

# Manufacturing Economic Outlook 2022/Q2

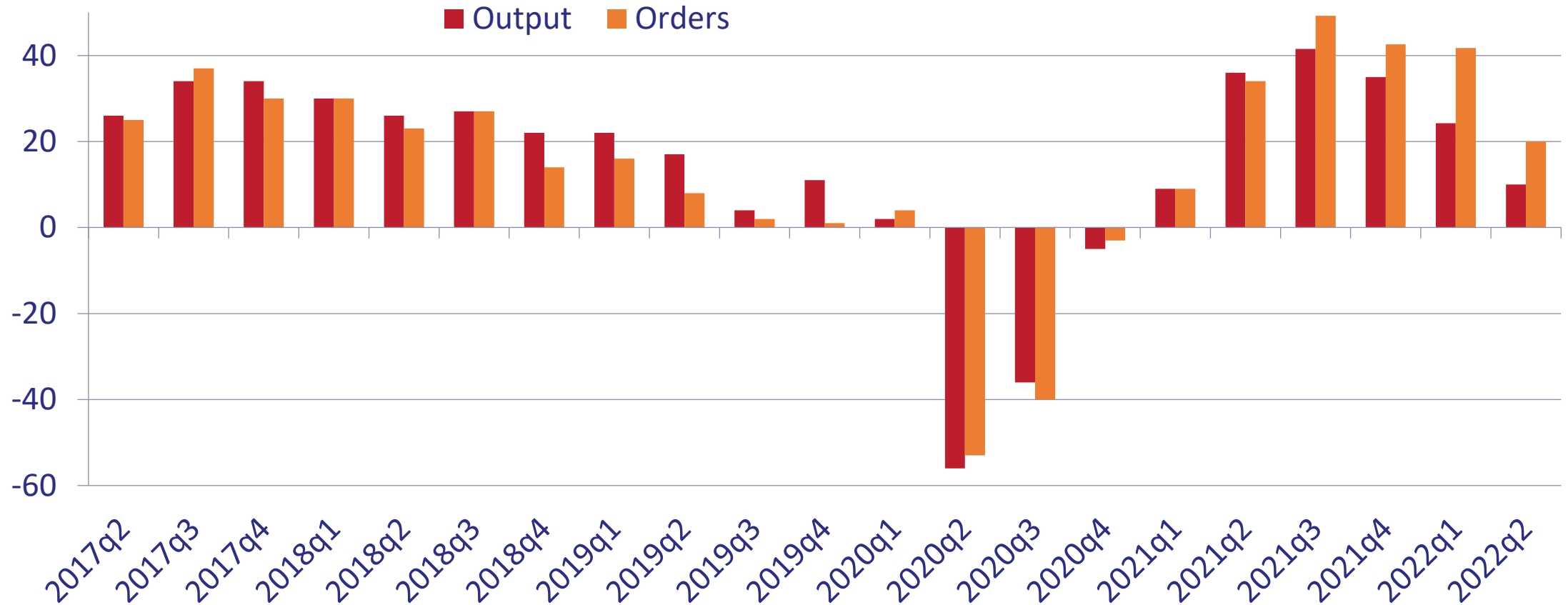
Jim Davison  
Make UK

# Overview

- Output and orders still positive, but exhibit continued decline. New order growth becoming 'pedestrian'
- UK and export order growth slows
- Price growth is again record-breaking, but margins are falling sharply
- Employment slows and investment intentions nose-dive
- Expectations for Q3 2022 maintain growth expectation regardless
- Manufacturing output growth forecast revised down for both 2022 to 2.3%, and 2023 to 1.7%
- UK GDP growth forecast revised down for both 2022 to 3.6%, and 2023 to 1.4%

