Metro——Dynamics

Economic Evidence Base: Hull and East Yorkshire

Draft for consultation

October 2025

Introduction

This emerging economic evidence base sets out the findings from the first phase of the regional economic assessment being carried out to support the development of the Local Growth Plan and to provide the combined authority and partners with a robust understanding of the regional economy.

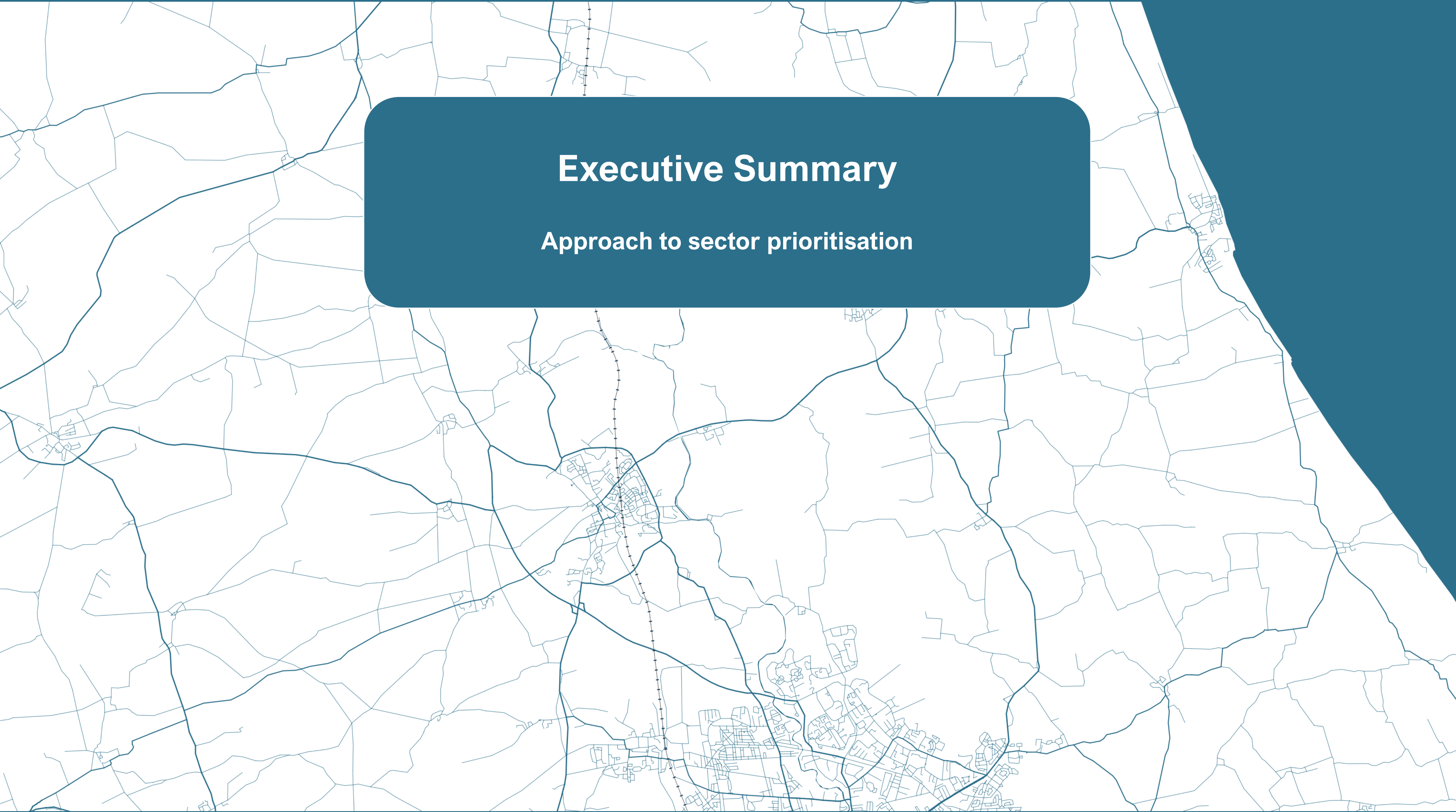
This document brings together the initial findings from two strands of work focused on understanding the overall Hull and East Yorkshire economy and the sector composition and performance. It includes:

- A shortlist of headline metrics providing an overview of the economy as a whole
- Analysis of 7 conditions for growth to begin to understand the constraints on growth in Hull and East Yorkshire
- Analysis of the sectoral composition of the economy and the performance of sectors on different dimensions, as well as a focus on the eight Industrial Strategy sectors in Hull and East Yorkshire
- Initial summaries of the make up and spatial distribution of 5 suggested Local Growth Plan priority sectors

This is the first phase of a longer process to develop a comprehensive regional economic assessment. The next stage of work will focus in greater depth on the priority sectors to understand what the opportunities for growth are in Hull and East Yorkshire and the barriers to achieving growth in key sectors to inform the local growth plan and set the CA on a path to deliver opportunities and prosperity to people across the region.

Executive Summary

Approach to sector prioritisation



The ask:

To systematically identify and prioritise key or ‘driver’ sectors within the regional economy to inform the Local Growth Plan and linked Investment Priorities.

The growth mission & sectors

Whilst growth in general is a central objective, both the Industrial Strategy and the duty to produce Local Growth Plans (LGPs) make clear that government is seeking a particular type of growth.

This is growth that is **productive, innovation-led and export-oriented** and capable of improving the UK’s competitiveness and resilience, rather than simply expanding economic activity in volume terms.

Government’s focus is on ‘growth-driving sectors’, those able to push the productivity frontier, anchor investment and innovation, and deliver spillovers into supply chains and local economies.

This approach is intended to generate transformational growth, bringing positive change to the structure and performance of a place’s economy. I.e. Not *just* more of the same.

In an LGP this means Govt. ...

… *is* looking for…	… *is not* primarily looking for…
Productivity-led growth: sectors that can move up the value chain, adopt new technologies, and increase output per worker.	Pure employment expansion in low-productivity activities.
Innovation-led growth: sectors linked to R&D, new technologies, and higher value-added products or services.	Maintenance of existing, low-innovation business models.
Export and tradability: sectors competing in national or global markets, generating external income and investment.	Activities serving only local demand with limited growth spillovers.
Sustainable and resilient growth: sectors aligned with energy resilience or economic security goals.	Short-term or carbon-intensive growth models lacking long-term viability.
Cluster-based and place-specific growth: building on distinctive local strengths and assets.	Generic sector support without regard to local comparative advantage.
Strategic growth: sectors that strengthen supply chains, drive technological diffusion, and enhance national missions.	Fragmented or defensive support for declining sectors.

So, how should sectors be prioritised?

Not all sectors are positioned equally to deliver growth of the type and pace government is currently seeking. The timing and trajectory of sectors therefore matter as much as their long-term potential. Broadly, there are two types:

1. Sectors showing positive growth momentum now.
These are sectors already on an upward trajectory, where market demand, investment, and innovation indicators suggest near-term growth potential.

They are likely to respond quickly to targeted intervention and can deliver early, visible outcomes in productivity, employment, and value creation.

These are the priority sectors to put forward now as 'growth-driving' within the Local Growth Plan.

2. Sectors with latent or constrained growth potential.
These sectors may remain important to the local economy, but are not currently positioned to drive the kind of frontier growth envisaged by government.

They may face structural, skills, infrastructure or market barriers that must be addressed before generating transformative growth.

These sectors warrant targeted development or capacity-building interventions, preparing them for future rounds of growth prioritisation.

Sector prioritisation is therefore not a process of selection and exclusion, but of staging and readiness.

The role of foundational sectors

Alongside the growth-ready and growth opportunity sectors, there are also foundational sectors, which may not be the leading drivers of the type of high-productivity, innovation-led growth sought by government, but which nonetheless play a vital role in the functioning and resilience of the local economy.

These sectors include activities that provide the essential infrastructure, services, and workforce based upon which other economic activity depends. For example, health and social care, construction, utilities, education, and core business services.

While these sectors may not be presented as ‘growth-driving’ in the national policy sense, they remain integral to the overall economic strategy of a place.

The task for the Local Growth Plan is therefore to ensure that foundational and enabling sectors are strengthened and modernised, supporting higher-quality employment and efficiency improvements, and maintaining the infrastructure for growth that allows the priority sectors to succeed.

This leads to a growth readiness framework with three types of sectors…

Category	Current Trajectory	Growth Readiness	Nature of Opportunity	Indicative Type of Intervention	Role in LGP?
1. **Growth Ready**	Positive and strengthening: clear signals of demand, investment, innovation, and productivity growth.	High	Sectors already showing momentum and capacity to respond rapidly to policy or investment support.	• Targeted investment & growth acceleration • Skills pipeline alignment • Cluster development • Trade & innovation promotion	**Core** - feature prominently in the Local Growth Plan as growth-driving and aligned with national priorities.
2. Growth Potential	Stable or mixed performance: local presence or strengths exist, but current growth indicators are weaker	Medium	Sectors with underlying capability but facing barriers (skills, infrastructure, market access, coordination).	• Capability-building & productivity support • Infrastructure / site readiness • Skills and supply chain interventions • Innovation diffusion / market development	**Development track** - build conditions now so they can feature in future growth cycles and later in the LGP.
3. Foundational	Steady: mature and often low-growth but economically and socially vital.	Variable	Sectors provide employment, services, and system resilience; enable growth in other sectors.	• Quality and productivity improvement • Workforce progression • Digital and energy transition • Service innovation	**Underpinning** - integral to inclusion and resilience, but not positioned as near-term growth drivers.

… with a set of features we can observe …

Growth Ready

- Strong current growth momentum.
- Clear alignment with national priorities.
- Demonstrable *near-term* ability to deliver high-value growth.

Growth Potential

- Local strength, but under-performing or under-realised growth.
- Barriers in skills, infrastructure, productivity or market access.
- Medium-term potential to become growth-driving *once constraints are addressed*

Foundational

- Core parts of the local economy
- Provide employment, essential services, and system resilience.
- Unlikely to become frontier "growth-driving" sectors, but critical to overall economic health.

… consistently and comparatively across all sectors to understand growth dynamics.

Indicator	Growth-Ready	Growth Potential	Foundational
Size	• *Usually* medium to large employment base, but not essential if other significant local assets are present.	• Maybe small to medium in scale but strategically important.	• Typically, large employment sectors underpinning local labour markets
Value (GVA / Productivity)	• High and/or rising productivity levels. • Strong GVA contribution per worker.	• Moderate productivity, below others but improvable.	• Lower (but stable) productivity, reflecting service or social value rather than tradable output.
Specialism (LQ)	• High specialism indicating strong comparative advantage or cluster presence. • Established local capability or asset base.	• Emerging specialism presence, but not yet distinct	• Ubiquitous activity, essential to place functioning but not unique.
Growth Trends	• Positive and strengthening trend across employment, business counts and productivity.	• Mixed or moderate trends – static or low growth.	• Likely flat, with stable demand, essential service provision

A systematic analysis to identify *Growth Ready* sectors

The Sector Growth Index aggregates five-year changes to employment, business counts, GVA, productivity and concentration (Location Quotients for employment and businesses) to assess how Hull and East Yorkshire's sectors changed between 2018 and 2023.

For each growth measure:

Condition	Score
Growing and faster than GB	1.5
Growing and equivalent to GB	1.0
Growing but slower than GB; or Static but GB declining	0.5
Static	0.0
Static but GB growing; or Declining but slower than GB	-0.5
Declining equivalent to GB	-1.0
Declining and faster than GB	-1.5

The Sector Growth Index analyses whether a sector is seeing significant growth (>2% Compound Annual Growth Rate - CAGR) in any of employment, business counts, GVA and productivity (GVA per job) and considers the level of growth versus national trends. If the sector is growing significantly faster than the GB average, it gets a higher score.

The maximum score possible is 7, meaning that a sector has seen growth across all measures, each of which is also growing faster than nationally. -7 is the lowest possible score, reflecting a decline across all measures.

Bespoke sector definitions have been constructed by classifying 5-digit SIC codes into 26 sector groups, reflecting the full economic picture in HEYCA. The selection of sectors includes foundational sectors and some specific sectors relevant to Hull and East Yorkshire's economy.

All sectors analysed are mutually exclusive, meaning there is no crossover, and add up to total employment in the region. For example, manufacturing activities within agri-food, clean energy and defence are excluded from the manufacturing definition, despite still being in the same broad industry group previously analysed.

Hull and East Yorkshire's headline sector analysis...

Sector grouping	Employment	Businesses	GVA (millions)	Productivity	Average concentration
Retail & Wholesale	37,935	3,045	£1,660	£43,755	1.06
Health and Social Care	36,985	775	£1,354	£36,609	0.98
Professional Business Services	25,450	2,505	£1,276	£50,129	0.78
Leisure & Hospitality	24,585	1,975	£638	£25,950	1.03
Education	23,325	295	£975	£41,779	0.95
Manufacturing	16,825	885	£1,513	£89,918	1.81
Agri-Food	16,790	1,935	£903	£53,761	2.04
Construction	15,515	3,010	£1,003	£64,647	1.12
Public Administration	13,910	125	£852	£61,251	1.64
Other Services	10,360	1,360	£352	£33,995	0.90
Digital and Technologies	7,825	1,160	£443	£56,657	0.61
Advanced Manufacturing	7,720	195	£632	£81,909	2.13
Ports and Logistics	6,610	725	£300	£45,349	1.48
Other Transport activities	6,455	430	£279	£43,298	0.83
Real Estate	3,485	745	£1,914	£549,211	0.75
Utilities	2,930	130	£326	£111,301	1.47
Financial Services	2,565	315	£264	£102,924	0.51
Life Sciences	1,930	20	£291	£150,587	1.27
Creative Industries	1,855	380	£89	£48,095	0.49
Digital and Creative	1,845	195	£105	£57,035	0.58
Clean Energy	1,535	60	£117	£76,310	1.25
Fossil Fuels	1,135	15	£73	£64,439	1.03
Digital Manufacturing	525	20	£35	£66,294	0.53
Mining	250	5	£16	£63,948	1.54
Defence	185	5	£13	£70,352	16.62
Total	**268,530**	**20,305**	**£15,400**	**£57,400**	**1**

This table summarises the data produced for each sector at a static level in 2023. The sectors are colour-coded from most (green) to least (red).

As expected, the top employing sectors are more likely to have higher business counts and GVA. However, disparities exist, such as public administration, health, and education, which have high employment but low business counts, likely due to large employers such as the NHS. The largest employing sectors in Hull and East Yorkshire have some of the lowest productivity levels, which brings down the average.

Some correlations can be identified between the relative indicators. Though smaller in size, some of the most productive sectors in Hull and East Yorkshire also have a high business and employment concentration. The most productive sector is life sciences, with a GVA per job of £150,000, but it also has around 27% greater concentration of businesses and employment than Great Britain. Six of the seven most productive sectors have an average concentration of 1.25 or more.

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

…shows a mixed growth story – very few sectors are showing strong growth on all metrics.

Sector grouping	Employment growth	Business growth	GVA growth	Productivity growth	Concentration change
Retail & Wholesale	0.0%	0.7%	0.9%	0.9%	2.3%
Health and Social Care	1.5%	-0.6%	-1.9%	-3.4%	-2.4%
Professional Business Services	-1.4%	-1.0%	0.2%	1.6%	-5.5%
Leisure & Hospitality	0.9%	1.9%	3.0%	2.0%	-3.7%
Education	0.8%	-0.7%	3.3%	2.4%	-3.0%
Manufacturing	-2.2%	1.0%	1.1%	3.4%	1.0%
Agri-Food	2.8%	-1.7%	3.3%	0.5%	4.7%
Construction	6.9%	2.2%	5.9%	-1.0%	14.3%
Public Administration	0.1%	0.0%	1.2%	1.1%	-8.6%
Other Services	1.2%	1.7%	4.9%	3.6%	0.7%
Digital and Technologies	-1.3%	-2.3%	7.5%	8.9%	0.7%
Advanced Manufacturing	-0.5%	4.0%	-1.7%	-1.2%	13.7%
Ports and Logistics	1.1%	1.3%	-0.8%	-1.9%	-2.3%
Other Transport activities	1.2%	2.5%	-2.8%	-3.9%	-6.5%
Real Estate	-1.7%	2.1%	1.2%	3.0%	-11.0%
Utilities	0.6%	6.5%	-4.4%	-5.0%	5.8%
Financial Services	2.3%	0.6%	-0.3%	-2.6%	3.5%
Life Sciences	-0.7%	-10.6%	-0.2%	0.5%	-32.8%
Creative Industries	-2.0%	1.7%	1.1%	3.2%	-4.4%
Digital and Creative	-6.3%	-1.0%	-7.9%	-1.7%	-25.1%
Clean Energy	5.0%	3.7%	5.2%	0.2%	20.4%
Fossil Fuels	2.4%	-5.6%	5.5%	3.0%	9.6%
Digital Manufacturing	3.6%	-4.4%	1.0%	-2.5%	-0.6%
Mining	0.8%	-12.9%	7.0%	6.2%	-39.0%
Defence	2.9%	0.0%	4.9%	1.9%	23.1%
Total	**0.60%**	**0.50%**	**1.09%**	**0.49%**	**0%**

This table shows the compound annual growth rates for each metric over five years (2018-2023). The five-year total change in average concentration calculates the growth in average concentration.

The sectors experiencing the strongest growth in terms of size are construction, utilities, and clean energy, with construction showing a strong annualised growth in employment, and utilities in businesses.

In contrast, clean energy has a strong annualised growth in both. In terms of value, mining and digital technologies see a substantial productivity growth in five years, despite declining size.

Only a few sectors see growth in most indicators. The only sectors that have seen significant growth in three or more indicators are construction, defence and both clean and fossil fuel energy.

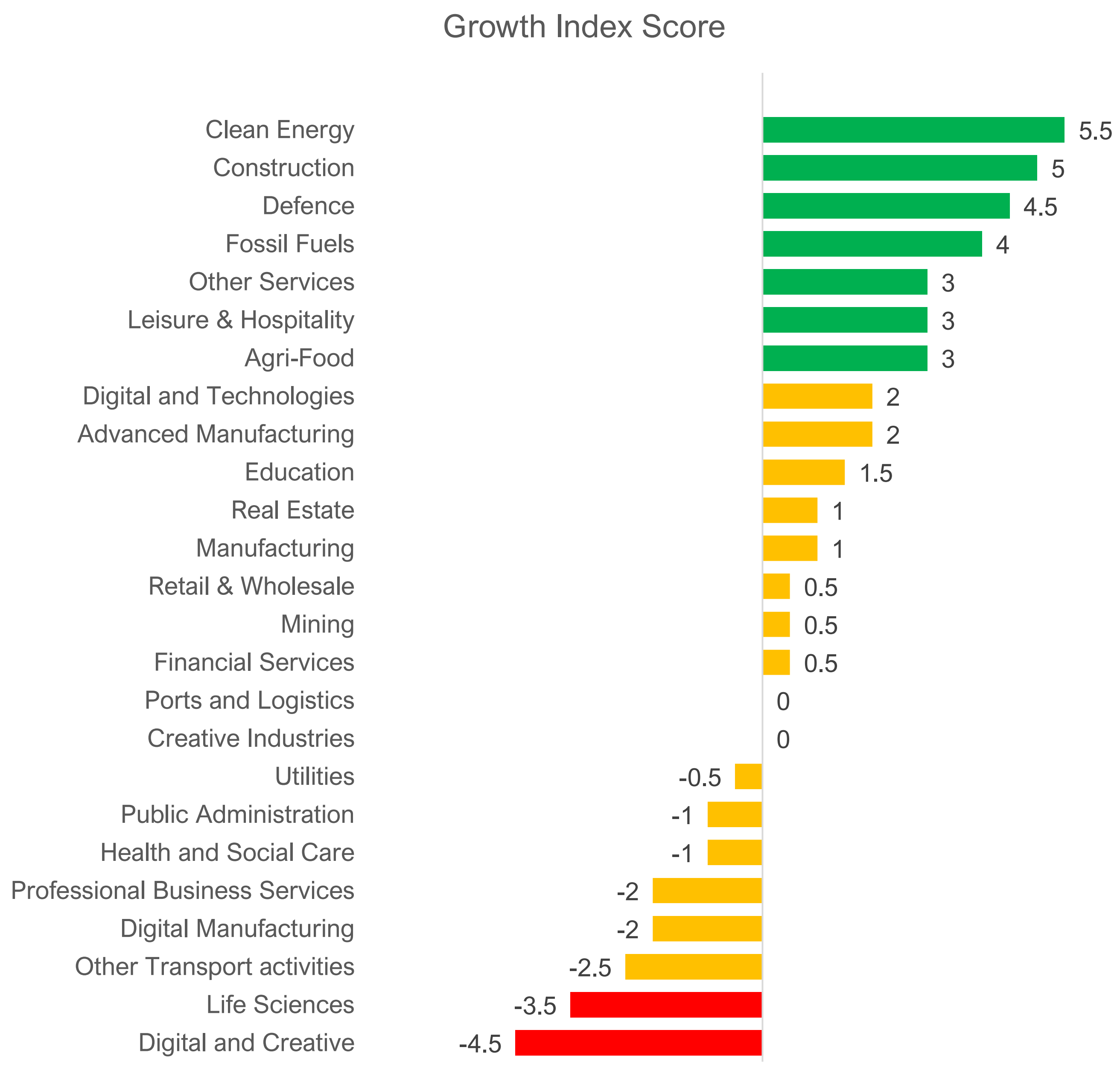
Due to varying growth rates across Hull and East Yorkshire's sectors when applying different measures, the following slide shows the growth index, aggregating all growth rates into a single score.

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

The index scores show that growth is occurring across a number of sectors, decline concentrated in only a few, and the majority remaining broadly static.

This indicates that the local challenge is not primarily about arresting widespread decline or 'swimming against a tide'.

Instead, the task is about creating the current: putting in place the conditions, investments, and coordination that can amplify existing momentum and generate stronger, self-sustaining growth flows across the economy.



Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023.

Growth ready sectors

Showing a combination of strengths across size, value, specialisation and growth dynamics, the analysis points to these four sectors as those showing most growth readiness.

Agri-food & Agri-tech			Energy			Manufacturing			Port and Logistics		
Employment	Business	Value	Employment	Business	Value	Employment	Business	Value	Employment	Business	Value
16,800	1,900	£53,800	2,700	75	£76,300	25,000	1,100	£87,000	6,600	725	£45,300
Large employer, with high business counts. This also translates to a high concentration, with more than twice the concentration of employment and businesses than nationally. Significant concentrations exist across the full supply chain, especially manufacturing. The sector's productivity is equivalent to national averages, but growth has been strong, particularly to employment and GVA. The sector also benefits from geography and access to global markets through the port.			Though not a high-employing sector, the sector is highly productive, contributing more to GVA per worker than other sectors. The sector also has a high concentration in the region, being home to key infrastructures driving cluster formation such as at Saltend Chemicals Park. Strength in clean energy places the region as nationally significant and can lead to investment. It is also showing strong growth, seeing positive growth trends across multiple measures.			Manufacturing is a core driver of Hull and East Yorkshire's economy, accounting for a high share of total employment, businesses and GVA compared to nationally. The sector is also more valuable in Hull and East Yorkshire than other regions, with a high GVA per job. Activity is not centred around one or two sub-sectors, with a broad range of activities showing specialisms and varying growth trends. As defence and advanced manufacturing are a national priority, there are strong investment opportunities in the sector.			Hull and East Yorkshire have a strong comparative advantage in ports and logistics. The geographical advantage of the Humber and regional specialisms in production provides a strong opportunity to grow this sector. Though less productive than other sectors, it is nationally significant, with billions of pounds worth of exports and imports passing through Hull's port annually, demonstrating the national significance. Growth has been stagnant in recent years, so there is a need to support the sector.		
Size	Val	LQ	Growth	Size	Val	LQ	Growth	Size	Val	LQ	Growth

Growth ready sectors

Though very small in size, the Life Sciences and Defence sectors also meet some of the growth readiness conditions. Either growth trajectory and specialisation, in the case of Defence, or value and concentration in Life Sciences. Activities in both fall within the wider manufacturing sector.

Life Sciences		
Employment	Business	Value
2,000	15	£150,000

The life sciences sector is a small but highly valuable sector in Hull and East Yorkshire, contributing 150,000 to GVA per worker. The region has a strong specialism in the manufacture of pharmaceutical products. However, the life sciences sector has seen the number of businesses decrease significantly, dominated by fewer large firms. As one of eight key sectors outlined in the industrial strategy, the region's specialism can bring investment, with some evidence of businesses receiving funding in the last five years.

Size	Val	LQ	Growth

Defence		
Employment	Business	Value
185	5	£70,400

The defence sector is currently only very small, based on the DBT definition, with 115 businesses, employing 18,000 nationally. However, the small base reflects a high concentration, particularly in the manufacture of military vehicles. The value of the sector is also higher than the regional average, and a £3,000 higher GVA per job than nationally for defence. The sector has also been growing in terms of employment, GVA, productivity and concentration. Alignment with the industrial strategy could attract further investment.

Size	Val	LQ	Growth

Moving forward

Data indicates the most positive combination of size, concentration and growth momentum *now* in Agri-Food & Agri-Tech, Energy, Manufacturing and Port & Logistics, and whilst Life Sciences and Defence also ‘rise to the top’ these can be seen as sub-sectors within manufacturing. As such we recommend the next step should delve more deeply into each of these four as *Growth Ready* sectors to produce sector-specific evidence and insight to inform the development of the Local Growth Plan and related investment planning, including greater specificity on sub-sector specialisms.

The analysis also highlights that knowledge-based sectors, including professional, scientific, and technical services, along with creative and digital industries, are either static in growth or very limited in their local concentration and distinctiveness. This represents a significant structural challenge for the future transformation of the Hull and East Yorkshire economy. In much of the UK, these sectors and the so-called ‘laptop jobs’ (encompassing knowledge-intensive and digitally enabled activities) they bring form a critical component of modern, resilient economies. They drive innovation, productivity, and higher-value employment, while underpinning the competitiveness of manufacturing, public services, and the wider business base.

In Hull and East Yorkshire, however, these sectors are under-represented and under-developed, with far less depth than would be expected in a modern, diversified economy – particularly in a city. Their limited scale and slow growth risk becoming a binding constraint on future productivity and value creation, potentially limiting the region’s ability to capture the benefits of technological and service-led transformation. Given their strategic importance, it is recommended that the Combined Authority undertakes a targeted deep-dive into these activities, cutting across knowledge-intensive professional services, creative industries, and digital technologies, to understand the barriers to growth and the interventions required to build greater capacity and capability in this area.

Economy Headlines

This section brings together a small subset of metrics intended to give a sense of the overall economy, its size, its performance and the structure. It provides overall context for the more focused sections of this work which follow and will provide the starting point to build on through the next stage of developing evidence.

A small region

The smallest of the MCAs in England in population terms Hull and East Yorkshire's economic output is around one tenth of the regional total.

While low in national terms, productivity performance is broadly in line with the regional average.

However, median wages are lower and GVA per capita - a broad measure of the overall prosperity of a place - is significantly lower than the regional average.

The economic activity rate is higher than the regional average (and the national average of 75.4), which is due to a combination of a higher percentage in employment, and a higher unemployment rate.

Among those who are inactive there is a higher share inactive due to long term illness (over one third), with fewer students as a share of this cohort.

	Hull and East Yorkshire	Greater Lincolnshire	York and North Yorkshire	Tees Valley	Yorkshire and the Humber
Total GVA	£15,446	£26,937	£26,104	£15,486	£150,896
Population	631,285	1,120,749	844,571	712,858	5,672,962
GVA per Capita	£24,468	£24,035	£30,908	£21,724	£26,599
GVA per hour worked	£35.7	£35.5	£35.6	£34.8	£35.9
Median Earnings (workplace)	£580.5	£579.1	£575.0	£584.5	£588.1
Economic Activity rate	80.2%	75.2%	80.0%	75.1%	76.0%
Unemployment Rate	4.8%	3.4%	1.7%	4.3%	3.3%

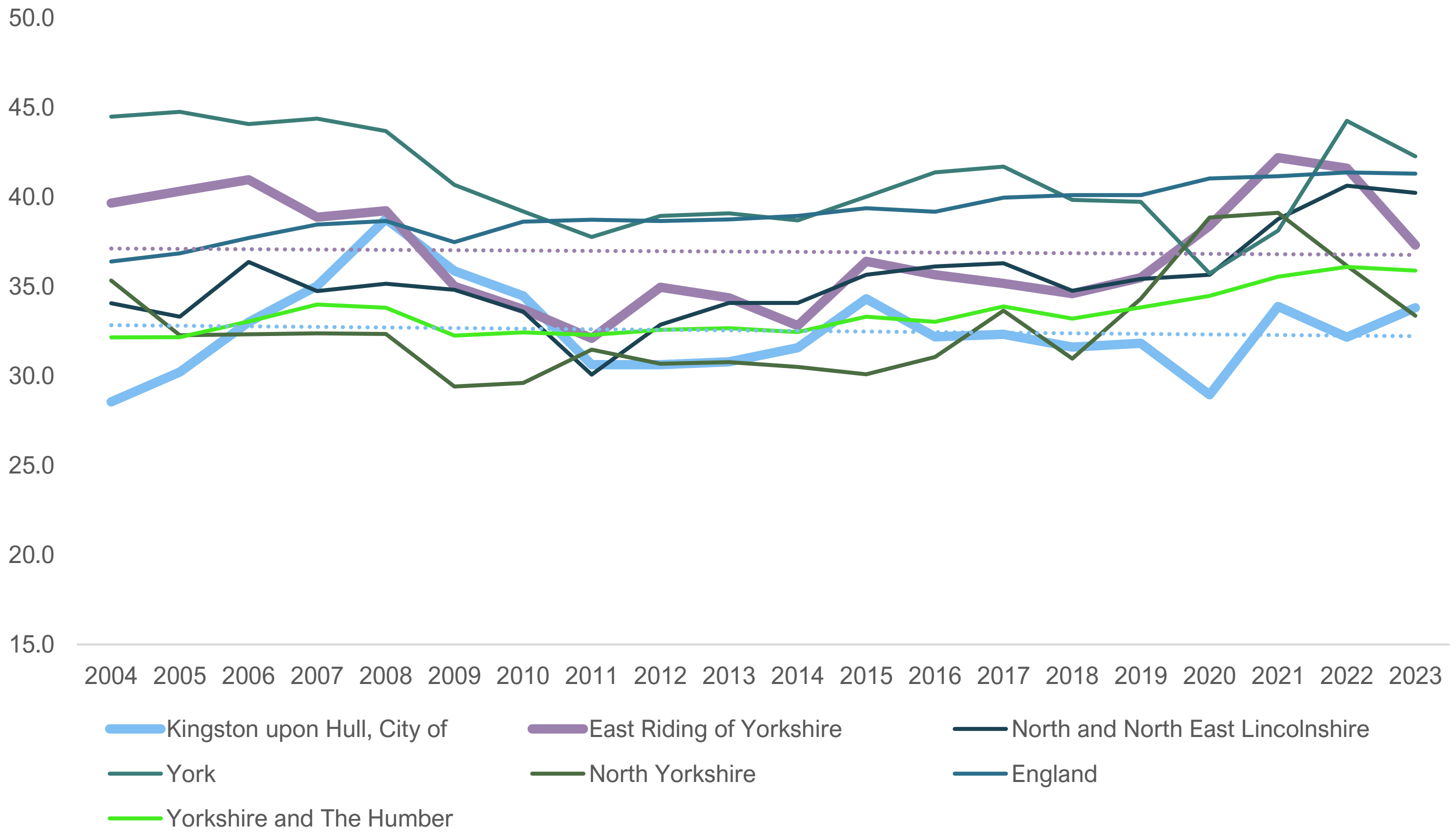
Source: Regional GVA and productivity estimates, Population Estimates, Annual Survey of Hours and Earnings, Annual Population Survey, ONS

Productivity growth performance is stagnant

Measured by GVA per hour worked, productivity in Hull has been broadly stagnant since 2010, while East Riding has seen a moderate positive increase over this period, likely exacerbating inequalities within the region.

Over most of the last 20 years productivity has been higher in East Riding than Hull, a reversal of the typical trend across MCAs where urban centres drive higher value activity.

GVA per hour worked (in 2022 prices)



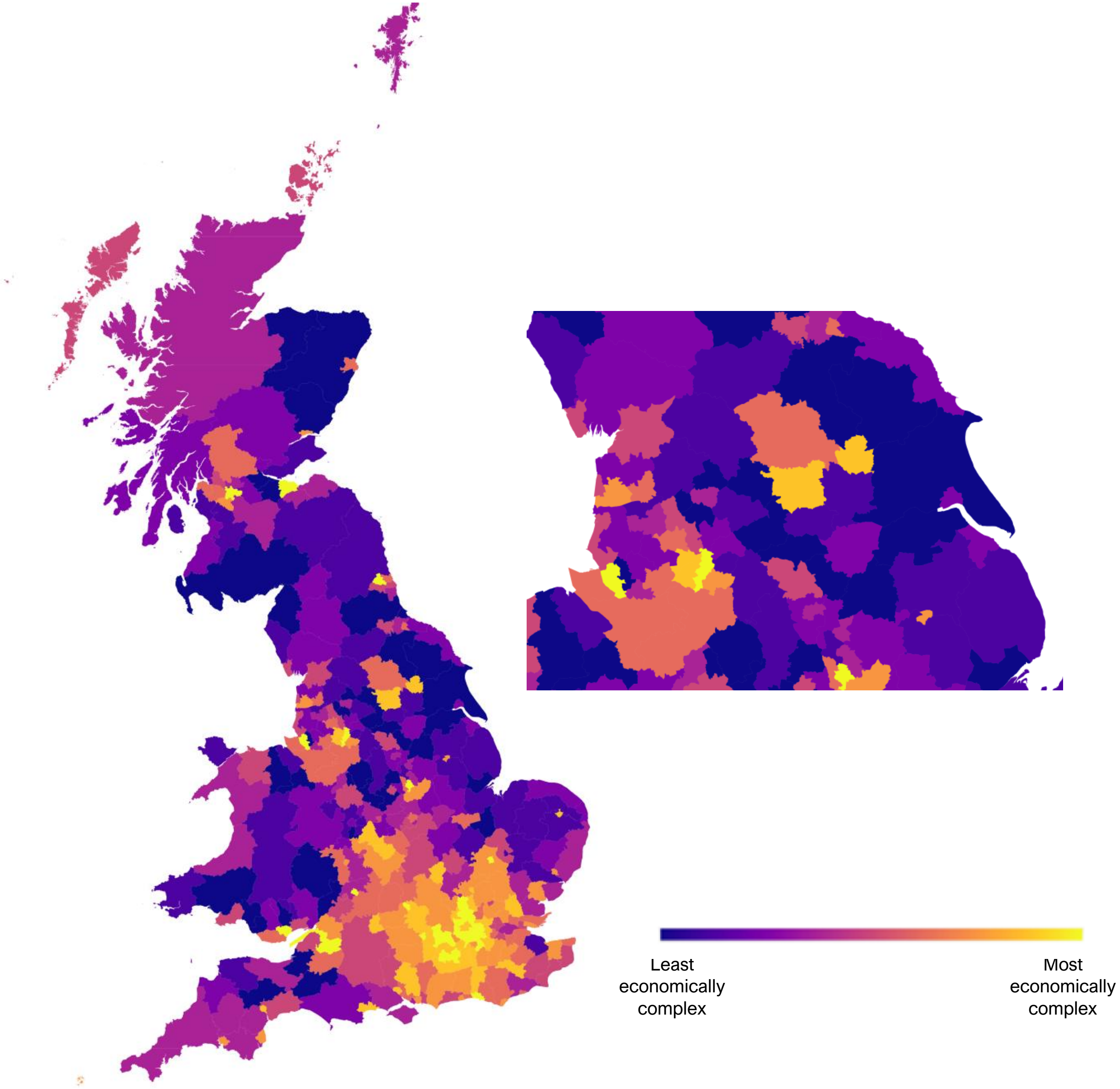
Source: ONS Regional GVA

The economy is less diverse than other parts of the country

Part of the productivity challenge may be due to the mix of goods and services being produced in the region.

