Economic Output in Birmingham 2023

Introduction

This briefing provides an overview of the 2023 official ONS economic output figures for Birmingham released in Summer 2025. The report analyses the latest Gross Domestic Product (GDP) and Gross Value Added (GVA) data at local authority level.

The briefing provides analysis of total economic output and economic growth in the city as well as examining output per head and per worker. The report also includes an analysis of economic output by broad sector. Economic performance in the city is compared with other areas of the region, the 12 UK core cities and the UK as a whole.

GDP & GVA Explained

GDP and GVA are both official measure of sub regional economic output; they both provide a value for goods and services that have been produced in the economy less the cost of all inputs and raw materials that are directly attributable to that production.

The main difference in the two measures is the way that taxes and subsidies are accounted for when calculating economic output. In basic terms GDP is GVA plus taxes and minus subsidies.

The briefing refers to two means of expressing GDP/GVA and their growth.

- **Nominal GDP & GVA**

GDP & GVA reported in current prices which when comparing between different years includes the effects of inflation.

- **Real GDP & GVA**

This measure removes the impact of inflation that is present in the nominal output figures and enables the actual economic growth to be identified, removing any change due to price increases. Real GDP & GVA figures are in 2023 prices.

In this report we also refer to two other ways of expressing and comparing economic output.

- **GDP per Head**

This measure is calculated by dividing the total economic output of an area by the total resident population. GDP per head provides a comparative measure of economic output giving an indication of a given areas economic performance relative to other areas.

- **GDP per Worker**

This is measured by dividing an areas total economic output by total workplace employment in that area. GDP per worker is one measure of productivity although not the preferred official measure of output per hour worked.

Key Findings

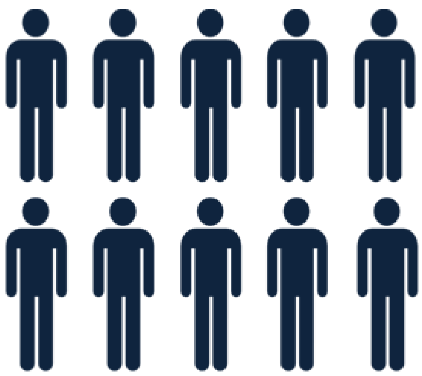
The key headline findings from the latest release of economic output figures for the city are summarised below:

- Economic output in Birmingham in 2023 stood at **£38.9bn.**
- This makes Birmingham the 2nd largest city economy in the UK outside of London.
- The local economy grew by **£1.0bn** last year in real terms as the economy continued to recover from the 2020 Covid downturn.

- Economic growth in Birmingham between 2022 and 2023 was **2.7%** in real terms, well above the national average of **0.4%**.
- Birmingham was the sixth fastest growing city amongst the 12 UK core cities in terms of economic output growth in 2023.
- GDP per head in Birmingham in 2023 stood at **£33,362.** This is well below the national figure of **£39,845.**
- GDP per head in the city increased by **£552** in real terms between 2022 and 2023 an increase of **1.7%** compared to the small contraction nationally (**-0.5%**). The output per head gap with the UK has therefore decreased in 2023.
- Birmingham is the 2nd poorest performing core city in terms of GDP per head.
- GDP per worker in the city in 2023 was **£69,159**. Well below the national (GB) figure of **£82,360.**
- GDP per worker in the city increased by **£985** in real terms, an increase of **1.4%** compared to the **-0.7%** decline nationally.
- Birmingham had the 4th lowest GDP per worker figure of the 11 GB core cities in 2023.
- At a sectoral level, the largest major sectors in the city in terms of economic output are business, professional & financial services (BPFS) with GVA of £12.4bn in 2023, accounting for over a third (35%) of output in the local economy. Public services output stood at £10.4bn, 29% of total output.
- At a sub sectoral level, the largest sub sector is education with an economic output of £3.5bn, followed by human health activities (£2.9bn). The sub sectors that saw the largest absolute growth in real terms between 2022 and 2023 were education (+243m) and specialised construction (+£240m).