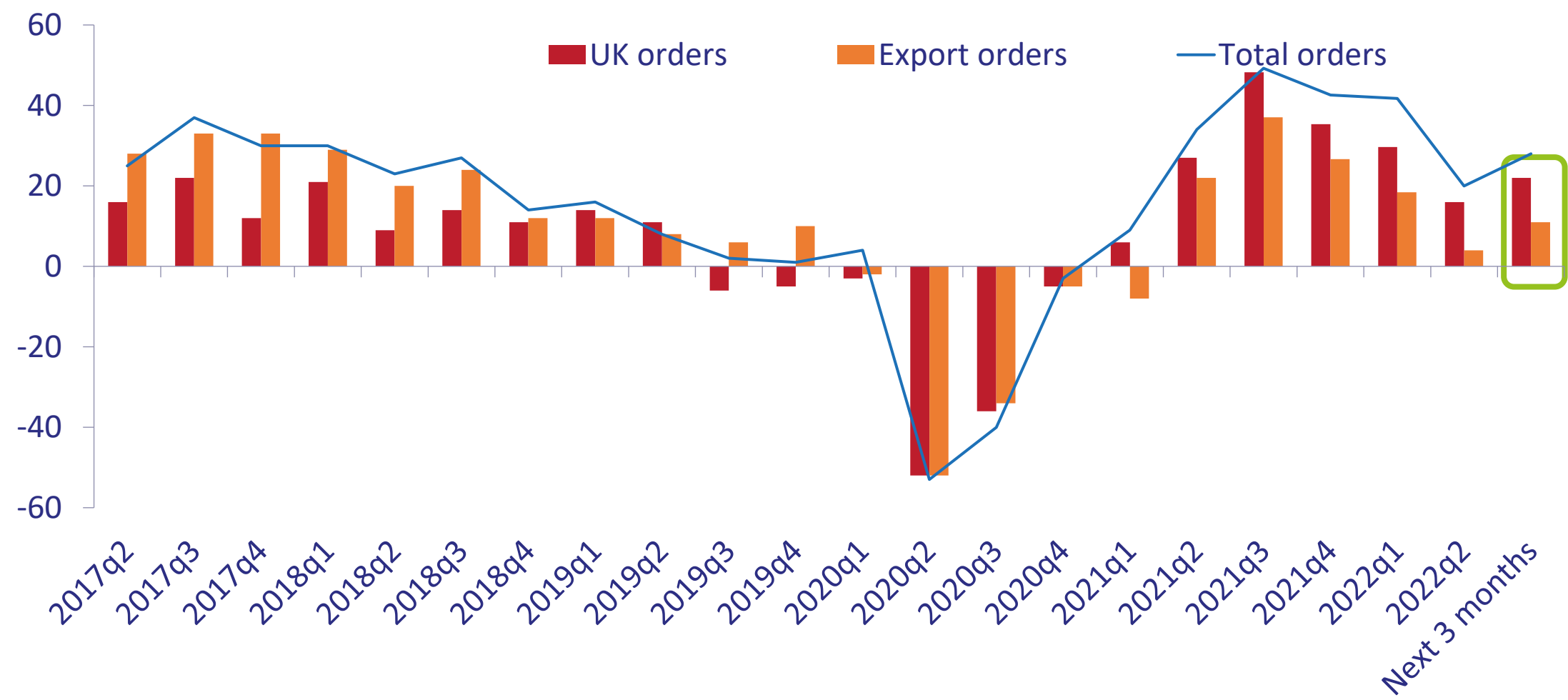
# Lockdown lag means orders still outstrip output

% Balance between increase/decrease in output/orders over the past three months



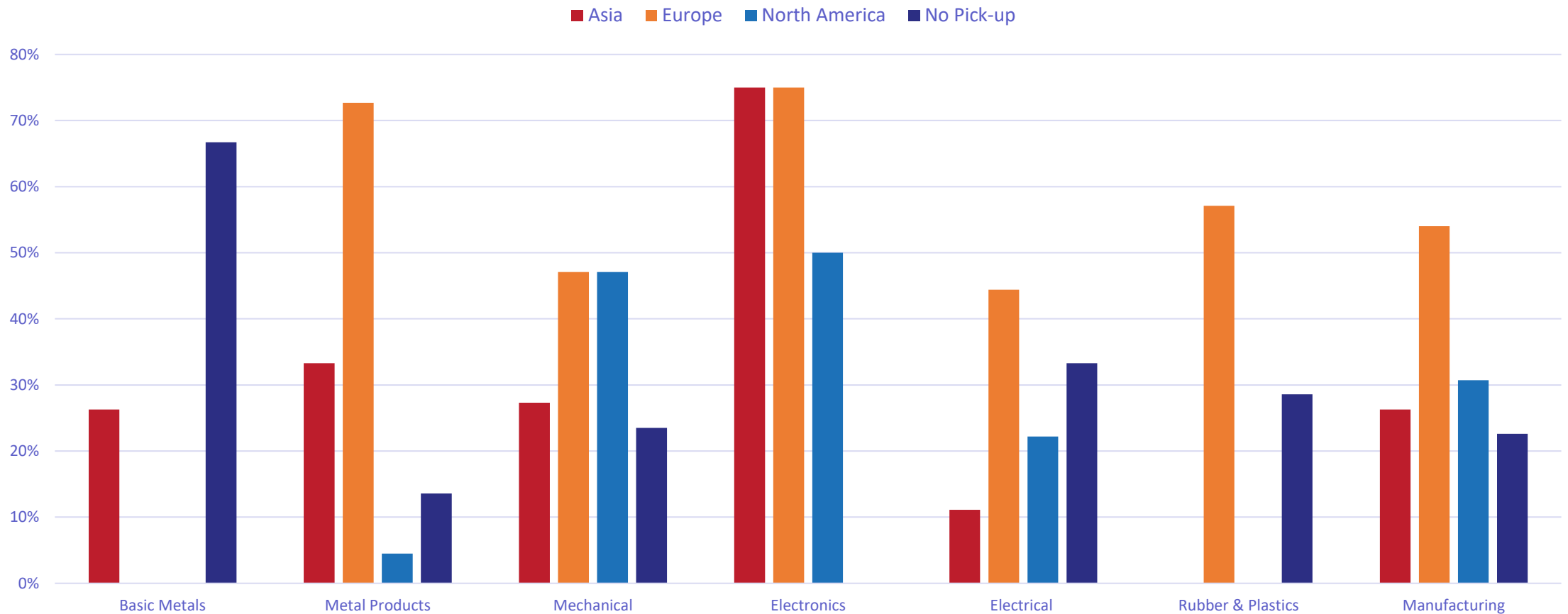
# Export orders falling, UK orders still strong

% Balance between increase/decrease in orders over the past three months



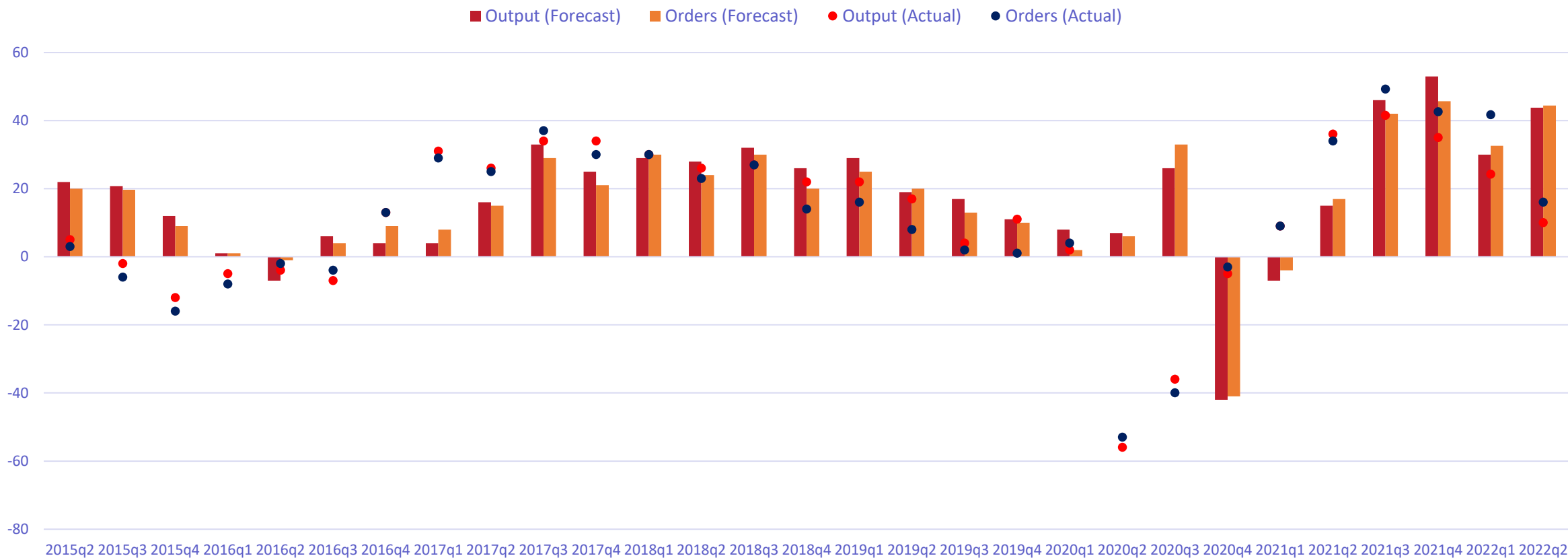
# Covid upsurge in China sees inquiries from Asia increase

Region(s) manufacturers have seen a notable pick-up in demand (past three months)



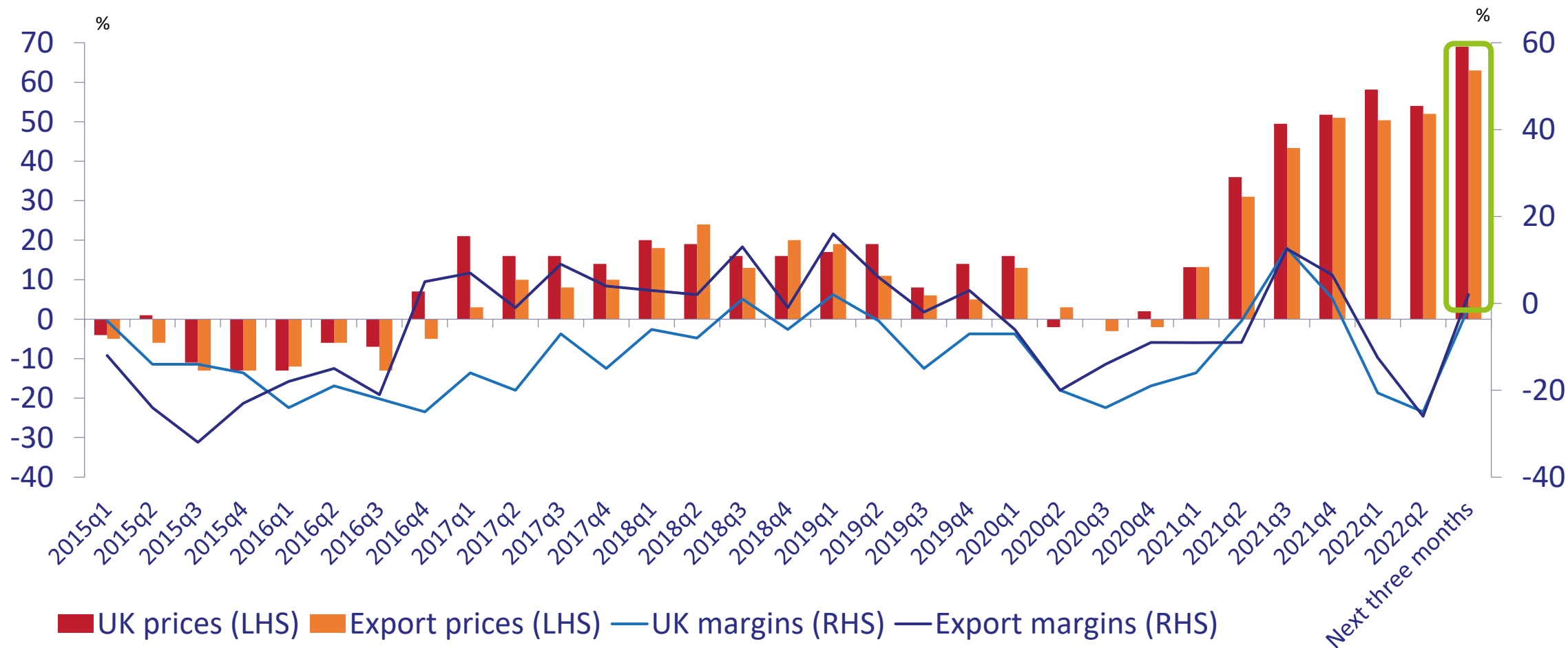
# Reality falls short of industry expectations as headwinds mount