Economic complexity measures the productive capabilities of an economy, with a higher ranking on the index meaning that a place is producing a wider range of products and services. The economic complexity of a place is a way to understand the knowledge embedded in a place and tends to be highly correlated with other measures of economic success including productivity, growth. It also shows a strong negative correlation with income inequality (meaning places with a higher economic complexity ranking tend to have lower income inequality).

Hull and Riding both rank very low among GB local authorities, indicating that there is less capacity in the economy to produce a wide range of products and services compared to other places, and that their specialisms are in sectors which are less specialised or niche on the whole.



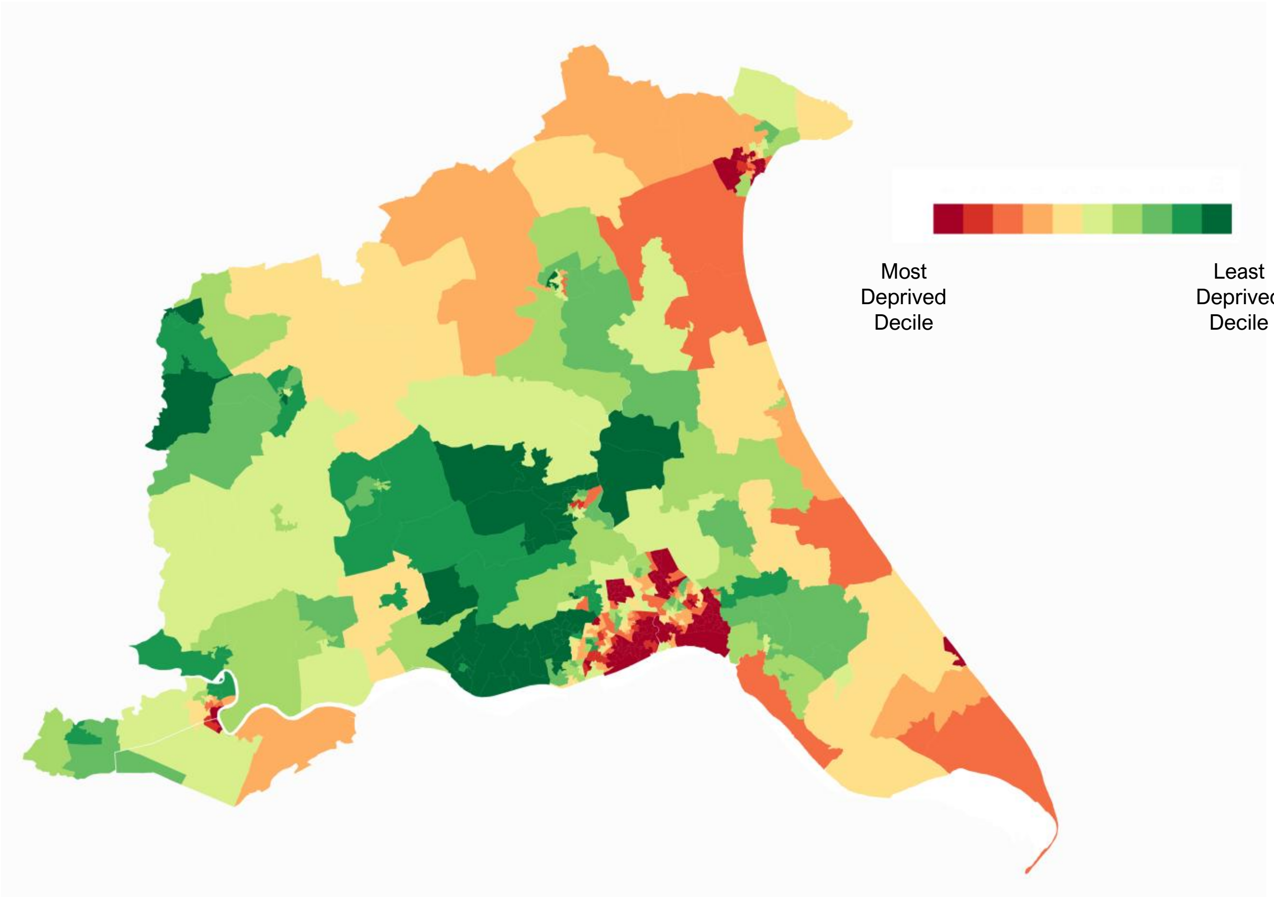
Source: Metro Dynamics analysis of BRES (2023)

Deprivation data highlights pronounced inequalities

Along with differences in productivity performance, deprivation data shows marked inequalities within the region.

In the 2019 Indices of Multiple Deprivation, Hull was ranked as the 4th most deprived local authority in England with 54% of LSOAs in Hull among the most deprived 20% in England (and 45% are in the most deprived 10%).

East Riding is the 189th most deprived local authority, with 6% of LSOAs in the most deprived 10% nationally. Within the authority, deprivation is greatest along the coast, to the North and around the larger urban centres. However, there are also areas of very low deprivation, with a fifth of the LSOA in the least deprived 10% nationally.



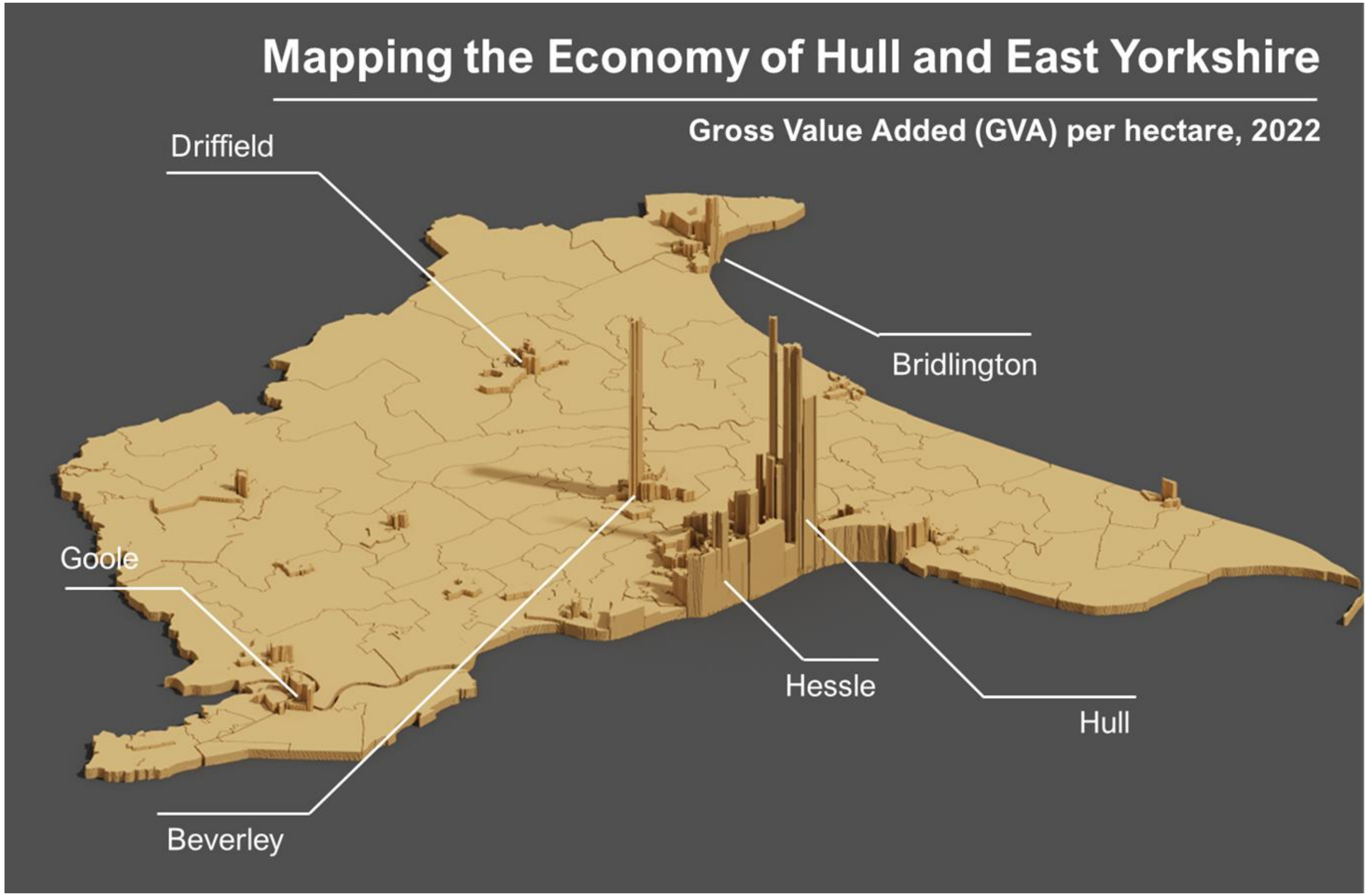
Source: Indices of Multiple Deprivation, 2019

Hull has the most intensive areas of activity

While it is lower in productivity and faces major challenges with deprivation, Hull is the economic centre of the region.

The map on the right shows the region's economic geography. The height of the polygons visualised the GVA per hectare, showing the small areas where the most economic output was produced in 2022.

We can see the dominance of the city in terms of the volume of GVA produced clearly, both in the city centre and along the riverfront, as well as strong centres of activity in Beverley and Bridlington.

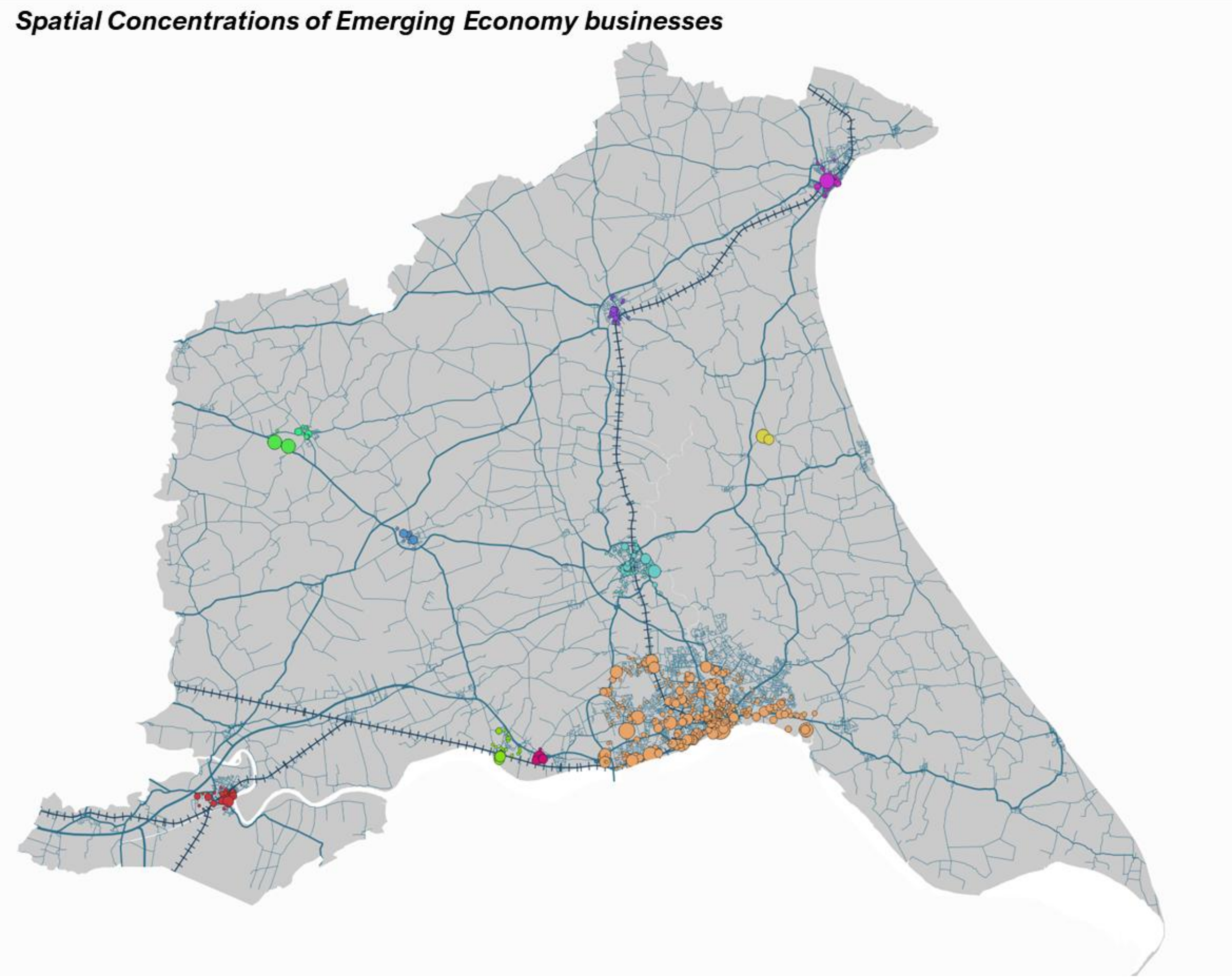


Source: Metro Dynamics analysis of ONS Small Area GVA estimates

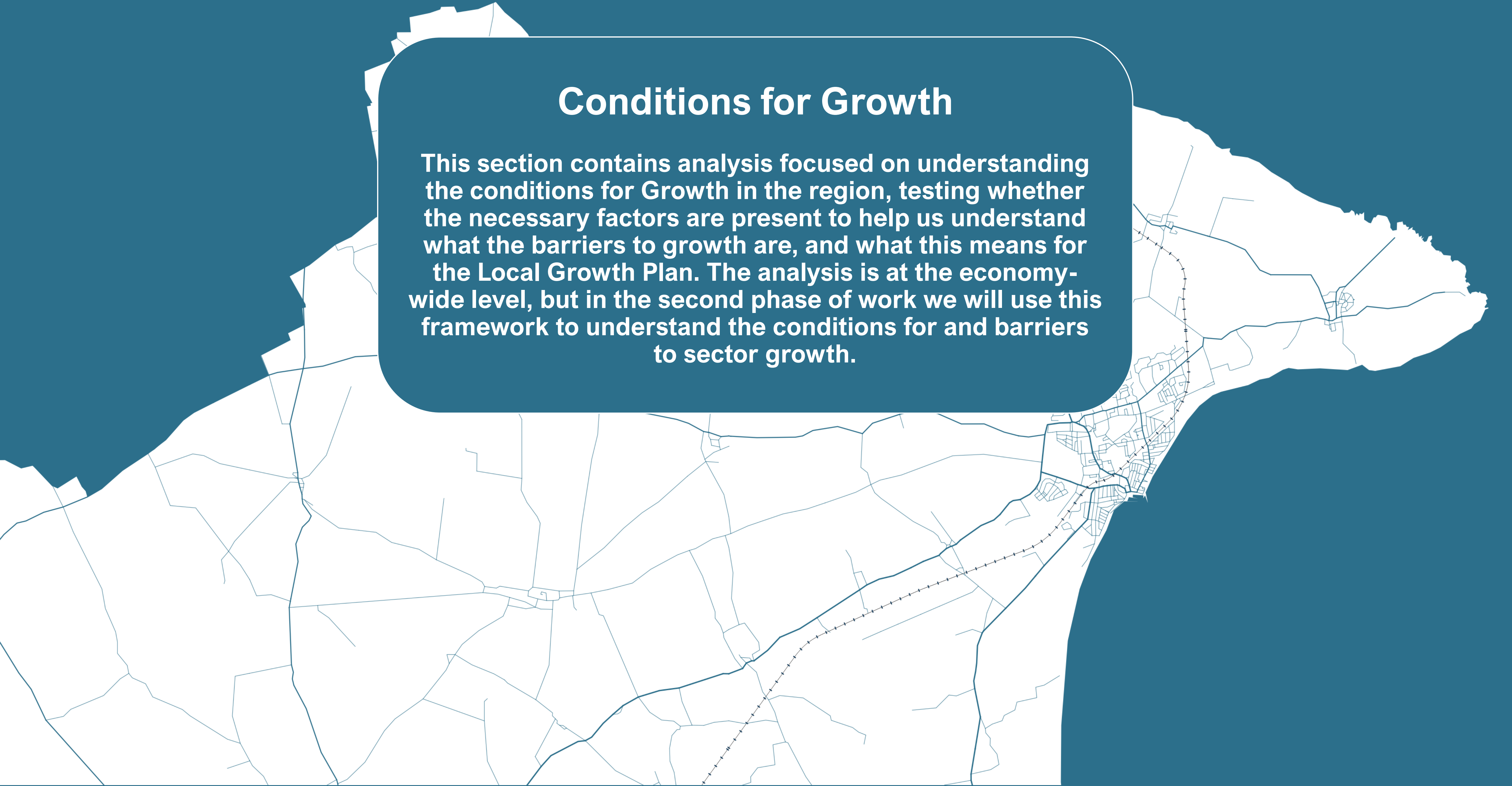
Emerging economy businesses are concentrated in town centres

This map shows the spatial clusters of businesses which have been assigned a Real Time Industrial Classification by Data City, indicating that their activities place them in new or emerging parts of the economy not well captured by Standard Industrial Classification codes developed in 2007.

These businesses follow, as you would expect, a very similar spatial pattern to the small area GVA.



Source: Metro Dynamics analysis of Data City data



Conditions for Growth

This section contains analysis focused on understanding the conditions for Growth in the region, testing whether the necessary factors are present to help us understand what the barriers to growth are, and what this means for the Local Growth Plan. The analysis is at the economy-wide level, but in the second phase of work we will use this framework to understand the conditions for and barriers to sector growth.

Introduction

To assess the performance and resilience of the Hull and East Yorkshire economy, analysis is framed around seven key growth constraints. The constraints to growth are critical conditions that underpin economic competitiveness, inclusivity, and long-term productivity, which help to identify strengths and barriers to growth.

- **Commercial space:** Adequate and modern commercial space is essential to attract and retain businesses, enable expansion, and support inward investment. This examines the availability, quality, and resilience of employment land and premises.
- **Labour market:** A strong labour market underpins productivity, while mismatches in skills or low participation limit growth and opportunity. This examines the size, skills, and participation of the working-age population.
- **Export:** Exporting businesses tend to be more innovative, competitive, and growth-oriented, making this a key driver of economic strength. This understand exporting, this assesses the proportion of firms engaged in exporting and the value of exports.
- **Investment:** Investment fuels growth by enabling firms to innovate, scale, and modernise. This considers capital investment, including business investment and equity finance.
- **Transport:** Connectivity shapes how people access opportunities and how businesses engage with markets and supply chains. This evaluates access to employment and services via transport networks.
- **Digital connectivity:** Strong digital networks are essential for competitiveness, innovation, and inclusion in a modern economy. This reviews access to high-speed broadband and digital infrastructure.
- **Innovation:** Innovation underpins long-term productivity growth and resilience, enabling economies to adapt to changing technologies and markets.

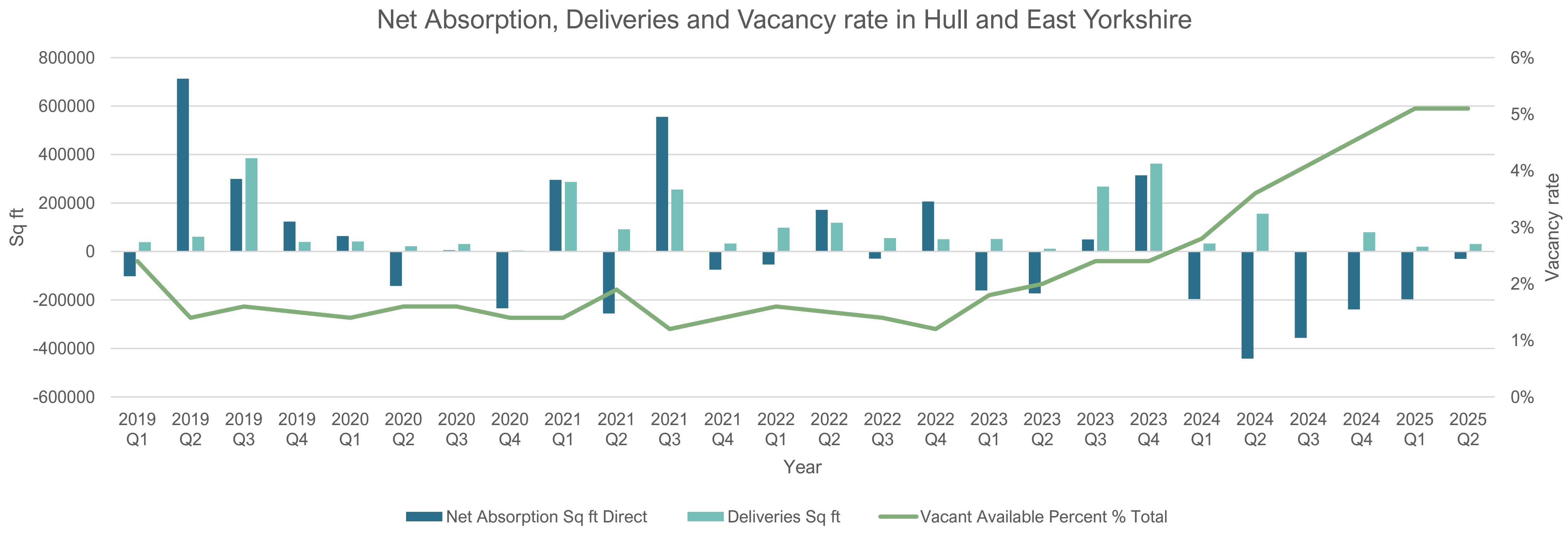
Summary findings

Commercial space	Labour market	Export	Investment	Transport	Digital Connectivity	Innovation
HEY faces increasing vacancy rates - driven by limited growth in commercial floorspace, low availability of good quality space and consistent negative absorption since 2024. Flood risk adds pressure on the existing stock, highlighting vulnerabilities in resilience.	Hull and East Yorkshire has a smaller working-age population, but relatively high employment utilisation and growth. Skills gaps and low levels of high-value job creation limit productivity and lead to lower average earnings compared nationally.	Export participation is slightly above the national average, but overall export value remains modest. This indicates strength in engagement, but limited scale in high-value export activity.	GCFC is above national benchmarks, yet firms secure fewer equity rounds and lower average funding values with a business base dominated by established businesses.	Hull has strong public transport links to key employment centres, but much of East Riding faces poor connectivity. This restricts access to opportunities, particularly for rural coastal communities.	HEY outperforms national and regional averages for gigabit broadband, with coverage above 90% and close to universal in Hull. However, Bridlington shows risks of digital exclusion.	Innovation activity lags regional and national levels, with fewer businesses identified as innovation active. Internal R&D and product innovation are also notably lower, with fewer Innovate UK grants and limited spinout activity compared to peers.

Commercial Space

Net Absorption, Deliveries and Vacancy rate

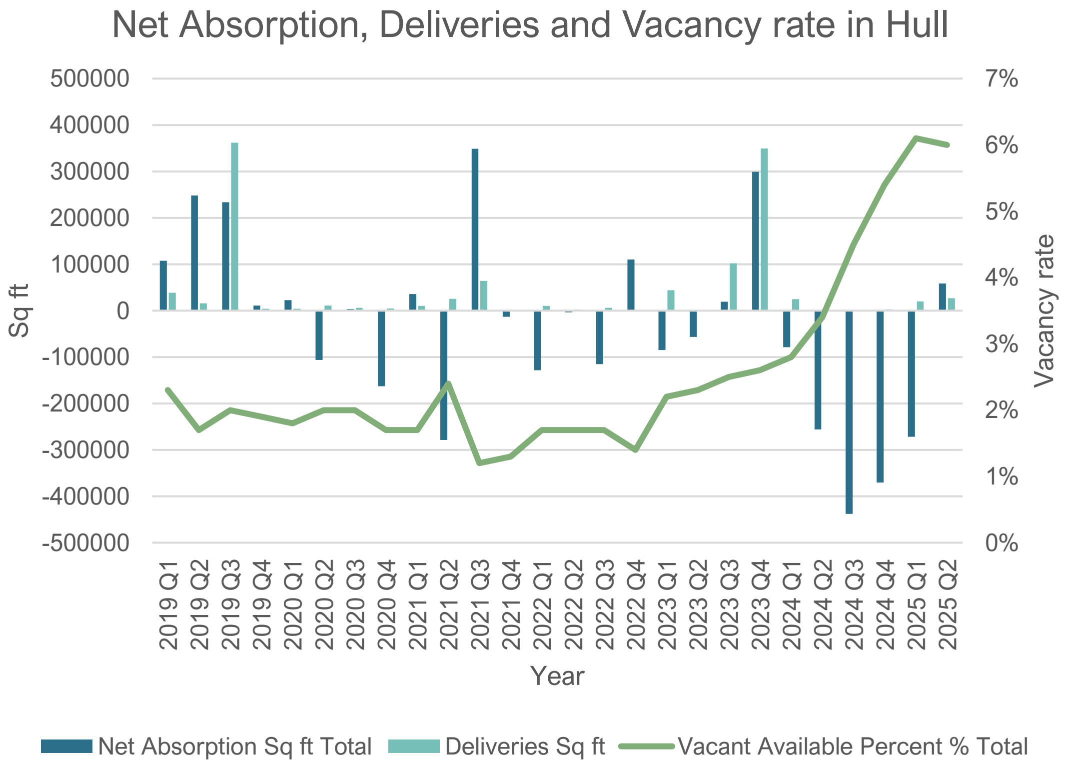
The graph looks at net absorption, deliveries and vacancy rate to understand commercial property market in Hull and East Yorkshire. Despite intermittent new deliveries of floorspace, vacancy rates have risen steadily from below 2% in 2022 to over 5% by 2024, the highest level in the past five years. This indicates a softening of demand relative to supply, suggesting that while space has been delivered to the market, occupier uptake has not kept pace.

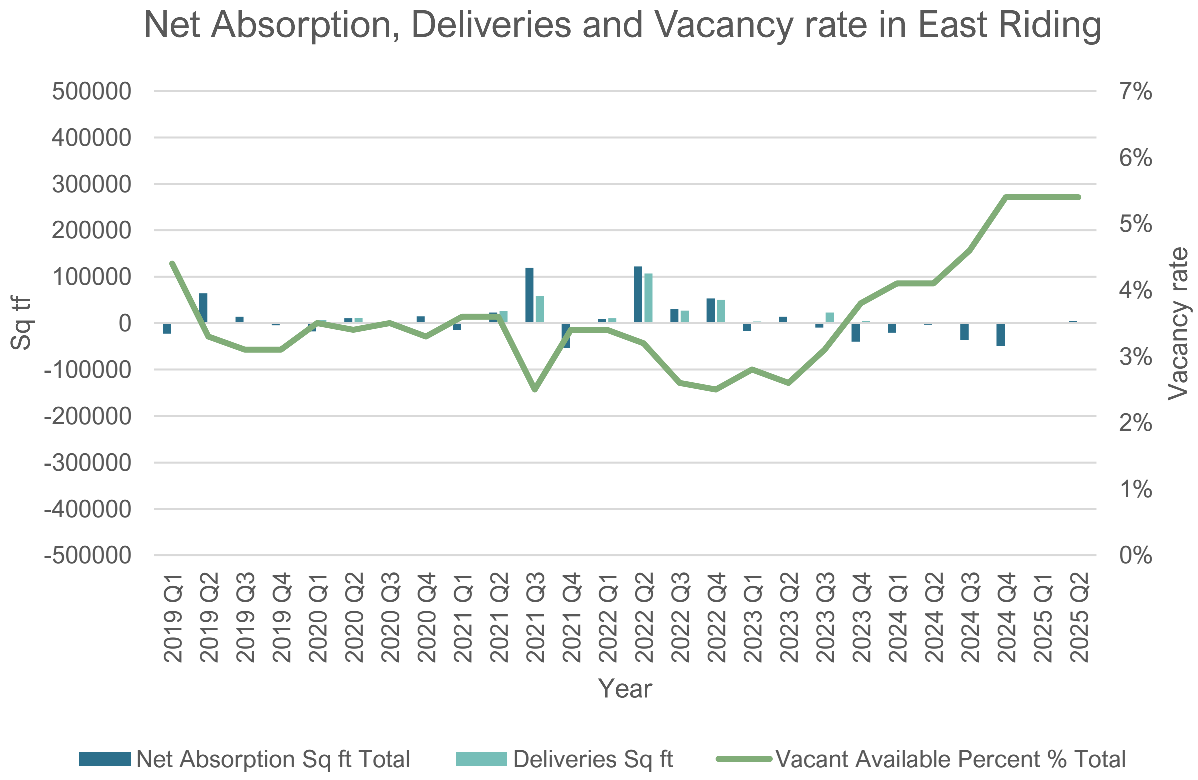


Source: Metro Dynamics analysis of CoStar data (October 2025)

Net Absorption, Deliveries and Vacancy rate

In both Hull and East Riding, vacancy rates have risen sharply since 2022, climbing to over 6% in Hull and more than 5% in East Riding by mid-2025. Hull has seen prolonged negative net absorption through 2023-24, and East Riding shows a similar pattern with spikes in deliveries around 2021-22 but absorption trailing off and vacancy rates rising steadily.





Source: Metro Dynamics analysis of CoStar data (October 2025)

Demand for commercial space

Hull and East Yorkshire is demonstrating positive market dynamics, with strong levels of activity and clear signs of healthy demand compared with regional and national benchmarks.

The overall vacancy rate in Hull and East Yorkshire stands at 5.49%, which is lower than both the regional average of 6.6% and the national average of 8.9%. This indicates that demand is relatively strong across the market. Looking more closely, office vacancy in the subregion is 5.23%, again below the regional average of 6.56% and significantly below the national figure of 8.83%. By contrast, industrial vacancy is slightly higher at 6.10%, above both the regional (4.83%) and national (5.53%) averages.

Leasing activity is performing strongly, with properties taking on average just 9.3 months to secure a lease. This is a much faster turnaround than seen at the regional level, where properties typically take 14.4 months to let, or nationally, where the figure stands at 12.4 months. Furthermore, the probability of leasing within six months is 42.5%, significantly above the regional benchmark of 30.3% and the national figure of 32.8%.

Indicator	Hull and East Yorkshire	Yorkshire and Humber	UK
Vacancy rate	5.49%	6.6%	8.9%
Vacancy rate - Industrial space	6.10%	4.83%	5.53%
Vacancy rate - office space	5.23%	6.56%	8.83%
Months on market	9.3	14.4	12.4
Probability of leasing in 6 months	42.5%	30.3%	32.8%

Source: Metro Dynamics analysis of CoStar data (October 2025)

Supply of commercial space

The supply of commercial space in Hull and East Yorkshire is characterised by lower costs but also limited provision of high-quality stock compared with regional and national benchmarks.

Market asking rent stands at £11.68 per square foot, well below the regional average of £15.65 and the national average of £30.23. Sales prices follow a similar pattern, at £90 per square foot compared with £127 regionally and £342 nationally. Annual rent growth has declined slightly by -0.6%, in contrast to growth of 2% regionally and nationally.

The share of high-quality space (rated 4–5 star) is just 1.9% of stock, compared with 2.3% across Yorkshire and Humber and 2.4% nationally. Vacancy rates for high-quality space are lower at 6.7% than the regional (10.5%) and national (11.2%) averages, but the vast majority of space (99.1%) is rated below 3 stars. Vacancy among this lower-grade stock is 5%, above the regional figure of 3.9%, although growth in this segment remains relatively strong at 3.2%.