£38.9bn GDP

Nominal	Real
+£3.5bn	+£1.0bn
+10.0%	+2.7%



£33,362

GDP per Head

Nominal	Real
+£2,733	+£552
+8.9%	+1.7%

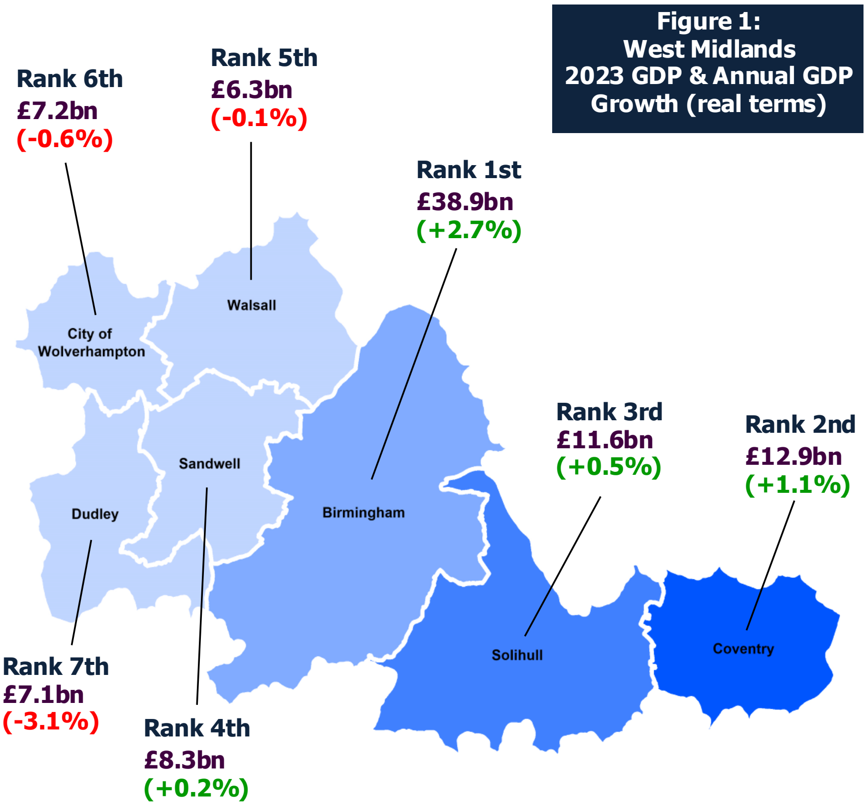
£69,158

GDP per Worker

Nominal	Real
+£5,517	+£985
+8.7%	+1.4%

Economic Output in the West Midlands

Figure 1 below shows a breakdown of economic output for the Metropolitan areas in the region. Birmingham is by far the largest economy in the area accounting for 20% of the economic output in the region and 42% of the West Midlands Metropolitan area.



Within the area the strongest economic growth in real terms was recorded in Birmingham which grew by 2.7%. Birmingham also saw the largest absolute increase in GDP in real terms with economic output increasing by £1.0bn between 2022 and 2023.

Table 1: West Midlands Real GDP £m (2023 Prices) Ranked by % Change

Area	2021	2022	2023	Annual Change	Annual Change %
Birmingham	**36,356**	**37,871**	**38,902**	**1,031**	**2.7%**
Coventry	12,554	12,750	12,884	134	1.1%
Solihull	10,746	11,551	11,614	63	0.5%
Sandwell	8,310	8,327	8,346	19	0.2%
Walsall	6,298	6,352	6,348	-4	-0.1%
Wolverhampton	7,035	7,283	7,240	-43	-0.6%
Dudley	7,139	7,338	7,111	-227	-3.1%
WMCA Met Area	88,437	91,471	92,443	972	1.1%
West Midlands	186,979	192,860	195,208	2,348	1.2%
United Kingdom	2,573,959	2,706,355	2,720,029	13,674	0.5%

Economic Output in the Core Cities

Table 2 below provides a breakdown of economic output for the core cities, enabling Birmingham's performance to be benchmarked against its peer cities. Birmingham is the 2nd largest city economy outside of London with economic output of £38.9bn in 2023.