% Balance between increase/decrease in orders over the next three months



# 5<sup>th</sup> consecutive record-breaking quarter for prices

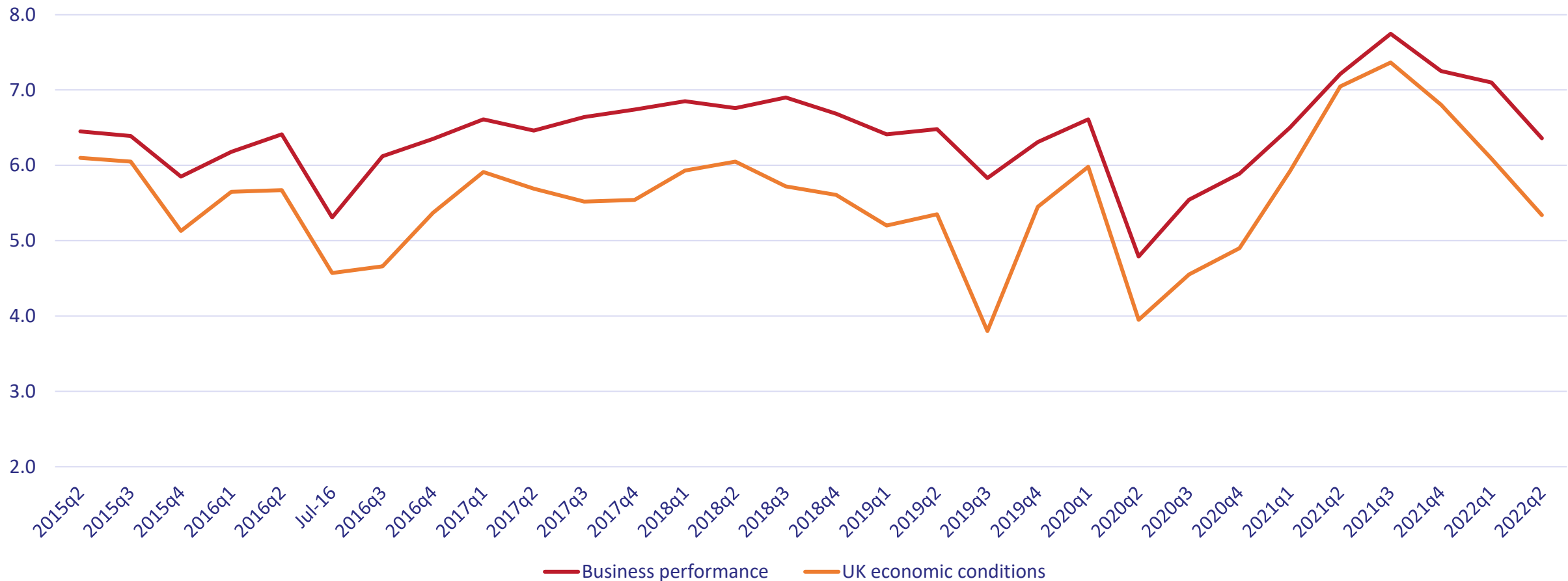
% Balance between increase/decrease over the past three months





# Optimism softening as performance declines

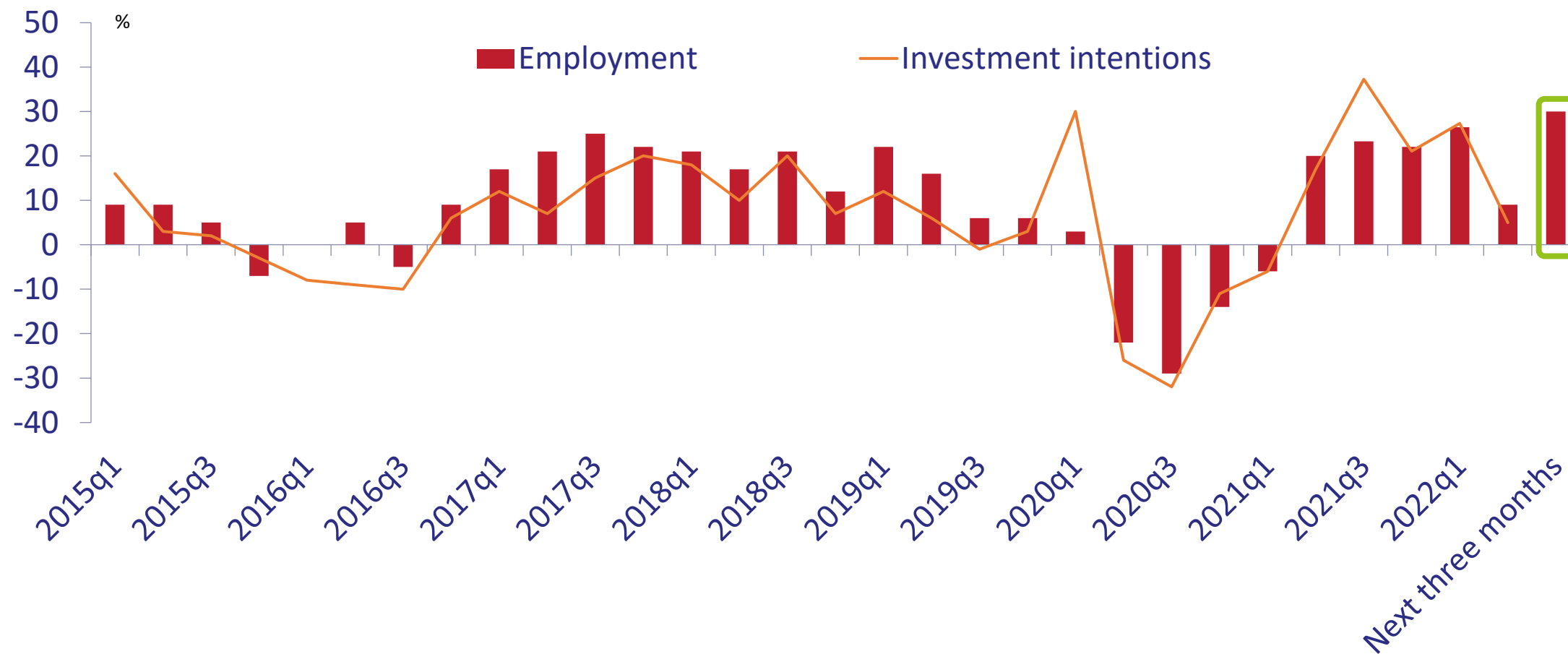
Confidence in the next 12 months: 1 = worse, 10 = better





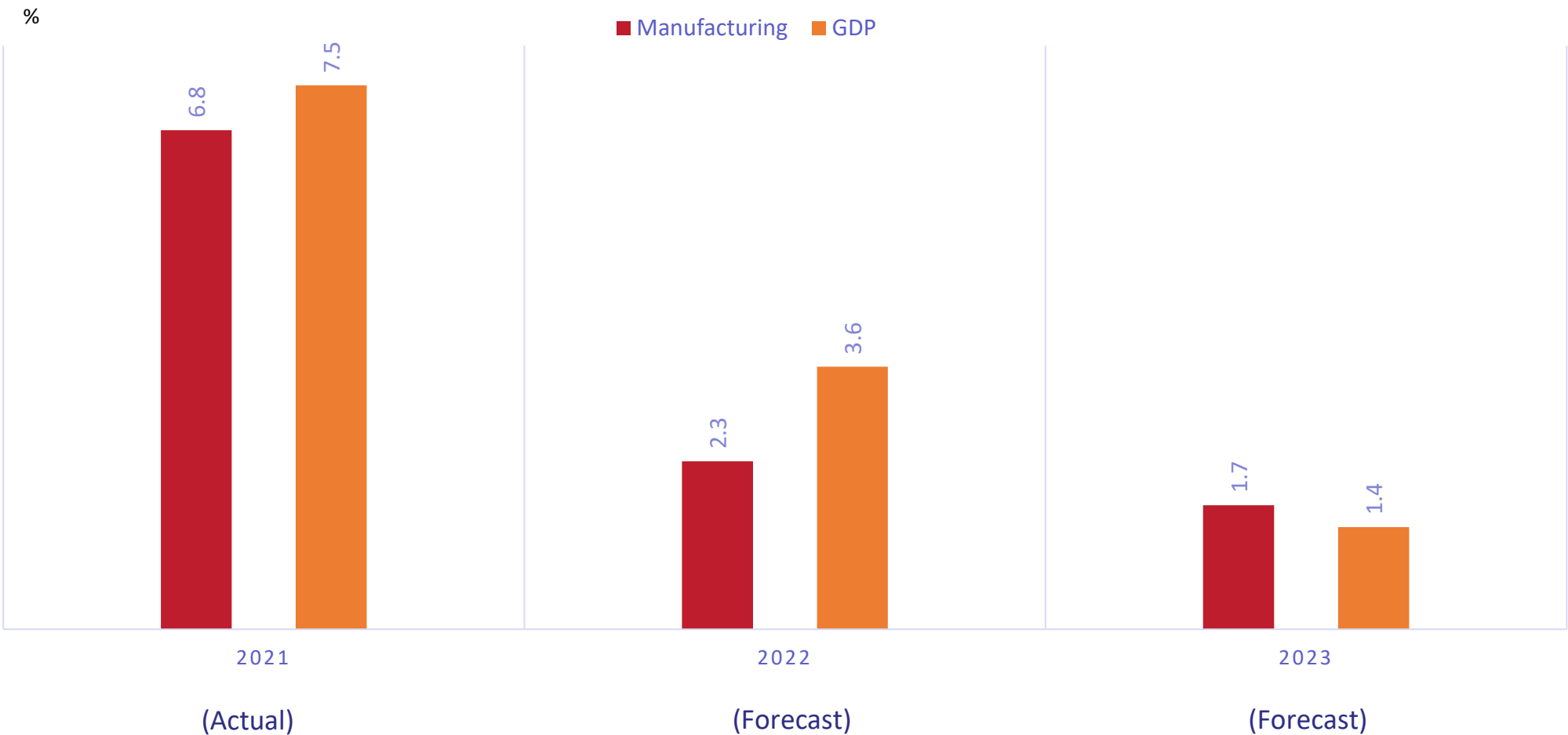
# Employment and investment intentions fall

% Balance between increase/decrease in employment over the past three months and investment intentions



# Backlog of orders to artificially prop up performance in 2022

% annual change in output



# Review

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