This report provides an overview of the 2022 (latest currently available) official ONS economic output figures for Birmingham. The report analyses both Gross Domestic Product (GDP) data and Gross Value Added (GVA) data at local authority level. The briefing provides analysis of total economic output and economic growth in the city as well as examining output per head and per worker. The report also includes an analysis of economic output by broad sector. Economic performance in the city is compared with other areas of the region, the 10 UK core cities, and the UK as a whole.

GDP and GVA are both official measure of sub regional economic output; they both provide a value for goods and services that have been produced in the economy less the cost of all inputs and raw materials that are directly attributable to that production.

The main difference in the two measures is the way that taxes and subsidies are accounted for when calculating economic output. In basic terms GDP is GVA plus taxes and minus subsidies.

The briefing refers to two means of expressing GDP/GVA and their growth.

GDP & GVA reported in current prices which when comparing between different years includes the effects of inflation.

This measure removes the impact of inflation that is present in the nominal output figures and enables the actual economic growth to be identified, removing any change due to price increases. Real GDP & GVA figures are in 2022 prices.

In this report we also refer to two other ways of expressing and comparing economic output.

This measure is calculated by dividing the total economic output of an area by the total resident population. GDP per head provides a comparative measure of economic output giving an indication of a given areas economic performance relative to other areas.

This is measured by dividing an areas total economic output by total workplace employment in that area. GDP per worker is one measure of productivity although not the preferred official measure of output per hour worked.

The key headline findings from the latest release of economic output figures for the city are summarised below:

Economic output in Birmingham in 2022 stood at

This makes Birmingham the largest city economy in the UK outside of London.

The local economy grew by last year in real terms as the economy continued to recover from the 2020 Covid downturn.

| 1 | Manchester | 27,609 | 30,809 | 33,648 | 2,839 | 9.2% |
|---|------------|--------|--------|--------|-------|------|
| 2 | Newcastle | 10,061 | 11,433 | 12,211 | 778 | 6.8% |
| 3 | Liverpool | 15,761 | 17,617 | 18,604 | 987 | 5.6% |

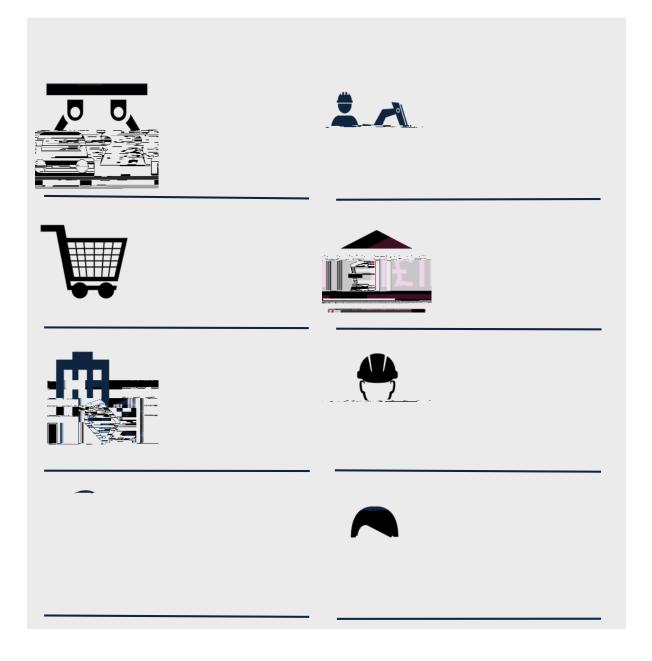


Table 3 shows economic output in the city broken down by sub sector (2 Digit SIC). The largest sub sector locally is Education with an economic output of £3.0bn, followed by Human health & residential care (£2.9bn).

The sub sector that saw the largest absolute growth in real terms between 2021 and 2022 was Accommodation & food services (+244m) and land, water & air transport (+£208m). The largest decline in output in absolute terms was in the manufacture of metals, electrical products & machinery (-£177m) and in civil engineering (-£161m).