12 August 2026

NatWest Yorkshire & Humber Growth Tracker

New order volumes stabilise in July

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PMI® by S&P Global

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Key findings

July 2026

Softer fall in activity as new orders stabilise

Employment down to least extent in nine months

Inflationary pressures ease

The NatWest Yorkshire & Humber 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

New order volumes stabilise in July

The NatWest Regional Growth Tracker signalled a broad stabilisation of new orders in the Yorkshire & Humber private sector during July, with rates of decline in output and employment easing as a result. There was also a softening of inflationary pressures.

The headline Yorkshire & Humber Business Activity Index – a seasonally adjusted index that measures the month-on-month change in the combined output of the region's manufacturing and service sectors – rose to 49.1 in July from 45.5 in June. Although continuing to signal a reduction in business activity at the start of the third quarter, the latest index reading pointed to only a slight fall and one that was the least pronounced in the current sequence of contraction.

Where activity decreased, firms generally linked this to muted new order inflows. The fall in output in Yorkshire & Humber contrasted with a rise across the UK as a whole, with only Scotland posting a sharper reduction.

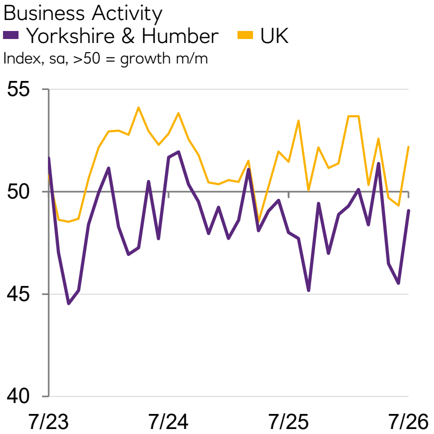
NatWest Yorkshire & Humber Business Activity Index, July 2026

49.1

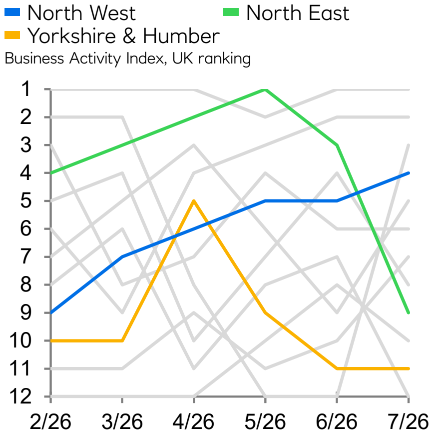
The Business Activity Index is a diffusion index calculated from companies' responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading 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



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



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Comment

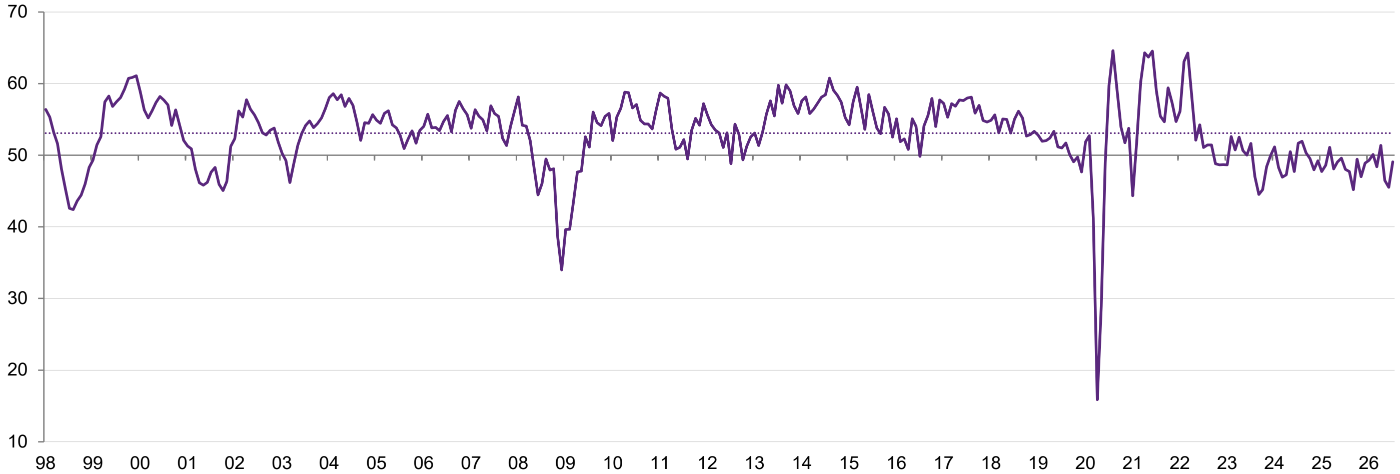
Malcolm Buchanan, Chair of the NatWest North Regional Board, commented:

"There were some encouraging signs from the latest Yorkshire & Humber Growth Tracker, particularly with regards to customer demand which stabilised following a period of decline amid geopolitical issues. Although still muted, the inflow of new orders was such that firms posted softer reductions in output and employment levels as the second half of the year began. Adding to the alleviation of headwinds facing firms, inflationary pressures also cooled.

"While conditions looked to be moving positively in July, firms remained only cautiously optimistic regarding the future as geopolitics continues to loom over the global economy and has the potential to throw the nascent recovery off course."

Business Activity

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



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Demand and outlook

New orders broadly stable in July

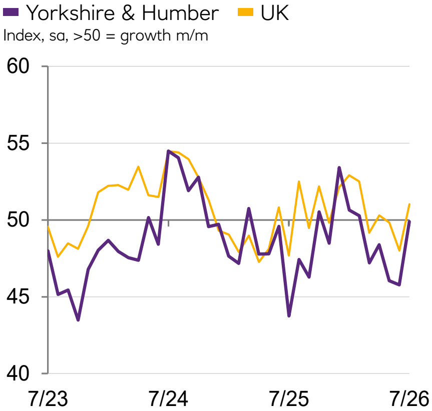
New orders were little changed in the Yorkshire & Humber region during July, following reductions in each of the previous four months. A number of respondents indicated that customer confidence remained subdued amid market uncertainty, but others signalled a pick-up in demand, particularly with regards to export business.

Business confidence ticked down in July and remained relatively muted amid ongoing uncertainty and worries about geopolitics. Nonetheless, companies were still optimistic overall that business activity will rise over the coming year. Positive sentiment reflected business investment plans, hopes for an improvement in economic conditions and higher new orders.

Sentiment in the region was slightly lower than the UK average.

"There were some encouraging signs from the latest Yorkshire & Humber Growth Tracker, particularly with regards to customer demand."

New Business



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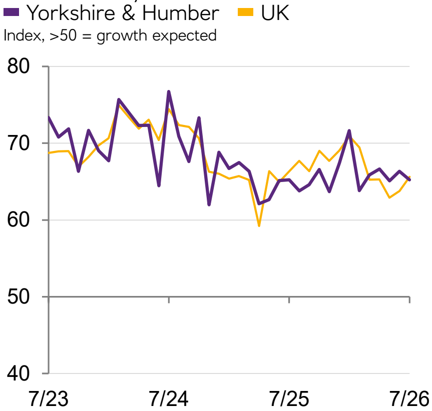
Future Activity



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Jobs and capacity

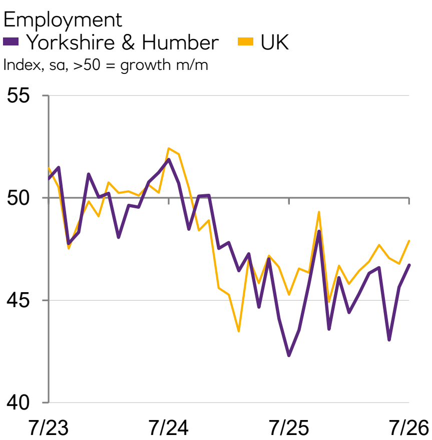
Slowest reduction in staffing levels for nine months

The non-replacement of departing staff as part of efforts to limit costs resulted in a further fall in employment in the Yorkshire & Humber private sector during July. Workforce numbers decreased for the twentieth consecutive month, and at a solid pace, but the rate of job cuts eased to the weakest since last October.

Despite slowing for the second month running, the fall in employment in the region was still sharper than the UK average.

As has been the case in each month for almost three-and-a-half years, backlogs of work decreased during July. Respondents indicated that new business inflows remained muted, meaning spare capacity was available to work on outstanding business. The latest fall in backlogs was solid, but the least marked for two years.

"Although still muted, the inflow of new orders was such that firms posted softer reductions in output and employment."



