

Analysis of Annual Gross Value Added¹ (GVA) and Productivity²

Estimates: Sandwell

In Summary

- In 2022, total GVA in current prices for Sandwell was £6.8bn. However, GVA in Chain Volume Measures (CVM, 2019 value) Sandwell totalled £6.2bn.
- When compared to 2021, there was an increase for Sandwell's GVA in current prices by 6.3% (+£405m), the UK increased by 9.7%. When compared to the pre-pandemic/other shocks figure of 2019, Sandwell increased by 6.4% (+£407m), a much slower growth rate than the national average growth of 12.5%. Since 2021, when using the GVA CVM approach, Sandwell increased by 1.0% (+£62m), the UK increased at a faster rate of 4.1%. When compared to 2019, Sandwell decreased by 3.5% (-£225m), whereas the UK increased by 1.6%.
- In 2022, Sandwell's GVA per head in current prices was £19,750. While Sandwell's GVA per head in CVM was at £17,913.
- Sandwell's GVA per head in current prices when compared to 2021 had increased by 5.6% (+£1,051), the UK increased by 8.8%. When compared to 2019, there was an increase of 5.1% (+£963), the UK increased by 11.0%. When compared to 2021, for GVA per head in CVM, there was a slight increase for Sandwell by 0.3% (+£60), the UK increased by 3.2%. When compared to 2019, Sandwell's GVA per head decreased by 4.6% (-£873), whereas the UK increased by 0.2%.
- In 2022, Sandwell had a GVA per head in current prices gap to the national average by £13,478 (UK: £33,227). For GVA per head in CVM there was a gap to the national average by £12,080 (UK: £29,993).
- GVA in current prices shows that out of the nine sectors the majority of sectors had an annual increase, but environmental technologies and health & wellbeing and transport technologies were three sectors to decrease. When compared to 2019, environmental technologies also experienced a decrease while the other two sectors that had previously declined had now increased.
- For the GVA in CVM approach, there were four sectors with annual declines, advanced manufacturing, environmental technologies, retail and transport technologies.
- Compared to 2019, there were four sectors that have declined: environmental technologies and transport technologies but now health & wellbeing and the visitor economy. Notably longer-term, advanced manufacturing and retail had increased (following annual declines seen previously).
- In 2022, GVA per hour for Sandwell was £32.00. Since 2021, Sandwell increased by 0.9% (+£0.30), behind the UK growth of 1.5%. When compared to 2019, GVA per hour for Sandwell increased by 5.3% (+£1.60), the UK increased by 8.5%.
- In 2022, UK GVA per hour was £39.70 meaning Sandwell had a shortfall of £7.70.

¹ Source: Office for National Statistics (ONS), Regional economic activity by gross domestic product, UK: 1998 to 2022, released April 2024.

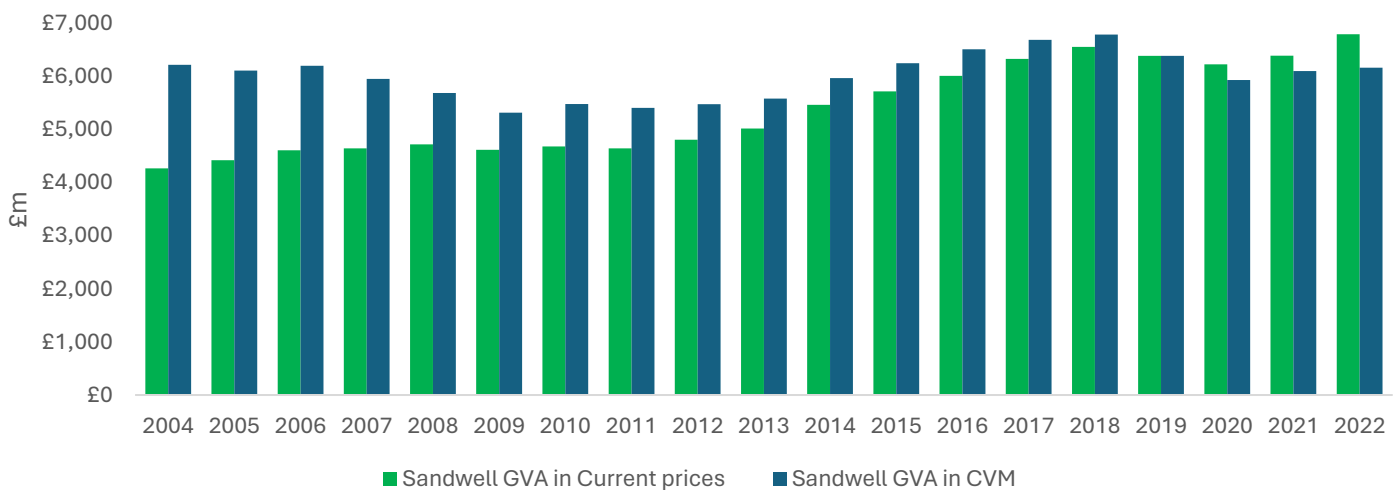
² Source: ONS, Regional and subregional labour productivity, UK: 2022, released June 2024. Please note, data is current prices, i.e., data are not adjusted for inflation and the data is smoothed using a weighted 5-year moving average.