Indicator	Hull and East Yorkshire	Yorkshire and Humber	UK
Market asking rent per sq ft	£11.68	£15.65	£30.23
Market sales price per Sq ft	£90	£127	£342
Annual market asking rent growth	-0.6%	2%	2%
Proportion of high-quality space (4-5 star)	1.9%	2.3%	
Vacancy rate of high-quality space (4-5 star)	6.7%	10.5%	11.2%
Growth in vacancy rate of high-quality space	4%	5.7%	3.9%
Proportion of space at lower quality space (less than 3 star)	99.1%	98.7%	
Vacancy rate of lower quality space (less than 3 star)	5%	3.9%	
Growth rate of lower quality space (less than 3 star)	3.2%	1.6%	

Source: Metro Dynamics analysis of CoStar data (October 2025)

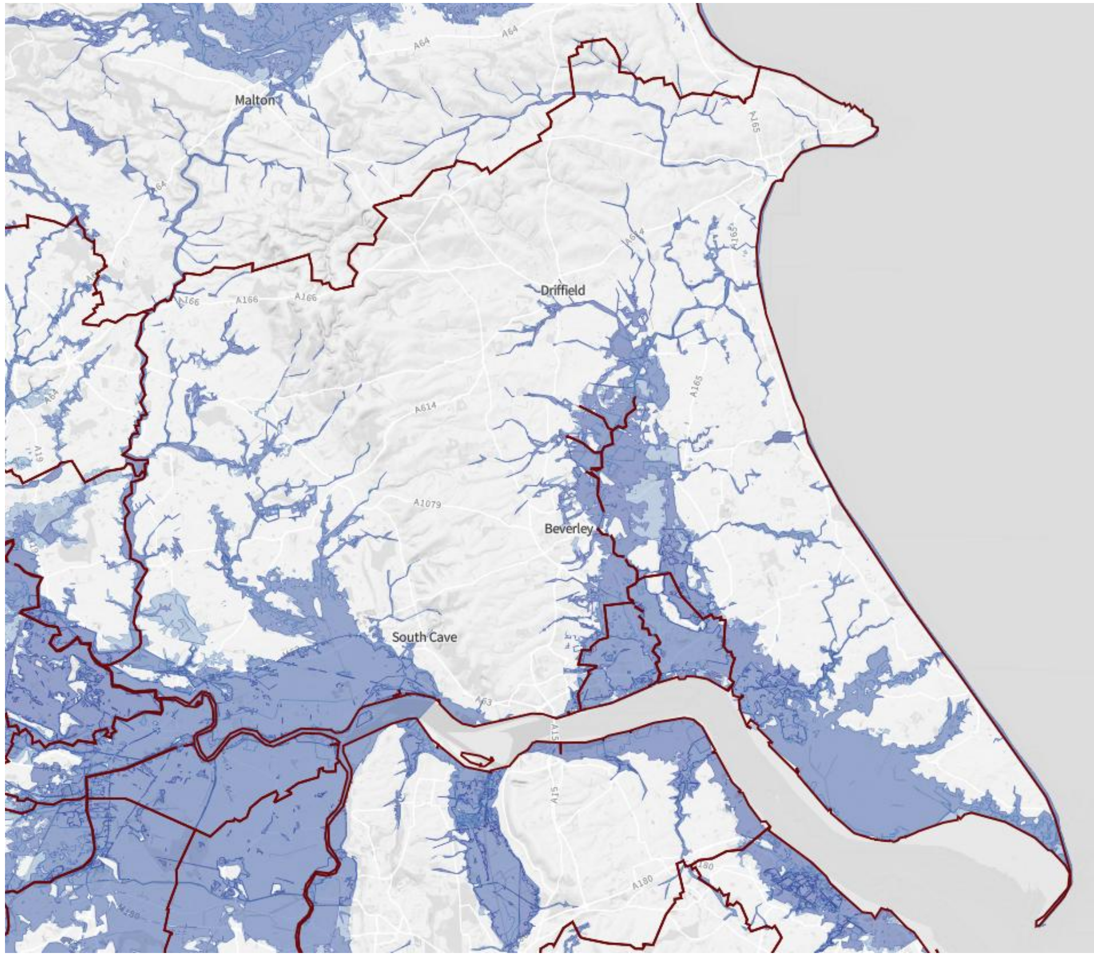
Flood and Coastal Risk

Hull and East Yorkshire face significant environmental risks, particularly from flooding and coastal erosion.

Commercial space in Hull and East Yorkshire is heavily constrained by environmental risk. Hull is one of only seven global cities at severe risk of flooding, with just 2% of land outside flood zones and around 90% of the city lies below sea level at high tide. In 2007, the UK's wettest summer on record affected more than 55,000 homes and businesses across the country, with one-fifth of the homes based in Hull.

Coastal erosion adds further pressure, with up to 12 metres of land lost between Holmpton and Easington in 2023–24 compared with the long-term average of 1.4 metres per year. Forecasts indicate 102 homes could be lost by 2105, before accounting for future acceleration due to climate change.

Flood Risk



	Less than 0.1% chance of flooding in any given year
	Between a 0.1% and 1% chance of flooding in any given year
	Greater than 1% chance of flooding in any given year

Source: Carbon and Place, Land use and planning explorer (2025). The Hull Story, Coastal erosion: Land loss eight times greater than annual average (October 2024)

Labour market: Supply

Population

The population of Hull and East Yorkshire is just over 631,000 in 2024, with a structure that shows both a relatively young profile in Hull and an older population in the East Riding.

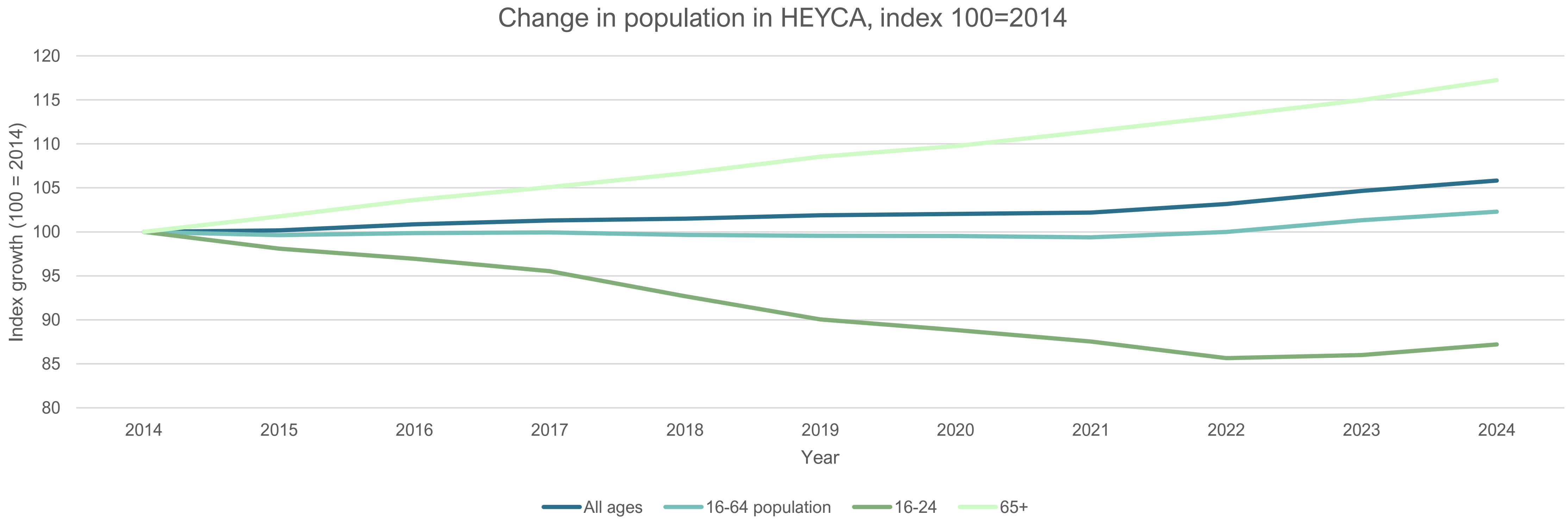
Across Hull and East Yorkshire, 18% of residents are aged 0–15, 9% are aged 16–24, 60% fall within the working-age group, and 22% are over 65. Hull has a younger profile, with 20% aged 0–15, compared to 16% in the wider region, and a higher proportion of working-age residents at 64% compared to 60% in York and North Yorkshire. In contrast, the East Riding has an older population, with 27% aged 65 and over compared with 16% in Hull.

		0-15	16-24	16-64 population	65+	All ages
HEYCA	2024	110,746	59,272	381,436	139,103	631,285
	Proportion of population	18%	9%	60%	22%	
Hull	2024	55,396	31,541	177,306	42,699	275,401
	Proportion of population	20%	11%	64%	16%	
East Riding	2024	55,350	27,731	204,130	96,404	355,884
	Proportion of population	16%	8%	57%	27%	
York and North Yorkshire	2024	130,982	90,866	508,168	205,421	844,571
	Proportion of population	16%	11%	60%	24%	

Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

Population growth in HEYCA

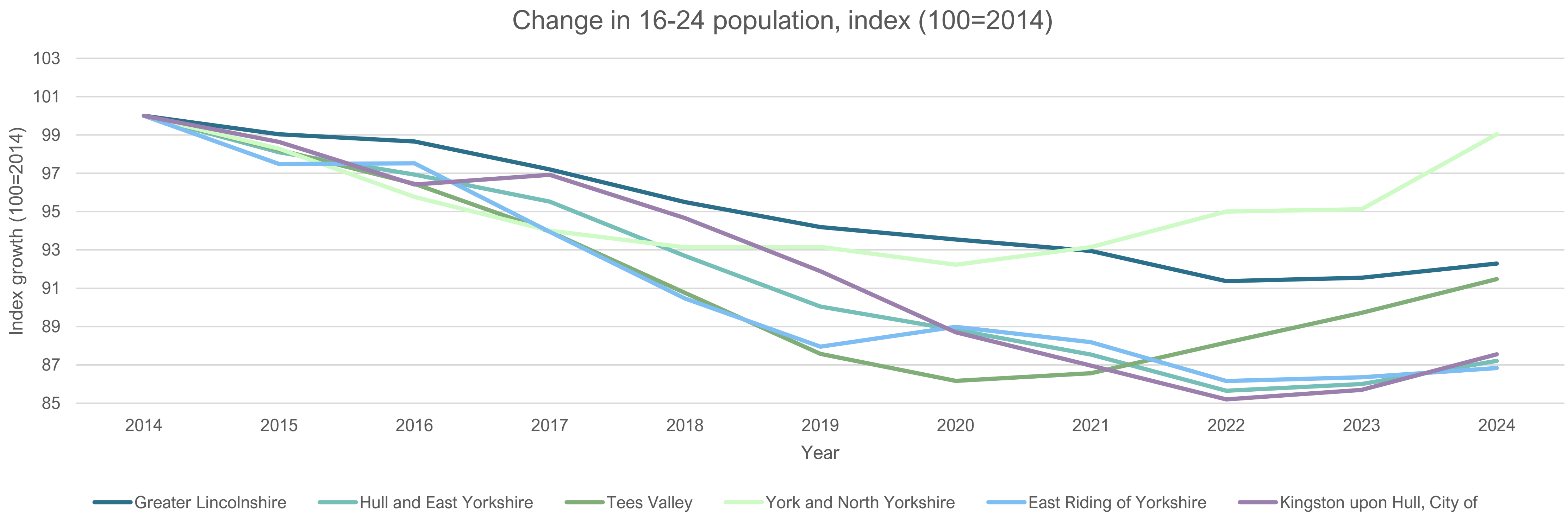
Population growth in Hull and East Yorkshire over the past decade has been modest overall, but with marked differences between age groups. Since 2014, the total population has increased by around 6%, with growth largely driven by older age groups. The number of residents aged 65 and over has risen steadily, growing by almost 18%. In contrast, the working-age population has remained broadly stable, showing only limited growth of around 3%.



Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

Growth in 16-24 population

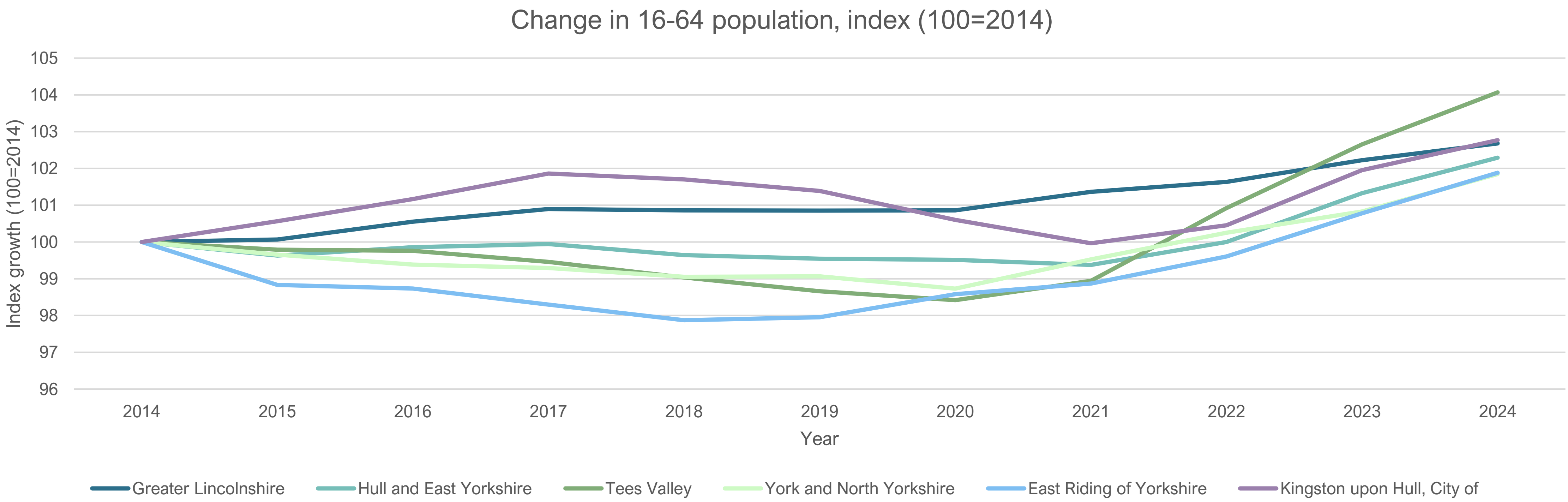
The 16–24 population has declined significantly across Hull and East Yorkshire over the past decade, reflecting a wider regional challenge in retaining young people. Between 2014 and 2024, the number of residents in this age group fell by more than 10% in Hull and East Yorkshire, with similar patterns seen in East Riding, Tees Valley and York and North Yorkshire. Hull itself has experienced one of the sharpest declines, with the trend persisting over the period.



Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

Growth in 16-64 population

The working-age population (16–64) in Hull and East Yorkshire has shown steady growth over the past decade, with recent increases bringing it closer to the trends seen across comparator areas. Since 2014, the working-age population in the Hull and East Yorkshire has grown by around 3%, broadly in line with Greater Lincolnshire and York and North Yorkshire. Hull itself has seen some fluctuations but has ended the period on an upward trajectory.



Source: ONS, Population estimates- local authority based by single year of age (2024 estimates)

Economic inactivity

Hull and East Yorkshire has high levels of economic inactivity, with a particular concentration among those recorded as long-term sick, which is significantly above the national average.

In total, 26,300 people in the subregion are economically inactive due to long-term sickness. This group accounts for 37% of the inactive population, compared with 28% nationally, and has increased by 26% since 2018, broadly in line with national trends. This represents a major constraint on labour supply.

Other categories of inactivity are less significant in scale. Students account for 18% of the inactive population, well below the national share of 27%, while retirees represent 18% compared with 13% nationally. The proportion looking after family or home is 15%, close to the UK average.

Type of economic inactivity	Number in HEYCA	Proportion of economic inactive in HEYCA	Proportion in UK	Annual Growth	UK	Long term growth (2018-2025)	UK
Students	12,900	18%	27%	-27%	2%	-27%	3%
Looking after family/home	11,100	15%	18%	-23%	-3%	-38%	-20%
Temporary sick	1,100	2%	2%	-76%	21%	-39%	19%
Long-term sick	26,300	37%	28%	-15%	4%	26%	26%
Retired	12,900	18%	13%	9%	-5%	11%	0%
Other	7,500	10%	11%	-36%	2%	-5%	3%

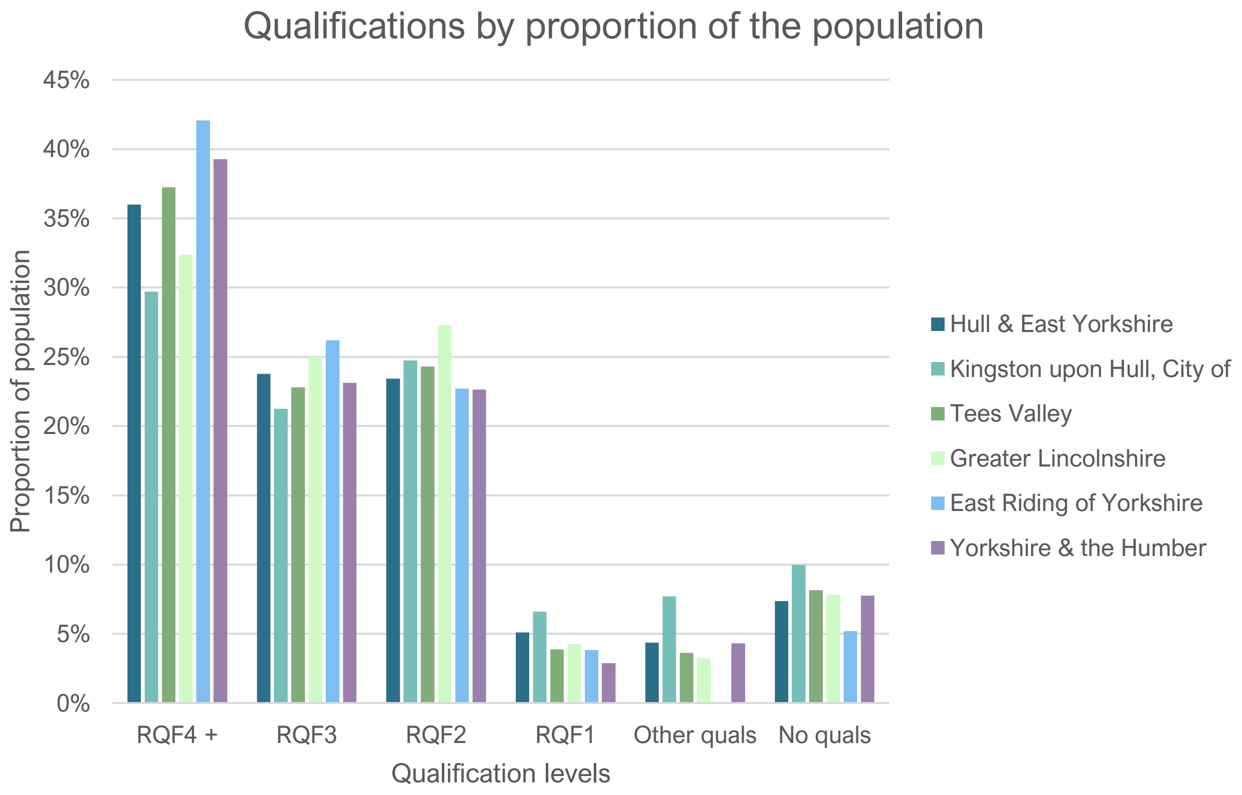
Source: ONS, Annual Population Survey (April 2024-March 2025)

Qualifications

Patterns of qualifications across Hull and East Yorkshire show marked differences between Hull and the East Riding, with implications for skills supply and labour market performance.

Hull and East Yorkshire shows a mixed picture of qualification levels compared with other nearby economies. Hull and East Yorkshire performs broadly in line with Tees Valley and Greater Lincolnshire, with a relatively high share of residents holding lower-level or no qualifications and a smaller proportion educated to higher levels.

Hull has a lower proportion of residents with higher-level qualifications (RQF4+) and a larger share with no or low qualifications, reflecting lower educational attainment compared with both the East Riding and regional averages. In contrast, the East Riding has a stronger skills base, with higher proportions of residents holding RQF4+ qualifications and fewer with no qualifications.



Source: ONS annual population survey

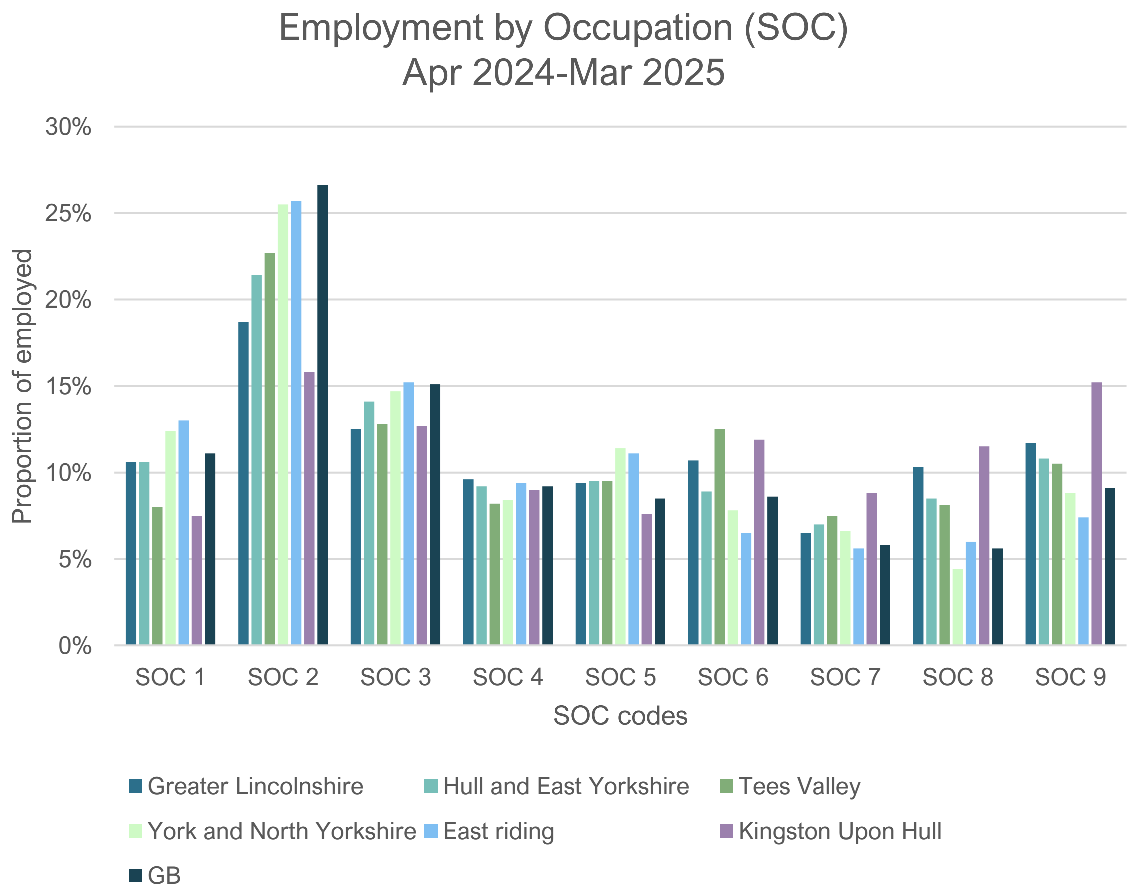
Source: ONS, Annual Population Survey (April 2024-March 2025)

Occupations

The occupational profile of Hull and East Yorkshire highlights a workforce concentrated in lower and mid-level occupations, with fewer residents in higher-skilled roles compared with national averages.

Employment in professional and managerial roles (SOC1–3) is lower than the national benchmark, particularly in Hull where the share of residents in these higher-skilled occupations is notably smaller. By contrast, employment in elementary and process, plant and machine operative roles (SOC8–9) is higher, reflecting the area's industrial and logistics base.

East Riding display stronger representation in professional and associate professional occupations, closer to the national and regional picture.

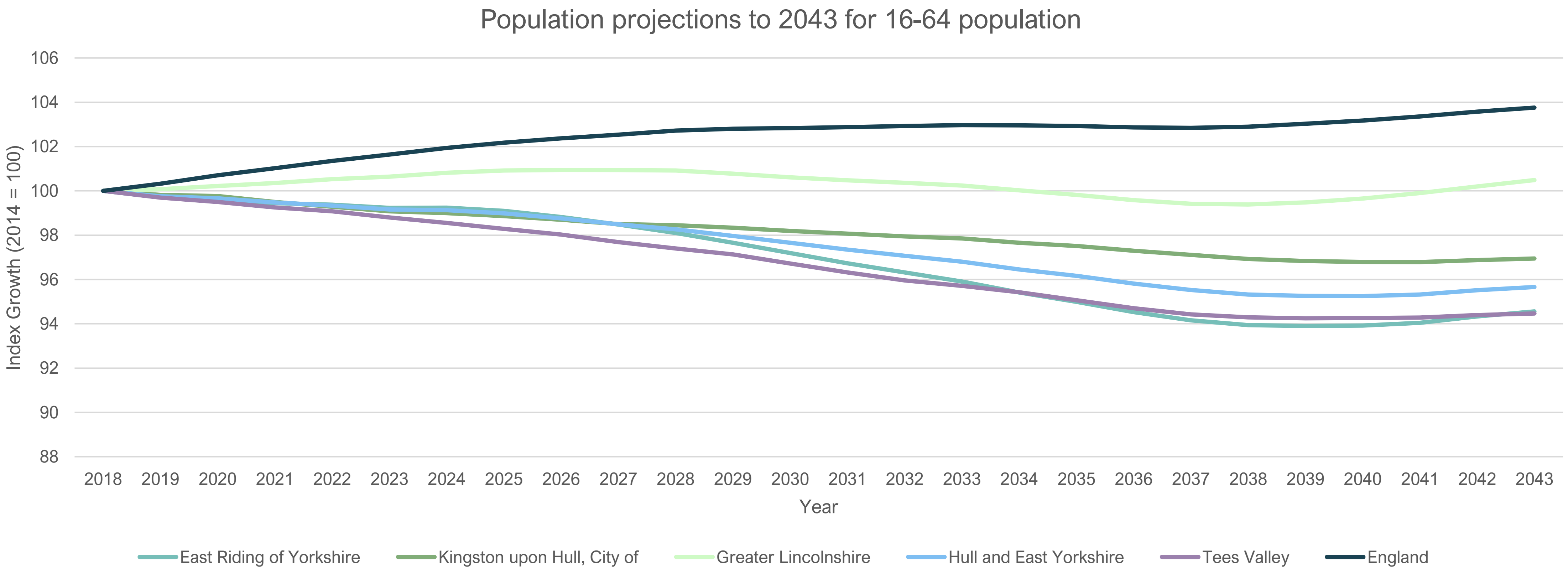


Major SOC2020 Key
1 Managers, directors and senior officials
2 Professional occupations
3 Associate professional occupations
4 Administrative and secretarial occupations
5 Skilled trades occupations
6 Caring, leisure and other service occupations
7 Sales and customer service occupations
8 Process, plant and machine operatives
9 Elementary occupations

Source: ONS, Annual Population Survey (April 2024-March 2025)

16-64 population projections

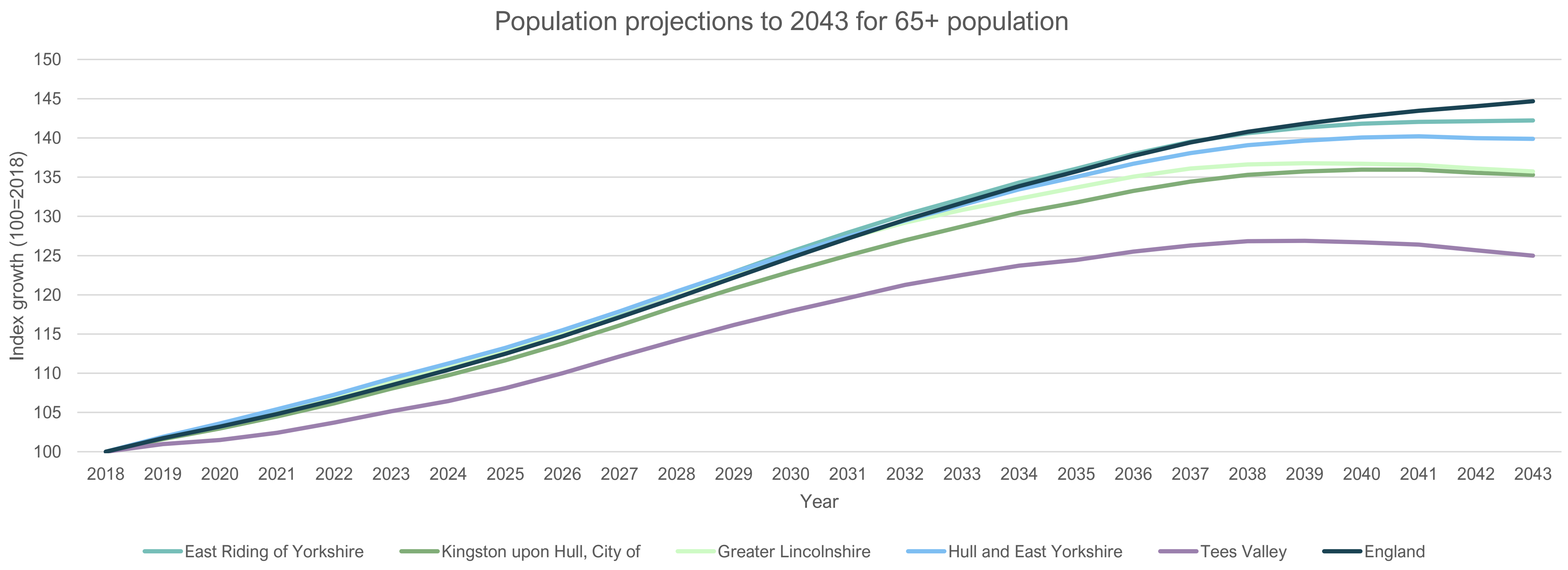
Hull and East Yorkshire's working-age population is projected to decline over the next two decades, falling by around 4% by 2043.



Source: ONS, Population projections for local authorities by single year of age and sex (June 2025)

65+ population projections

Comparatively, the 65+ population in HEYCA is expected to grow by 40% to 2043, faster than comparator combined authorities, but slower than national average. This increase is driven by East Riding, expected to increase by 42% compared to 36% in Hull.



Source: ONS, Population projections for local authorities by single year of age and sex (June 2025)

Labour Market: Demand

Employment

Employment outcomes in Hull and East Yorkshire are broadly in line with national averages, but with differences between Hull and the East Riding that highlight underlying labour market challenges.

Hull and East Yorkshire has an overall economic activity rate of 80.2%, higher than the Great Britain average of 78.5%, similar to the performance of York and North Yorkshire (80%).

Within Hull and East Yorkshire, Hull lags at 72.9% employment rate, but this is higher in East Riding at 79.2%, indicating a stronger labour market. Unemployment in Hull is 6.1%, significantly above the GB rate of 4% and more than triple that of York and North Yorkshire (1.7%).

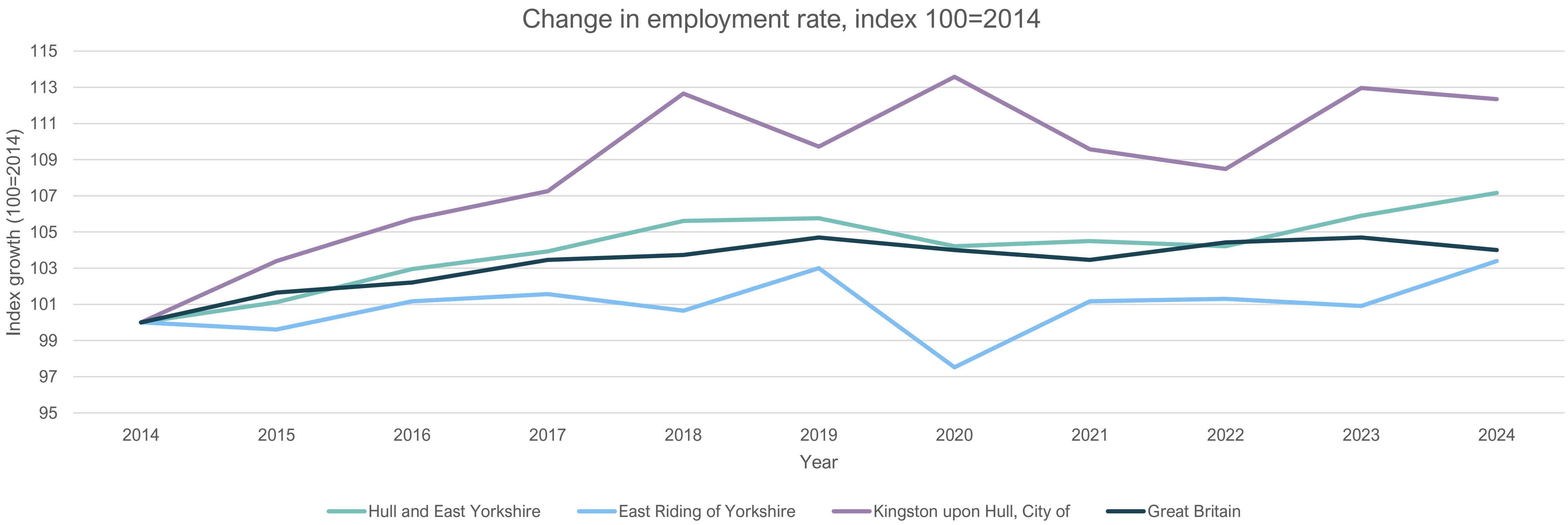
Economic inactivity across Hull and East Yorkshire is 19.8%, lower than the GB figure of 21.5%. Hull records a higher rate of 22.4%, while inactivity is lowest in the East Riding at 17.5%

	HEYCA	Hull	East Riding	GB	Tees Valley	York and North Yorkshire	Greater Lincolnshire
Economic activity rate (%)	80.2	77.6	82.5	78.5	75.1	80.0	75.2
Employment rate (%)	76.3	72.9	79.3	75.4	71.9	78.6	72.7
Unemployment rate (%)	4.8	6.1	3.8	4.0	4.3	1.7	3.4
Economic inactivity (%)	19.8	22.4	17.5	21.5	24.9	20.0	24.8

Source: ONS, Annual Population Survey (April 2024-March 2025)

Growth in employment rate

Employment rates in Hull and East Yorkshire have grown steadily since 2014, broadly keeping pace with the national trend but with notable differences between Hull and the East Riding. Hull has experienced the strongest relative growth, with its employment rate rising more sharply than the subregional and national averages, despite some volatility in recent years. This contrasts with the East Riding, where growth has been more subdued and relatively flat over much of the past decade



Source: ONS, Annual Population Survey (April 2024-March 2025)

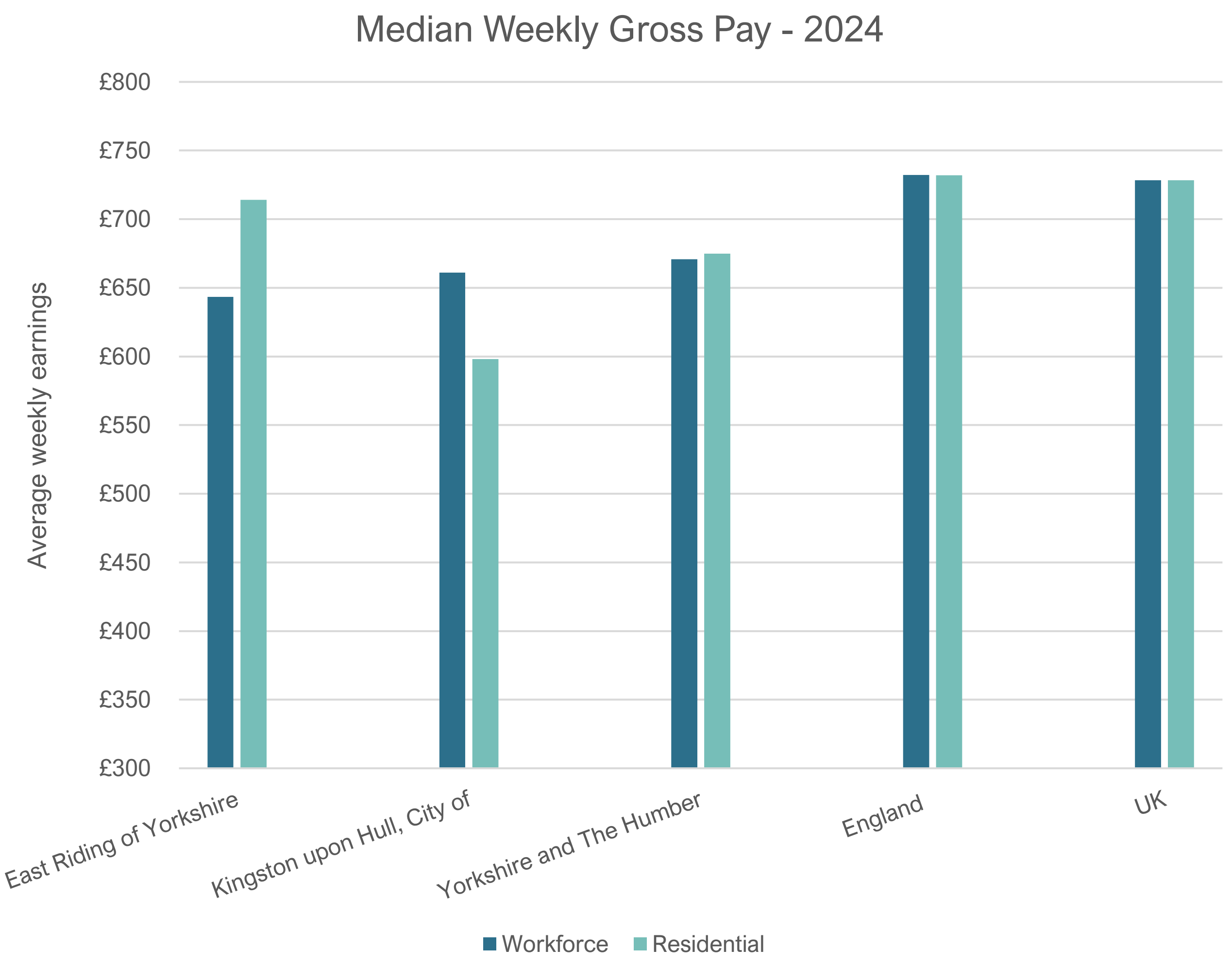
Earnings

Earnings patterns across Hull and East Yorkshire highlight contrasting roles of Hull as an employment hub and the East Riding as a commuter economy.