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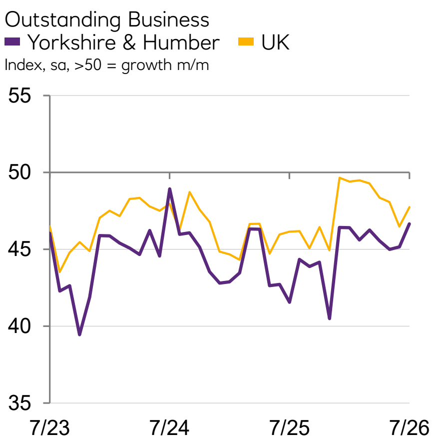

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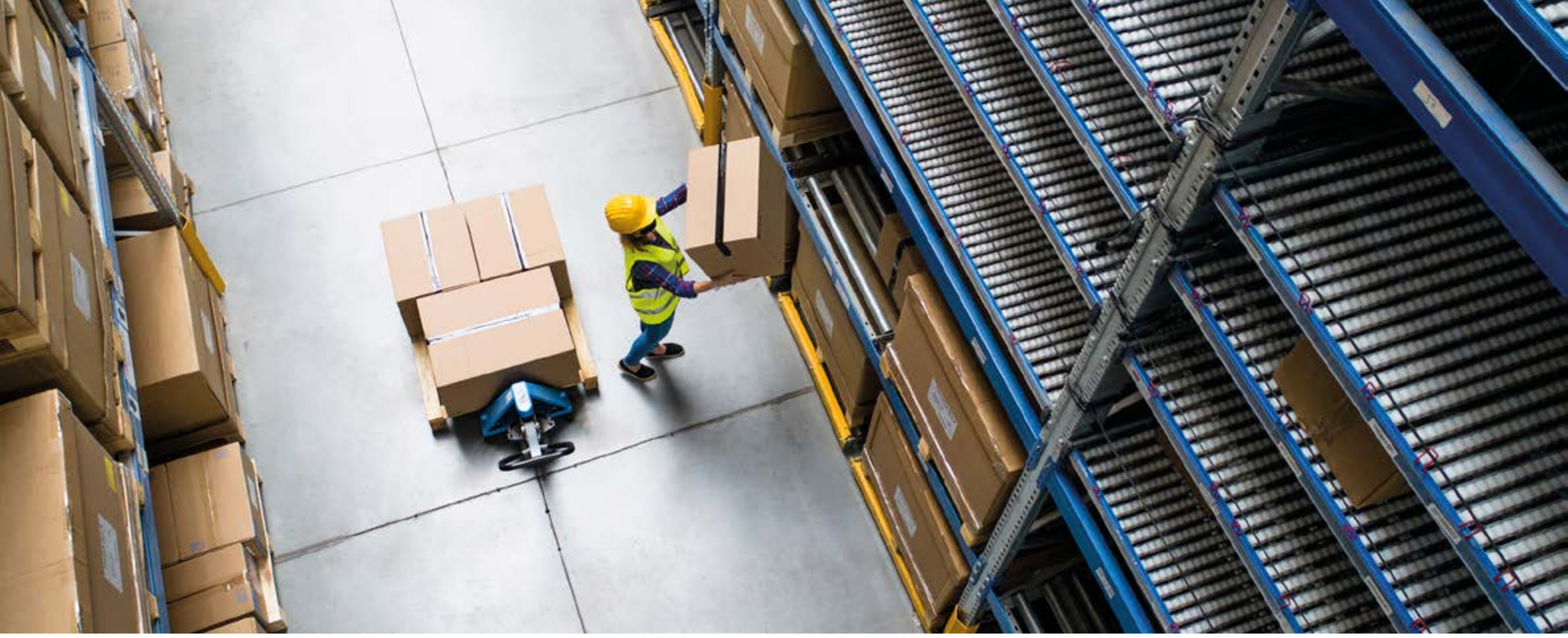


Inflation

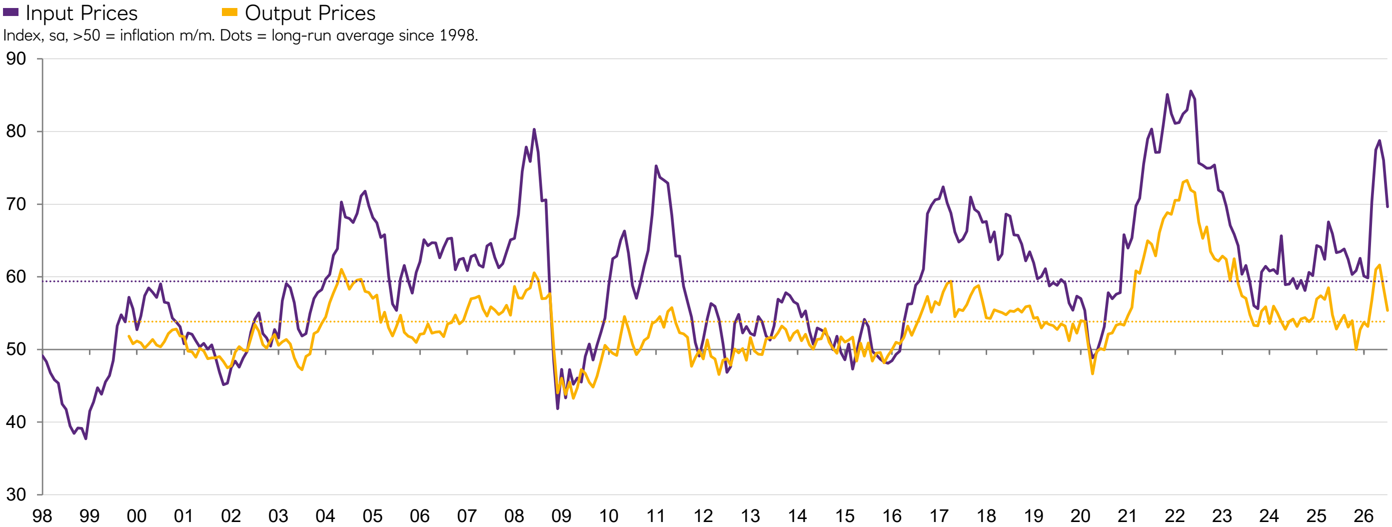
Inflationary pressures soften in July

The effects of geopolitical issues continued to drive up prices for fuel, oil and raw materials in July. Input costs increased sharply again as a result, but the rate of inflation slowed markedly from the previous month and was the weakest since February.

In line with the picture for input costs, the rate of output price inflation eased in July, but remained marked and was still stronger than seen at the start of the year. According to respondents, increases in charges again largely reflected the pass through of higher input costs to customers.

While cost inflation in the region outpaced the UK average, the opposite was true for selling prices.

> "Adding to the alleviation of headwinds facing firms, inflationary pressures also cooled."



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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.

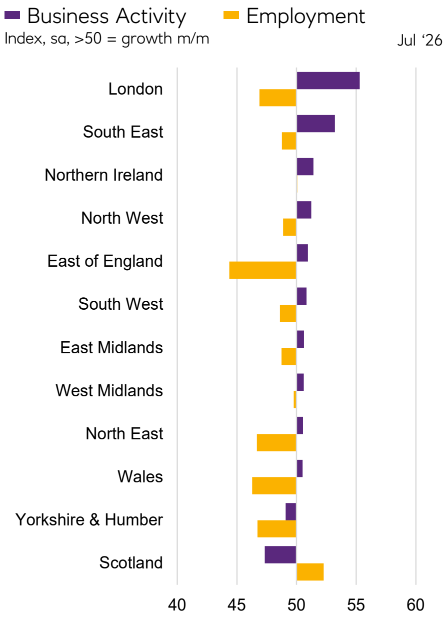
Employment

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.



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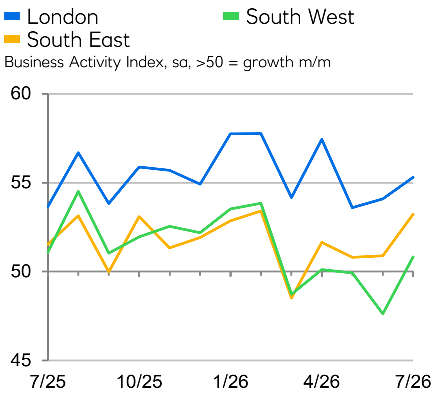

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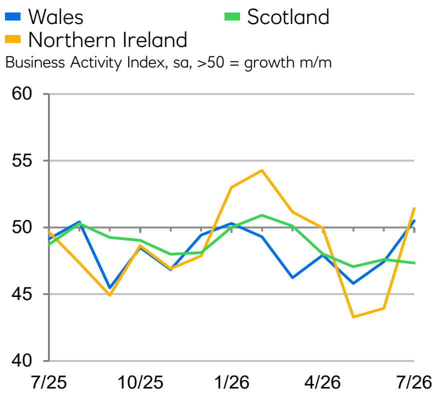

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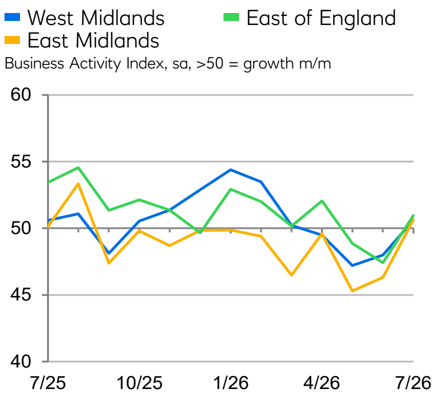

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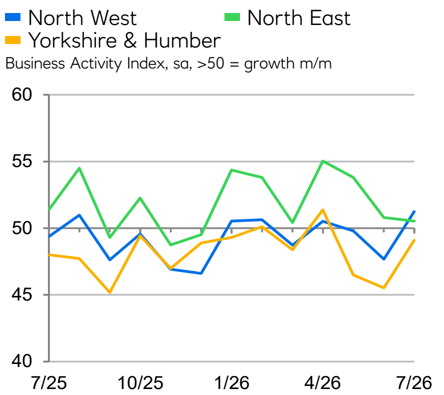
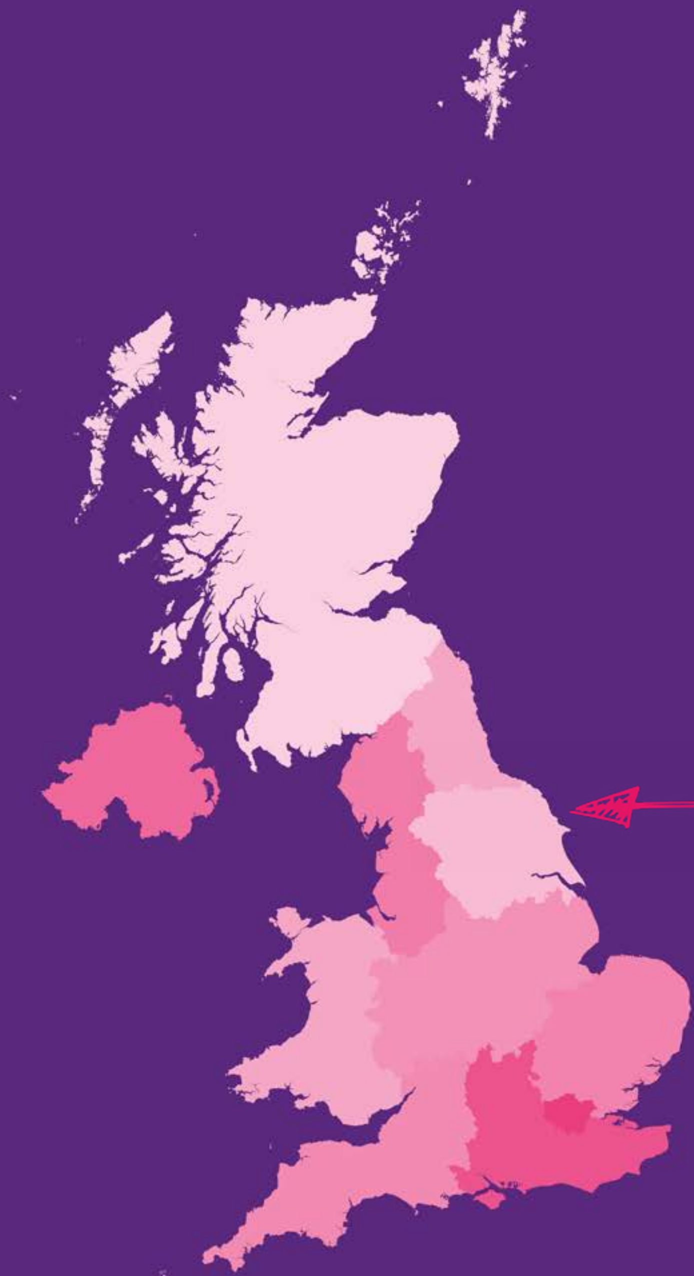


Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Growth Tracker heat map

July 2026

Darker colour = higher business growth



Yorkshire & Humber

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

49.1

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

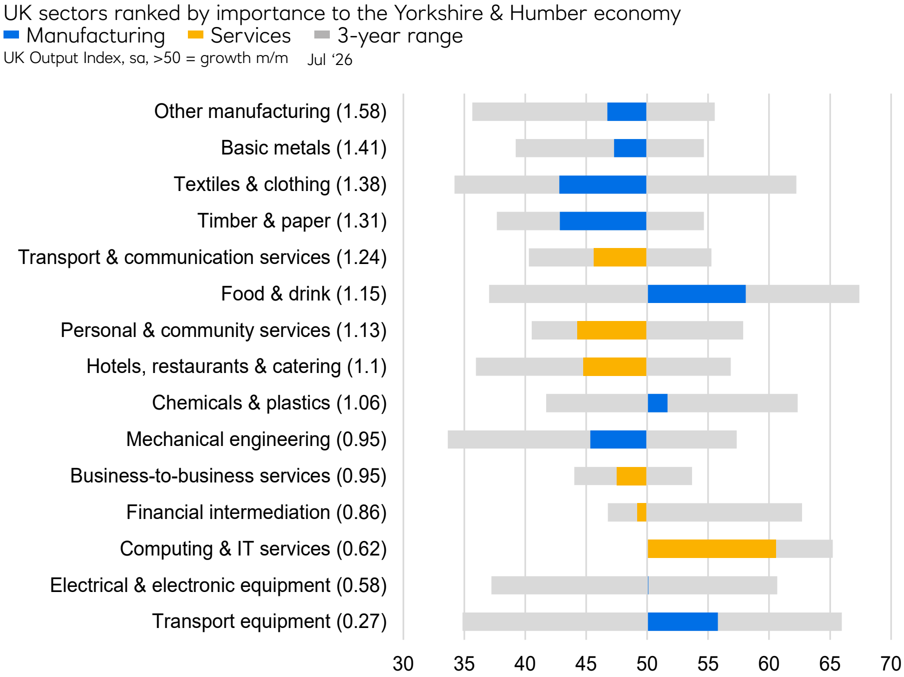
UK sectors

Sector specialisation: Yorkshire & Humber

The chart shows UK output indices by sector, ranked by location quotients for Yorkshire & Humber. 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 Yorkshire & Humber economy



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

Sector in focus: Financial intermediation

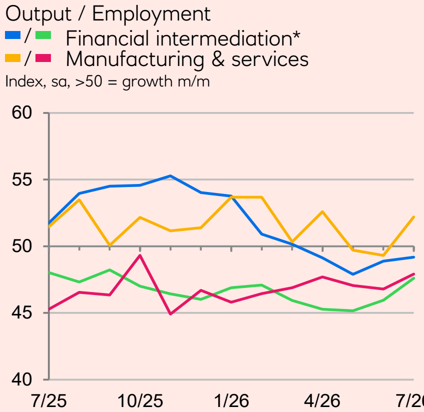
Business activity continued falling across the UK's financial intermediation sector in the three months to July, following on from the downward trend in activity recorded throughout the second quarter of the year. The pace of contraction was the weakest since the decline began and only marginal, however.

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 Yorkshire & Humber Growth Tracker is compiled by S&P Global from responses to questionnaires sent to companies in Yorkshire & Humber 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.

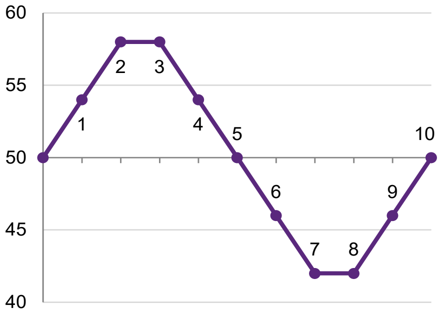
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously. The Yorkshire & Humber Business Activity Index 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

Yorkshire & Humber 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	50.1	50.3	52.5	45.3	45.6	63.8	59.9	53.2
3/26	48.4	47.2	51.1	46.3	46.3	65.9	70.3	56.8
4/26	51.4	48.4	51.1	46.6	45.6	66.6	77.5	61.0
5/26	46.5	46.0	51.8	43.1	45.0	65.1	78.8	61.6
6/26	45.5	45.8	51.7	45.6	45.2	66.3	76.0	58.5
7/26	49.1	49.9		46.7	46.7	65.2	69.6	55.4

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Contact

David Nieberg
Head of UK regional Affairs
NatWest
+44 (0) 7790 026 450
david.nieberg@natwest.com

Joe Hayes
Senior Principal Economist
S&P Global Market Intelligence
+44 1344 328 099
joe.hayes@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
+44 (0) 7483 439 812
hannah.brook@spglobal.com
press.mi@spglobal.com

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