In Detail

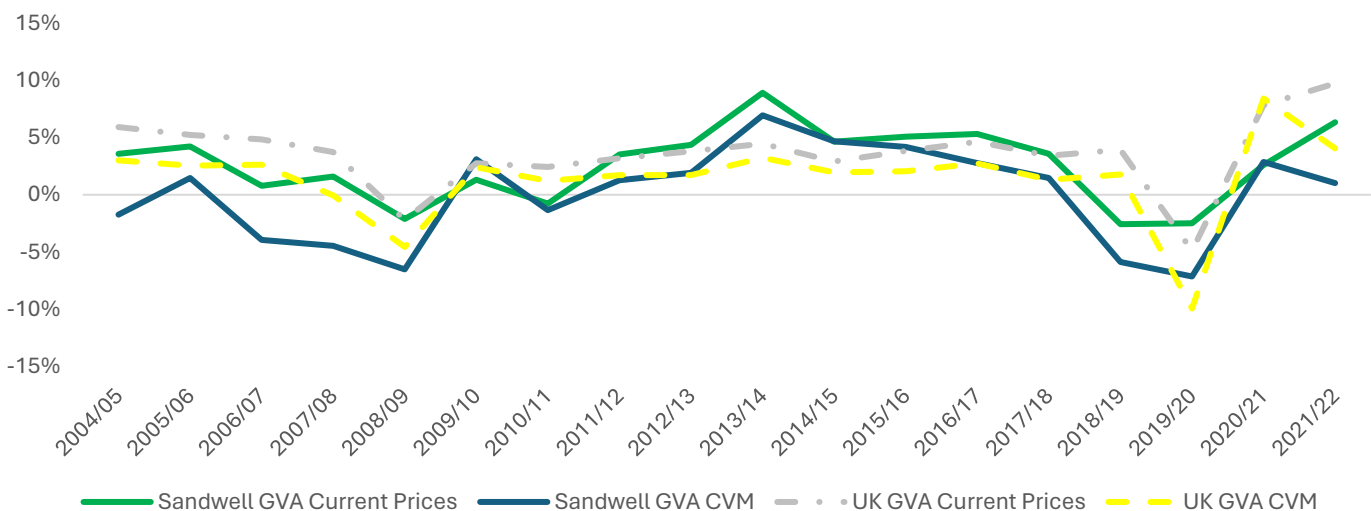
Total GVA

- In 2022, total GVA in current prices (including the effects of inflation) for Sandwell was £6.8bn. However, GVA in Chain Volume Measures (CVM, 2019 value – where the effects of inflation are removed) Sandwell totalled £6.2bn. Within the Black Country, Sandwell remains the highest for total GVA.
- When compared to 2021, there was an increase for Sandwell’s GVA in current prices by 6.3% (+£405m), the UK increased by 9.7%. When compared to the pre-pandemic/other shocks figure of 2019, Sandwell increased by 6.4% (+£407m), a much slower growth rate than the national average growth of 12.5%.
- Since 2021, when using the GVA CVM approach, Sandwell increased by 1.0% (+£62m), the UK increased at a faster rate of 4.1%. When compared to 2019, Sandwell decreased by 3.5% (-£225m), whereas the UK increased by 1.6%.
- When GVA CVM is indexed to 2019 (=100), Sandwell was at 96.5, with the UK at 101.6 in 2022.