Birmingham was the 6th best performing core city in terms of economic growth in real terms in 2023 (+2.7%), just above the core city average (+2.6%) and well above the UK (+0.4%). GDP per head in the city (£33,362) is lower than the UK (£39,845) and the core city average (£46,572). Birmingham has the 2nd lowest GDP per head amongst the 12 UK core cities.

Figure 2 opposite shows GDP per worker for Birmingham and the other GB core cities (comparative data for Belfast is not available). Birmingham has output per worker of £69,159, below the GB figure of £82,360 and the 8th highest figure of the 11 GB core cities. Birmingham saw output per worker grow between 2022 and 2023 by £985 (+1.4%) in real terms.

Figure 2: GB Core City GDP per Worker 2023

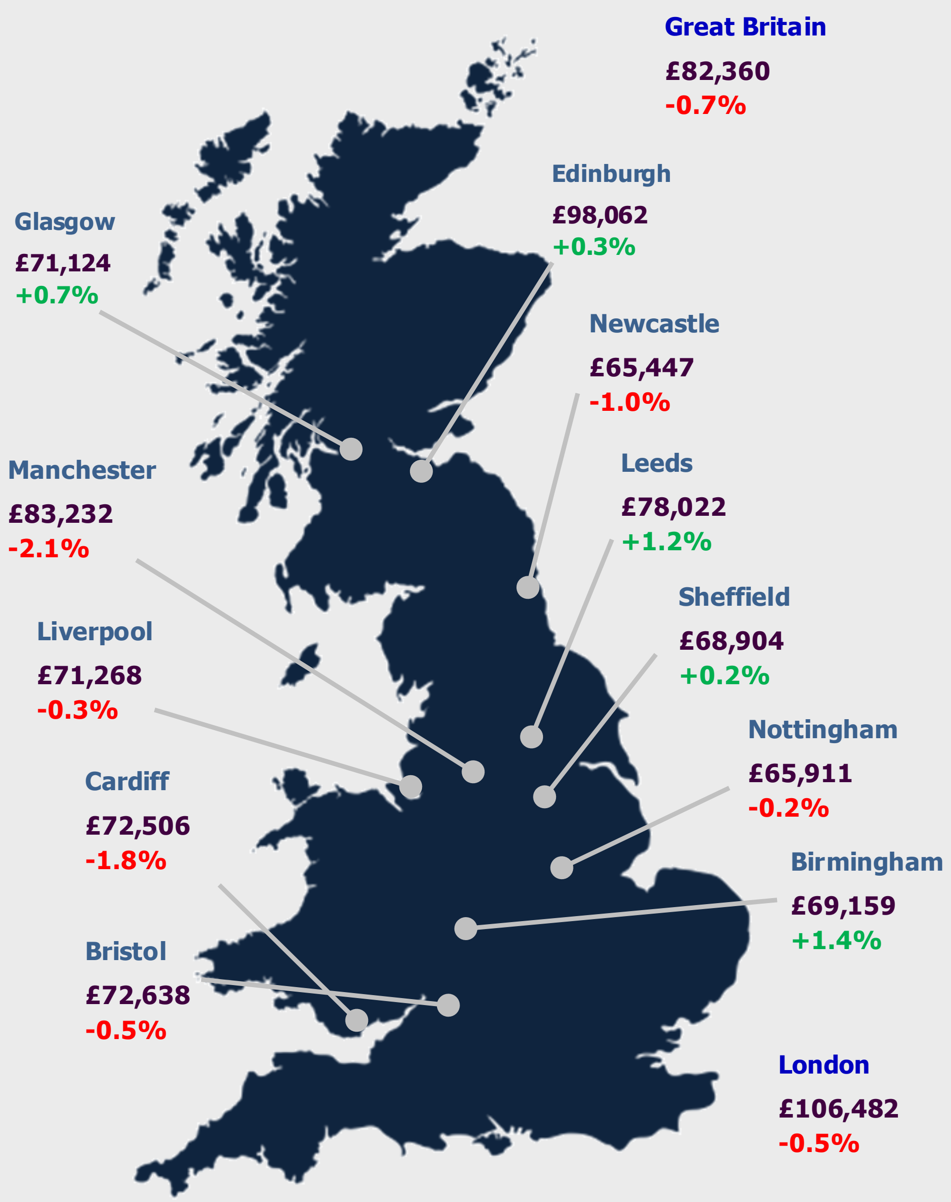


Table 2: Core City Real GDP £m (2023 Prices) Ranked by % Change

	Area	2020	2021	2023	Annual Change	Annual Change %
1	Belfast	18,160	18,932	19,651	719	3.8%
2	Edinburgh	32,599	35,234	36,528	1,294	3.7%
3	Newcastle	12,126	12,819	13,253	434	3.4%
4	Manchester	32,734	36,841	38,037	1,196	3.2%
5	Bristol	21,613	22,122	22,772	650	2.9%
6	**Birmingham**	**36,356**	**37,871**	**38,902**	**1,031**	**2.7%**
7	Leeds	35,237	38,426	39,323	897	2.3%
8	Glasgow	29,373	31,145	31,757	612	2.0%
9	Nottingham	12,990	13,873	14,105	232	1.7%
10	Sheffield	17,921	18,745	19,052	307	1.6%
	Cardiff	16,035	16,504	16,749	245	1.5%
	Liverpool	19,122	20,080	20,347	267	1.3%
	Core City Total	284,265	302,592	310,476	7,884	2.6%

Economic Output by Sector

The ONS produce a breakdown of economic output (measured in GVA in 2023 prices) in the city by sub sector which is shown in Table 3. The infographic below shows the major sectors in the local economy, what their economic output was in 2023, how this has changed since 2022 and what share of total economic output in the local economy that each sector accounts for.

