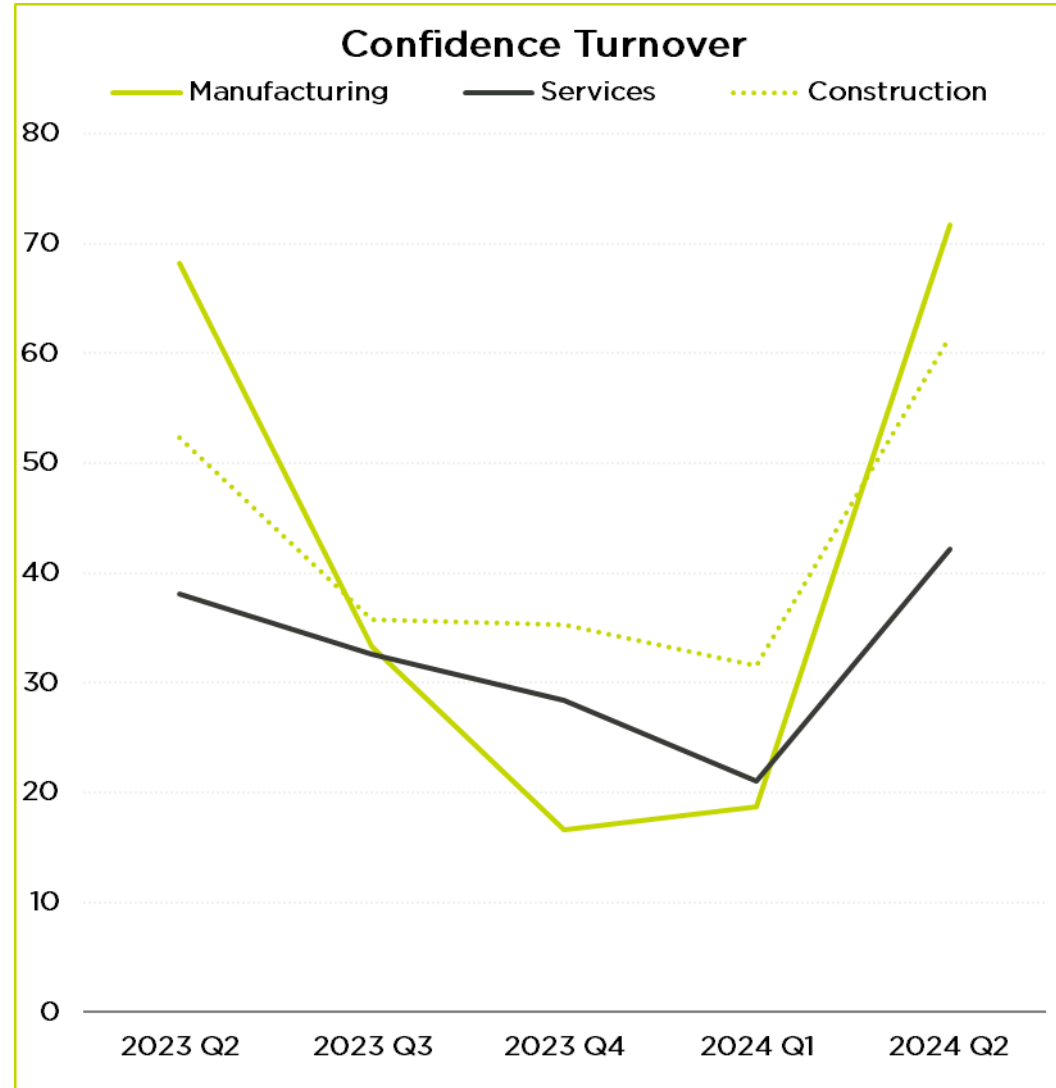


Source: GMCC QES

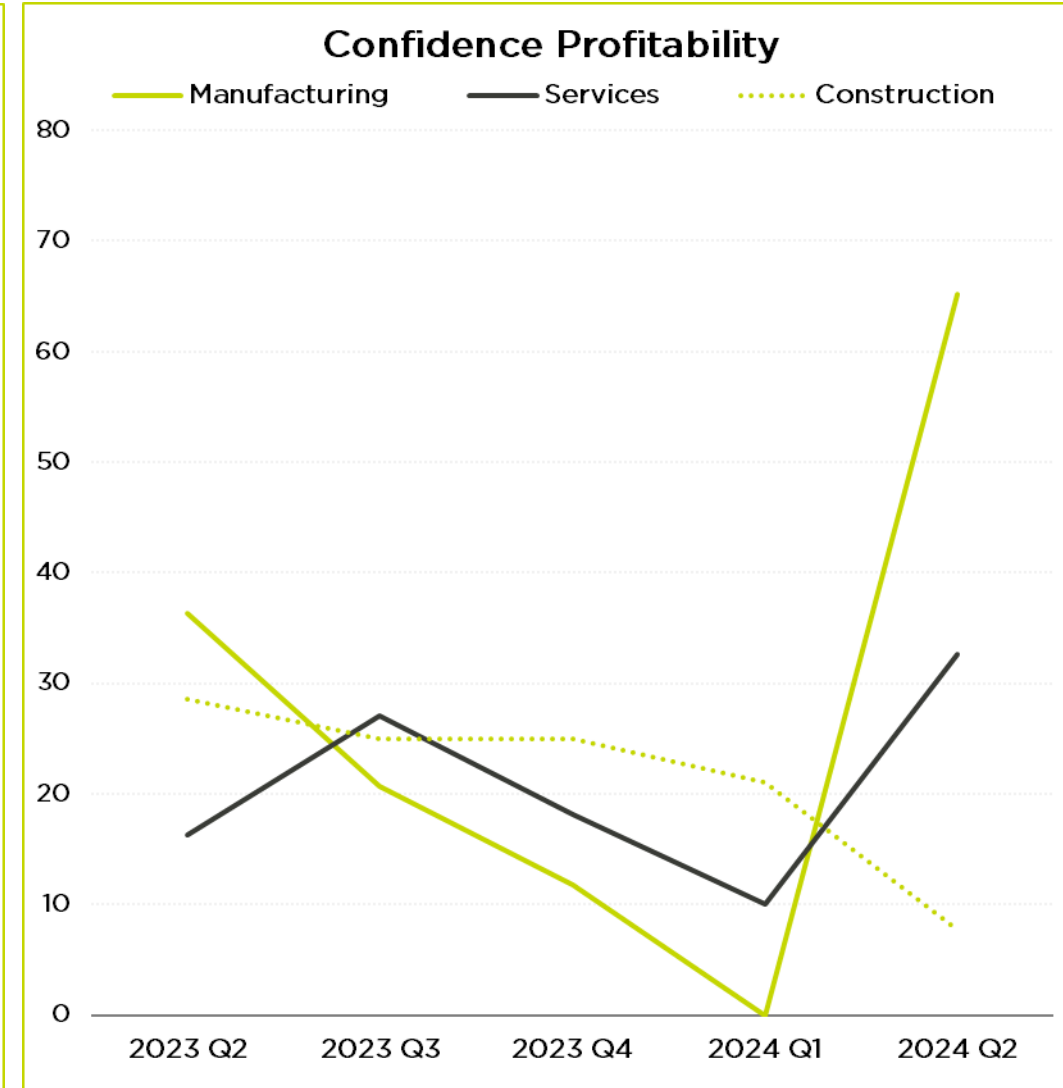


Source: GMCC QES

# Business Confidence



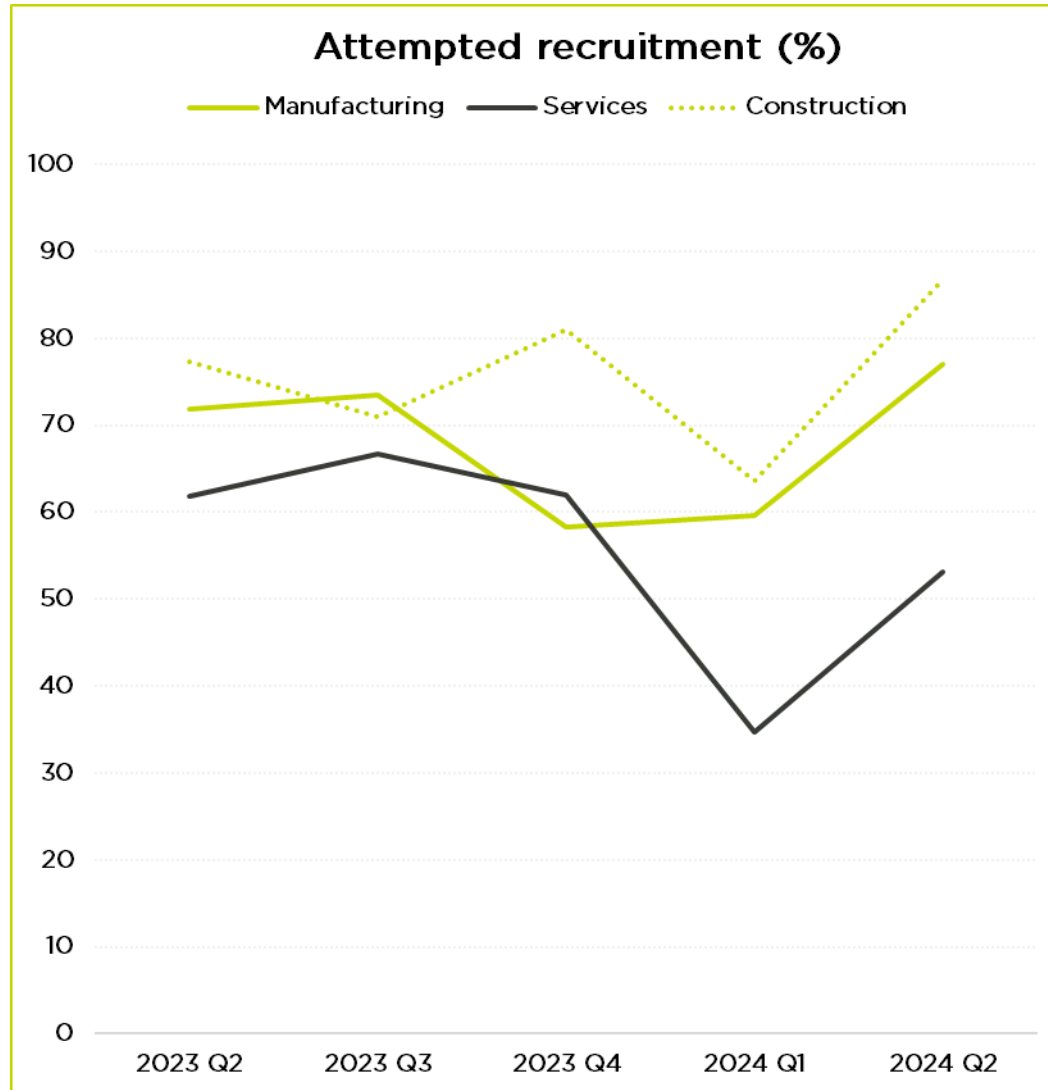
Source: GMCC QES



Source: GMCC QES



# Recruitment

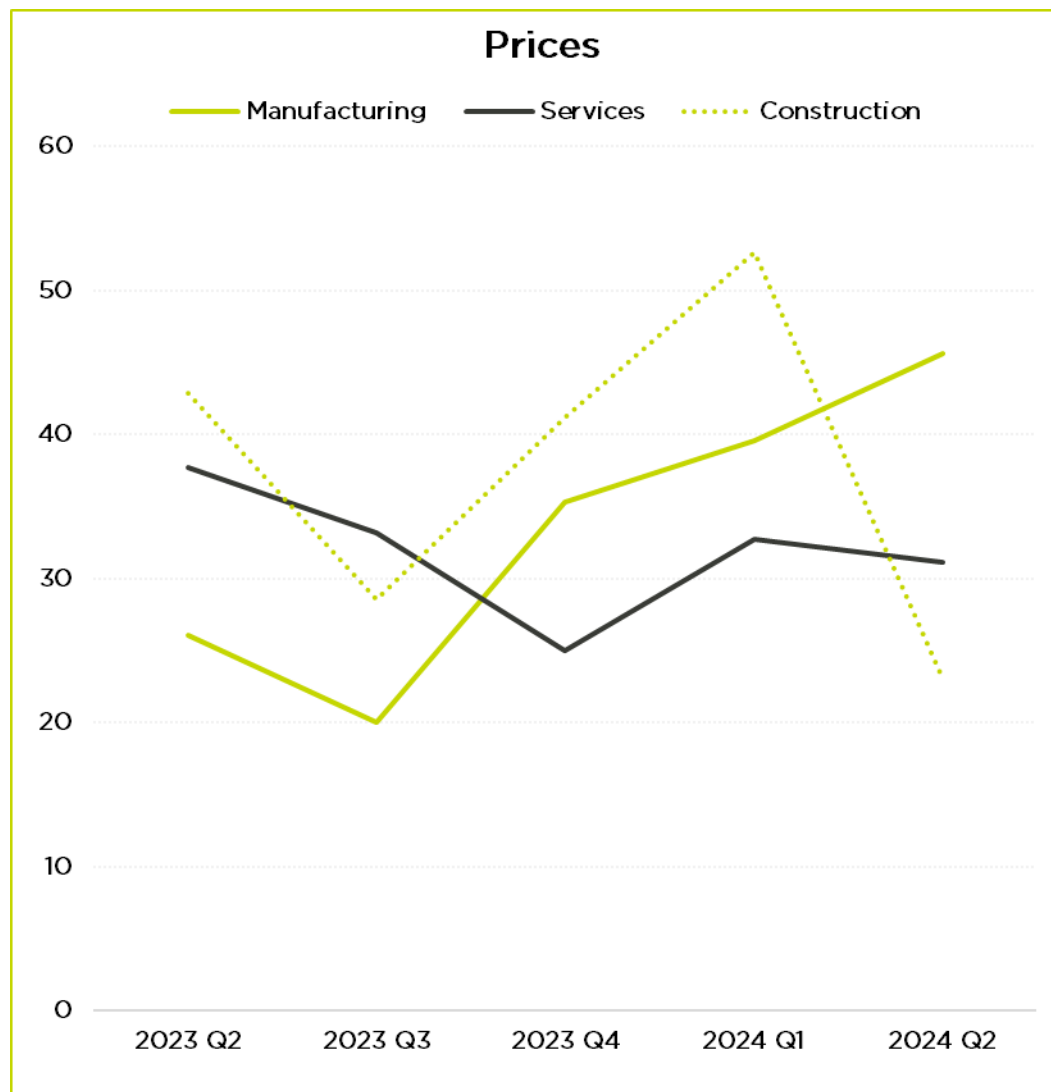