Trends in Sandwell GVA:



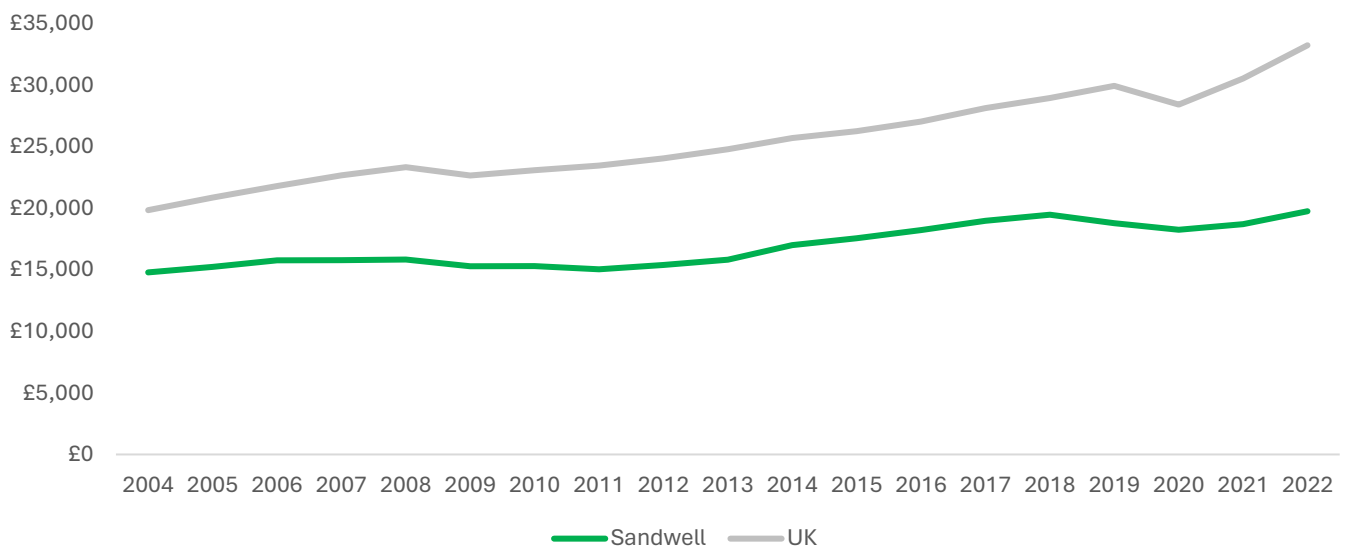
Sandwell and UK-Wide Year-on-Year Changes in GVA:



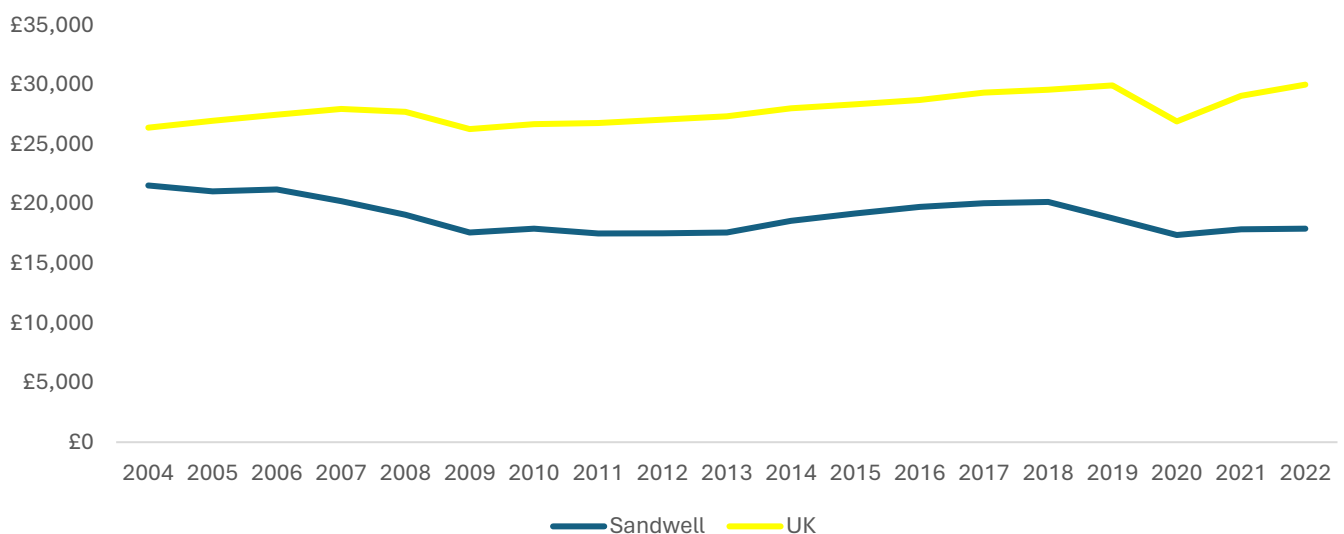
GVA per Head

- In 2022, Sandwell’s GVA per head in current prices was £19,750. While Sandwell’s GVA per head in CVM was at £17,913.
- Sandwell’s GVA per head in current prices when compared to 2021 had increased by 5.6% (+£1,051), the UK increased by 8.8%. When compared to 2019, there was an increase of 5.1% (+£963), the UK increased by 11.0%.
- When compared to 2021, for GVA per head in CVM, there was a slight increase for Sandwell by 0.3% (+£60), the UK increased by 3.2%. When compared to 2019, Sandwell’s GVA per head decreased by 4.6% (-£873), whereas the UK increased by 0.2%.
- In 2022, Sandwell had a GVA per head in current prices gap to the national average by £13,478 (UK: £33,227). For GVA per head in CVM there was a gap to the national average by £12,080 (UK: £29,993).

Trends in GVA per Head in Current Prices:



Trends in GVA per Head in CVM:



Sector Analysis

GVA in Current Prices

- In 2022, Sandwell had a higher proportion of GVA than nationally in six sectors.
- Business services accounted for the highest value of GVA in Sandwell (21.4% of total, UK: 40.9%). This was followed by advanced manufacturing (19.9% compared to 12.3% for the UK).
- Out of the nine defined sectors (as seen in the table below), the majority of sectors had an annual increase, but environmental technologies and health & wellbeing and transport technologies were three sectors to decrease (-32.2%, -1.3% and -0.6% respectively). When compared to 2019, environmental technologies also experienced a decrease (-63.7%) while the other two sectors that had previously declined had now increased.

Trends in Sandwell GVA per sector in current prices (figures in £millions):

	2019	2020	2021	2022	Annual Change	Change Compared to 2019	Sandwell Percent of 2022 Total	UK Percent of 2022 Total
Advanced Manufacturing	£1,210	£1,255	£1,260	£1,356	7.6%	12.1%	19.9%	12.3%
Building Technologies	£393	£407	£412	£518	25.7%	31.8%	7.6%	6.2%
Business Services	£1,302	£1,145	£1,282	£1,457	13.7%	11.9%	21.4%	40.9%
Environmental Technologies	£557	£509	£298	£202	-32.2%	-63.7%	3.0%	2.2%
Health & Wellbeing	£738	£790	£777	£767	-1.3%	3.9%	11.3%	8.9%
Public Sector inc. Education	£610	£635	£677	£734	8.4%	20.3%	10.8%	11.8%
Retail	£895	£815	£977	£1,017	4.1%	13.6%	15.0%	10.4%
Transport Technologies	£565	£606	£616	£612	-0.6%	8.3%	9.0%	3.5%
Visitor Economy	£123	£70	£93	£134	44.1%	8.9%	2.0%	3.7%
Total	£6,391	£6,231	£6,393	£6,798	6.3%	6.4%	100.0%	100.0%

GVA in CVM

- In this approach, the Sandwell still has six sectors above the national average.
- There are now four sectors with annual declines, as seen in the following table: advanced manufacturing (-2.5%), environmental technologies (-37.9%), retail (-3.2%) and transport technologies (-6.0%).
- Compared to 2019, there were four sectors that have declined: environmental technologies (-67.3%) and transport technologies (-3.5%) and now health & wellbeing (-3.9%) and the visitor economy (-6.5%). Notably longer-term, advanced manufacturing and retail had increased by 5.2% and 0.6% (following annual declines seen previously).