Public services which includes education, health and social care and government services together accounts for over a quarter (29%) of economic output in the city.

Business, professional & financial services combined had an economic output of £12.4bn in 2023, accounting for over a third (35%) of output in the local economy. There was an increase in output (+5.1%) for the sector between 2022 and 2023 with financial services within the wider sector seeing output grow strongly by 8.0% in 2023.

The city still retains a significant manufacturing base with the manufacturing sector having £2.4bn economic output in 2023, making up 7% of total economic output locally.

Retail trade accounted for £3.3bn in output in 2023 with output declining slightly by 0.5% on 2022. Output in the sector remains below its pre pandemic level (£3.5bn).

Overall, the service sector accounts for 87% of economic output in Birmingham with GVA of £30.7bn in 2023, up by £1.1bn in real terms between 2022 and 2023, a growth rate of 3.7%.

GVA - Major Sectors (2023 prices)

Manufacturing
£2.4bn GVA
+86m (+3.7%)
7% of city GVA

Construction
£2.1bn GVA
+157m (+8.0%)
6% of city GVA

Retail Trade
£3.3bn GVA
-9m (-0.3%)
9% of city GVA

Financial Services
£4.2bn GVA
+310m (+8.0%)
12% of city GVA

Real Estate
£3.4bn GVA
+104m (+3.1%)
10% of city GVA

Professional & Technical
£3.3bn GVA
+150m (4.7%)
9% of city GVA

ICT
£1.8bn GVA
+116m (+7.0%)
5% of city GVA

Public Services
£10.3bn GVA
+360m (3.6%)
29% of city GVA

Economic Output by Sub Sector

Table 3 below shows economic output in the city broken down by sub sector (2 Digit SIC). The largest sub sector locally is education with an economic output of £3.5bn, followed by human health activities (£2.9bn).

The sub sectors that saw the largest absolute growth in real terms between 2022 and 2023 were education (+243m) and specialised construction (+£240m). The largest decline in output in absolute terms was in civil engineering(-£1140m) and in human health activities (-£58m).

