

Foreword

An additional 27,000 people are now working in the region compared to this time last year and the North East also boasts the biggest fall in unemployment of anywhere in the UK during the last twelve months.

While UK unemployment, in general, has reached a 42-year low, recent data show that our region has accounted for over twenty-five percent of the overall decline nationally in 2017, and seventeen percent for the whole of 2016. This dramatic fall also means the North East is no longer the country's main trouble child when it comes to jobs (or lack of); though 5.9% still leaves us precariously near the bottom of the 'those out of work' league.

Wages too have been creeping up, showing a 2.5% increase during the last year, a trend which is reflected in the report, but there's a still a long way to go to raise earnings up to the national average. Those in the North East currently earn 16% less on average than workers elsewhere in the UK, and with rising inflation and recent figures showing the UK has experienced the worst fall in real wages of any OECD country, it's fair to say the spending power of local consumers won't improve in the short term.

While the region has enjoyed a fairly buoyant year there are signs that we are now entering a period of slower growth. Indications are that domestic and export sales are in decline and with the onset of US protectionism destabilising international markets, and negotiations with Europe approaching, the question will be how much business confidence can be maintained during the ongoing uncertainty over Britain's future role.

We hope you enjoy reading the report and find the perspectives offered to be useful. Should you have further questions, please do not hesitate to contact a member of our team who will be more than happy to clarify any of the information presented.