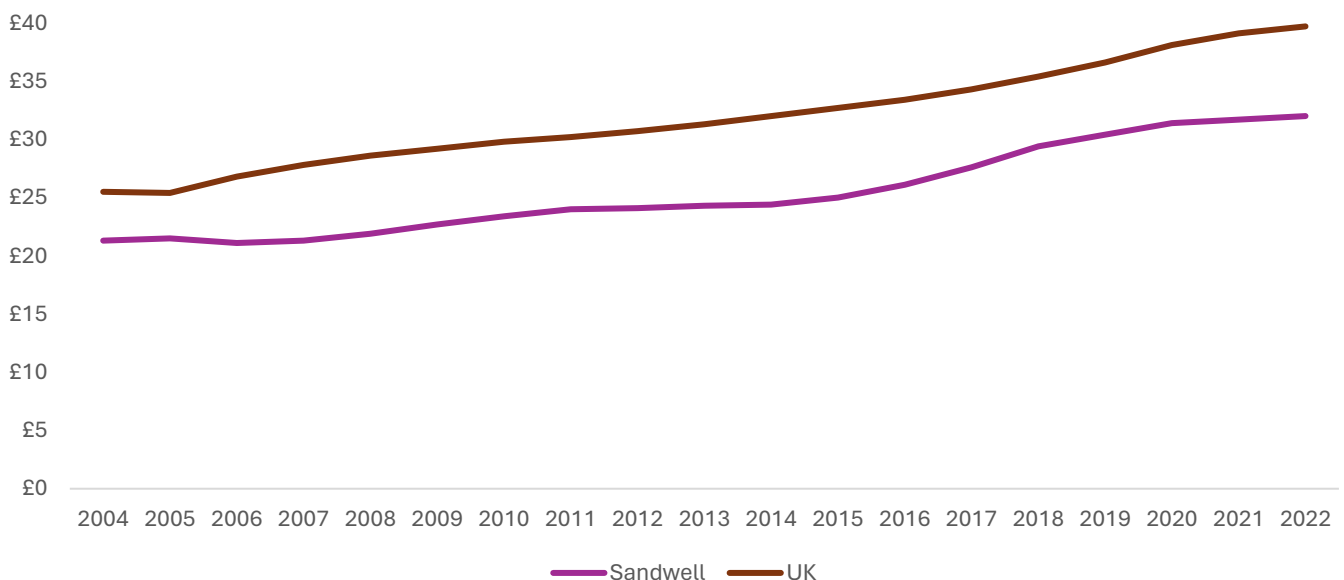
Trends in Sandwell GVA per sector in CVM:

	2019	2020	2021	2022	Annual Change	Change Compared to 2019	Sandwell Percent of 2022 Total	UK Percent of 2022 Total
Advanced Manufacturing	£1,210	£1,363	£1,306	£1,273	-2.5%	5.2%	20.7%	12.3%
Building Technologies	£393	£414	£404	£466	15.3%	18.6%	7.6%	6.2%
Business Services	£1,302	£1,141	£1,251	£1,342	7.3%	3.1%	21.8%	41.8%
Environmental Technologies	£557	£526	£293	£182	-37.9%	-67.3%	3.0%	2.2%
Health & Wellbeing	£738	£586	£664	£709	6.8%	-3.9%	11.5%	9.0%
Public Sector inc. Education	£610	£528	£587	£631	7.5%	3.4%	10.2%	11.3%
Retail	£895	£710	£930	£900	-3.2%	0.6%	14.6%	10.1%
Transport Technologies	£565	£594	£580	£545	-6.0%	-3.5%	8.8%	3.4%
Visitor Economy	£123	£69	£87	£115	32.2%	-6.5%	1.9%	3.6%
Total	£6,391	£5,934	£6,104	£6,166	1.0%	-3.5%	100.0%	100.0%