Source: GMCC QES

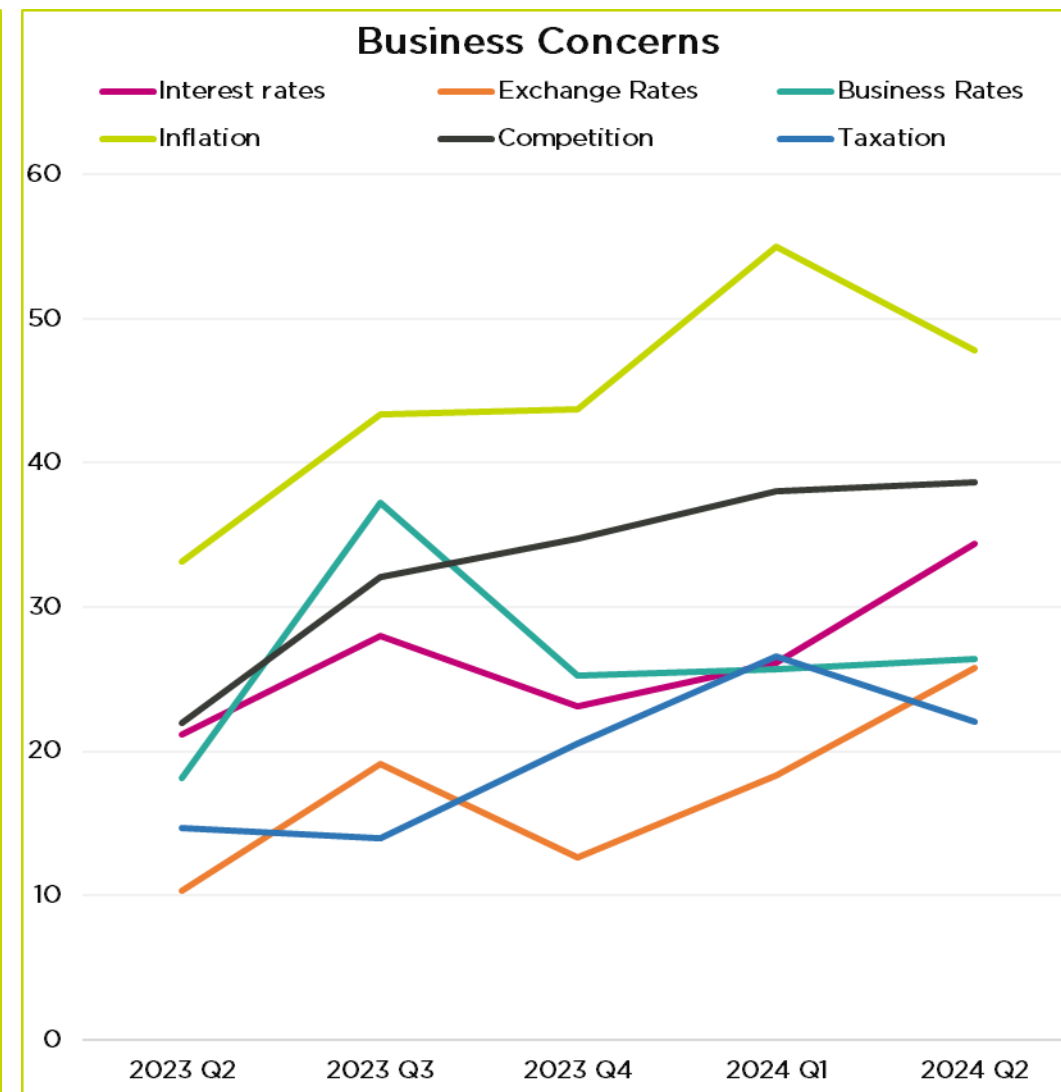


Source: GMCC QES

# Prices & Business concerns



Source: GMCC QES



Source: GMCC QES



## Summary & GDP Forecast



Some economic challenges despite the reported increase in demand and business confidence in Q2. The election has added a degree of uncertainty.



The prospect of a different direction of travel post GE is likely affecting business sentiment in a positive way. But the challenge of any new government is going to be the balance between taxation and spending.




Inflation is at the target 2% but core inflation is 3.5% and services inflation is 5.7%. Energy bills are going down in July. Consumer spending is likely to increase, and consumer confidence has improved.



An important question for the GM and the wider NW will be around infrastructure spending in the region by a new government.



Forecast growth for 2024: 0.6% to 0.9% and 0.3% to 0.5% for Q2.



Thank you!

Panel discussion /

Q&A

#GMEconomics





# UK General Election