Despite both the East Riding and Hull being below the national average for both workforce and residential median weekly gross pay, they both paint a very different picture in each category. This can be seen as in the East Riding residential weekly earnings are £70.70 higher than workforce weekly earnings and £39.40 above the regional weekly pay.

Conversely, in Hull, the workforce median weekly pay is £62.90 higher than residential earnings and is slightly below the regional pay of Yorkshire and The Humber at £9.80.

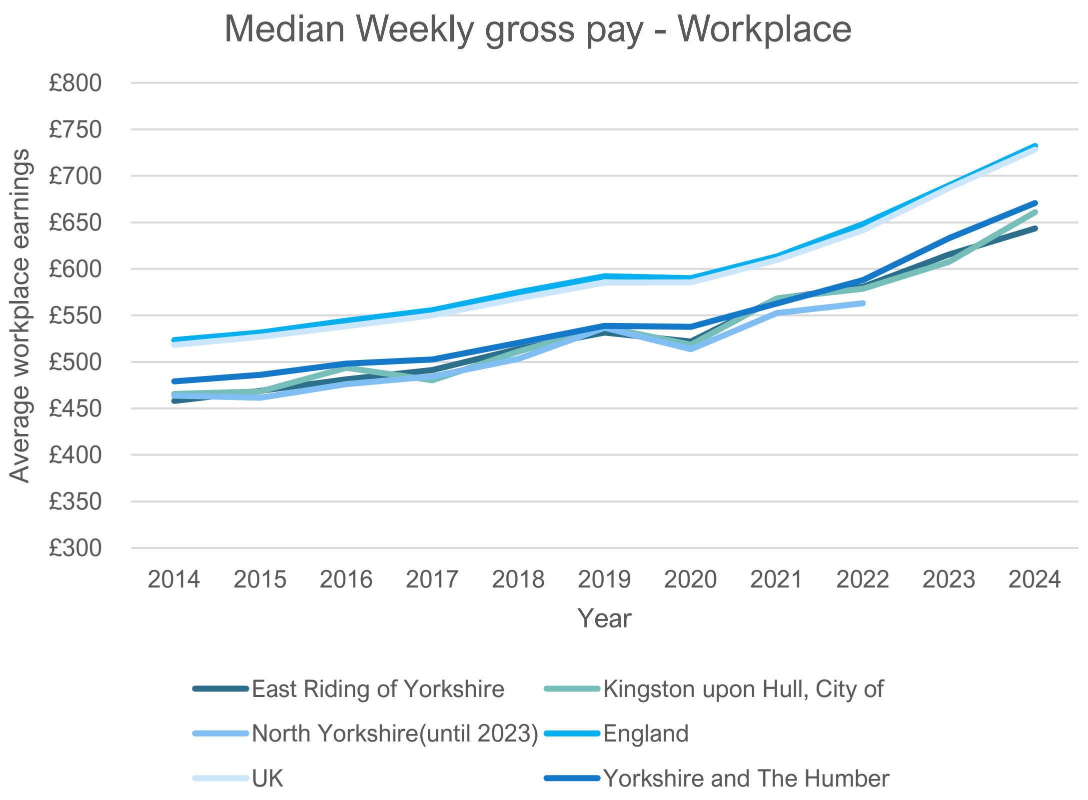
What this implies is that while the East Riding is more of a commuter area with outward commuting to higher-paid jobs, Hull is more of an employment hub, drawing in better-paid workers from elsewhere, but with a resident population that doesn't benefit as much from these higher wages. It can also be seen that Hull's residential weekly pay has been lower in comparison over the last ten years, but the gap has widened more recently.

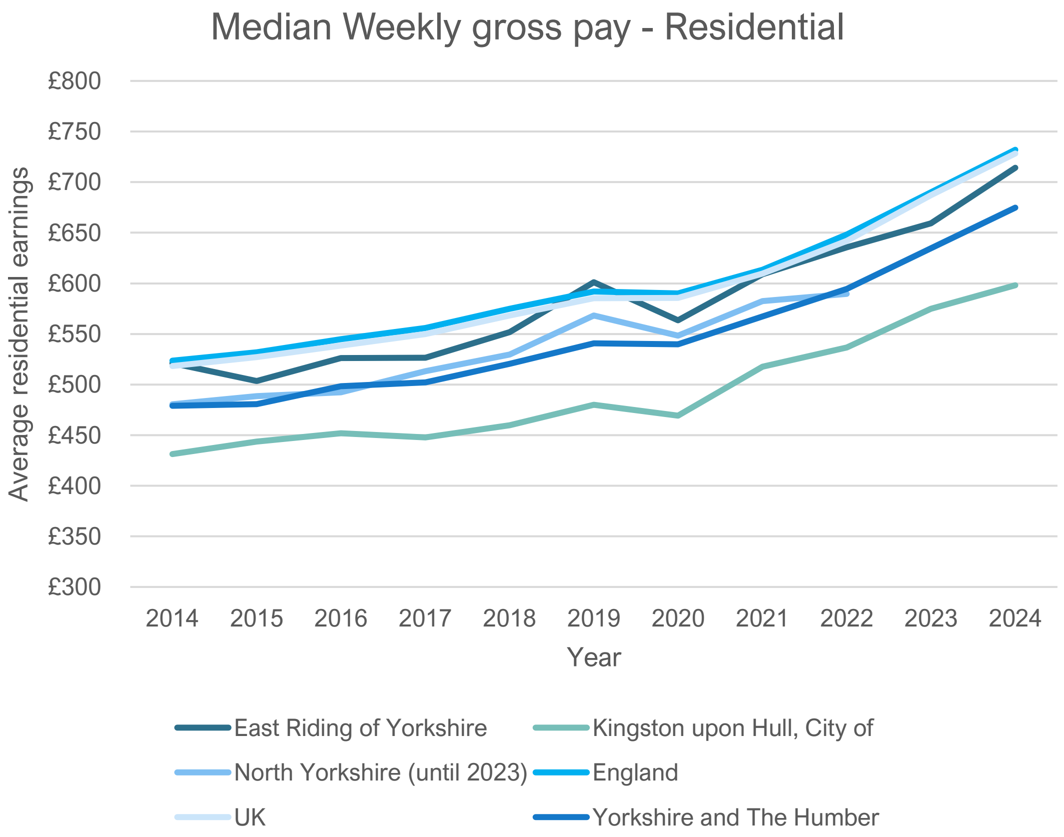


Source: ONS, Annual survey of hours and earnings – resident and workplace analysis (2024)

Earnings

Earnings growth trends in Hull and East Yorkshire reveal a divergence between workplace and residential pay compared with regional and national patterns. Both Hull and the East Riding fall below the national average for workforce and residential median weekly pay.





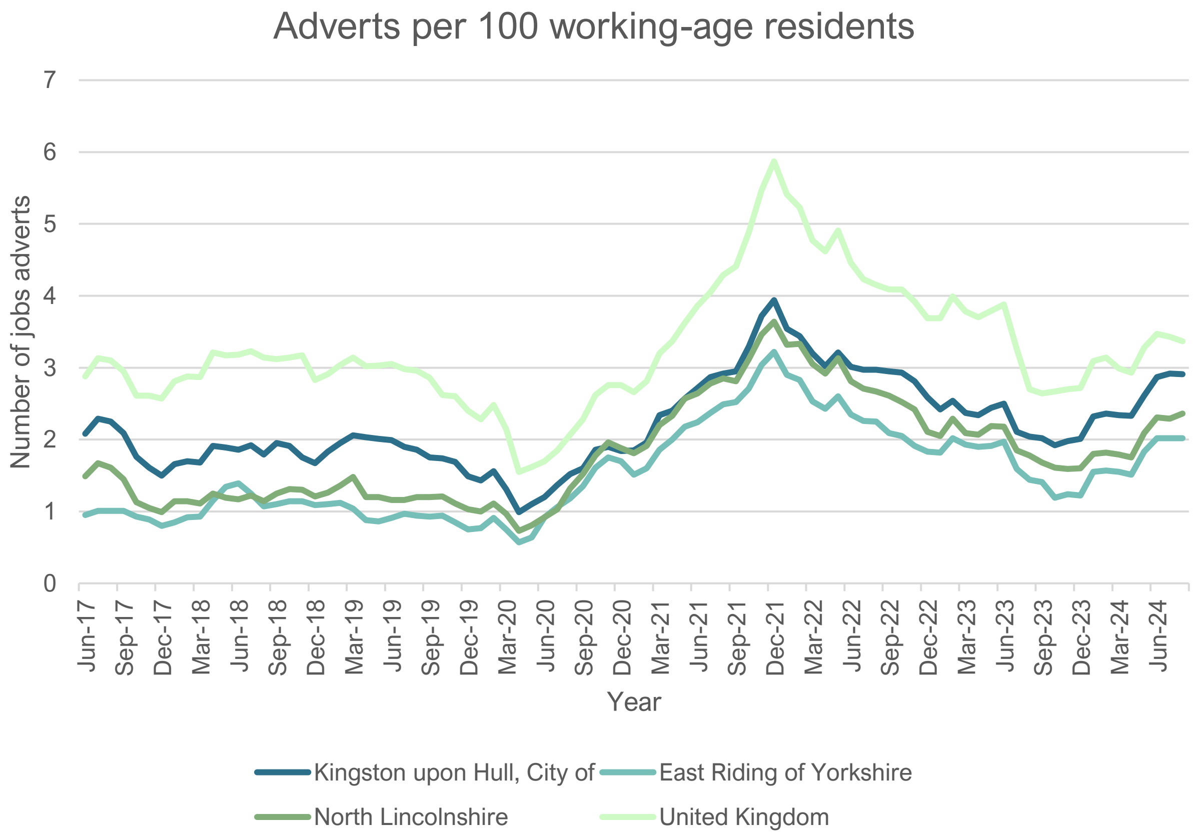
Source: ONS, Annual survey of hours and earnings – resident and workplace analysis

Job adverts and demand for workers

Job adverts provide insight into the strength of labour demand, highlighting how Hull and East Yorkshire compare with neighbouring and national trends.

Prior to 2020, job advert volumes in the area were relatively stable. They declined sharply during the early stages of the pandemic but rebounded quickly in 2021, peaking in late 2021 and early 2022. While the scale of growth was lower than the national peak, both Hull and East Yorkshire broadly followed the UK trend.

Since then, vacancies have declined through 2022–23 and partially recovered by mid-2024. Hull consistently recorded higher levels of job adverts than the East Riding, although both remain well below the UK average. North Lincolnshire sits close to Hull, showing a similar trajectory.



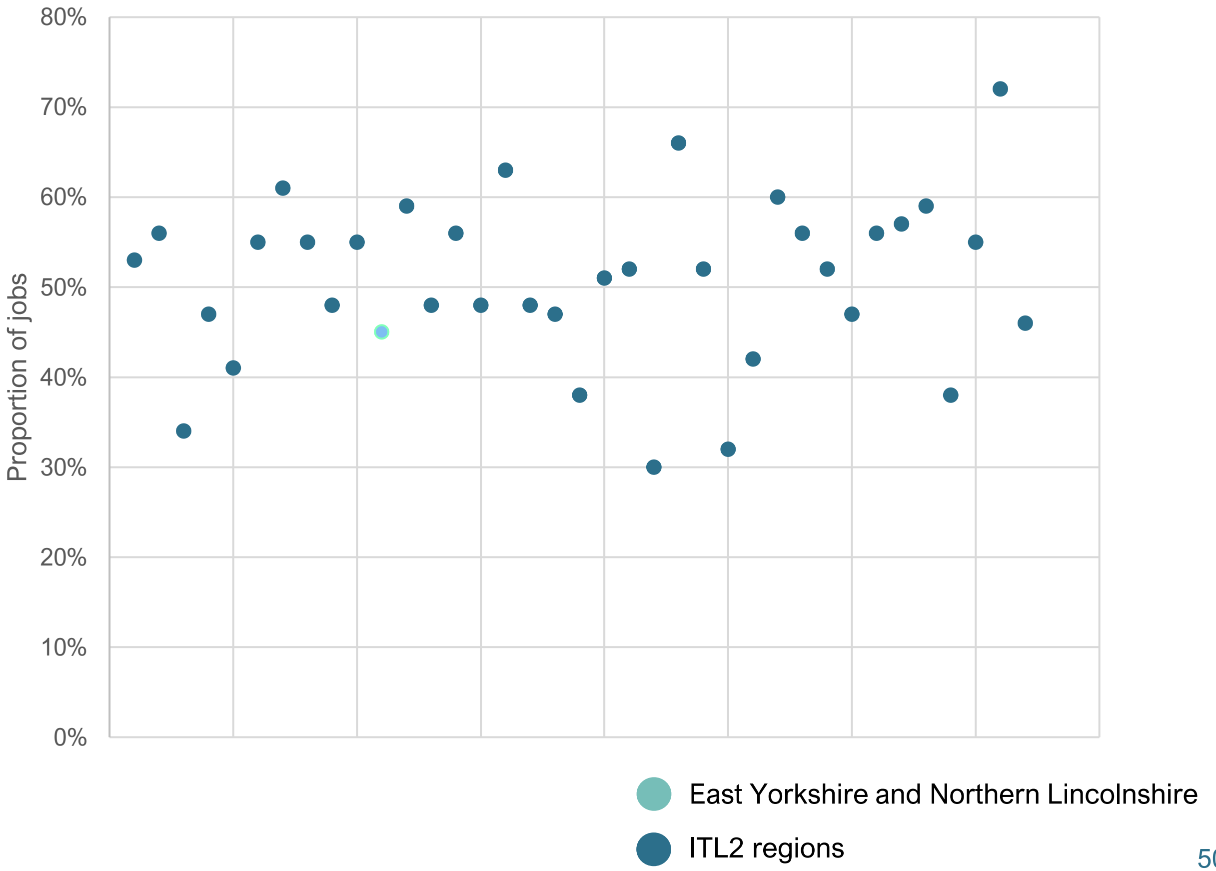
Source: ONS, Measuring labour demand volumes across the UK using Textkernel data (2024)

Skill demand and mismatch

Hull and East Yorkshire underperform on skill matching compared to many ITL2 areas.

At just 45%, the proportion of jobs in East Yorkshire and Northern Lincolnshire that align with resident skills is below the average for ITL2 areas across England. This lower rate of alignment reflects differences within the region, as East Riding has a relatively high qualification profile while Hull lags behind. The combined figure therefore masks these internal contrasts.

Proportion of jobs that matched the skills of people - All ITL2s, 2023



Source: ONS, Measuring labour demand volumes across the UK using Textkernel data (2024)

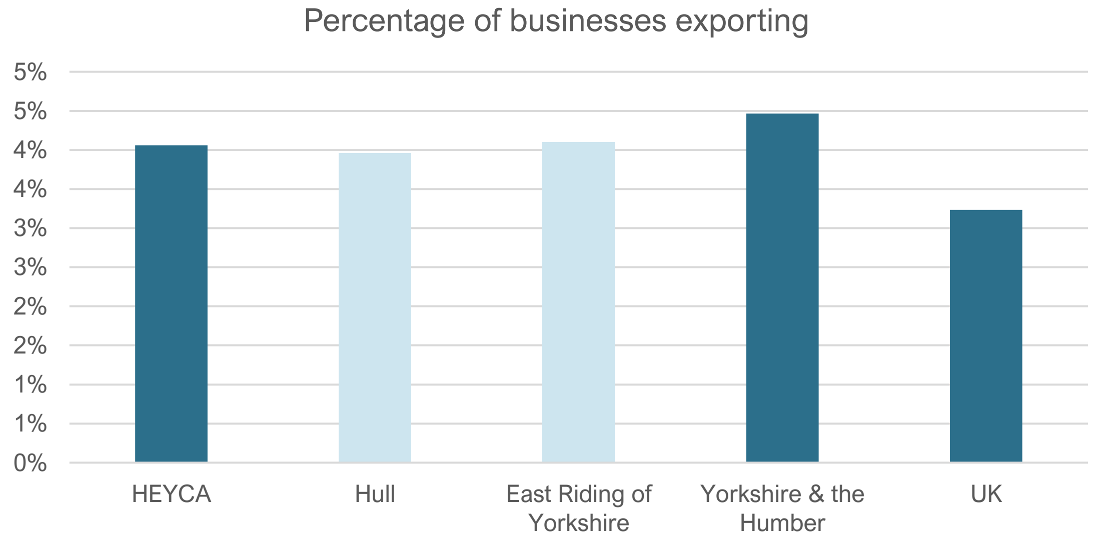
Exporting

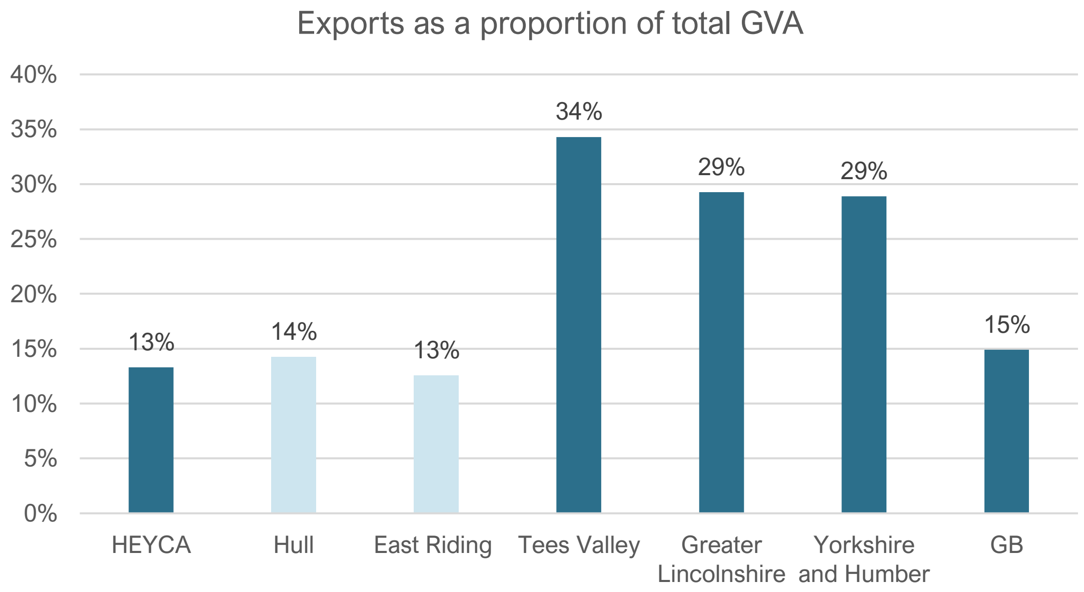
Exporting

Exporting activity in Hull and East Yorkshire is modest compared to neighbouring economies, with similar number of businesses exporting but at a lower value.

Across HEYCA, around 4% of businesses are exporters, broadly in line with the regional and national averages. However, exports as a share of total GVA are relatively low at 13%, with both Hull and the East Riding recording the same figure or slightly above, compared to much higher levels in nearby economies such as Tees Valley (34%) and Greater Lincolnshire (29%).

This indicates that while the number of exporting firms is similar to other parts of the country, the value of exports relative to overall economic output is weaker. The implication is that Hull and East Yorkshire's export base is narrower and less embedded in higher-value international markets than comparator economies.





Source: ONS, Subnational trade time series (2025)

Investment

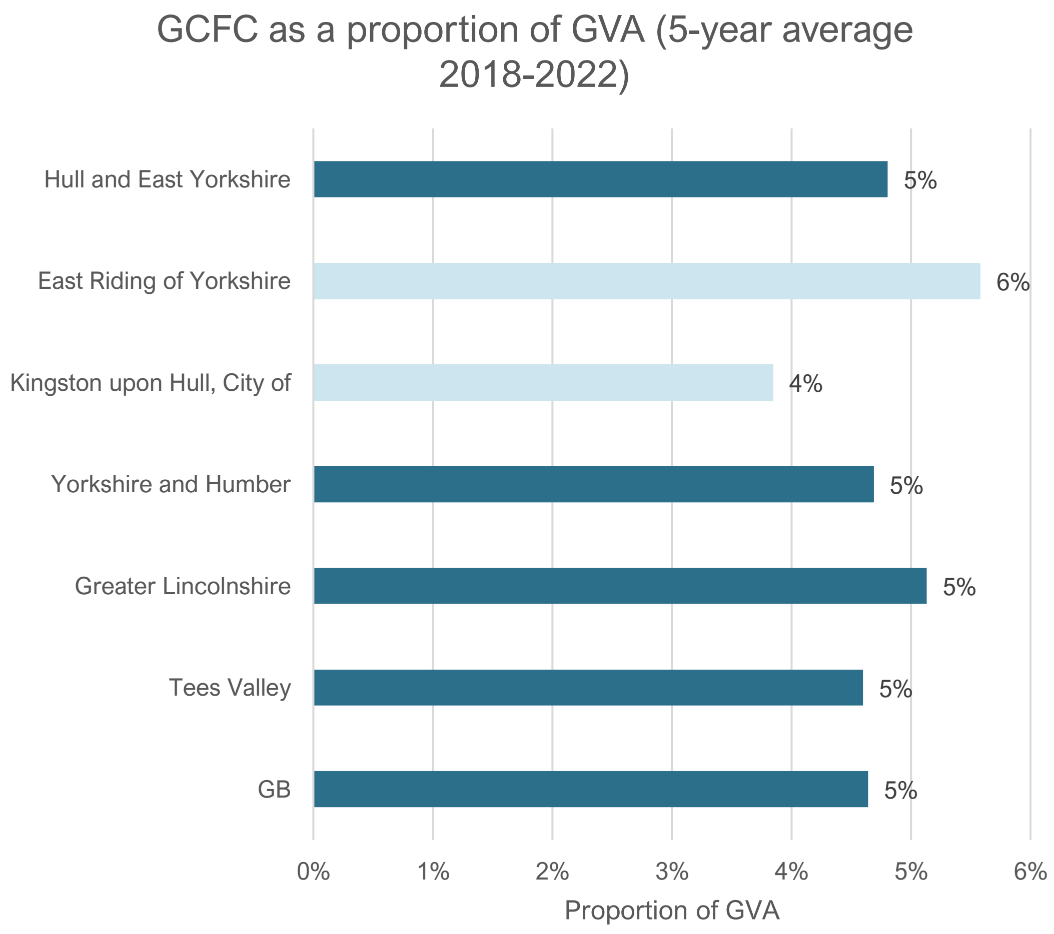
Investment

HEYCA notes similar levels of GFCF to comparator combined authorities, and regional/national averages.

Gross Fixed Capital Formation (GFCF) measures the value of investment in fixed assets such as buildings, infrastructure, machinery, and equipment made by businesses, government, and other organisations. It is a key indicator of investment in an economy, representing the total value of fixed assets acquired by businesses, governments, and other institutions.

GFCF accounts for around 5% of GVA in HEYCA on average between 2018-2022, similar to the GB benchmark of 5%. Within this, East Riding performs particularly strongly, with investment equivalent to just over 6% of GVA, higher than regional and national averages.

In contrast, Hull records a lower level at around 4%, highlighting weaker capital formation in the city compared with both regional and national benchmarks.



Source: ONS, Regional perpetual inventory method (PIM) inputs (2022)

Business investment

Business investment in HEYCA is comparatively constrained when set against national and regional benchmarks, with lower levels of equity funding activity, reducing the pipeline of innovation-driven growth.

Access to finance for businesses in HEYCA appears challenging, with just 135 equity funding rounds recorded, equivalent to 4.25 per 1,000 businesses. This is significantly below the UK rate of 7.29 per 1,000, highlighting the challenge of accessing early-stage and growth capital across the region. While the total value of equity funding rounds reached £432m, the overall volume of deals remains low, limiting opportunities for businesses to secure the finance required to scale and innovate.

At the same time, the average deal size in HEYCA, at £3.2m, and the median deal size of £350,000 are broadly in line with national norms, albeit slightly below regional averages.

	Indicator	HEYCA	Compared to the region	Compared to UK
Business Investment	Equity funding rounds	135	1661	35481
	Equity funding rounds per 1000 businesses	4.25	5.14	7.29
	Equity funding amount (£m)	£432	£5,580	£128,861
	Equity funding amount per funding round (£m)	£3.2	£3.7	£3.6
	Median deal size	£350,000	£330,000	£358,000

Source: Metro Dynamics analysis of Beauhurst

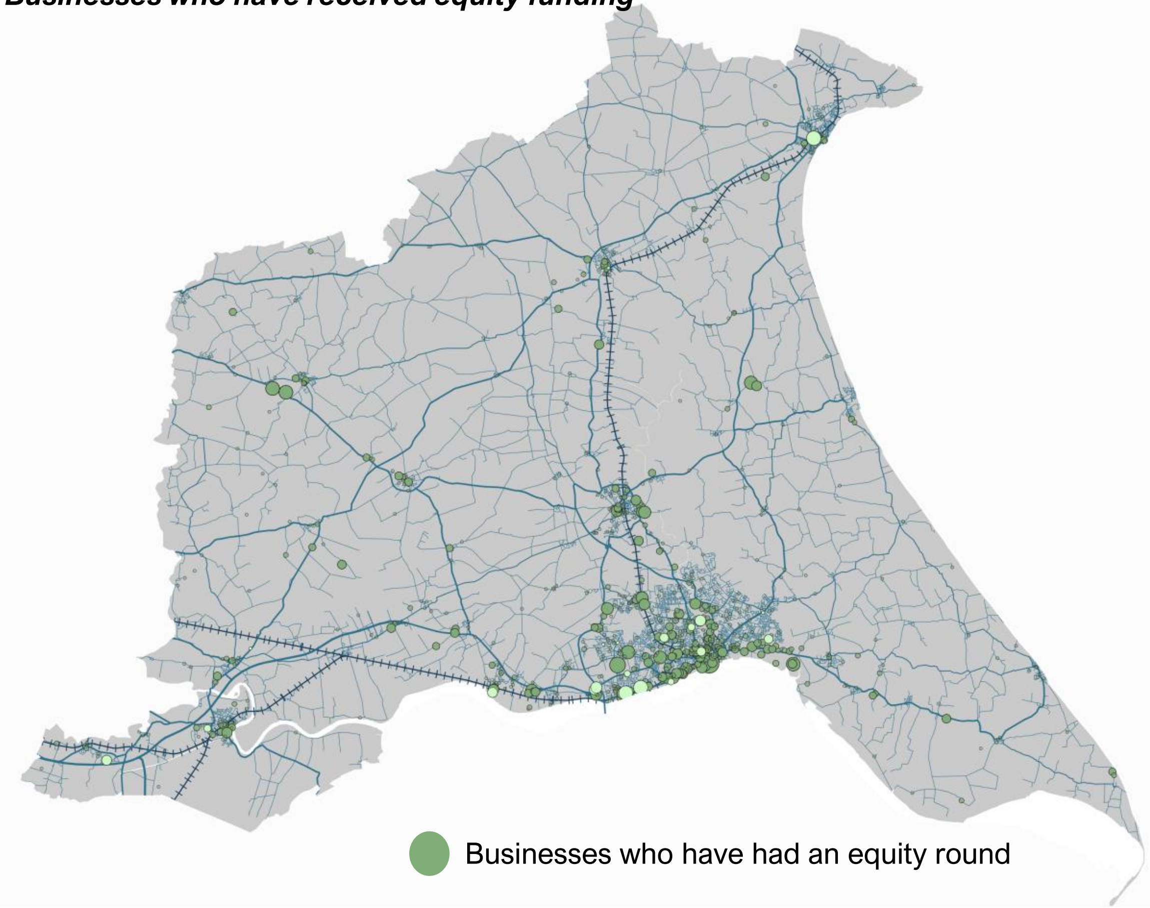
Equity funding

Equity funding in Hull and East Yorkshire is spatially concentrated, with most activity centred in and around Hull, reflecting the city's role as the main hub for investment.

The distribution of businesses that have secured equity funding rounds shows a heavy concentration in the urban core of Hull, particularly around the city centre and close to the port.

Smaller clusters of equity-funded firms are also evident along key transport corridors, including towards York and Leeds, as well as in market towns across East Yorkshire. However, the density of equity-backed businesses declines sharply outside Hull, highlighting a spatial imbalance in access to finance.

Businesses who have received equity funding



Source: Metro Dynamics analysis of Data City (2025)

Business demography

HEYCA's business demography highlights structural weaknesses, with lower start-up rates, higher business deaths, and weaker survival compared to national benchmarks, alongside a business base more dependent on established firms and external ownership.

The business birth rate in HEYCA is 10.4, below the UK average, while the death rate is higher at 11.4 with a five-year survival rate of just 40.6%, weaker than both regional and national averages. Although the share of high-growth businesses stands at 53.1 per 10,000, this remains below comparator areas, reflecting challenges in generating a dynamic and resilient enterprise base.

Nearly 90% of businesses are headquartered in the region, with 82% solely based in HEYCA. However, there are relatively high levels of businesses with UK-based or international parent companies, suggesting that larger firms from outside the region play a significant role in shaping the business landscape. Business stage data further illustrates this structure, with only 1.6% of businesses classed as scale-ups and 14.2% in early seed or venture stages.