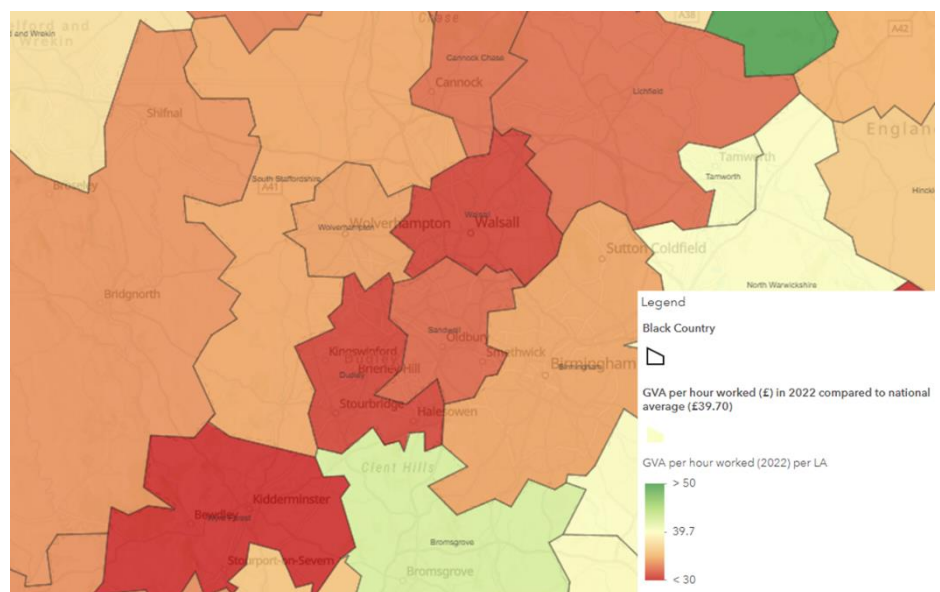
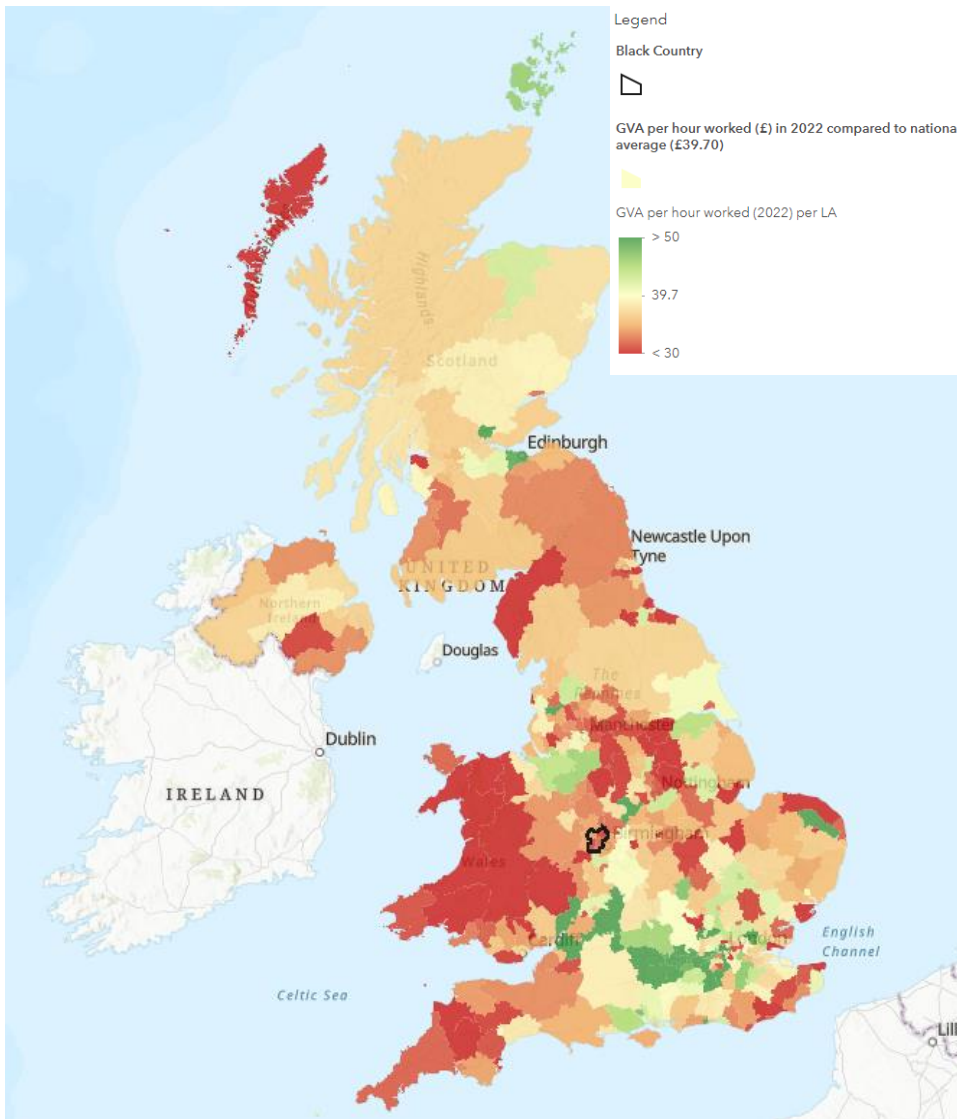
Productivity: Smoothed GVA per Hour Worked

- In 2022, GVA per hour for Sandwell was £32.00. Since 2021, Sandwell increased by 0.9% (+£0.30), behind the UK growth of 1.5%. When compared to 2019, GVA per hour for Sandwell increased by 5.3% (+£1.60), the UK increased by 8.5%.
- In 2022, UK GVA per hour was £39.70 meaning Sandwell had a shortfall of £7.70.

Trends in GVA per Hour:



GVA per Hour Worked Compared to National, 2022:



GVA per Hour, 2022:

