12 August 2026

NatWest East of England Growth Tracker

Private sector output returns to growth in July

NatWest

PMI by S&P Global

12 August 2026

NatWest East of England Growth Tracker

Contents

NatWest

PMI by S&P Global

Key findings

July 2026

First increase in business activity since April

Weakest inflationary pressures in five months

Outlook improves to highest since before conflict in Middle East

The NatWest East of England Growth Tracker provides a timely snapshot of regional economic performance.

The report tracks monthly changes in business activity, demand, employment, backlogs, prices and the year-ahead outlook. The data are compiled from local companies that participate in S&P Global's UK manufacturing and services PMI surveys.

For more reports on 12 UK nations and regions, visit www.natwest.com/business/insights/economics

Private sector output returns to growth in July

The latest NatWest Growth Tracker surveys showed a renewed increase in business activity in the East of England's private sector in July, alongside a further easing of inflationary pressures. The year-head outlook improved, although employment continued to fall.

The NatWest East of England Growth Tracker Business Activity Index rose to 50.9 in July, from 47.4 in June, signalling the first increase in output since April.

Output also rose across the UK as a whole in July (52.2). Ten regions recorded increases although, outside London (55.3) and the South East (53.2), the rates of growth were modest. Scotland (47.3) and Yorkshire & Humber (49.1) recorded declining output.

Price pressures in the East of England eased further in July, with both input costs and charges rising at the slowest rates since February.

Companies were more optimistic concerning the 12-month outlook. Confidence was the highest since February, prior to the outbreak of the conflict in the Middle East. That said, businesses continued to streamline workforces.

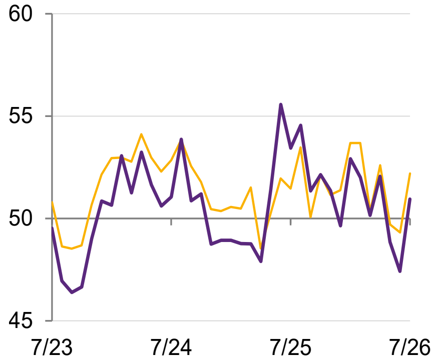
NatWest East of England Business Activity Index July 2026

50.9

The Business Activity Index is a diffusion index calculated from companies' responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted.

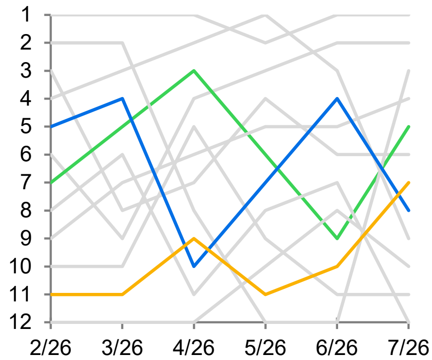
Data compiled 9-29 July

Business Activity
East of England UK
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

West Midlands East of England
East Midlands
Business Activity Index, UK ranking



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

NatWest

Return to contents

Comment

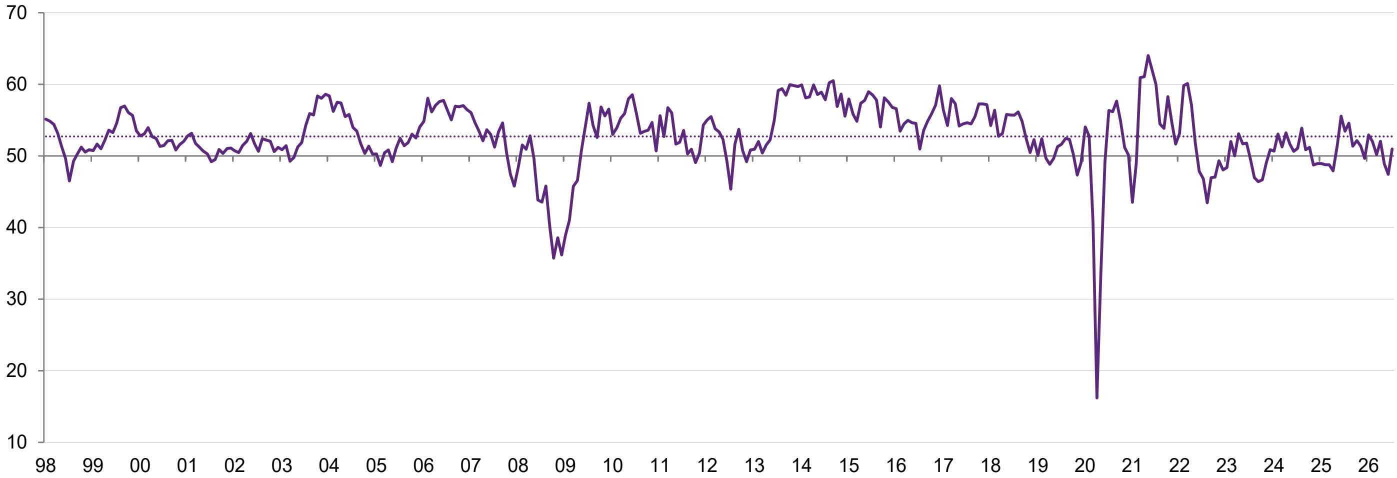
Lisa Phillips, Regional Managing Director, Midlands and East, Commercial Mid Markets at NatWest, commented:

"The start of the second half of 2026 saw a pick-up in business conditions in the private sector economy of the East of England, with the latest survey results showing a rise in output for the first time since April. This was part of a broader UK recovery, with ten out of 12 nations and regions monitored seeing growth in July.

"Although new orders fell, the decline as only marginal and the year-ahead outlook improved. Confidence has broadly returned to where it was just prior to the start of the conflict in the Middle East. Increased expectations partly reflect a further easing in inflation during July, which should reduce the chances of higher interest rates in the second half of the year."

Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average since 1998.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Demand and outlook

Business expectations recover to pre-Middle East war level as new business falls only marginally

The year-ahead outlook for business activity in the East of England private sector recovered further in July, reaching the highest since February prior to the conflict in the Middle East. Positive forecasts reflected new contracts, investments, business development, export growth, increased demand and product innovation.

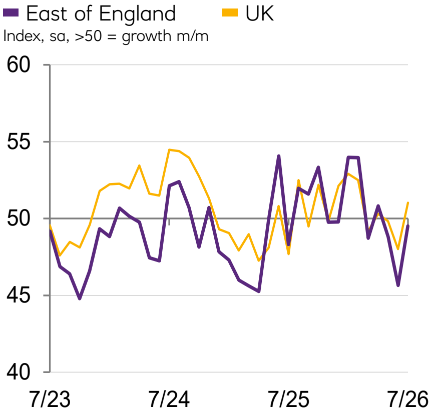
The East of England ranked third among the UK nations and regions in terms of business expectations in June, behind the North West and West Midlands.

Expectations improved as the recent downturn in new business volumes showed signs of ending. The rate of contraction in new work was only marginal in July.

The UK as a whole recorded an increase in new orders for the first time in three months. Six regions registered higher demand, led by London and the South East.

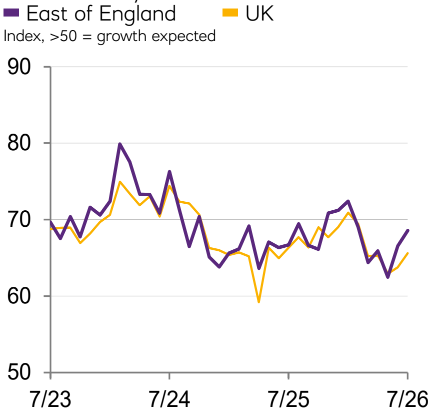
"Although new orders fell, the decline as only marginal and the year-ahead outlook improved. Confidence has broadly returned to where it was just prior to the start of the conflict in the Middle East."

New Business



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Future Activity



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Jobs and capacity

Employment and backlogs continue to fall

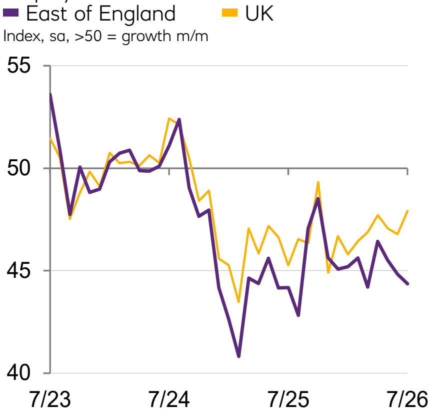
The East of England's private sector workforce contracted for the twenty-third month running in July. The rate of job shedding was the fastest in four months. Lower employment was linked to subdued demand, cost-cutting, changes in working practices, company takeovers, the non-replacement of leavers, difficulties in recruiting suitable personnel and staff leaving for higher-paid jobs.

For the second month running, the East of England recorded the fastest rate of workforce reduction across all 12 UK nations and regions monitored. At the other end of the rankings, Scotland recorded its strongest job creation in nearly two years.

The volume of outstanding work fell in July, in line with the broad trend since the middle of 2022. The rate of backlog depletion was unchanged from June and the joint-strongest in ten months.

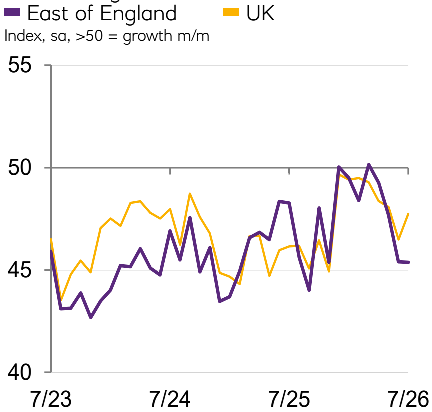
All UK nations and regions registered lower backlogs in July except London, which recorded no change in outstanding work.

Employment

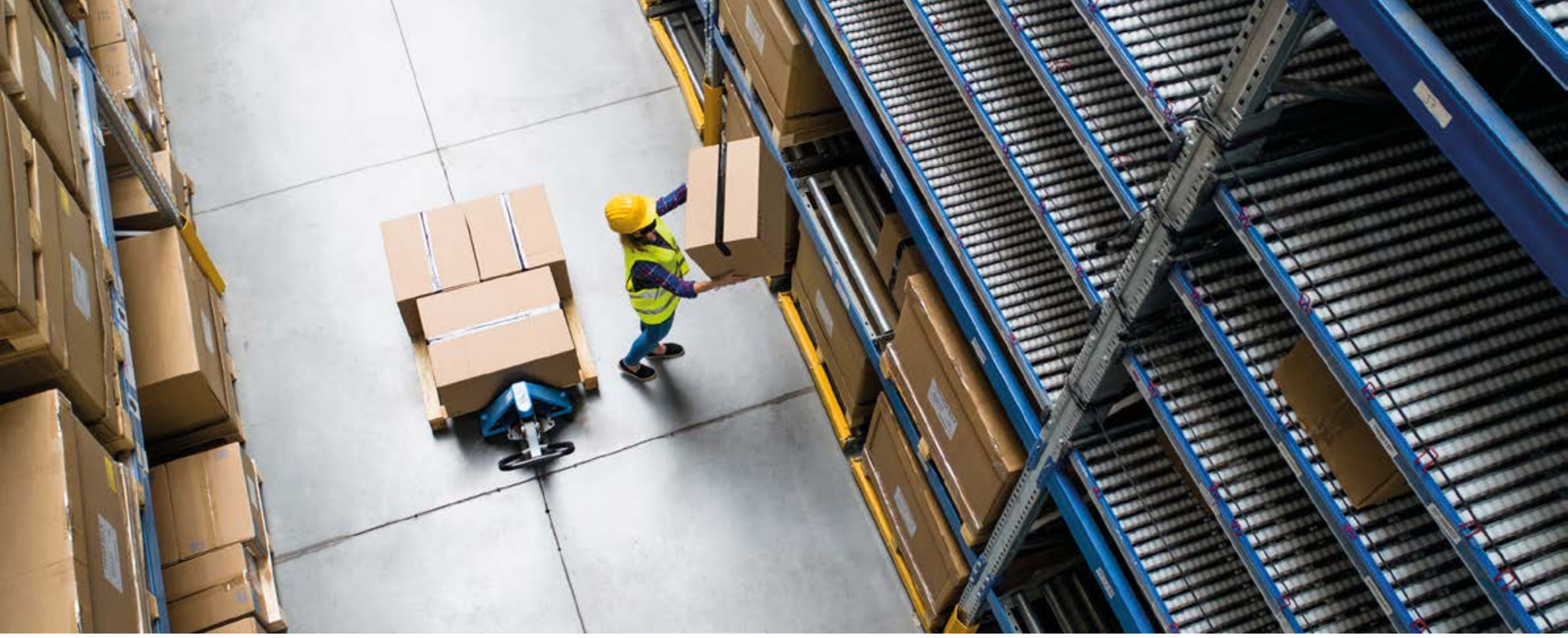


Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Outstanding Business



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Inflation

Inflationary pressures weaken further in July

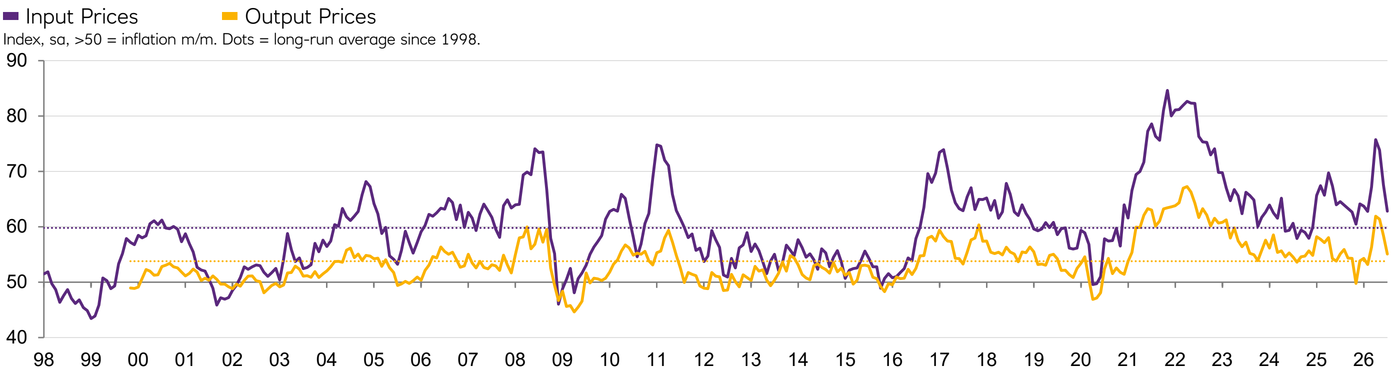
Input price inflation in the East of England private sector eased for the third month running in July to a five-month low. Average input costs continued to rise at a rate that was above the long-run average, however. Higher input prices were mainly driven by increased fuel, shipping, and other oil-related costs linked to the Middle East conflict, while wages, national insurance and higher taxes were significant domestic contributors.

The East of England's rate of input price inflation was the joint-weakest among the 12 UK nations and regions monitored in July, alongside the North East. Input cost inflation was strongest in Northern Ireland.

Private sector firms in the East of England increased their charges at the slowest rate in five months in July. The rate of inflation was still above the long-run survey trend, however.

Charge inflation in the East of England was the second-weakest in the UK, with only Scotland posting a softer increase. Northern Ireland recorded the steepest inflation.

> "Increased expectations partly reflect a further easing in inflation during July, which should reduce the chances of higher interest rates in the second half of the year."



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

UK Regional Growth Tracker

Business Activity

July saw business activity growth widen across the UK, with 10 of the 12 nations and regions reporting higher activity, up from just three in June. London once again topped the rankings, ahead of the South East and Northern Ireland*. Scotland and Yorkshire & Humber were the only areas to record decreases in output.

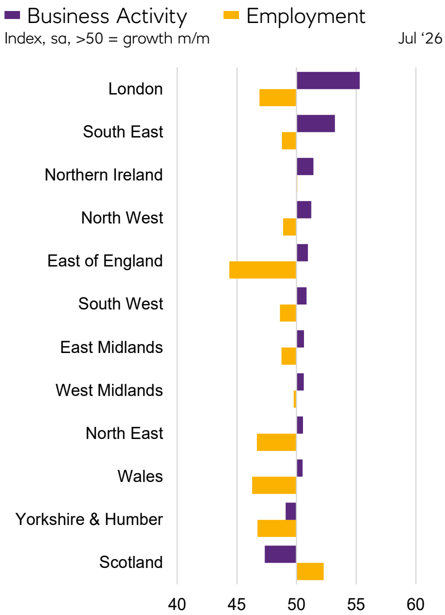
Employment

Labour market conditions remained subdued across most parts of the UK at the start of the third quarter. The majority of areas saw lower employment, with firms in the East of England recording the steepest decline. Scotland went against the trend and recorded an increase in workforce numbers, while Northern Ireland saw little-change.

Future Activity

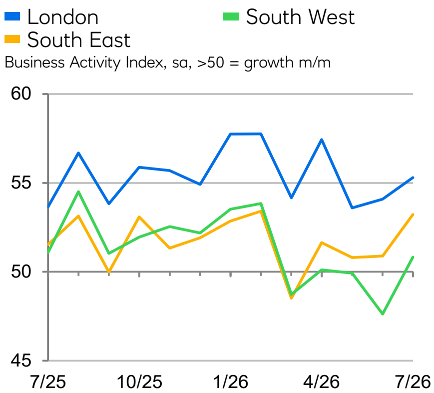
There was an improvement in business expectations towards activity in the year ahead in the majority of UK nations and regions in July. The North West recorded the most market uptick in confidence and the highest overall degree of optimism. Firms in Northern Ireland remained the least upbeat, though sentiment there rebounded to a four-month high.

*As well as manufacturing and services, coverage in Northern Ireland also includes construction and wholesale & retail.

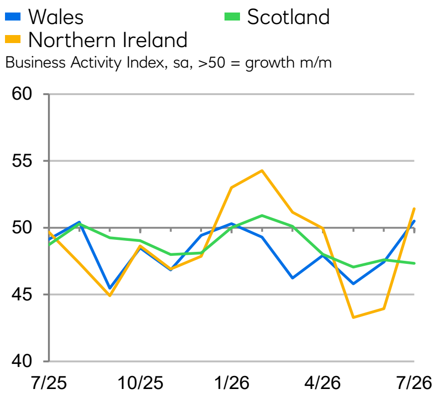


Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

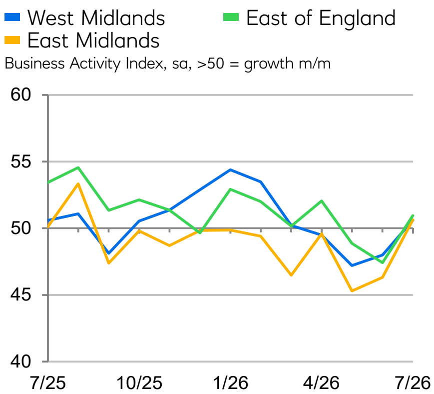
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



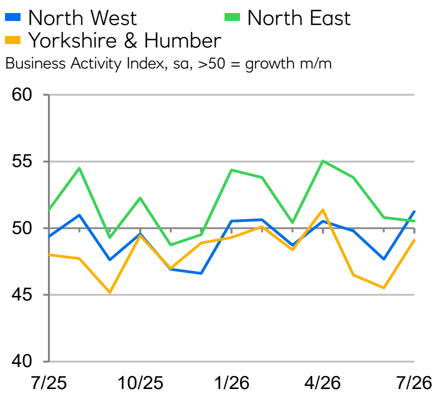
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



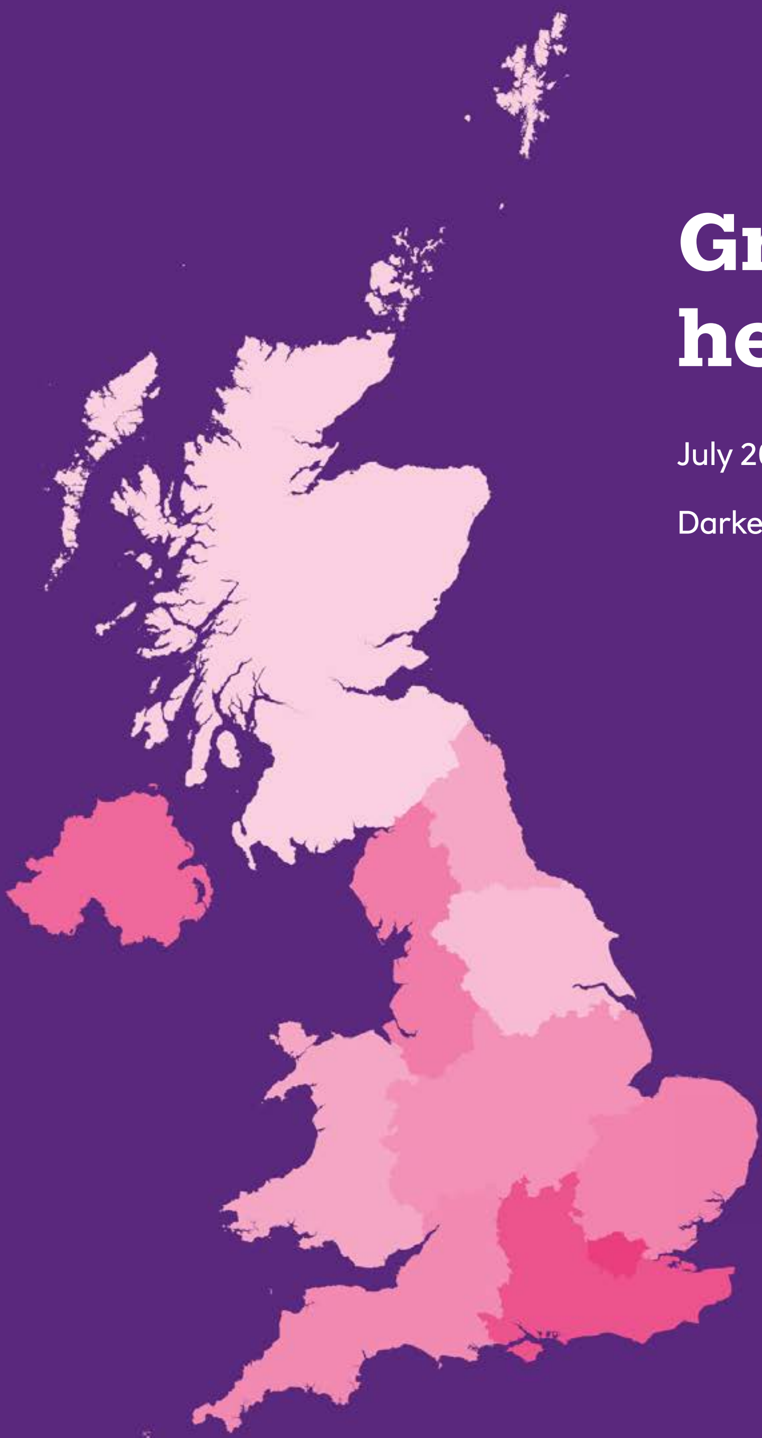
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Growth Tracker heat map

July 2026

Darker colour = higher business growth

East of England

Business Activity Index
sa, >50 = growth m/m

50.9

Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

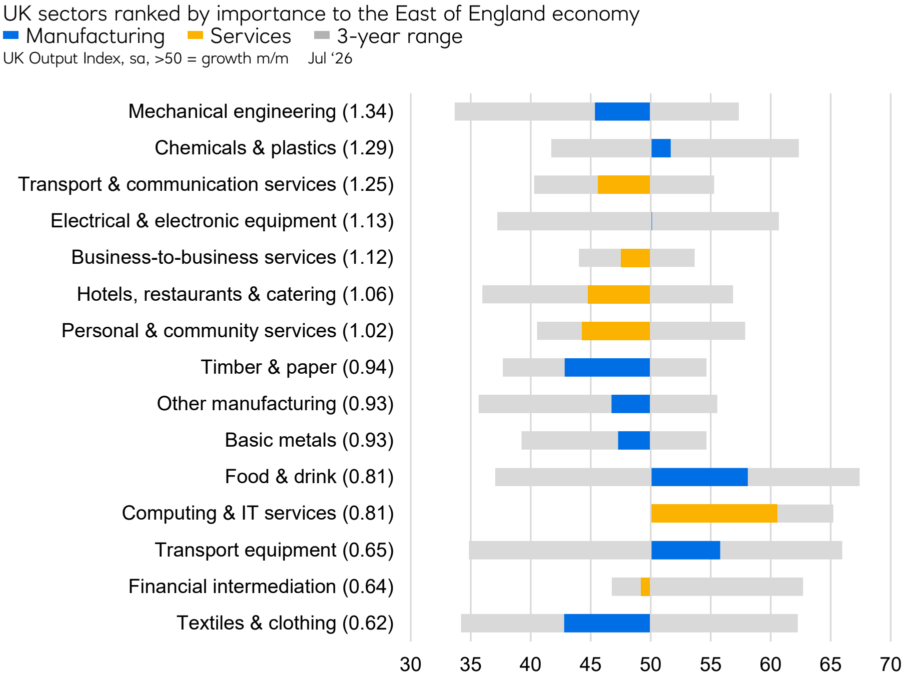
UK sectors

Sector specialisation: East of England

The chart shows UK output indices by sector, ranked by location quotients for the East of England. Location quotients (LQs) are ratios derived by comparing the share of sector output (or gross value added) in regions with the national share of output in the same sector.

Focusing on the manufacturing and service sectors in isolation, a location quotient is calculated by taking a sector's proportion of regional output and comparing it with the UK-wide share of output in the sector. An LQ of 1.0 in a sector means that the region and the UK as a whole are equally specialised in that sector. An LQ greater than 1.0 indicates that the sector has a greater economic footprint in the region than it does for the UK as a whole.

UK sectors ranked by importance to the East of England economy



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.
Location quotients for the East of England are shown in brackets. Latest data are smoothed as three-month moving averages (3mma).

Sector in focus: Financial intermediation

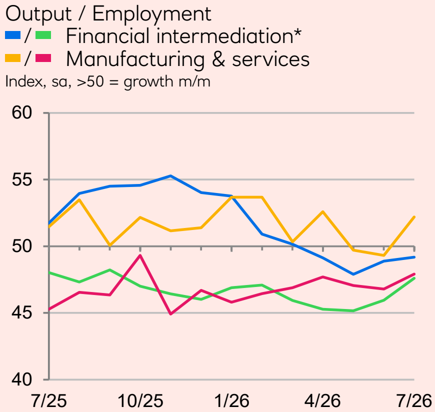
Business activity continued falling across the UK's financial intermediation sector in the three months to July, following on from the downward trend in activity recorded throughout the second quarter of the year. The pace of contraction was the weakest since the decline began and only marginal, however.

Staff retrenchment remained a theme across the sector, as has been the case since late 2024. Although the pace of job losses showed an easing trend, it remained slightly quicker than the average seen across the UK private sector as a whole.

Financial intermediaries meanwhile recorded a marked, albeit slower, rate of cost inflation in the three months to July. However, the rates they charged were left broadly unchanged amid a continued decline in backlogs of work.

Although firms in the sector were hopeful of growth in the coming year, expectations were the lowest in just over a year and subdued by historical standards.

Output / Employment



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.
*Data are smoothed as three-month moving average (3mma).

Methodology

The NatWest East of England Growth Tracker is compiled by S&P Global from responses to questionnaires sent to East of England companies that participate in S&P Global's UK manufacturing and services PMI surveys.

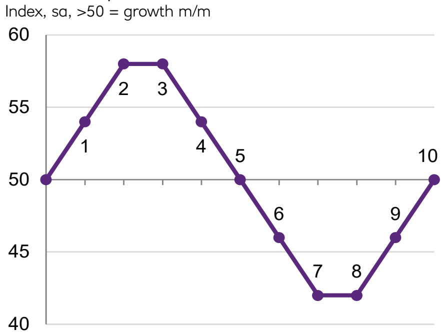
Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. 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 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 East of England Business Activity Index is comparable to the UK Composite Output Index.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.

Index interpretation
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Key
1 Growth, from no change
2 Growth, faster rate
3 Growth, same rate
4 Growth, slower rate
5 No change, from growth
6 Decline, from no change
7 Decline, faster rate
8 Decline, same rate
9 Decline, slower rate
10 No change, from decline

Data

East of England manufacturing and services
Index, sa, 50 = no change over previous month. *50 = no change over next 12 months.

	Business Activity	New Business	Export Climate Index	Employment	Outstanding Business	Future Activity*	Input Prices	Output Prices
2/26	52.0	54.0	52.3	45.6	48.4	69.0	62.8	53.2
3/26	50.2	48.7	50.7	44.2	50.2	64.4	67.2	56.3
4/26	52.1	50.8	50.9	46.4	49.3	65.9	75.8	61.9
5/26	48.9	48.8	51.4	45.5	47.7	62.5	73.8	61.4
6/26	47.4	45.7	51.5	44.8	45.4	66.6	67.5	58.4
7/26	50.9	49.5		44.4	45.4	68.6	62.8	55.1

Further information

NatWest

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

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.

www.spglobal.com/marketintelligence/en/mi/products/pmi

S&P Global

S&P Global (NYSE: SPGI) 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 organisations plan for tomorrow, today.

www.spglobal.com

Contact

David Nieberg
Head of UK Regional Affairs
NatWest
T: +44 7790 026 450
david.nieberg@natwest.com

Trevor Balchin
Economics Director
S&P Global Market Intelligence
T: +44 1491 461065
trevor.balchin@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com
press.mi@spglobal.com

NatWest

PMI®

by S&P Global