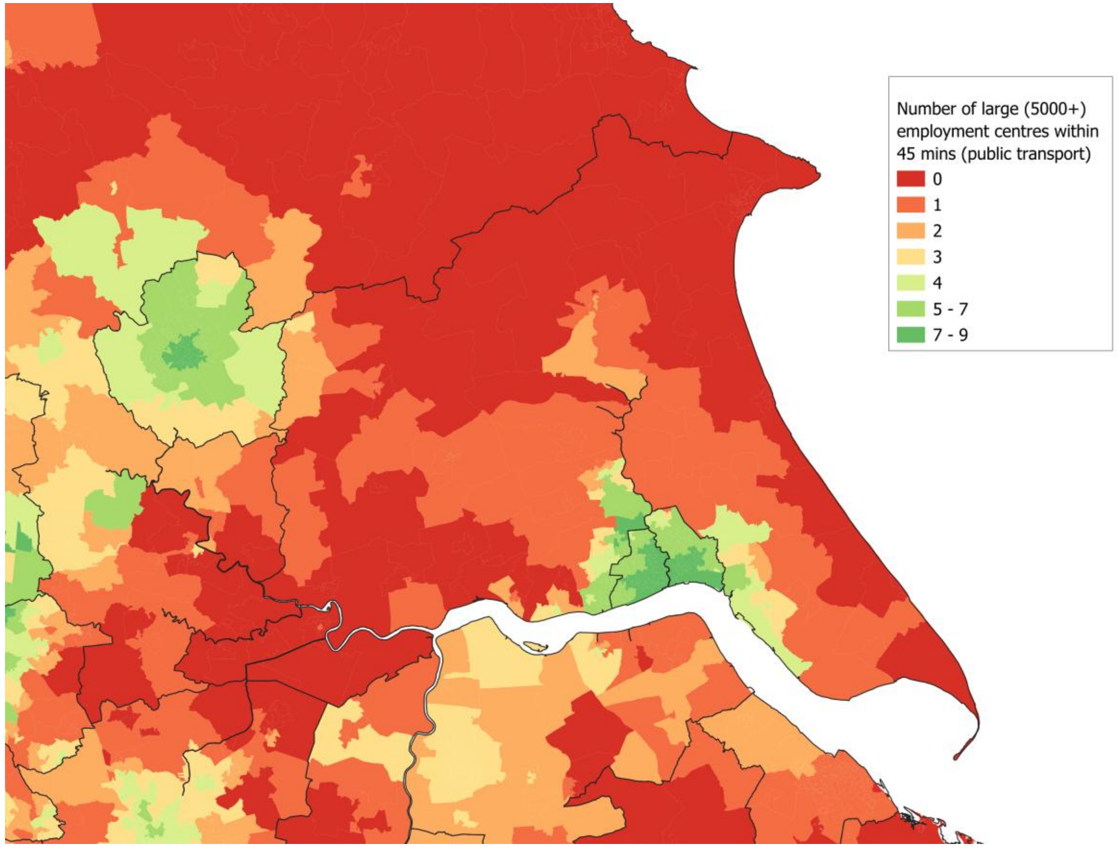
	Indicator	HEYCA	Yorkshire & Humber	UK
Business Environment	Business birth rate	10.4	*11*	*11*
	Business death rate	11.4	*11.5*	*10.8*
	5-year survival rate	40.6	*41*	*39.4*
	Business Churn	21.8	*22.5*	*21.8*
	High growth businesses (per 10,000)	53.1	*48.1*	*47.9*
	Business density	335	*343.79*	*409.41*
Business Structures	% of businesses that are HQ/reg	89.87%	*91.75%*	-
	% solely based in region	81.55%	*84.97%*	-
	% with International Parent Company	3.08%	*2.42%*	*2.62%*
	% with UK based parent company	8.91%	*7.08%*	*6.03%*
	% Private Limited: share capital	96.20%	*95.51%*	*93.26%*
	% Private Limited: no share capital	2.67%	*2.95%*	*3.09%*
	% Public Limited: share capital	0.18%	*0.12%*	*0.08%*
Business Stage	% est in last 5 years	44.79%	*48.34%*	*51%*
	% est over 20 years ago	15.67%	*12.16%*	*11%*
	% with evolution stage tracked	2.17%	*1.67%*	*1.21%*
	% of tracked at seed/venture stage	14.20%	*22.97%*	*40.33%*
	% of tracked at growth stage	9.86%	*9.64%*	*10.53%*
	% of tracked established	68.84%	*51.09%*	*38.32%*
	% scale ups	1.60%	*1.03%*	*0.56%*

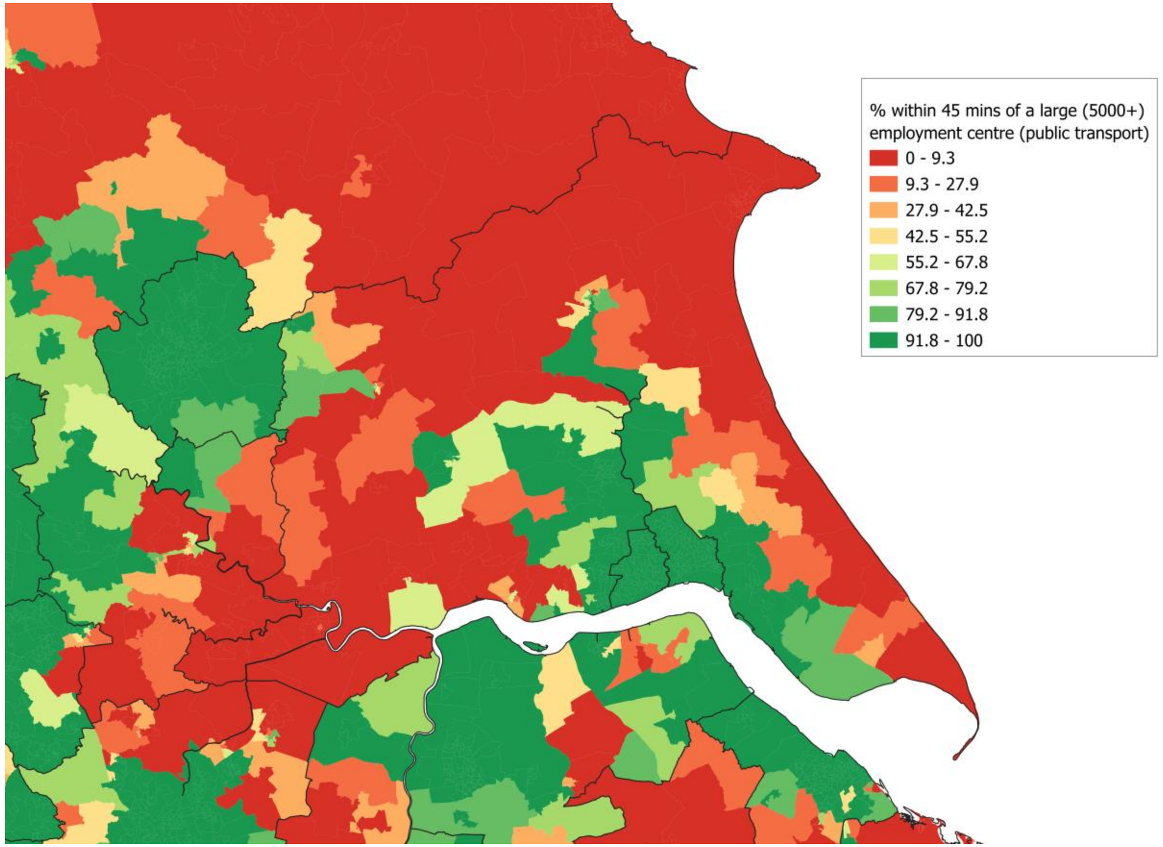
Source: Metro Dynamics analysis of Beauhurst, DBT, UK Innovation Survey (2023), ONS, Business demography UK (2024)

Transport

Transport

Access to large employment centres by public transport is highly uneven across Hull and East Yorkshire. Whilst Hull has strong accessibility to large employment centres in 45 minutes, the maps show that only limited parts of East Riding achieve high levels of accessibility within 45 minutes of a centre with 5,000 or more jobs.



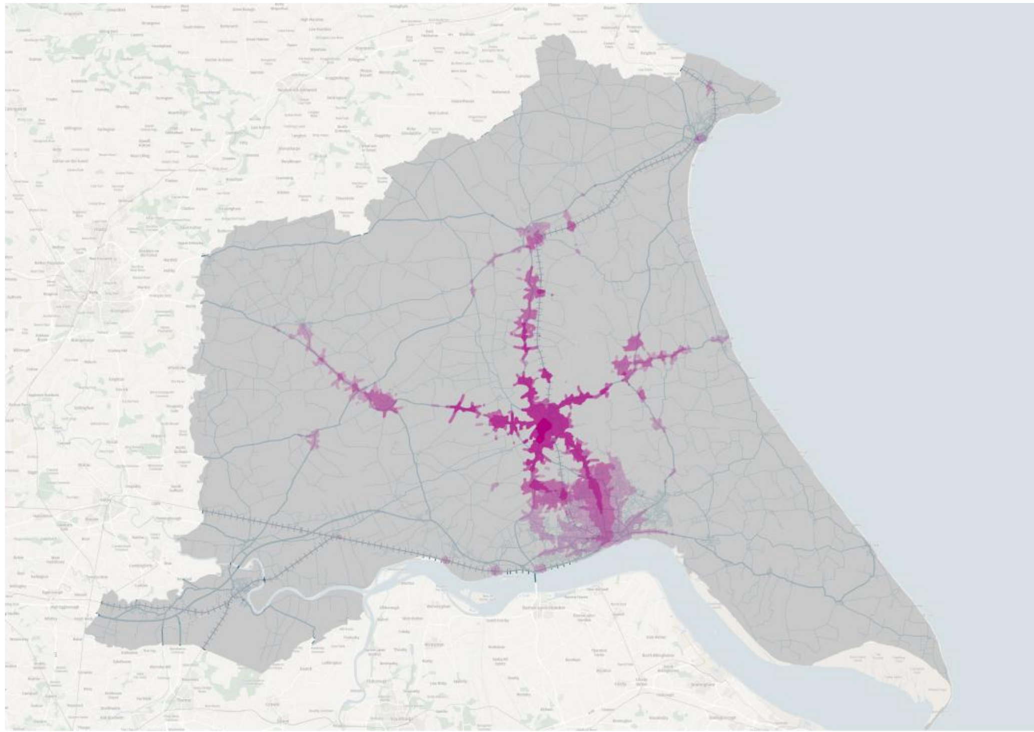


Source: Journey time statistics, DfT

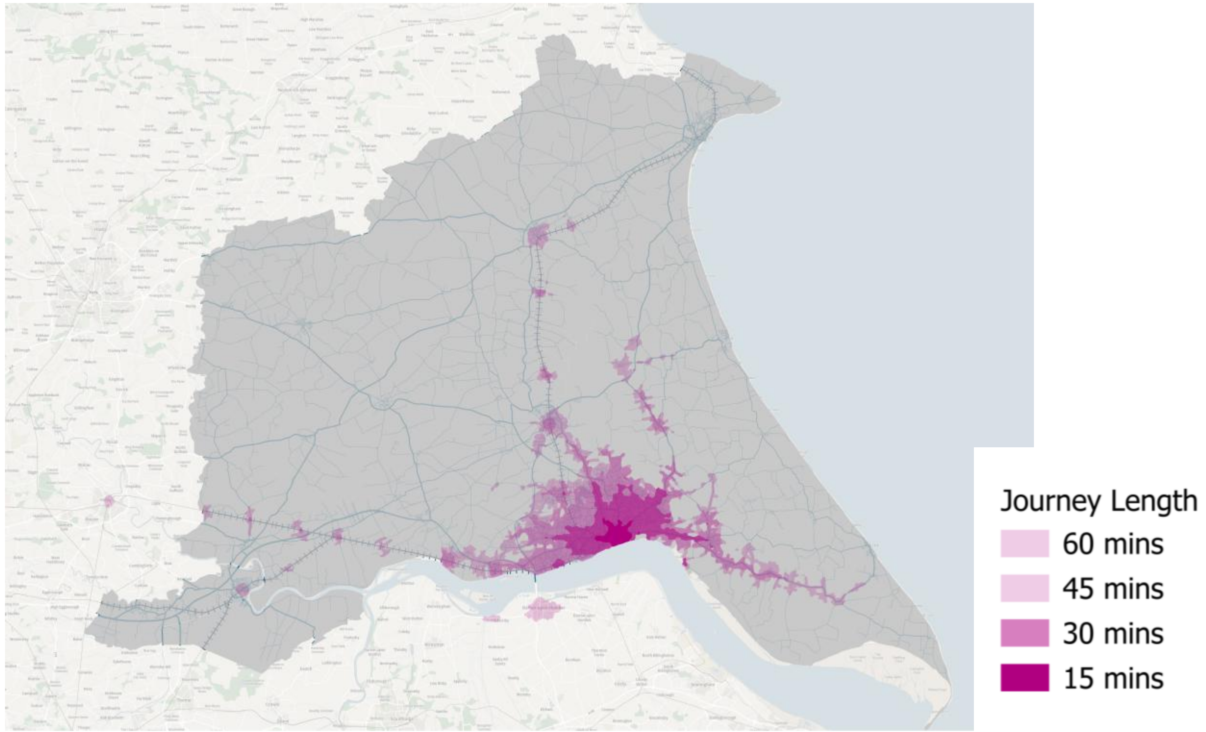
Transport Connectivity

The maps below show public transport connectivity from two key employment areas in Hull and East Yorkshire, Beverly and Hull City Centre. Hull City Centre is accessible in 60 minutes for all areas of Hull, but only accessible to places with train stations in East Riding. Beverley displays a similar pattern, with access largely confined to the local area and main transport corridors.

Public Transport connectivity from Beverly



Public Transport connectivity from Hull City Centre

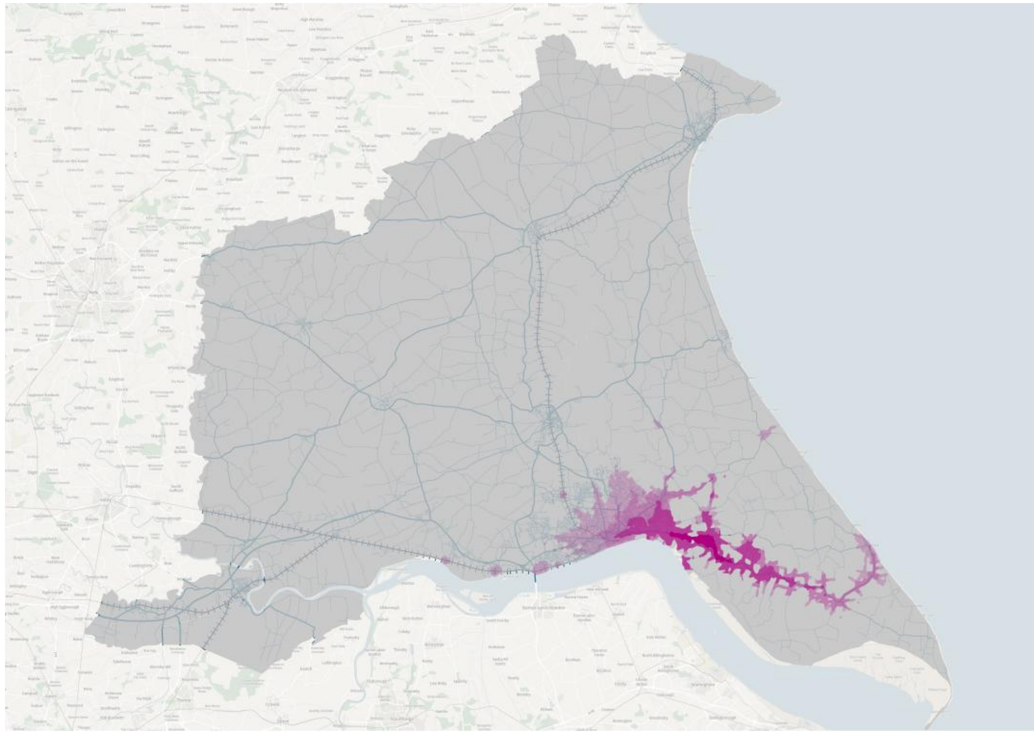


Source: UK Travel Area Isochrones (Nov/Dec 2022) by Public Transport and Walking for Yorkshire and the Humber, ONS Local.

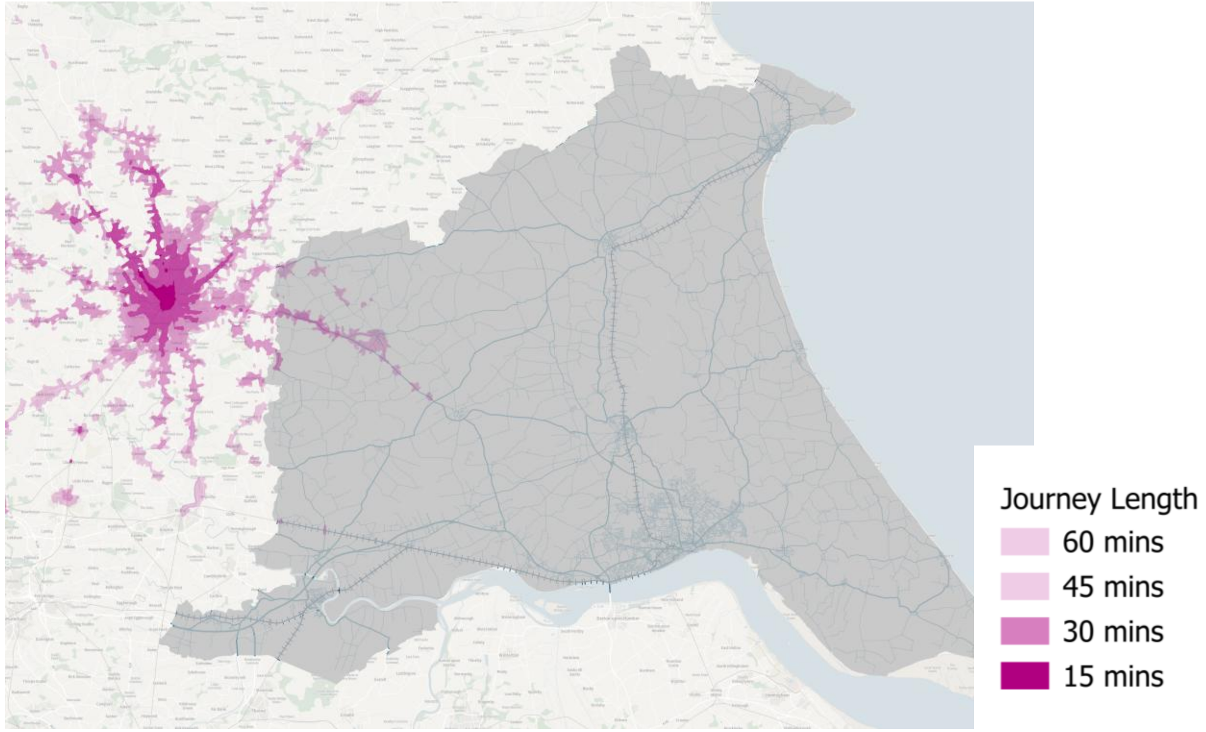
Transport Connectivity

The maps below show public transport connectivity from two key employment areas in Hull and East Yorkshire, Hull Waterside and York. From Hull Waterside, public transport has covered east-west but leaves large areas of East Yorkshire outside effective commuting range. By contrast, connectivity from York demonstrates a far wider reach for residents in Hull, with limited connectivity in 60 minutes to some areas of East Riding.

Public Transport connectivity from Hull Waterside



Public Transport connectivity from York



Source: UK Travel Area Isochrones (Nov/Dec 2022) by Public Transport and Walking for Yorkshire and the Humber, ONS Local.

Metro——Dynamics

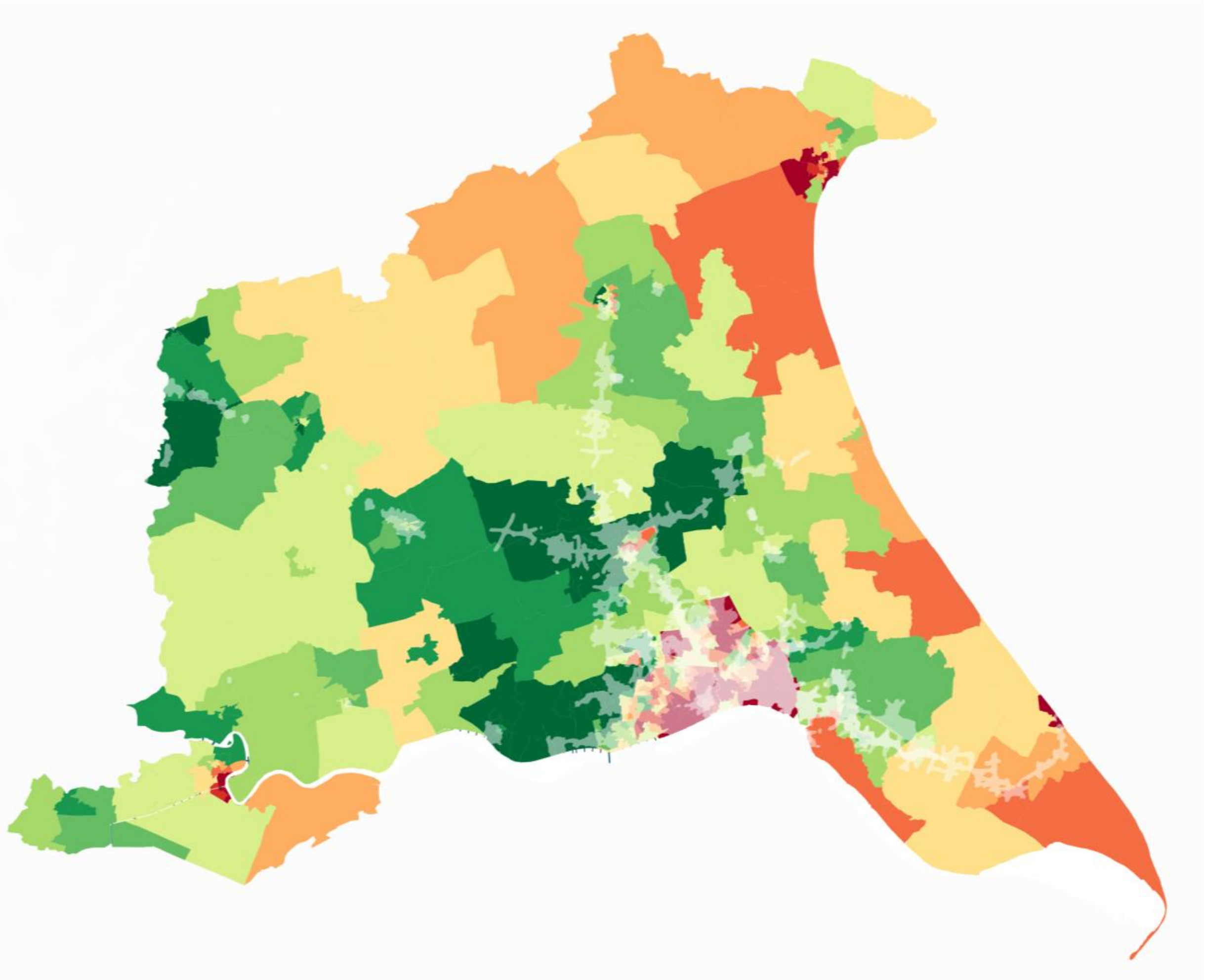
Transport and employment

Transport and employment patterns highlight the importance of connectivity in addressing deprivation and improving access to opportunity.

To understand public transport access to areas in relation to their relative level of deprivation, we have overlayed the travel time isochrones for a 45-minute public transport journey to the 3 areas in Hull and East Yorkshire with highest level of employment and York, using the 2019 IMD map.

The analysis shows that while areas in central Hull benefit from relatively strong access to employment opportunities, some peripheral and rural communities, especially costal communities, face more limited public transport connectivity. These same locations often coincide with higher levels of deprivation, reinforcing spatial inequalities and creating barriers to labour market participation.

Transport connectivity to highest activity areas, and deprivation



Source: UK Travel Area Isochrones (Nov/Dec 2022) by Public Transport and Walking for Yorkshire and the Humber, ONS Local. Indices of Multiple Deprivation

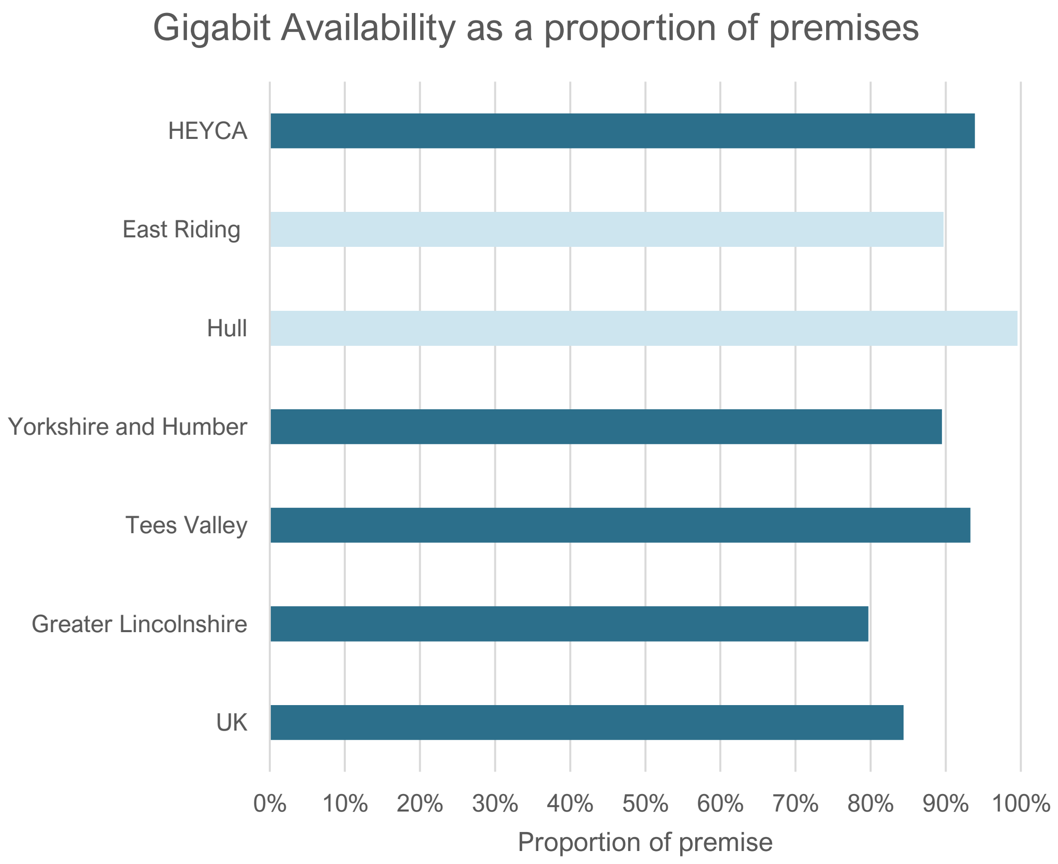
Digital Connectivity

Digital Connectivity

Digital connectivity is a relative strength for HEYCA, with levels of gigabit broadband availability significantly exceeding the UK average and supporting both business competitiveness and household access.

Gigabit broadband refers to high-speed internet connectivity capable of delivering speeds of at least 1 gigabit per second (Gbps). This enables faster downloads, seamless streaming, and improved digital connectivity for businesses and households. Access to gigabit broadband is increasingly seen as essential infrastructure, underpinning productivity, innovation, and quality of life.

Across HEYCA, coverage exceeds 90% of premises, with Hull itself close to universal availability. This is well above the UK average of just over 80% and places the region ahead of many comparator areas. For example, availability in Greater Lincolnshire is closer to the national figure, while Tees Valley also falls below Hull's near-complete coverage. East Riding also performs strongly, with levels broadly in line with HEYCA overall.



Source: Ofcom, Gigabit capable broadband (2025)

Innovation

Innovation

Less businesses in Hull and East Yorkshire are innovation active, with fewer businesses receiving funding compared to region and nation.

Only 26.8% of businesses in Hull and East Yorkshire are classed as innovation active, significantly below Yorkshire and the Humber (35.4%) and the UK average (36.3%). This underlines a structural challenge in embedding innovation across the local business base. The proportion of firms engaged in product innovation is particularly low at 13%, compared to almost one in five nationally.

Internal research and development activity is also limited, with just 7.8% of businesses conducting in-house R&D, well below the national benchmark of 13.8%. This suggests a weaker pipeline of innovation-led growth and fewer firms investing directly in knowledge creation. 0.4% of businesses report spending on R&D in their filings, marginally above the UK average, this captures only large firms and represents a narrow base of activity rather than broad engagement across the economy and this is not geographically specific, with no way to determine whether these businesses with a base in Hull and East Yorkshire are spending this money in the region.

Access to external innovation finance is another constraint. Only 0.02% of businesses have received an R&D grant, still in line with national levels, but far too small a proportion to drive significant regional transformation.

Indicators	Hull and East Yorkshire	Compared to region	Compared to UK
% Innovation Active	26.8%	35.4%	36.3%
% product innovators	13%	19.6%	19.4%
% performing internal R&D	7.8%	13.7%	13.8%
% reporting spending on R&D	0.4%	0.3%	0.2%
% receiving R&D grant	0.02%	0.02%	0.02%

Source: DBT, UK Innovation Survey (2023)

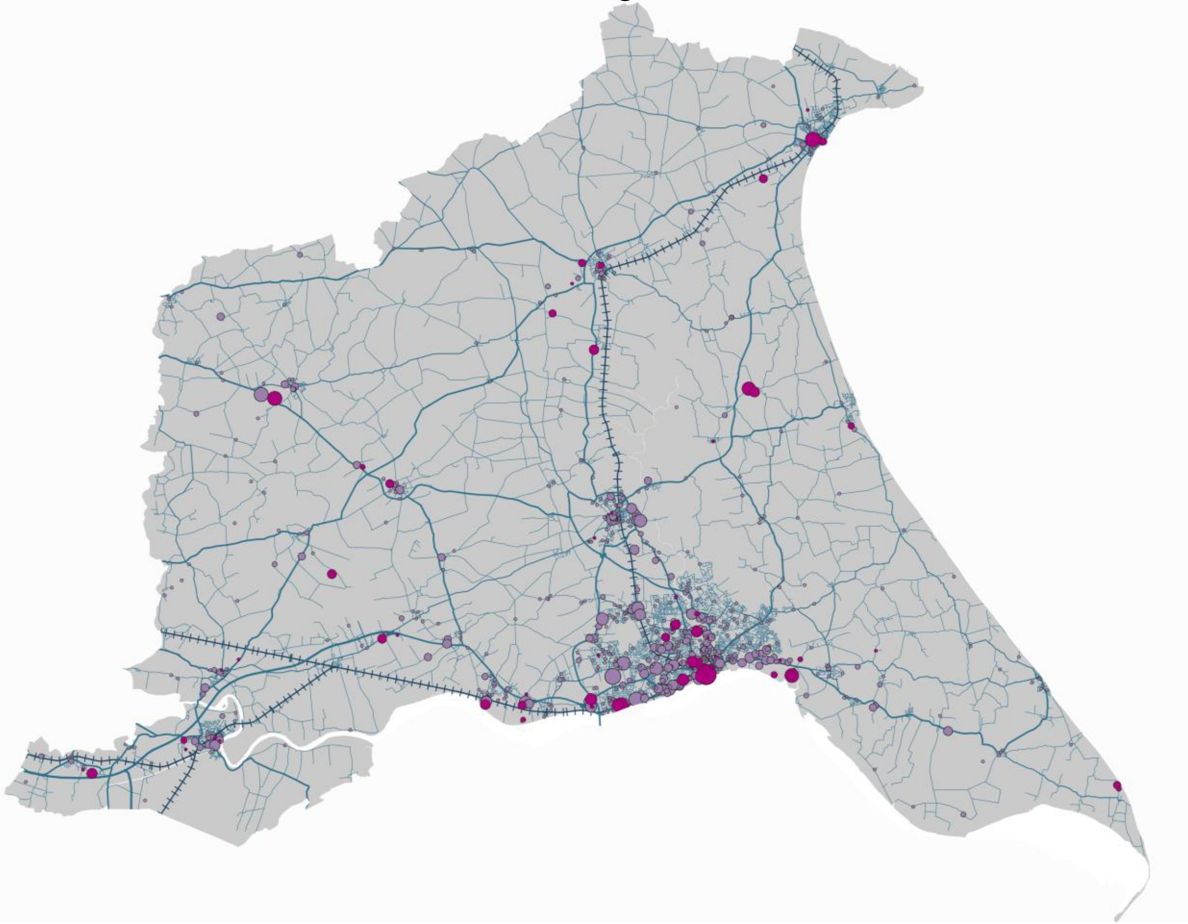
Where are innovative businesses located?

Innovative businesses in Hull and East Yorkshire demonstrate a strong urban concentration with distinct clusters emerging across the region.

The map highlights the location of businesses in receipt of Innovate UK grants, providing a proxy for innovation activity. Most grant recipients are concentrated in and around Hull, reflecting the city's role as the primary hub for research, development, and innovation. This aligns with Hull's wider economic profile as a centre for higher-value services, advanced manufacturing, and digital activity.

Smaller but notable concentrations are visible in Beverley, Goole, and Bridlington, as well as in locations with connectivity to larger regional centres such as York and Leeds. These emerging nodes suggest a wider innovation ecosystem beyond Hull, though at a much smaller scale.

Businesses who have received Innovate UK grants



Source: Metro Dynamics analysis of Data City data (2024)

Sector Analysis

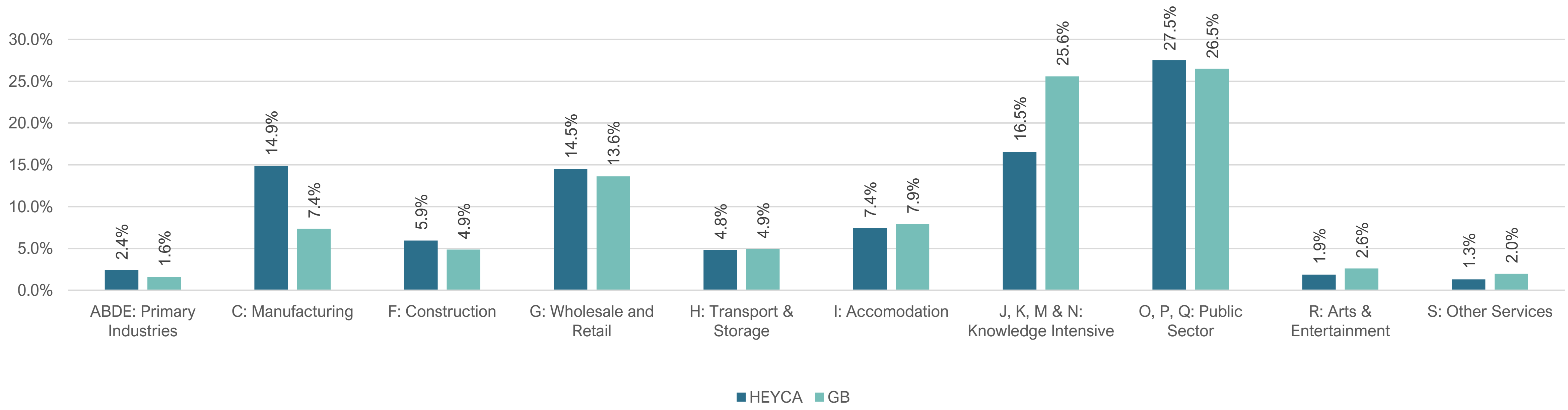
This section covers analysis of the economy's overall sector composition and performance, with a particular focus on the eight Government-defined industrial strategy sectors. In addition, it includes initial analysis of emerging economy strengths and data on equity investment rounds.

Sectoral make-up of the economy: Employment

This chart shows the share of total employment in each broad industrial group in Hull and East Yorkshire compared with the national average. The local economy is characterised by above-average employment in the Public Sector, Manufacturing and Retail, with manufacturing standing out as a particular strength. In contrast, knowledge-intensive industries employ a smaller share locally than nationally, highlighting a structural gap in higher-value roles.

Other sectors such as Construction, Accommodation and Transport & Storage are broadly aligned with national levels, while Primary Industries remain slightly more significant in the local area.

% of Total Employment by Sector to Total, 2023



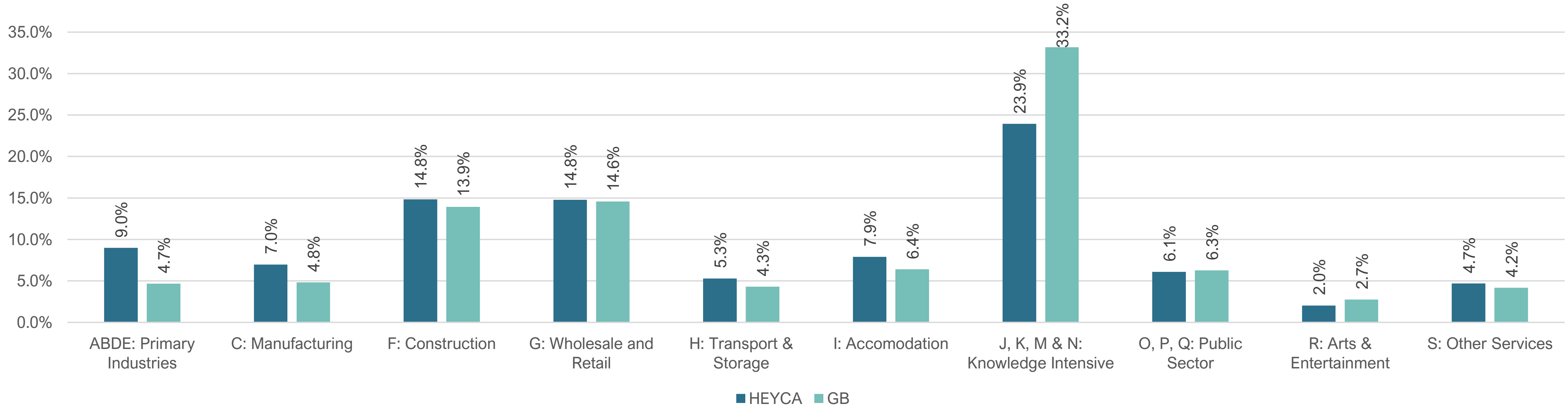
Source: BRES

Sectoral make-up of the economy: Firms

This chart shows the share of the total business base in each broad industrial group in Hull and East Yorkshire compared with the national average.

We see similar patterns to the employment data with Primary industries accounting for a much larger share of the business base (9% vs 4.7% nationally), reflecting the rural and agricultural base of the area. Knowledge-Intensive sectors continue to be under-represented locally (24% vs 33% nationally), highlighting a structural gap in higher-value business activity compared to GB.

% of Total Firms by Sector to Total, 2024



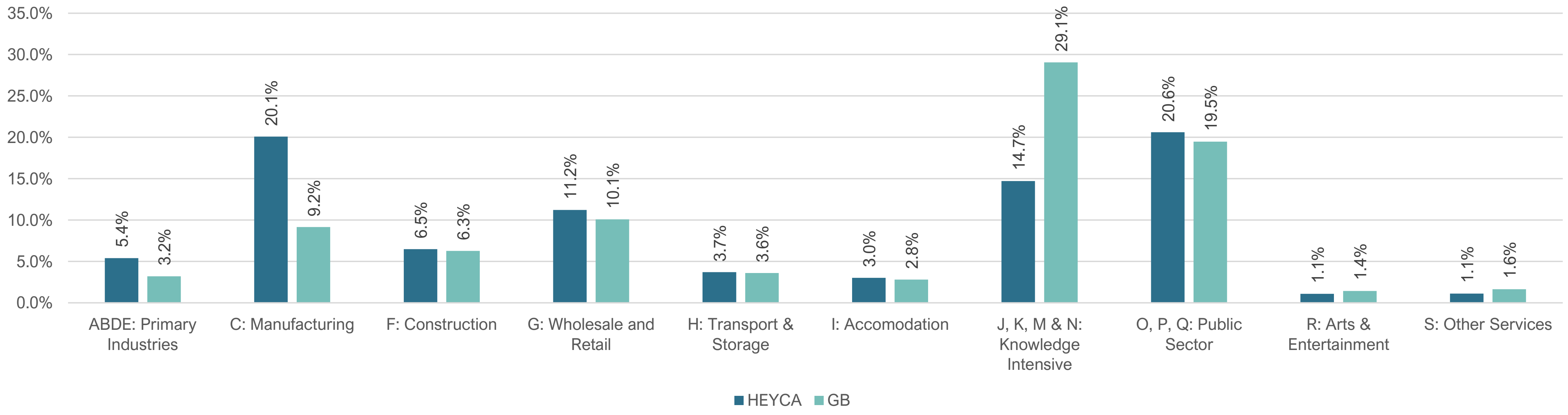
Source: UK Business Counts

Sectoral make-up of the economy: GVA

This chart shows the share of the total GVA in each broad industrial group in Hull and East Yorkshire compared with the national average. Manufacturing is the largest contributor to local GVA (20.1% vs 9.2% nationally), confirming its core importance to the local economy.

As with employment and firms, knowledge-intensive sectors, typically high value and major contributors in cities, are under-represented in value terms. The larger difference in value versus the previous metrics suggests that the activity that does take place is lower value on average (14.7% vs 29.1% nationally), highlighting a structural weakness in higher-value activity.

% of Gross Value Added by Sector (£m) to Total, 2023



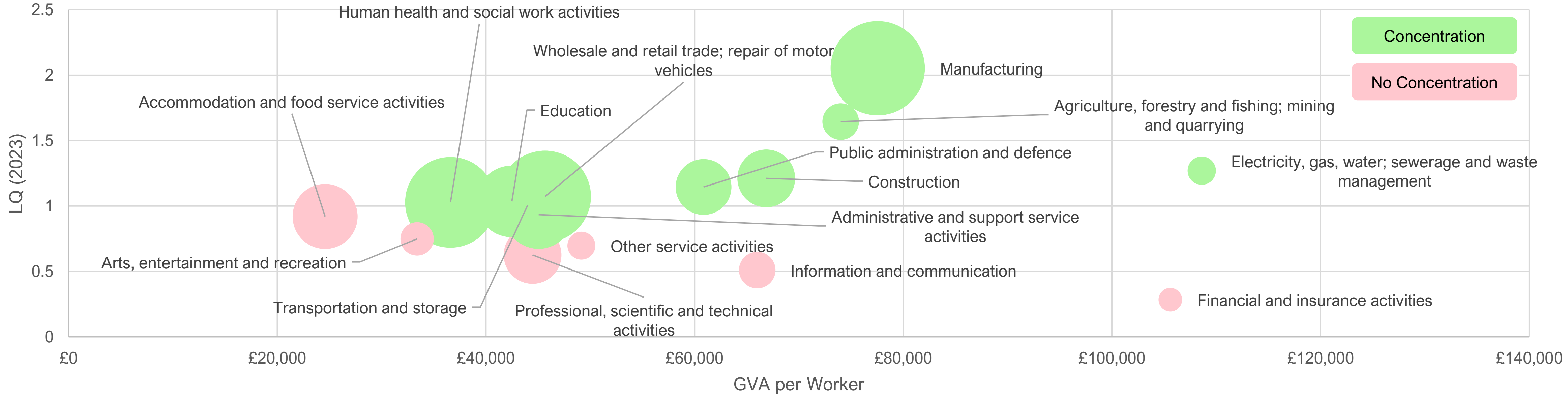
Source: Subregional Accounts

Sectoral make-up of the economy: Productivity

The local economy is weighted towards traditionally productive industries, but structurally weaker in knowledge-intensive or high value sectors.

The below chart shows estimated productivity and level of concentration on the axis, with the size of the bubbles showing employment in the sector. We can see that the region's economy is anchored by manufacturing, agriculture and utilities, which are all productive and regionally specialised while the largest employers (health, education, and retail) are less productive, meaning they drive volume of jobs more than economic value and high-value service sectors (finance, ICT, professional services) are weakly represented.

LQ Score against GVA per Worker (Bubble size indicates total number of jobs)



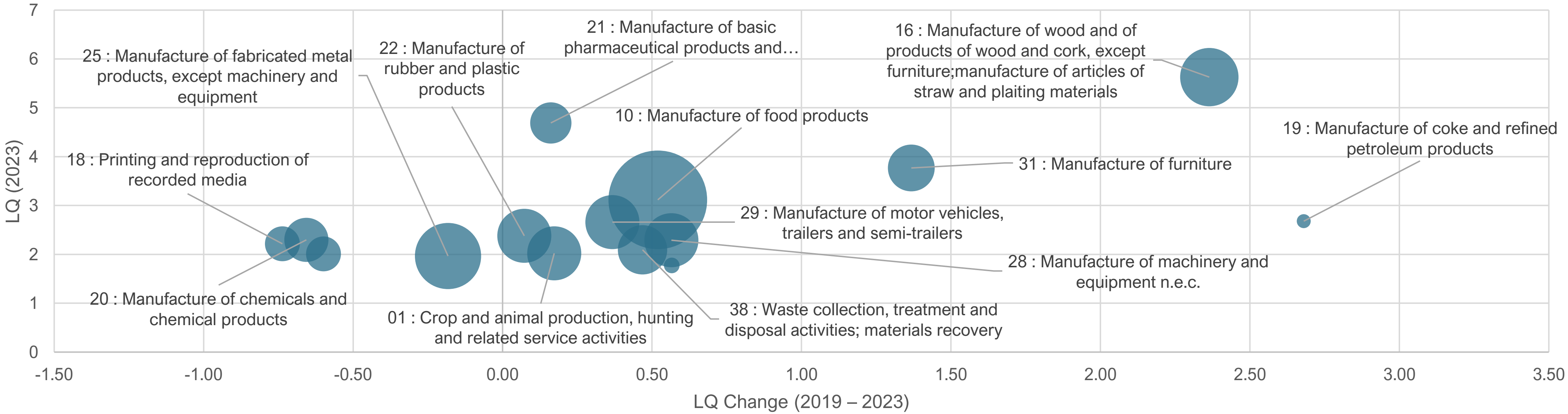
Source: BRES, UK Business Count, UK Subregional Accounts

Sectoral make-up of the economy: Zoomed In

This chart shows the 15 sectors where Hull and East Yorkshire have the highest LQ, visualising how the degree of specialism in these sectors changed between 2019 and 2023, as well as employment in these specialisms. Hull & East Yorkshire has clear specialisms in wood products, coke & refined petroleum, furniture, and food products, with strong concentrations and in many cases growth. Sectors like motor vehicles and waste collection/recycling also combine above-average concentration with positive recent expansion.

However, declining employment (and concentration) in specialised sectors including chemicals, printing, and non-metallic minerals highlights structural challenges in parts of traditional manufacturing.

Employment LQ Score and Change – Top 15 Sectors by LQ



Source: BRES

Sectoral Trends

Growth sectors: Construction, Transport & Storage, Accommodation, and Knowledge-Intensive industries are all driving expansion - with strong job creation and/or long-term GVA growth.

Restructuring sectors: Wholesale & Retail and Manufacturing show falling employment but rising GVA, pointing to potential productivity gains rather than job growth.

Declining sectors: Primary Industries and Arts & Entertainment face sustained contraction in jobs, firms, and value, while the Public Sector remains large but flat.

% Key Metrics Change by Sector

Performed better than GB average | Performed worse than GB average

	Employment (2023)	1 Year Change	5 Year Change	8 Year Change	Firm Count (2024)	1 Year Change	5 Year Change	8 Year Change	Gross Value Added (2023) (£m)	1 Year Change	5 Year Change	8 Year Change
ABDE: Primary Industries	6,450	-11.6%	-13.4%	-0.8%	1,830	-1.1%	-8.5%	-9.0%	£835	10.4%	4.8%	-7.2%
C: Manufacturing	40,000	-9.1%	0.0%	8.1%	1,420	-4.1%	0.0%	0.4%	£3,102	-4.7%	1.2%	6.3%
F: Construction	16,000	6.7%	45.5%	33.3%	3,020	-0.3%	13.1%	12.1%	£1,003	0.0%	33.0%	25.5%
G: Wholesale and Retail	39,000	-4.9%	0.0%	0.0%	3,010	-3.4%	-5.8%	-1.1%	£1,735	1.8%	6.2%	18.1%
H: Transport & Storage	13,000	18.2%	8.3%	18.2%	1,080	-7.3%	21.3%	2.4%	£572	2.3%	-9.4%	-11.0%
I: Accomodation	20,000	5.3%	11.1%	25.0%	1,610	-2.7%	6.6%	8.4%	£467	-3.5%	14.2%	33.0%
J, K, M & N: Knowledge Intensive	44,500	7.2%	-3.8%	11.3%	4,875	0.7%	-2.9%	-1.6%	£2,273	5.0%	12.6%	38.6%
O, P, Q: Public Sector	74,000	1.4%	4.2%	0.0%	1,240	1.2%	4.2%	-1.6%	£3,183	2.7%	1.8%	-3.7%
R: Arts & Entertainment	5,000	0.0%	-16.7%	-16.7%	415	1.2%	7.8%	13.7%	£167	-1.8%	13.6%	10.6%
S: Other Services	3,500	0.0%	0.0%	0.0%	955	1.1%	1.1%	3.8%	£172	-5.0%	-5.0%	-5.5%

Source: BRES, UK Business Count, UK Subregional Accounts

Sectoral Trends: Zoomed In

Across the largest sectors by employment concentrations, several key employment trends are emerging. Several of these sub-sectors are growing strongly (e.g. wood products +75%, furniture +29%, food +25%) and outperforming national averages while other sub-sectors (e.g. chemicals, printing, and non-metallic minerals) are in decline, reflecting wider structural challenges in parts of the region's established manufacturing base

Top 15 SIC2 sub-sectors by Employment LQ in HEYCA (2019 - 2024)

SIC 2 Sub Sector	LQ	Total (2023)	Volume Change (2019 - 2023)	HEYCA % Change	Tees Valley CA % Change	Greater Lincolnshire % Change	GB % Change
Manufacture of wood and of products of wood and cork, except furniture;manufacture of articles of straw and plaiting materials	5.6	3,500	1,500	75.00%	-55.60%	12.50%	1.40%
Manufacture of basic pharmaceutical products and pharmaceutical preparations	4.7	1,750	250	16.70%	0.00%	33.30%	12.50%
Manufacture of furniture	3.8	2,250	500	28.60%	0.00%	28.60%	-18.20%
Manufacture of food products	3.1	10,000	2,000	25.00%	0.00%	-4.20%	4.00%
Manufacture of coke and refined petroleum products	2.7	200	200	200%	-25.00%	-16.70%	0.00%
Manufacture of motor vehicles, trailers and semi-trailers	2.7	3,000	0	0.00%	75.00%	0.00%	-13.90%
Manufacture of rubber and plastic products	2.4	3,000	0	0.00%	-33.30%	12.50%	-3.20%
Manufacture of chemicals and chemical products	2.3	2,000	-250	-11.10%	-25.00%	-12.50%	14.10%
Manufacture of machinery and equipment n.e.c.	2.3	3,000	500	20.00%	-42.90%	-14.30%	-9.70%
Printing and reproduction of recorded media	2.2	1,250	-1,000	-44.40%	0.00%	0.00%	-26.10%
Waste collection, treatment and disposal activities; materials recovery	2.1	2,500	750	42.90%	150.00%	-16.70%	10.80%
Crop and animal production, hunting and related service activities	2	3,000	0	0.00%	-11.10%	-10.00%	-8.70%
Manufacture of other non-metallic mineral products	2	1,250	-500	-28.60%	0.00%	-14.30%	-7.40%
Manufacture of fabricated metal products, except machinery and equipment	2	4,500	-500	-10.00%	0.00%	0.00%	-1.80%
Other mining and quarrying	1.8	250	50	25.00%	20.00%	11.10%	-15.00%

Source: BRES

Sector Growth Index

Sector Growth Index introduction

The sector growth index aggregates five-year changes to employment, business counts, GVA, productivity and concentration (Location Quotients for employment and businesses) to assess how Hull and East Yorkshire's sectors have changed since 2018.

- If a sector is seeing significant growth (>2% CAGR) in either employment, business counts, GVA and productivity (GVA per job)), it adds a score of 1.
  - The index also considers whether each sector is growing nationally. If the sector is growing significantly faster than the GB average, it adds an additional 0.5 points.
- Average concentration is found by calculating the mean employment and business count Location Quotient (LQ). If average concentration has grown by more than 5% in the period, this adds a further 1 point to the overall score - as this already considers national trends, no additional points are added.
- The maximum score possible is 7, meaning that a sector has seen growth across all measures, each of which is also growing faster than nationally. -7 is the lowest possible score, reflecting a decline across all measures.
- Bespoke sector definitions have been constructed by classifying 5-digit SIC codes into 26 sector groups, reflecting the full economic picture in HEYCA. The selection of sectors includes foundational sectors and some specific sectors relevant to Hull and East Yorkshire's economy. All sectors analysed are mutually exclusive, meaning there is no crossover, and add up to total employment in the region. For example, manufacturing activities within agri-food, clean energy and defence are excluded from the manufacturing definition, despite still being in the same broad industry group previously analysed.

For each growth measure:

Condition	Score
Growing and faster than GB	1.5
Growing and equivalent to GB	1.0
Growing but slower than GB; or Static but GB declining	0.5
Static	0.0
Static but GB growing; or Declining but slower than GB	-0.5
Declining equivalent to GB	-1.0
Declining and faster than GB	-1.5

Productive sectors tend to have a higher concentration

Sector grouping	Employment	Businesses	GVA (millions)	Productivity	Average concentration
Retail & Wholesale	37,935	3,045	£1,660	£43,755	1.06
Health and Social Care	36,985	775	£1,354	£36,609	0.98
Professional Business Services	25,450	2,505	£1,276	£50,129	0.78
Leisure & Hospitality	24,585	1,975	£638	£25,950	1.03
Education	23,325	295	£975	£41,779	0.95
Manufacturing	16,825	885	£1,513	£89,918	1.81
Agri-Food	16,790	1,935	£903	£53,761	2.04
Construction	15,515	3,010	£1,003	£64,647	1.12
Public Administration	13,910	125	£852	£61,251	1.64
Other Services	10,360	1,360	£352	£33,995	0.90
Digital and Technologies	7,825	1,160	£443	£56,657	0.61
Advanced Manufacturing	7,720	195	£632	£81,909	2.13
Ports and Logistics	6,610	725	£300	£45,349	1.48
Other Transport activities	6,455	430	£279	£43,298	0.83
Real Estate	3,485	745	£1,914	£549,211	0.75
Utilities	2,930	130	£326	£111,301	1.47
Financial Services	2,565	315	£264	£102,924	0.51
Life Sciences	1,930	20	£291	£150,587	1.27
Creative Industries	1,855	380	£89	£48,095	0.49
Digital and Creative	1,845	195	£105	£57,035	0.58
Clean Energy	1,535	60	£117	£76,310	1.25
Fossil Fuels	1,135	15	£73	£64,439	1.03
Digital Manufacturing	525	20	£35	£66,294	0.53
Mining	250	5	£16	£63,948	1.54
Defence	185	5	£13	£70,352	16.62
Total	**268,530**	**20,305**	**£15,400**	**£57,400**	**1**

Hull and East Yorkshire's most productive sectors are more concentrated in the region than nationally.

This table summarises the data produced for each sector at a static level in 2023. The sectors are colour-coded from most (green) to least (red).

As expected, the top employing sectors are more likely to have higher business counts and GVA. However, disparities exist, such as public administration, health, and education, which have high employment but low business counts, likely due to large employers such as the NHS. The largest employing sectors in Hull and East Yorkshire have some of the lowest productivity levels, bringing down the average.

Some correlations can be identified between the relative indicators. Though smaller in size, some of the most productive sectors in Hull and East Yorkshire also have a high business and employment concentration. The most productive sector is life sciences, with a GVA per job of £150,000, but it also has around 27% greater concentration of businesses and employment than Great Britain. Six of the seven most productive sectors have an average concentration of 1.25 or more.

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

The sectors growth story is mixed

Sector grouping	Employment growth	Business growth	GVA growth	Productivity growth	Concentration change
Retail & Wholesale	0.0%	0.7%	0.9%	0.9%	2.3%
Health and Social Care	1.5%	-0.6%	-1.9%	-3.4%	-2.4%
Professional Business Services	-1.4%	-1.0%	0.2%	1.6%	-5.5%
Leisure & Hospitality	0.9%	1.9%	3.0%	2.0%	-3.7%
Education	0.8%	-0.7%	3.3%	2.4%	-3.0%
Manufacturing	-2.2%	1.0%	1.1%	3.4%	1.0%
Agri-Food	2.8%	-1.7%	3.3%	0.5%	4.7%
Construction	6.9%	2.2%	5.9%	-1.0%	14.3%
Public Administration	0.1%	0.0%	1.2%	1.1%	-8.6%
Other Services	1.2%	1.7%	4.9%	3.6%	0.7%
Digital and Technologies	-1.3%	-2.3%	7.5%	8.9%	0.7%
Advanced Manufacturing	-0.5%	4.0%	-1.7%	-1.2%	13.7%
Ports and Logistics	1.1%	1.3%	-0.8%	-1.9%	-2.3%
Other Transport activities	1.2%	2.5%	-2.8%	-3.9%	-6.5%
Real Estate	-1.7%	2.1%	1.2%	3.0%	-11.0%
Utilities	0.6%	6.5%	-4.4%	-5.0%	5.8%
Financial Services	2.3%	0.6%	-0.3%	-2.6%	3.5%
Life Sciences	-0.7%	-10.6%	-0.2%	0.5%	-32.8%
Creative Industries	-2.0%	1.7%	1.1%	3.2%	-4.4%
Digital and Creative	-6.3%	-1.0%	-7.9%	-1.7%	-25.1%
Clean Energy	5.0%	3.7%	5.2%	0.2%	20.4%
Fossil Fuels	2.4%	-5.6%	5.5%	3.0%	9.6%
Digital Manufacturing	3.6%	-4.4%	1.0%	-2.5%	-0.6%
Mining	0.8%	-12.9%	7.0%	6.2%	-39.0%
Defence	2.9%	0.0%	4.9%	1.9%	23.1%
Total	**0.60%**	**0.50%**	**1.09%**	**0.49%**	**0%**

In Hull and East Yorkshire, very few sectors are showing strong growth across all metrics.

This table shows the compound annual growth rates for each metric over five years (2018-2023). The five-year total change in average concentration calculates the growth in average concentration.

The sectors experiencing the strongest growth in terms of size are construction, utilities, and clean energy, with construction showing a strong annualised growth in employment, and utilities in businesses. In contrast, clean energy has a strong annualised growth in both. In terms of value, mining and digital technologies see a substantial productivity growth in five years, despite declining size.

Only a few sectors see growth in most indicators. The only sectors that have seen significant growth in three or more indicators are construction, defence and both clean and fossil fuel energy.

Due to varying growth rates across Hull and East Yorkshire's sectors when applying different measures, the following slide shows the growth index, aggregating all growth rates into a single score.

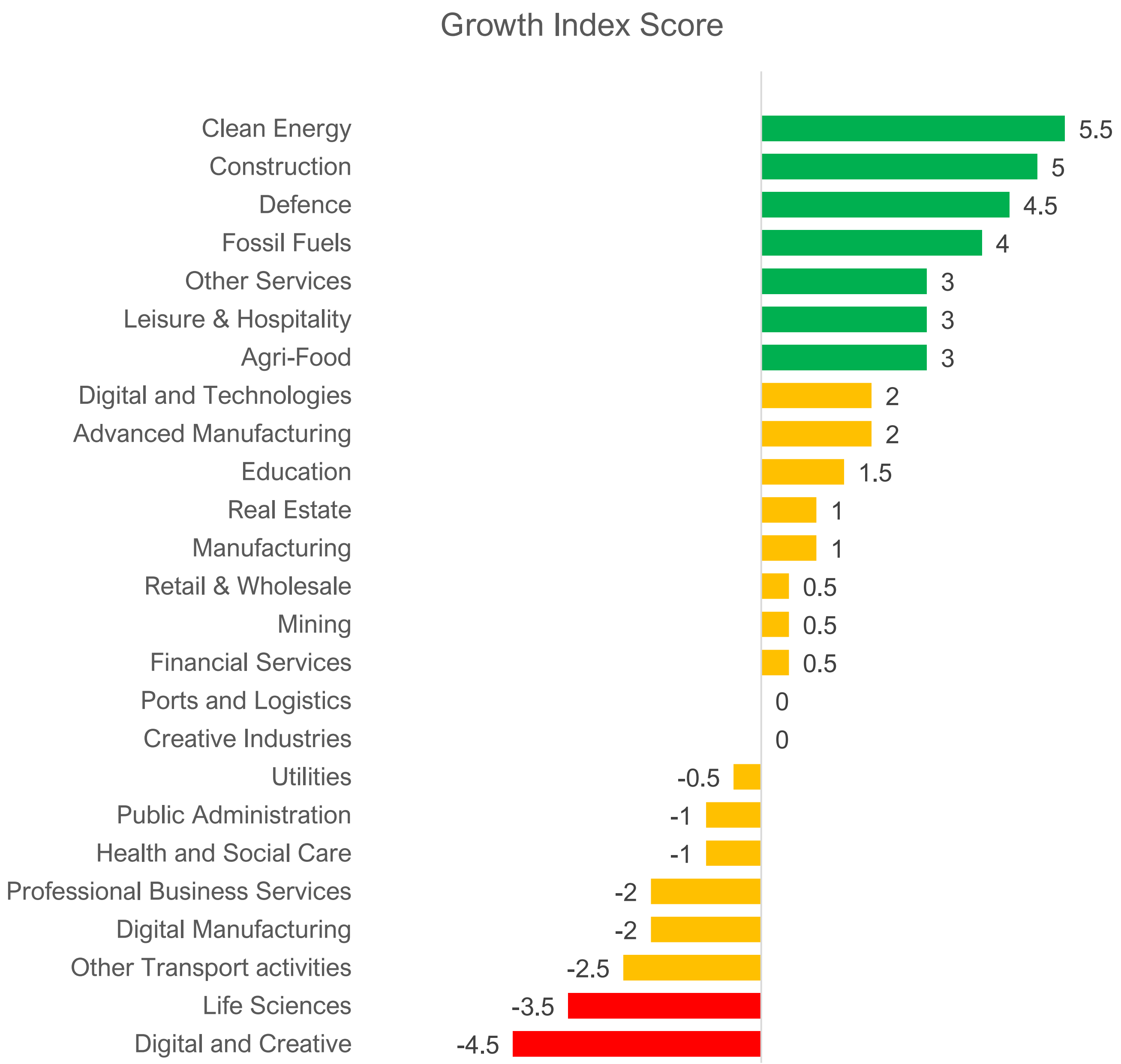
Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

Growth in energy and defence

Growth is occurring across a broad range of sectors but declines in life sciences and digital and creative.

When aggregating the different growth measures, the clean energy supply chain is shown to have the most significant growth in Hull and East Yorkshire, driven by electricity production, the manufacture of engines and turbines in the supply chain. Seven of the sectors assessed are experiencing significant growth, including both smaller, more concentrated sectors, such as defence and energy, as well as several larger, foundational economy sectors, like construction, hospitality, and agri-food.

On the other end of the scale, there have been declines to life sciences and digital and creative industries. Life sciences has seen a decline in manufacturing businesses, whilst digital and creative industries have seen a decline in both employment and GVA within press and media services.



Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023.

Specialisms in manufacturing SICs

A high share of specialised sub-sectors are in manufacturing activities, emphasising regional strength.

This table shows the 20 most specialised 5-digit SICs in Hull and East Yorkshire employing 500 people or more, as well as the LQ change over the past five years.

The most specialised sector is the manufacture of caravans, part of the DBT definition for advanced manufacturing; over 50% of total GB employment in this sub-sector is employed in Hull and East Yorkshire. The table highlights that manufacturing, advanced manufacturing and agri-food have strong specialisms in Hull and East Yorkshire, each with several sub-sectors amongst the most specialised. There are also specialisms in some smaller sector groupings such as life sciences, marine and the clean energy supply chain. Only a few of the top specialised sectors have seen a decline to specialism.

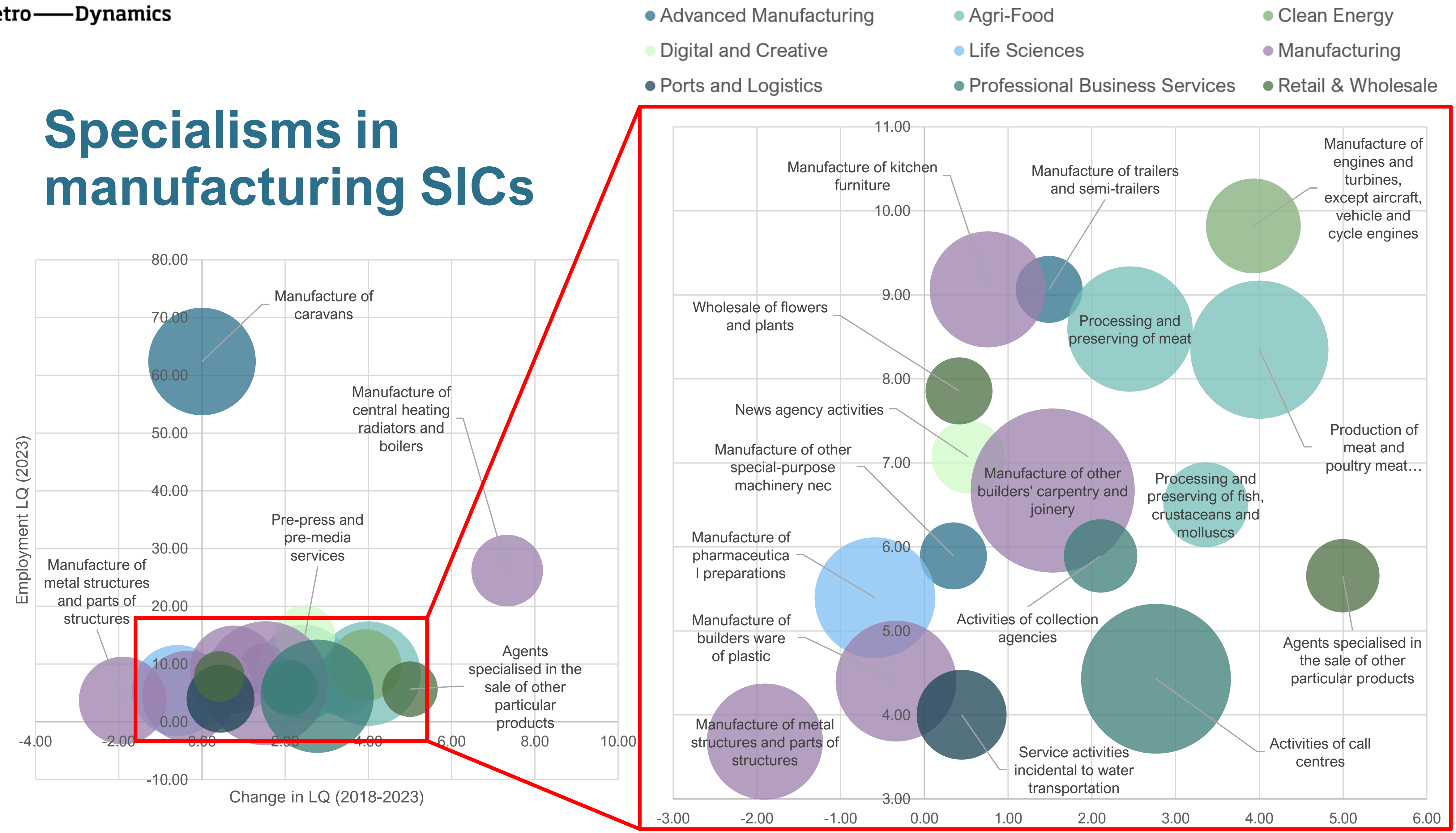
The following slide visualises these specialisms in a bubble chart, with LQ on the x axis, change in LQ on the y axis, and employment as bubble size.

SIC code	Definition	Employment (2023)	Location Quotient (2023)	LQ Change (2018-2023)
Manufacture of caravans	Advanced Manufacturing	2,250	62.40	0.00
Manufacture of central heating radiators and boilers	Manufacturing	1,000	26.19	7.33
Pre-press and pre-media services	Digital and Creative	700	15.00	2.48
Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	Clean Energy	1,000	9.82	3.93
Manufacture of trailers and semi-trailers	Advanced Manufacturing	500	9.07	1.49
Manufacture of kitchen furniture	Manufacturing	1,500	9.07	0.76
Processing and preserving of meat	Agri-Food	1,750	8.59	2.46
Production of meat and poultry meat products	Agri-Food	2,125	8.35	4.00
Wholesale of flowers and plants	Retail & Wholesale	500	7.86	0.41
News agency activities	Digital and Creative	600	7.07	0.52
Manufacture of other builders' carpentry and joinery	Manufacturing	3,000	6.67	1.53
Processing and preserving of fish, crustaceans and molluscs	Agri-Food	800	6.50	3.36
Manufacture of other special-purpose machinery nec	Advanced Manufacturing	500	5.89	0.35
Activities of collection agencies	Professional Business Services	600	5.89	2.10
Agents specialised in the sale of other particular products	Retail & Wholesale	600	5.66	5.00
Manufacture of pharmaceutical preparations	Life Sciences	1,625	5.40	-0.59
Activities of call centres	Professional Business Services	2,500	4.43	2.77
Manufacture of builders' ware of plastic	Manufacturing	1,625	4.40	-0.34
Service activities incidental to water transportation	Ports and Logistics	900	4.00	0.44
Manufacture of metal structures and parts of structures	Manufacturing	1,500	3.68	-1.91

Source: ONS, Business Register and Employment Survey (BRES), 2023.

Metro——Dynamics

Specialisms in manufacturing SICs



Source: ONS, Business Register and Employment Survey (BRES), 2023.

Industrial Strategy Sector (IS-8) Performance

The Industrial Strategy sectors

Hull and East Yorkshire's Industrial Strategy sectors are high-value but under-represented, with employment declining despite strong productivity.

This section considers the eight Industrial Strategy sectors (IS-8), defined by the Department for Business and Trade, except for clean energy industries where we have applied our own definition. These sectors are important because they capture areas of the economy that are seen as nationally significant for productivity, innovation, and long-term growth potential.

In Hull and East Yorkshire, the IS-8 collectively employ around 52,900 people, accounting for just under a fifth of total employment. Over the past five years, employment in these sectors has declined slightly (-0.7% CAGR), contrasting with modest growth in other industries. Business counts have also contracted slightly, while GVA has grown only slowly.

Concentration levels tell a more mixed story: the IS-8 sectors overall show an average concentration index of 0.73, below parity with the national economy, and this has been falling in recent years (-1.9% concentration growth). This indicates that Hull and East Yorkshire are currently under-represented in these nationally strategic industries relative to other parts of the UK.

Industrial Strategy sector	Employment 2023	Employment CAGR	Businesses 2023	Businesses CAGR	GVA 2023 (millions)	GVA CAGR	Productivity 2023	Productivity CAGR	Average concentration 2023	Average concentration growth
IS8 Total	52,885	-0.72 %	4,865	-0.8%	£3,528	0.44 %	£66,705	1.2%	0.73	-1.9%
Other Industries	215,645	0.94 %	15,440	0.9%	£11,918	1.29 %	£55,268	0.3%	1.12	-1.2%
Total	**268,530**	**0.60 %**	**20,305**	**0.5%**	**£15,446**	**1.09 %**	**£57,521**	**0.5%**	**1.00**	**0.0%**

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

A strong concentration in four IS-8 sectors

Hull and East Yorkshire shows above-average concentrations in **four of the eight Industrial Strategy sectors.** These sectors are smaller in overall employment terms, but they are areas where the region has a distinctive competitive strength compared to the national economy. Advanced Manufacturing and Clean Energy are the standout sectors, combining high concentration with strong productivity, while Defence (though very small in employment) shows an exceptional degree of local specialisation.

By contrast, large employing sectors such as Professional Business Services and Digital & Technologies remain under-represented locally, despite their national significance. **Hull and East Yorkshire's IS-8 strengths lie in smaller, more specialised industries, while some of the larger, knowledge-intensive sectors are less well-developed.**

Industrial Strategy sector	Employment 2023	Employment CAGR	Businesses 2023	Businesses CAGR	GVA 2023 (millions)	GVA CAGR	Productivity 2023	Productivity CAGR	Average concentration 2023	Average concentration growth
Advanced Manufacturing	9,450	0.04 %	230	2.8%	£746	-0.98 %	£78,944	-1.0%	1.68	11.5%
Clean Energy Industries	4,040	4.00 %	165	4.9%	£401	-0.30 %	£99,231	-4.1%	1.44	16.6%
Creative Industries	4,555	-5.25 %	980	-0.7%	£274	0.43 %	£60,077	6.0%	0.42	-13.5%
Defence	185	2.95 %	5	0.0%	£13	4.85 %	£70,352	1.8%	16.62	23.1%
Digital and Technologies	9,245	-1.47 %	1,330	-2.0%	£546	5.24 %	£59,055	6.8%	0.56	-2.8%
Financial Services	2,565	2.34 %	315	0.6%	£264	-0.30 %	£102,924	-2.6%	0.51	3.5%
Life Sciences	1,930	-0.66 %	20	-10.6%	£291	-0.15 %	£150,587	0.5%	1.27	-32.8%
Professional Business Services	28,735	-1.81 %	3,280	-1.3%	£1,395	0.06 %	£48,532	1.9%	0.75	-6.0%

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023.

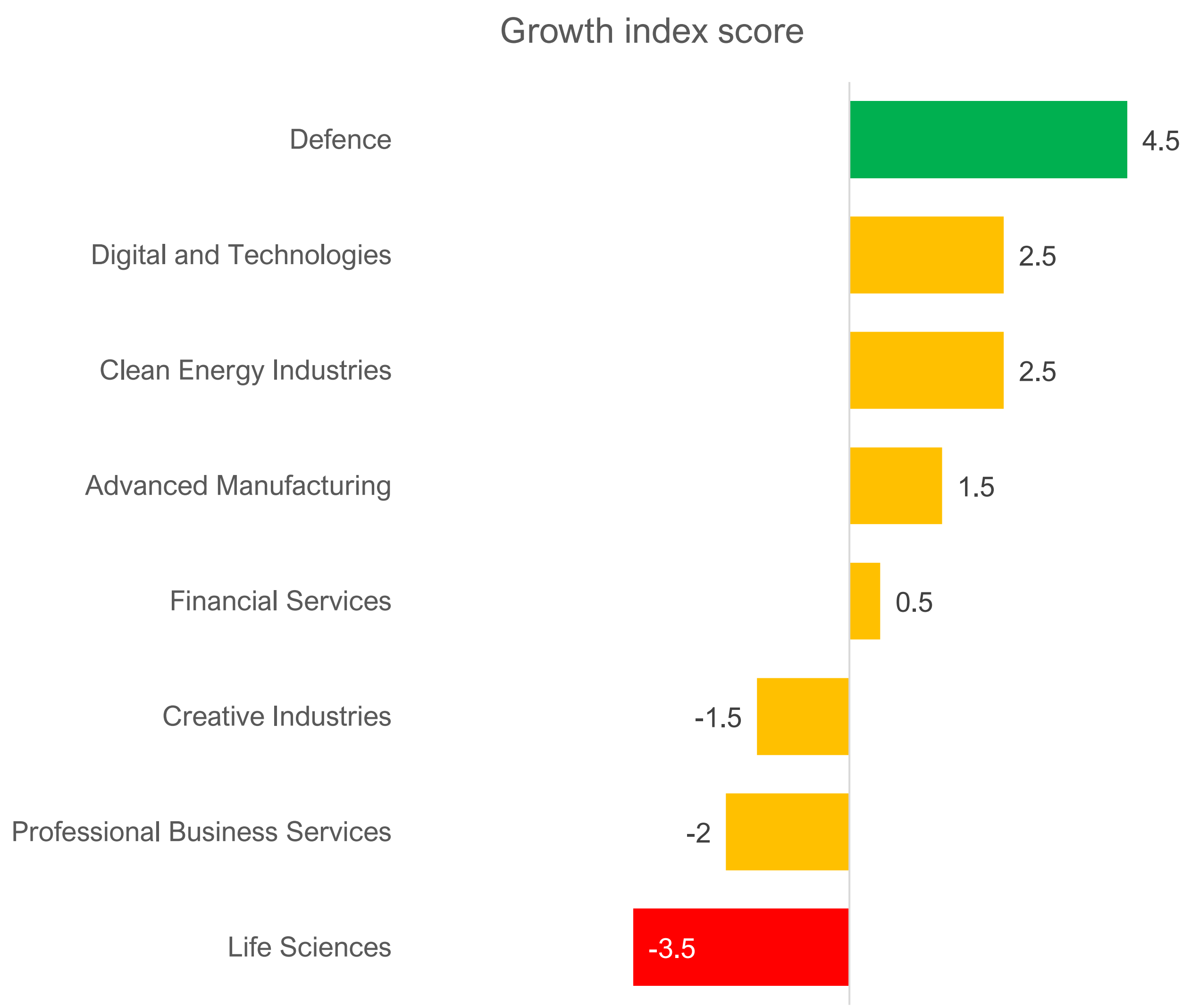
Defence has seen a large growth

Defence has seen the strongest growth among IS-8 sectors

This page shows the growth index for each of the IS-8 industries.

This chart presents the growth index for each of the Industrial Strategy sectors. It highlights significant variation in performance across the IS-8 in Hull and East Yorkshire. **Defence has grown strongly**, reflecting rapid expansion from a small base. **Digital and Technologies, Clean Energy, and Advanced Manufacturing** have also recorded positive growth, indicating areas of emerging strength.

In contrast, **Life Sciences, Professional Business Services, and Creative Industries** have all contracted, with Life Sciences showing the sharpest decline. This suggests challenges in retaining competitiveness in some nationally significant industries.



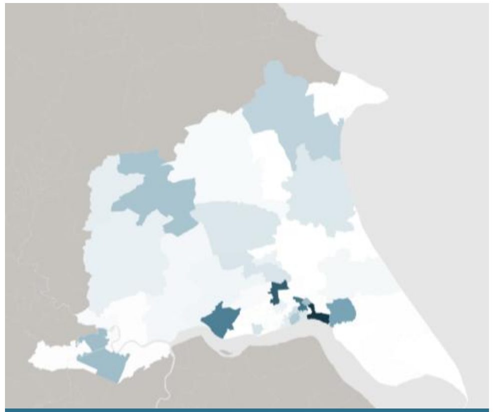
Note: For Clean Energy, this analysis applies a slightly different definition than national DBT guidance, including activities such as remediation services that are often categorised as clean energy in DataCity

Source: ONS, Business Register and Employment Survey (BRES), 2023; ONS, UK Business Counts, 2023; ONS, Regional gross value added (balanced) by industry: all ITL regions, 2023. *Real Estate has been greyed out due to the imputed rental driving total GVA.

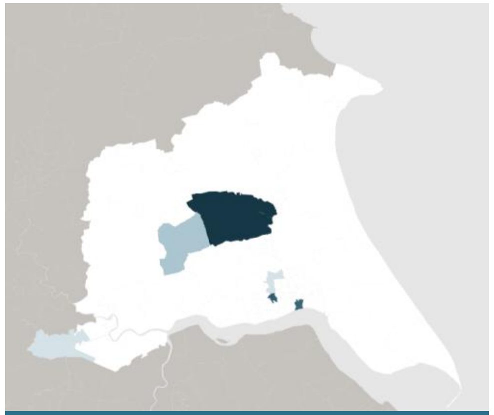
Spatial distribution varies across the IS-8 sectors

These maps show the spatial distribution of each IS-8 sector in Hull and East Yorkshire.

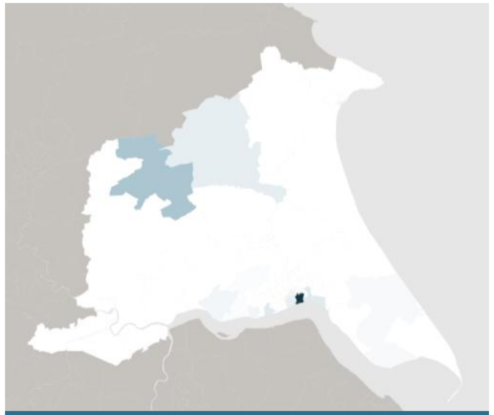
The maps show where sectors are distributed across the region, and where they are present in more concentrated pockets.



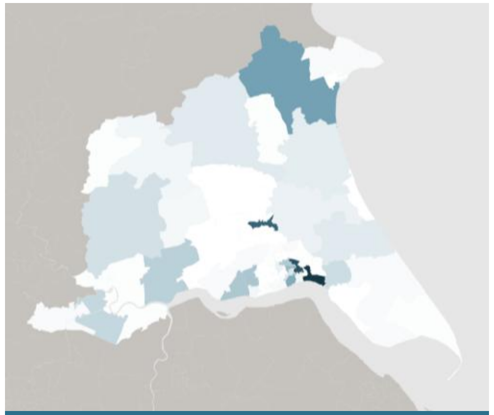
Advanced Manufacturing



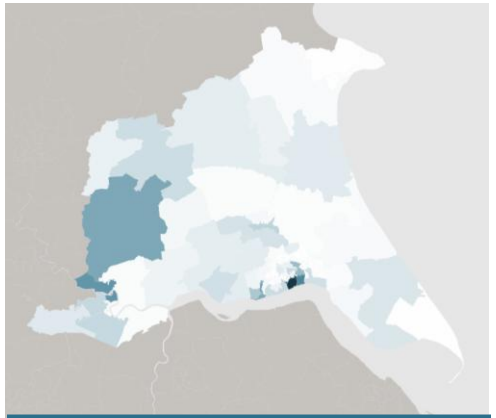
Defence



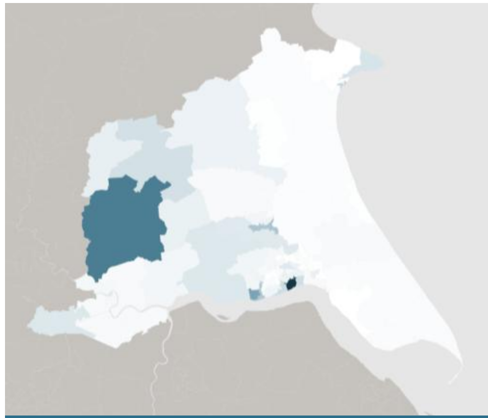
Life Sciences



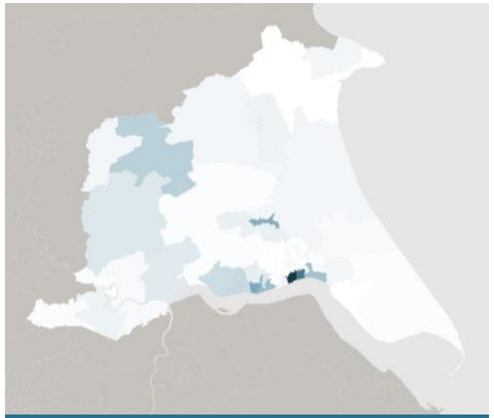
Clean Energy Industries



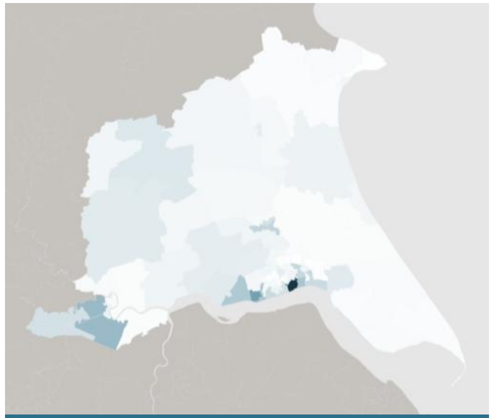
Digital and Technologies



Creative Industries



Financial services



Professional Business Services

Source: ONS, Business Register and Employment Survey (BRES), 2023.

Strong concentrations in clean energy industries

Specialisation is clearest in clean energy and advanced manufacturing, while service-based industrial strategy sectors are under-represented as a share of the total.

IS-8 performance – all locations

Industrial strategy sector	Count	Location quotient
Clean Energy Industries	267	1.55
Advanced Manufacturing	647	1.48
Life Sciences	266	1.19
Professional and Business Service	3758	1.1
Financial Services	448	0.82
Creative Industries	1886	0.78
Digital and Technologies	230	0.78
Defence	24	0.75

IS-8 performance – registered address

Industrial strategy sector	Count	Location quotient
Advanced Manufacturing	464	1.58
Clean Energy Industries	163	1.41
Professional and Business Service	2467	1.08
Creative Industries	1436	0.89
Life Sciences	133	0.89
Digital and Technologies	154	0.78
Defence	13	0.61
Financial Services	211	0.58

IS-8 performance – operating locations

Industrial strategy sector	Count	Location quotient
Clean Energy Industries	136	1.7
Life Sciences	156	1.5
Advanced Manufacturing	258	1.27
Professional and Business Service	1814	1.14
Financial Services	270	1.06
Digital and Technologies	111	0.81
Defence	12	0.81
Creative Industries	745	0.67

Source: The DataCity, 2025.

Innovation and Trade

Innovation Economy Strengths

The tables below show Hull & East Yorkshire's RTICs (Real Time Industrial Classification), with sectors colour-coded by their Location Quotient (LQ) rank as measured by the DataCity. Green highlights comparative advantages (LQ > 1.25), yellow marks emerging specialisms (LQ 0.8–1.25), and red indicates areas currently under-specialised (LQ < 0.8).

Hull & East Yorkshire hold comparative advantages in sectors such as Modular Construction, Agri-Tech, and Marine & Maritime. Alongside these strengths, there is a broad range of emerging specialisms, including Advanced Manufacturing, Energy Storage, and B2B Services. By contrast, many frontier and digital industries such as AI, AdTech, E-Commerce, and Life Sciences currently show no local concentration.

HEYCA's RTICs Colour Coded by LQ Rank

Modular Construction	1
AgriTech	2
Marine and Maritime	3
Land Remediation	4
Quantum Technology	5
FoodTech	6
Neurotechnology	7
Battery Supply Chain	8
Energy Management	9
Supply Chain Logistics	10
Advanced Materials	11
Energy Generation	12
CleanTech	13
Net Zero	14
Telecommunications	15
Defence	16
Robotics and Autonomous systems	17
Design and Modelling Technologies	18
MedTech	19
Life Sciences	20
FinTech	21
Cloud Computing	22
Electronics Manufacturing	23
Media and Publishing	24
Rehabilitation	25

Advanced Manufacturing	25
Research and Consulting - Physical Sciences and Engineering	26
Energy Storage	27
B2B Services	28
Sports And Physical Activities	29
Wearables and Quantified Self	30
Sensors	31
Software Development	32
Internet of Things	33
Data Infrastructure	34
Geospatial Economy	35
Digital Creative Industries	36

Under specialised (LQ 0 – 0.8)

No significant specialism (LQ 0.8 – 1.25)

Comparative Advantage (LQ > 1.25)

Agency Market	36
AdTech	37
Streaming Economy	38
E-Commerce	39
Quantum Economy	40
Artificial Intelligence Ecosystem	41
EdTech	42
Pharma	43
Advanced Screens	44
Immersive Technologies	45
Software as a Service (SaaS)	46
ESG	47
Gaming	48
Space Economy	49
Semiconductors	50
Omics	51
Computer Hardware	52
Artificial Intelligence Technologies and Applications	53
Cryptocurrency Economy	54
Biopharmaceutical	55
Engineering Biology Application	56

Source: The DataCity, 2025, Based on operating addresses

Innovation Economy Strengths: Zoomed In

The table below presents the 20 most specialised sub-RTICs in Hull & East Yorkshire, ranked by Location Quotient (LQ) using Data City analysis. This highlights which sectors and sub-sectors show the strongest concentration locally.

High Ranking: Modular Construction dominates as a leading innovation strength, with multiple ranked sub-specialisms.

Other strong areas: Robotics & Autonomous Systems, Advanced Materials, MedTech, FinTech, AgriTech, and Marine & Maritime also demonstrate strong specialisms.

Energy-linked specialisms: Offshore Wind, Energy Storage, and FoodTech emerge as further areas of opportunity.

20 top specialised sub-RTICs

Rank	Sector	Sub Sector
1	Modular Construction	Off site construction
2	Modular Construction	Permanent Modular Buildings
3	Robotics and Autonomous systems	Vertical Farming
4	Modular Construction	Supply Chain
5	Advanced Materials	Polymers
6	MedTech	Photonics
7	Marine and Maritime	Port Ecosystem
8	FinTech	Digital Capital Raising
9	AgriTech	Vertical Farming
10	Marine and Maritime	Shipping - Container, bulk, RoRo, tanker

Rank	Sector	Sub Sector
11	AgriTech	Precision Farming
12	AgriTech	AgSciences
13	Energy Generation	Offshore Wind
14	FoodTech	Food Processing
15	CleanTech	Adapted Goods
16	Electronics Manufacturing	Electromedical technologies
17	Marine and Maritime	Shipping - Workboats
18	FoodTech	Agri Tech
19	Energy Storage	Thermal
20	AgriTech	Drone Technology

Source: The DataCity, 2025.

Sectoral Trends: Trade

Hull Port recorded £1,489m of exports in 2025, and imports valued at £10,237m. While this data does not tell us where goods have been produced in the UK looking at the top commodities, we see strong alignment with local sector strengths. High levels of exports across Agri-Food exports are a key strength, with large volumes of products such as milling goods, oils & fats, and edible preparations exported. Manufacturing exports are also central to the port, including machinery, vehicles, plastics, iron & steel, and a range of chemical products while emerging sectors like clean energy and digital also feature.

Top 20 commodities by Value in Hull in July 2025

	Potential Related sector	Total Value Exported in July 2025
84 Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	Adv man	£30,056,467
29 Organic chemicals	Clean energy	£25,501,642
39 Plastics and plastic products	Manufacturing	£14,977,014
87 Vehicles other than railway or tramway rolling-stock…..	Manufacturing	£13,718,779
22 Beverages, spirits and vinegar	Agri-food	£12,717,226
38 Miscellaneous chemical products	Manufacturing	£11,592,247
72 Iron and steel	Manufacturing	£9,011,330
33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations	Adv man	£8,258,374
88 Aircraft, spacecraft, and parts thereof	Adv man	£7,097,150
21 Miscellaneous edible preparations	Agri-food	£6,493,556
85 Electrical machinery and equipment and parts thereof…	Adv man	£6,204,548
15 Animal or vegetable fats and oils and their cleavage products…	Agri-food	£5,740,298
11 Products of the milling industry; malt; starches; inulin; wheat gluten	Agri-food	£5,156,210
34 Soaps, organic surface-active agents, washing preparations………	Adv man	£4,259,854
73 Articles of iron or steel	Manufacturing	£3,400,836
90 Optical, photographic, cinematographic, measuring, checking….	Digital / creative	£3,235,868
83 Miscellaneous articles of base metal	Manufacturing	£3,172,989
30 Pharmaceutical products	Life sciences	£3,132,101
57 Carpets and other textile floor coverings	Manufacturing	£2,343,164
74 Copper and articles thereof	Manufacturing	£2,044,247

- Advanced Manufacturing
- Agri-Food
- Clean Energy
- Digital and Creative
- Life Sciences
- Manufacturing
- Ports and Logistics
- Professional Business Services
- Retail & Wholesale

Source: HMRC, Overseas trade data, 2025.

Sectoral Trends: Trade

Taking the top commodities by the value, we can see the goods where Hull exports a large amount are commodities linked to agri-food and manufacturing, important regional sectors in both size and concentration.

Top 20 commodities by LQ in Hull in July 2025

	Potential Related Sector	Total value exported in July 2025
11 Products of the milling industry; malt; starches; inulin; wheat gluten	Agri-Food	£5,156,210
57 Carpets and other textile floor coverings	Manufacturing	£2,343,164
15 Animal or vegetable fats and oils and their cleavage products….	Agri-Food	£5,740,298
29 Organic chemicals	Manufacturing	£25,501,642
06 Live trees and other plants; bulbs, roots and the like…	Agri-Food	£159,609
83 Miscellaneous articles of base metal	Manufacturing	£3,172,989
21 Miscellaneous edible preparations	Manufacturing	£6,493,556
38 Miscellaneous chemical products	Manufacturing	£11,592,247
34 Soaps, organic surface-active agents, washing preparations…	Manufacturing	£4,259,854
20 Preparations of vegetables, fruit, nuts or other parts of plants	Agri-Food	£877,625
72 Iron and steel	Manufacturing	£9,011,330
70 Glass and glassware	Manufacturing	£1,690,121
33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations	Manufacturing	£8,258,374
39 Plastics and plastic products	Manufacturing	£14,977,014
22 Beverages, spirits and vinegar	Agri-Food	£12,717,226
13 Lacs; gums, resins and other vegetable saps and extracts	Manufacturing	£133,649
54 Man-made filaments	Manufacturing	£485,839
47 Pulp of wood or of other fibrous cellulosic material…	Manufacturing	£564,363
74 Copper and articles thereof	Manufacturing	£2,044,247
18 Cocoa and cocoa preparations	Agri-Food	£1,178,540

- Advanced Manufacturing
- Agri-Food
- Clean Energy
- Digital and Creative
- Life Sciences
- Manufacturing
- Ports and Logistics
- Professional Business Services
- Retail & Wholesale

Source: HMRC, Overseas trade data, 2025.

Businesses receiving investment

The tables show the number of equity fundraisings by businesses in Hull and East Yorkshire by sectors.

Investment is flowing into a diverse range of sectors, with Professional Business Services and Digital & Technologies leading in overall business count.

Life Sciences and Digital Manufacturing stand out with the highest share of sector businesses receiving funding, while Financial Services and Clean Energy also attract notable investment.

Emerging trends highlight strong activity in digital technologies, SaaS, mobile apps, and artificial intelligence, alongside growing interest in areas such as CleanTech, eHealth, and blockchain.

This mix reflects both the strength of established industries and the rise of innovative, future-focused businesses.

Sector	Business count	Share of businesses
Professional Business Services	26	1.0%
Digital and Technologies	20	1.7%
Retail & Wholesale	12	0.4%
Financial Services	11	3.5%
Leisure & Hospitality	8	0.4%
Life Sciences	5	25.0%
Other Services	4	0.3%
Agri-Food	4	0.2%
Health and Social Care	3	0.4%
Utilities	3	2.3%
Digital and Creative	2	1.0%
Clean Energy	2	3.3%
Digital Manufacturing	2	10.0%
Advanced Manufacturing	1	0.5%
Education	1	0.3%
Public Administration	1	0.8%
Construction	1	0.0%

Beauhurst Buzzword	Number of headquarters receiving funding
Digital and technologies	26
Professional and business services	23
Creative industries	9
Software-as-a-Service (SaaS)	9
Mobile apps	8
Subscription	8
Financial services	5
Artificial Intelligence	5
CleanTech	5
Clean energy	4
Life sciences	3
Electric and hybrid vehicles	3
eHealth	3
Internet of Things	2
Virtual reality	2
Cloud computing	2
HRTech	2
RegTech	2
Omni-channel retailing	1
3D printing	1
Regenerative medicine	1
Blockchain	1
Crypto-currencies	1
Gamification	1
Sharing economy	1
Advanced manufacturing	1
The quantified self	1
Wearables	1
ConTech	1
PropTech	1
Ethical shopping	1
AgriTech	1
Vegan/vegetarian	1
Chatbots	1
CollabTech	1

Source: Beauhurst (2025), ONS, UK Business Counts (2023).

Suggested Priority Sectors

The following section sets out our suggested priority sectors for the Local Growth Plan, and the rationale for including this. For each of the five sectors we have included a map showing both the distribution of businesses and the businesses among these which are engaged in emerging economy activity.

Methodology for sector selection

This report sets out a headline analysis of all sectors across Hull and East Yorkshire. In order to determine key growth opportunities in the region we have assessed a variety of indicators: size, value, specialism, growth trends, and any additional factors such as equity investment or commodities trade out of the port in Hull.

Size: We considered the employment size of each sector, as larger sectors account for a significant portion of the local economy and workforce. This helps identify where interventions could have the greatest impact.

Value: We assessed the contribution of each sector to Gross Value Added (GVA), which highlights the sectors generating the highest levels of economic output and productivity. Both national datasets (ONS) and emerging economy activities (DataCity) were used to provide a comprehensive picture.

Specialism: We analysed Hull and East Yorkshire's sectoral specialisms using location quotient analysis, which compares the concentration of employment in a sector locally with the national average. This highlights the unique strengths of the local economy and the industries in which it is particularly competitive.

Growth trends: We examined historic growth across a variety of measures over the last five years, aggregated using our bespoke growth index tool. This enables us to identify both fast-growing, emerging sectors and more mature sectors with stable long-term growth trajectories. Employment, business counts, GVA and GVA per worker are used to understand the trajectory of sectors, and what they mean for the opportunities in Hull and East Yorkshire (or indeed the imperatives to try to intervene and reverse negative trends)

Additional factors: Finally, we considered a range of qualitative and strategic factors: trade flows through the port, levels of business fundraising and equity investment, innovation activity, geography, and heritage assets. Together these provide context for how different sectors are positioned for future development.

Hull and East Yorkshire's LGP sector opportunities

Agri-food & Agri-tech			Energy			Life Sciences			Manufacturing			Port and Logistics		
Employment 16,800	Business 1,900	Value £53,800	Employment 2,700	Business 75	Value £76,300	Employment 2,000	Business 15	Value £150,000	Employment 25,000	Business 1,100	Value £87,000	Employment 6,600	Business 725	Value £45,300
Large employer, with high business counts. This also translates to a high concentration, with more than twice the concentration of employment and businesses than nationally. Significant concentrations exist across the full supply chain, especially manufacturing. The sector's productivity is equivalent to national averages, but growth has been strong, particularly to employment and GVA. The sector also benefits from geography and access to global markets through the port.			Though not a high-employing sector, the sector is highly productive, contributing more to GVA per worker than other sectors. The sector also has a high concentration in the region, being home to key infrastructures driving cluster formation such as at Saltend Chemicals Park. Strength in clean energy is a nationally significant opportunity which can drive investment. It is also showing strong growth, seeing positive growth trends across multiple measures.			The life sciences sector is a small but highly valuable sector in Hull and East Yorkshire, contributing 150,000 to GVA per worker. The region has a strong specialism in the manufacture of pharmaceutical products. However, the life sciences sector has seen the number of businesses decrease significantly, dominated by fewer large firms. As one of eight key sectors outlined in the industrial strategy, the region's specialism can bring investment, with some evidence of businesses receiving funding in the last five years.			Manufacturing is a core driver of Hull and East Yorkshire's economy, accounting for a high share of total employment, businesses and GVA compared to nationally. The sector is also more valuable in Hull and East Yorkshire than other regions, with a high GVA per job. Activity is not centred around one or two sub-sectors, with a broad range of activities showing specialisms and varying growth trends. As defence and advanced manufacturing are a national priority, there are strong investment opportunities in the sector.			Hull and East Yorkshire have a strong comparative advantage in ports and logistics. The geographical advantage of the Humber and regional specialisms in production provides a strong opportunity to grow this sector. Though less productive than other sectors, it is nationally significant, with billions of pounds worth of exports and imports passing through Hull's port annually, demonstrating the national significance. Growth has been stagnant in recent years, so there is a need to support the sector.		

Agri-food & Agri-tech				Energy				Life Sciences				Manufacturing				Port and Logistics			
Size	Val	LQ	Growth	Size	Val	LQ	Growth	Size	Val	LQ	Growth	Size	Val	LQ	Growth	Size	Val	LQ	Growth

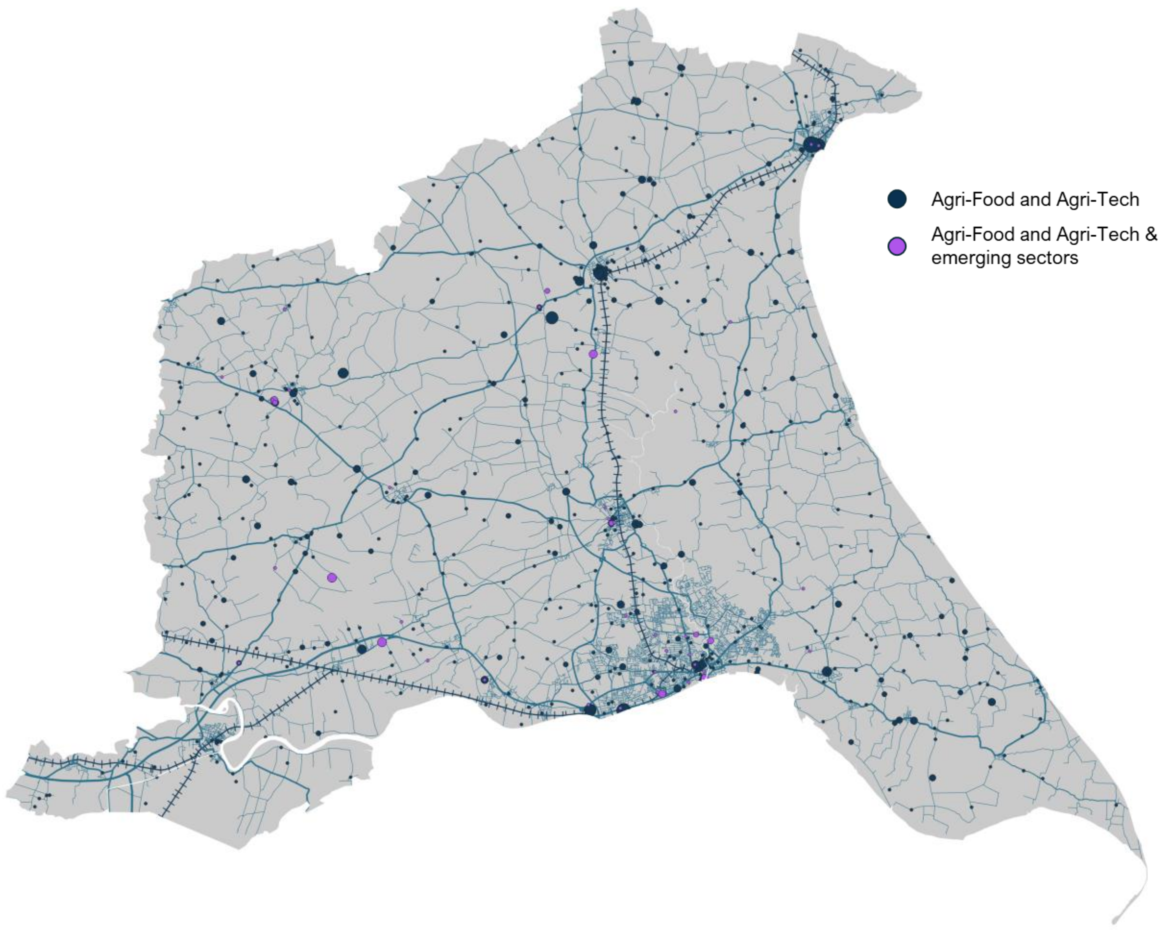
Agri-food and Agri-Tech

The agri-food sector is a large sector in Hull and East Yorkshire, accounting for a high share of the regions employment and businesses.

This sector encompasses the entire food supply chain, from agricultural activities (including farming and fishing) to food manufacturing and the production of agri-food related machinery. The sector also includes food-tech and agri-tech in the emerging economy, providing innovative technologies to support crop and food production.

Many large companies are headquartered in Hull and East Yorkshire, including **Cranswick** and **William Jackson Food Group**. Headquartered in Pocklington, Yara is a leader in Agri-tech, specialising in creating effective.

This map shows that the sector operates throughout Hull and East Yorkshire, with emerging economy activities more concentrated around Hull and to the west of the East Riding.



Source: Metro Dynamics analysis of Data City data

Agri-tech and Agri-food performance in HEYCA

This report finds that agri-food and agri-tech is a distinctive strength in Hull and East Yorkshire with clear growth opportunities.

Size: Agri-food is a large employer in Hull and East Yorkshire with high business counts across the full supply chain. Employment is particularly high in food production and manufacturing, whilst many businesses are in agriculture.

Value: The large size of the sector also translates to a higher share of GVA of the total economy. Whilst productivity in Hull and East Yorkshire is generally lower across sectors, agri-food matches the national average

Specialism: The agri-food sector has more than double the concentration of employment and businesses in Hull and East Yorkshire than nationally. The bubble chart shows particularly high employment specialisms in food production. Both emerging economy sectors of agri-tech and food-tech also have a high concentration of businesses in the region.

Growth trends: The sector shows signs of strong growth, particularly in employment and GVA, as shown by manufacturing in the bubble chart.

Additional factors: Geographical factors such as a lower population density and a long coastline, allow for this sector to grow. A high proportion of goods exported out of Hull port are often products of the agri-food sector.

