

West Country to grow faster than all UK regions outside London and South East

The West Country's economy is predicted to grow faster than all UK regions outside London and the South East over the next three years, a new report has found.

The region will see gross value added (GVA) growth of 1.9% until 2027 – just behind the capital at 2.1% and the South East at 2.0% – according to the latest EY *Regional Economic Forecast* .

Bristol is set to be the fastest-growing local economy in the South West of England, with expected annual growth of 2.2% over the period, outpacing the forecast national growth rate of 1.9%. Torbay is predicted to be the region's joint-second fastest-growing economy with 2.0% annual growth.

Employment opportunities in the region will also outpace the UK average. The South West is predicted to see employment grow at an annual rate of 1.6% between 2024 and 2027, faster than the nationwide average of 1.1%. Bristol will see the region's strongest employment growth of 1.6% during the period.

Karen Kirkwood, managing partner at EY in the South West, said: "Alongside London, Southern UK regions are expected to see the country's fastest economic recovery, outperforming the UK average in both GVA and employment. The South West's recovery will be underpinned by strong labour markets in high value sectors such as information and communication, as well as a recovery in consumer spending as inflation falls."

Every other part of the UK is forecast to grow at a slower rate than the national average of 1.9%, with the slowest rates of GVA growth forecast for the North East (1.6%), Wales (1.6%)

and Scotland (1.5%).

EY's report said the UK remains the only major organisation for Economic Co-operation and Development (OECD) country where the labour market participation rate has not yet returned to the level it was at before the pandemic. In 2023, the economic inactivity rate across the UK was 18.3% – a rise from 17.5% in 2019.