Table 3 – GVA by Sub Sector (2023 prices)

Sub Sector	2023	% Share of Total GVA	Change 2022-2023	% Change 2022-2023
Manufacture of food, beverages and tobacco	183	0.5%	21	13.1%
Manufacture of textiles, wearing apparel and leather	37	0.1%	-9	-19.7%
Manufacture of wood and paper products and printing	149	0.4%	-8	-5.4%
Manufacture of petroleum, chemicals and other minerals	361	1.0%	-4	-1.2%
Manufacture of basic and fabricated metal products	472	1.3%	47	11.0%
Manufacture of electronic, optical and electrical products	71	0.2%	0	0.4%
Manufacture of machinery and transport equipment	672	1.9%	-1	-0.1%
Other manufacturing, repair and installation	434	1.2%	39	9.8%
Manufacture of furniture; other manufacturing	266	0.8%	26	10.9%
Repair and installation of machinery and equipment	168	0.5%	13	8.2%
Manufacturing	**2,379**	**6.7%**	**86**	**3.7%**
Electricity, gas, water; sewerage and waste management	227	0.6%	-18	-7.5%
Production sector	**2,622**	**7.4%**	**66**	**2.6%**
Construction of buildings	598	1.7%	58	10.8%
Civil engineering	574	1.6%	-141	-19.7%
Specialised construction activities	958	2.7%	240	33.5%
Construction	**2,129**	**6.0%**	**157**	**8.0%**
Motor trades	517	1.5%	47	9.9%
Wholesale trade	1,250	3.5%	-23	-1.8%
Retail trade	1,518	4.3%	-33	-2.1%
Wholesale and retail trade; repair of motor vehicles	**3,285**	**9.3%**	**-9**	**-0.3%**
Land, water and air transport	546	1.5%	62	12.8%
Warehousing and transport support activities	271	0.8%	-31	-10.3%
Postal and courier activities	162	0.5%	-28	-14.6%
Transportation and storage	**978**	**2.8%**	**2**	**0.2%**
Accommodation	164	0.5%	5	3.4%
Food and beverage service activities	687	1.9%	10	1.5%
Accommodation and food service activities	**851**	**2.4%**	**14**	**1.7%**
Publishing; film and TV production and broadcasting	231	0.7%	-34	-12.7%
Telecommunications; information technology	1538	4.3%	150	10.8%
Information and communication	**1,769**	**5.0%**	**116**	**7.0%**
Financial and insurance activities	**4,196**	**11.8%**	**310**	**8.0%**
Owner-occupiers' imputed rental	2,417	6.8%	112	4.8%
Real estate activities, excluding imputed rental	1011	2.9%	-8	-0.8%

Real estate Total	**3,428**	**9.7%**	**104**	**3.1%**
Legal and accounting activities	2,119	6.0%	131	6.6%
Head offices and management consultancy	369	1.0%	35	10.4%
Architectural and engineering activities	473	1.3%	-9	-1.9%
Research and development; advertising and market research	156	0.4%	-28	-15.3%
Other professional, scientific and technical activities	227	0.6%	20	9.8%
Professional, scientific and technical activities	**3,344**	**9.4%**	**150**	**4.7%**
Rental and leasing activities	127	0.4%	19	17.4%
Employment activities; tourism and security services	872	2.5%	-58	-6.2%
Services to buildings and landscape activities	146	0.4%	8	5.7%
Office administration and business support activities	306	0.9%	76	32.9%
Administrative and support service activities	**1,450**	**4.1%**	**43**	**3.1%**
BPFS Total	**12,418**	**35.1%**	**607**	**5.1%**
Public administration and defence	2,506	7.1%	45	1.8%
Education	3,478	9.8%	243	7.5%
Human health activities	2,914	8.2%	-58	-1.9%
Residential care activities	358	1.0%	1	0.4%
Social work activities	1139	3.2%	127	12.5%
Public Services Total	**10,396**	**29.3%**	**360**	**3.6%**
Creative, arts, entertainment and cultural activities	146	0.4%	29	25.0%
Gambling and betting; sports and recreation activities	232	0.7%	-6	-2.4%
Arts, entertainment and recreation	**378**	**1.1%**	**24**	**6.9%**
Activities of membership organisations	185	0.5%	-4	-1.9%
Repair of computers, personal and household goods	7	0.0%	-4	-34.7%
Other personal service activities	392	1.1%	3	0.8%
Other service activities	**585**	**1.7%**	**-3**	**-0.5%**
Services sector	**30,675**	**86.6%**	**1,097**	**3.7%**
All Industries	**35,427**	**100%**	**1,320**	**3.9%**