Sub-sector specialisms in agri-food*

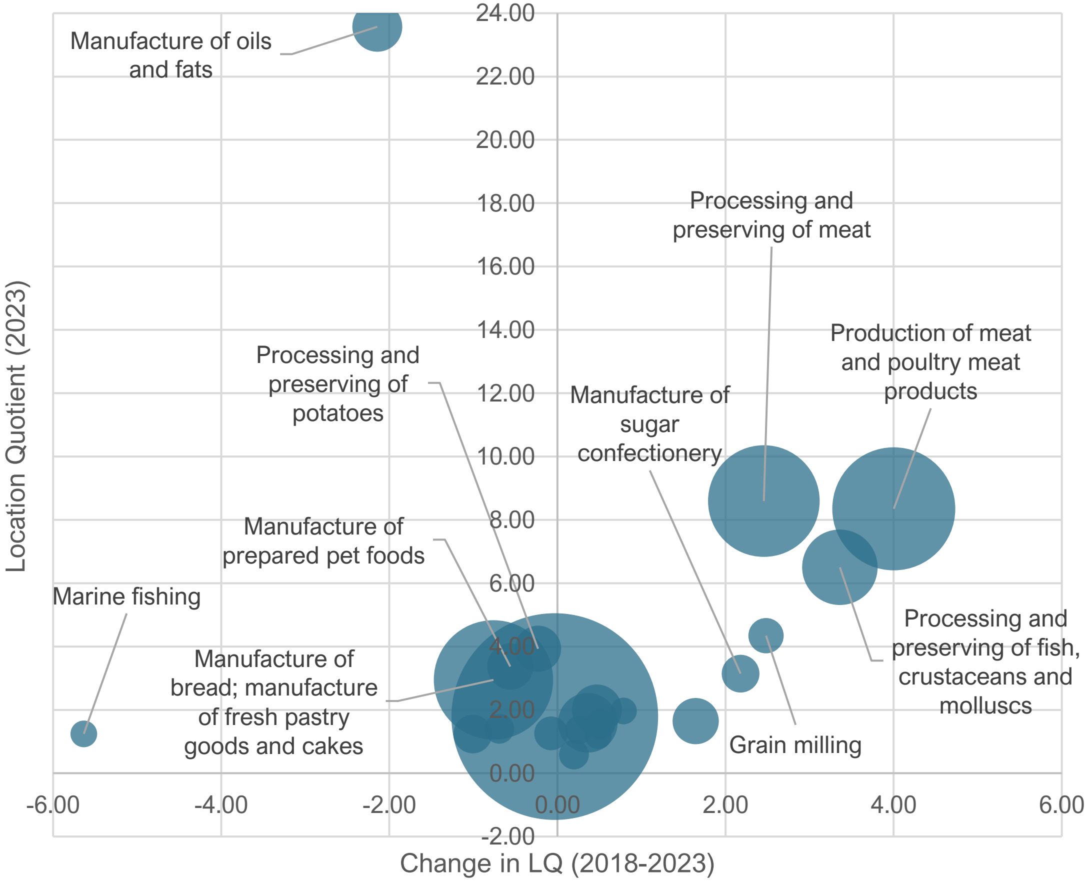


Chart Source: Business Register and Employment Survey (BRES), ONS 2023. *Bubble chart only shows sub-sectors employing 100 or more.

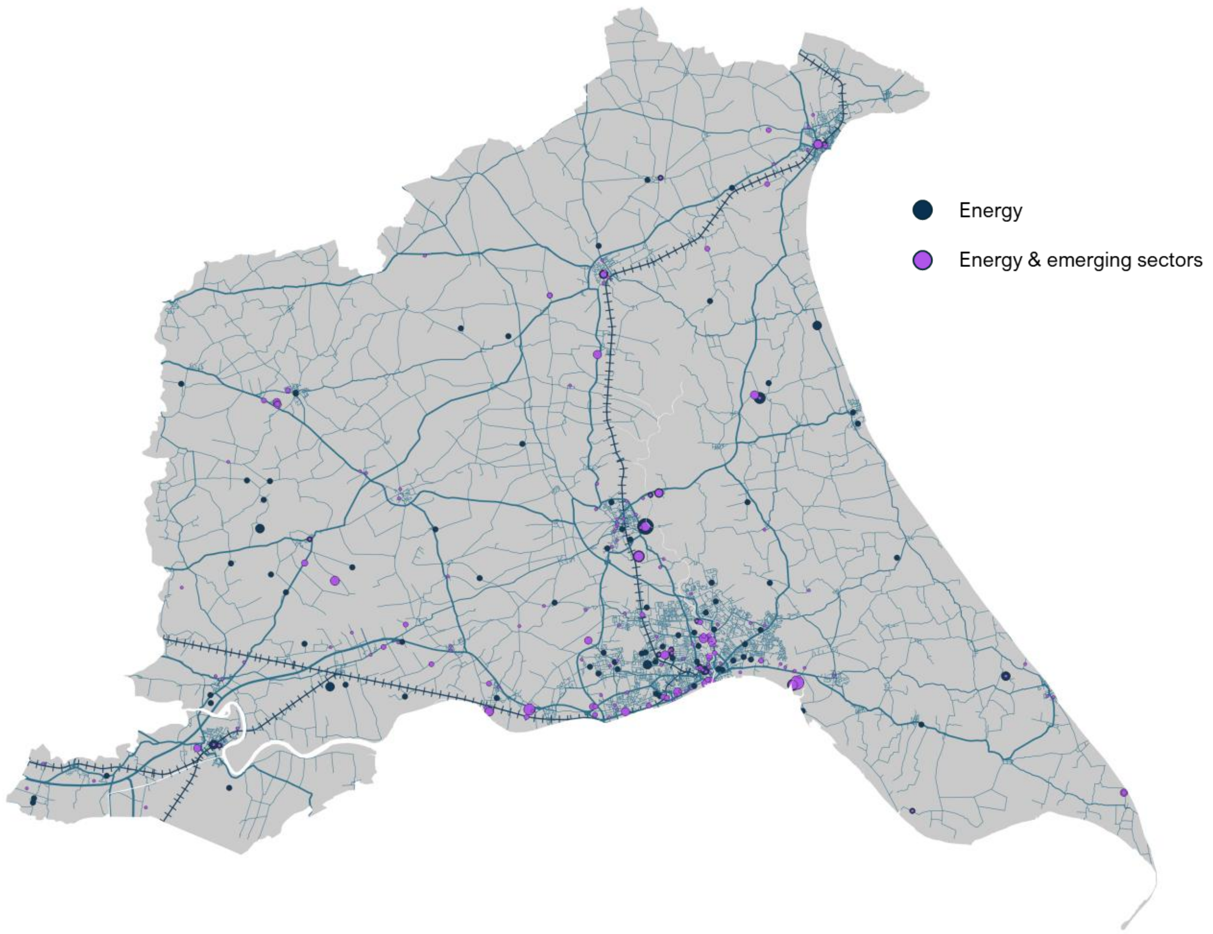
Energy

The energy sector in Hull and East Yorkshire is a valuable and growing sector in the region, with clean energy activities aligning with national objectives.

The Humber itself is known as the 'Energy Estuary' due to its existing pool of energy businesses, including in Hull and East Yorkshire. This sector relates to all activities in the energy generation supply chain, from the extraction and manufacturing of fuels to the production and transmission of electricity.

Many large players in this industry operate in the energy sector, including the global headquarters for **Croda** in Goole or **Siemens Gamesa** in Alexandra Dock at Hull. **Saltend Chemicals Park**, owner **by PX Group**, is also located just off the Humber to the East of Hull. It is home to some of the world's leading blue-chip manufacturing, chemicals and renewable energy businesses.

The map shows that clean energy activities occur across Hull and East Yorkshire, but notable clusters are forming along the Humber and by Beverley.



Note:

Source: Metro Dynamics analysis of Data City data

Energy sector performance in HEYCA

The high-value energy sector has a comparative advantage in Hull and East Yorkshire, with strong growth prospects.

Size: The energy sector alone is relatively small in comparison to others with fewer, larger businesses than the typical sector in Hull and East Yorkshire. DataCity finds many businesses operating in clean energy industries.

Value: Electricity production is a high-value sector in Hull and East Yorkshire. Sectors related to clean energy industries often have a GVA per job exceeding £100,000 in Hull and East Yorkshire.

Specialism: Hull and East Yorkshire have a strong concentration of employment and businesses in the Clean Energy Industries IS-8 sector. The bubble chart indicates a strength in engine and turbine manufacturing in the supply chain. DataCity also identifies strong concentrations in energy RTICs, CleanTech and Batteries.

Growth trends: The clean energy sector is one of the fastest-growing sectors in Hull and East Yorkshire. However, growth can be observed across various activities, as well as in size, value, and specialisation metrics.

Additional factors: Low population density and access to the North Sea provides a firm grounding to grow the energy sector. Alignment with the industrial strategy can encourage investment, with some evidence suggesting businesses in this sector have already starting to receive funding in the last five years.

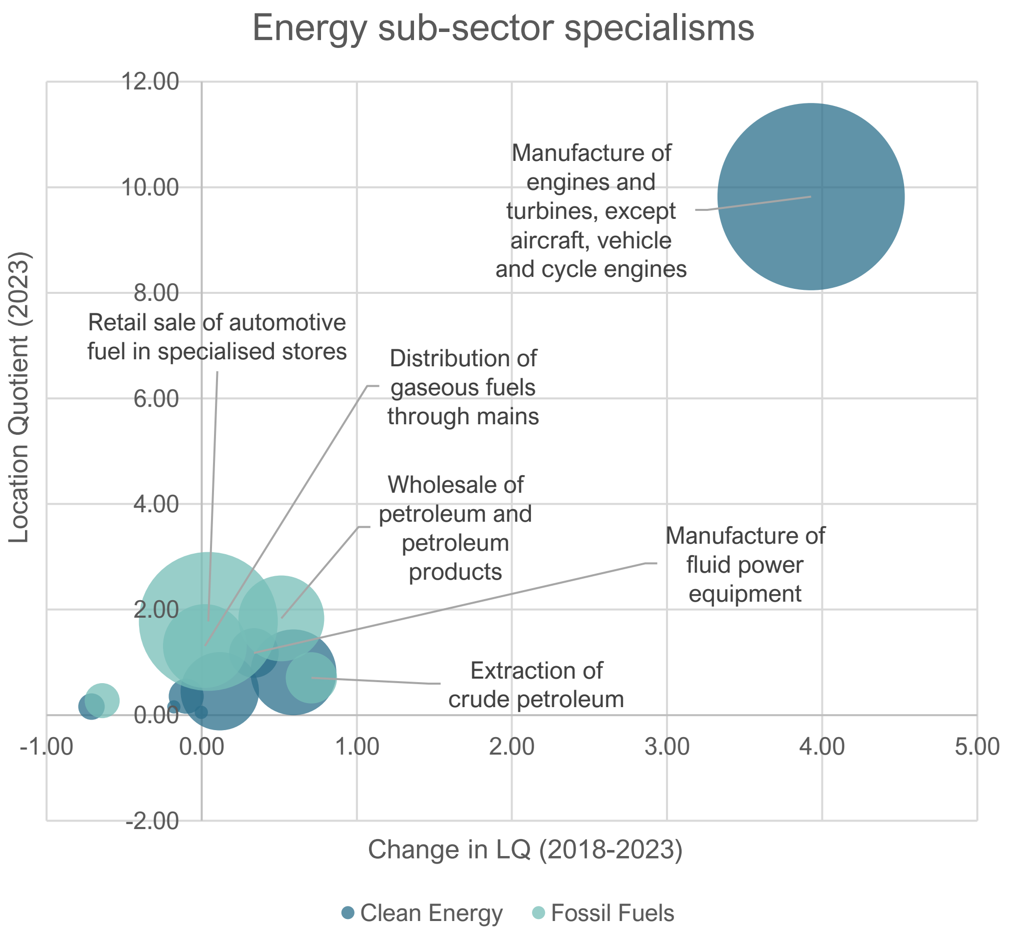


Chart Source: Business Register and Employment Survey (BRES), ONS 2023.

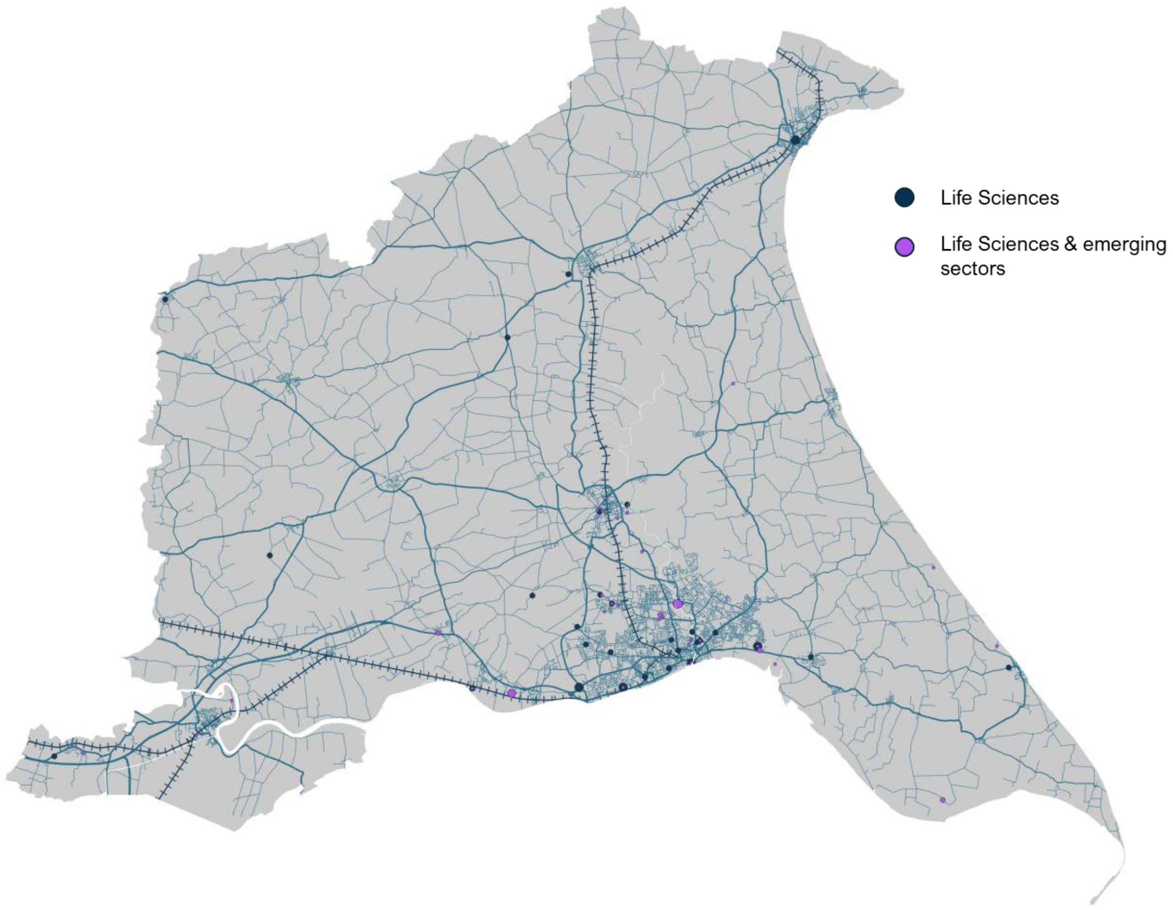
Life Sciences

Life Sciences is one of the most productive sectors in Hull and East Yorkshire, and accounts for a large part of equity investment coming into the region.

The sector includes companies and organisations involved in research, manufacturing, human health, biology, biotechnology and chemistry. In Hull and East Yorkshire, a significant amount of activity stems from life sciences manufacturing, including pharmaceuticals and MedTech.

Large life sciences companies headquartered in Hull and East Yorkshire such as GMP manufacturing who specialise in contract manufacturing, filling and packaging solutions for Biocides, Pharmaceuticals, Cosmetics and Healthcare products. Other notable firms are Indivoir who manufacture medicines to support treatment of opioid use disorder and Smith and Nephew, a large supplier in MedTech.

Life Science activities occur across the region, with significant clustering around Hull, and some manufacturing activity around East Riding of Yorkshire.



Source: Metro Dynamics analysis of Data City data

Life Sciences sector performance in HEYCA

The life sciences sector is a high value sector, with strong investment opportunities, but growth trends are concerning.

Size: Life Sciences is a relatively small sector in terms of employment and business counts, with just under 2,000 workers and 20 businesses using the DBT Industrial Strategy sector definition. However, the wider health and social care sector is one of the largest in the region, employing 37,000 people.

Value: Life Sciences has an especially high GVA per job at £150,000.

Specialism: The life sciences sector has a high concentration of employment in Hull and East Yorkshire, in particular, pharmaceutical manufacturing have high employment LQs, as shown in the bubble chart. DataCity also shows a high share of businesses in Neurotechnology, MedTech and Life Sciences.

Growth trends: Growth trends in life sciences are a concern. In particular, the number of businesses fell from 35 to 20 across five years. Employment has only seen a slight decline, suggesting that it is SMEs decreasing. However, with the sector growing nationally, specialism has fallen, as shown by each sub-sector showing a decrease to the employment LQ in the bubble chart.

Additional factors: Alignment with the industrial strategy sectors can encourage investment to Hull and East Yorkshire. Businesses in life sciences have also received some of the most investment in the last five years.

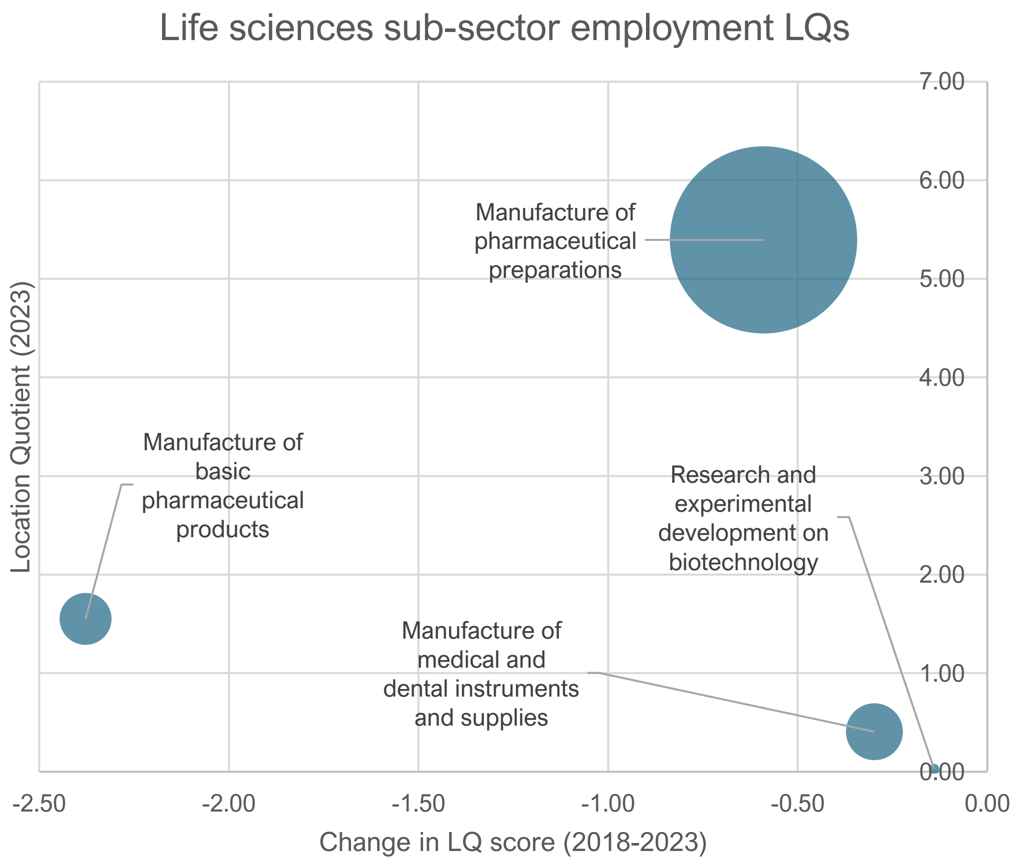


Chart Source: Business Register and Employment Survey (BRES), ONS 2023.

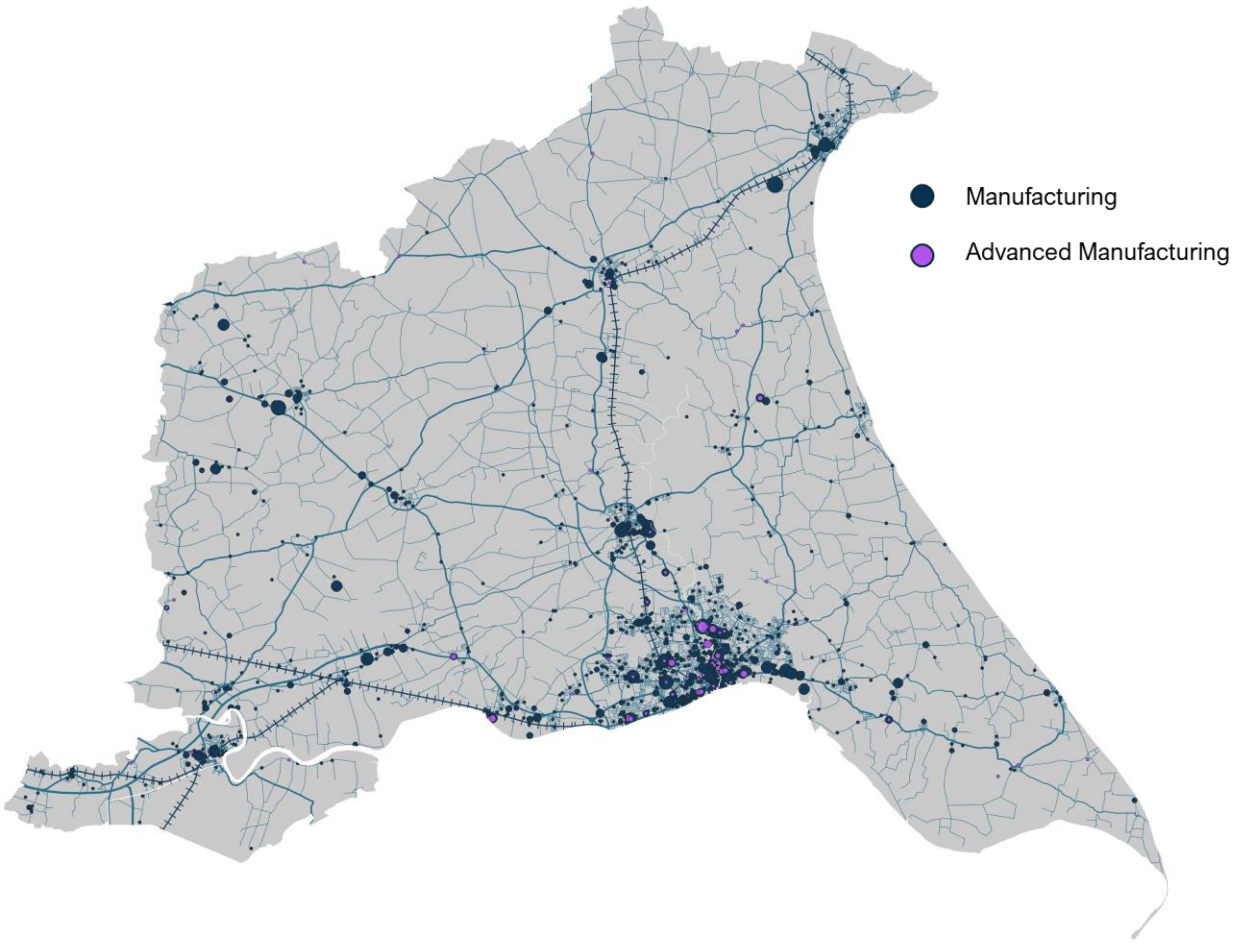
Manufacturing

Manufacturing is central to Hull and East Yorkshire's economy and identity. The region has significant specialisms across many different activities within manufacturing and engineering.

The sector includes all types of manufacturing activity. Including simpler manufacturing such as textiles and basic metals through to advanced products like machinery, vehicles, chemicals, and electrical equipment. A key focus for this sector is to transition towards more advanced manufacturing in terms of using more innovative processes in production, such as the use of digital infrastructure and automation.

Some of the largest manufacturing companies are in the manufacture of caravans such as Swift Group or ABI. Another strength is in manufacturing for defence with companies like Gamebore cartridges based in the region. Advanced Plastics is another company within the advanced manufacturing definition.

Due to the size and specialism of the sector, the map shows that manufacturing activity happens all across Hull and East Yorkshire.



Source: Metro Dynamics analysis of Data City data

Manufacturing performance in HEYCA

Manufacturing reflects a large portion of the region's economy, with specialisms across a variety of activities.

Size: A large employer in Hull and East Yorkshire, accounting for 15% of employment, double the share in Great Britain. Excluding food production, there are around 17,000 workers employed in manufacturing and an additional 8,000 workers manufacturing more advanced products, though businesses are generally larger in this sector.

Value: Manufacturing has an average GVA per job in Hull and East Yorkshire of £87,000, slightly higher than the Great Britain average, despite the region being less productive in most other sectors against GB.

Specialism: There is around double the concentration of activities in both advanced and basic manufacturing in Hull and East Yorkshire. Some very specialised activities include defence and caravan manufacturing, but the bubble chart shows many large sub-sectors with high employment LQs.

Growth trends: The sector has not seen any significant growth or decline in five years. However, some sub-sectors like defence have seen large growth to employment and GVA.

Additional factors: A lot of commodities exported out of Hull port align with some of the manufacturing activities in the region.

Top specialised manufacturing sub-sectors*

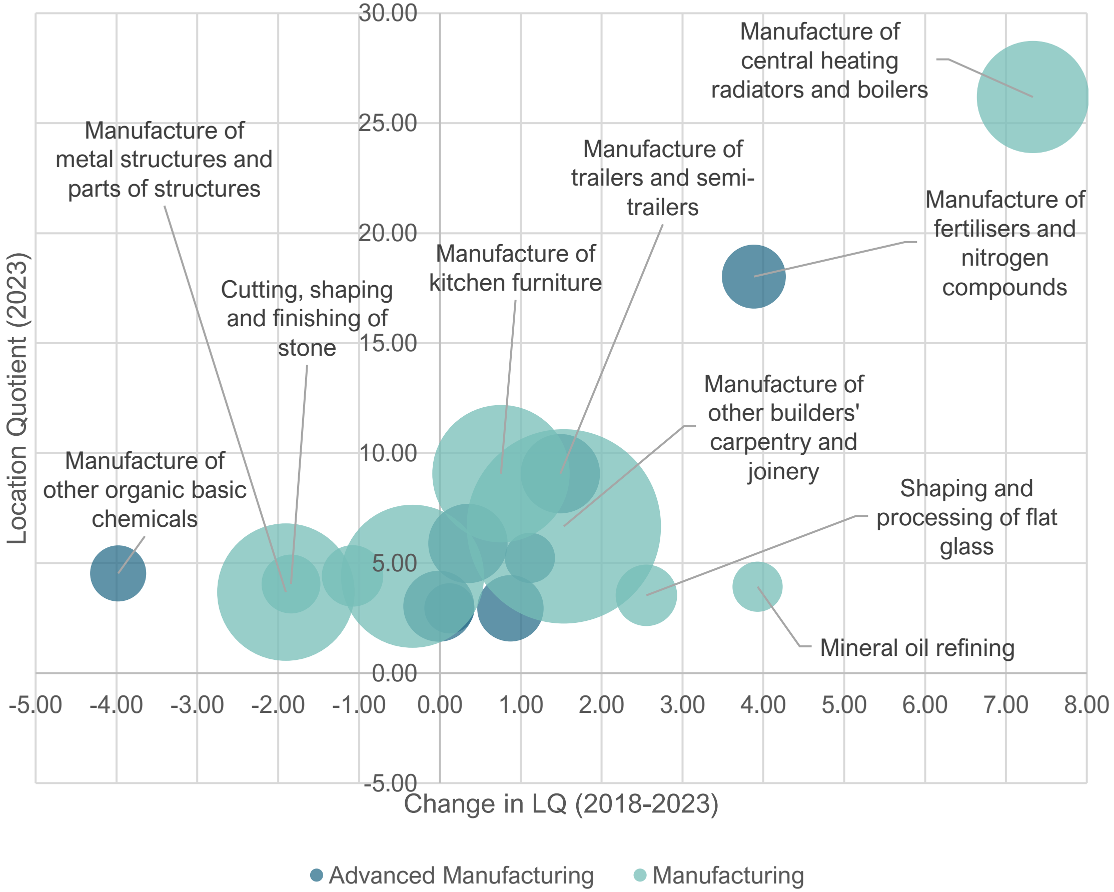


Chart Source: Business Register and Employment Survey (BRES), ONS 2023. *Bubble chart shows the top 20 specialised sub-sectors employing at least 200. A few sectors are filtered out to remove clutter due to having large LQs.

Ports and Logistics

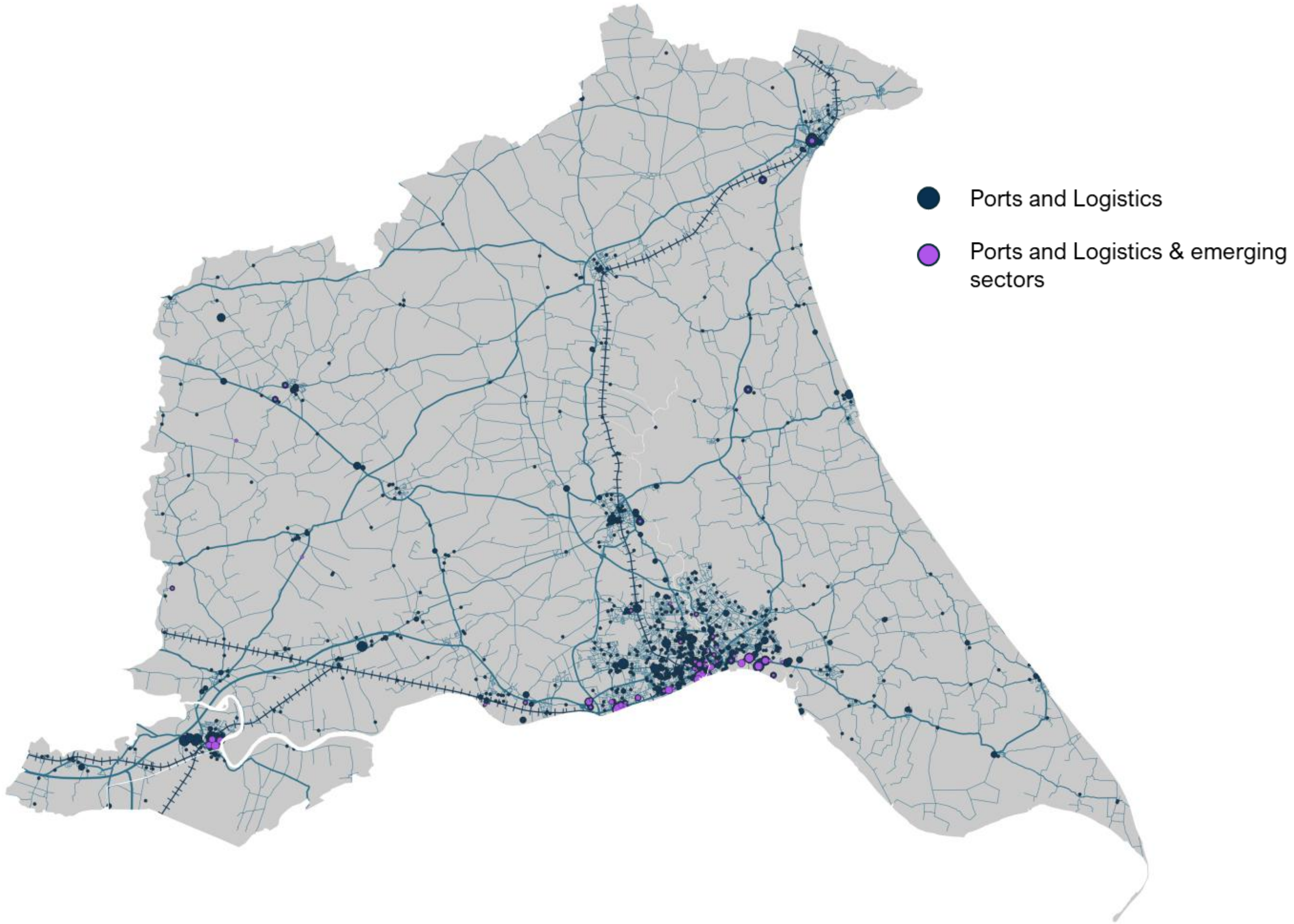
Through the natural endowment of its geography, Hull and East Yorkshire has a comparative advantage in marine and maritime sectors, especially for ports and logistics.

The ports and logistics sector includes all activities related to maritime logistics. It also includes additional activities complimentary to the maritime sector such as the construction and maintenance of ships and other floating structures.

As expected, there are several maritime logistics companies that are based in Hull and East Yorkshire, especially by the port. This includes companies such as:

- Global Shipping Services
- Boluda Towage.
- Den Hartogh Dry Bulk Logistics which specialises in handling chemical, gas, dry bulk and liquid food.

Ship repair companies are also headquartered in Hull, such as MMS and Dunstons. This sector has activity across the full region, but most activity happens along the Humber, particularly by the port in Hull.



Source: Metro Dynamics analysis of Data City data

Ports and Logistics performance in HEYCA

Size: Ports and Logistics accounts for a reasonable share of employment in Hull and East Yorkshire of over 6,600 workers and 725 businesses.

Value: The value of the ports and logistics sector in Hull and East Yorkshire is weaker compared to other sectors. Its GVA per job is £45,300 on average. However, the industry is valuable nationally and is important to support trade in the region. In 2024, the total value of exports out of Hull was £3.2bn, and a total import value of £18.1bn.

Specialism: Hull and East Yorkshire has a strong specialism in ports and logistics, with a concentration of employment and businesses nearly 50% higher than the national average.

Growth trends: There have not been any significant changes in the ports and logistics sector. There has been slight increases to size, but a slight decline to GVA and productivity. However, the wider transport and logistics sector, unrelated to maritime have seen significant declines to GVA and productivity.

Additional factors: Hull and East Yorkshire's geography and industrial heritage provides a strong opportunity to grow the ports and logistics sector.

Ports and Logistics sub-sector employment LQs

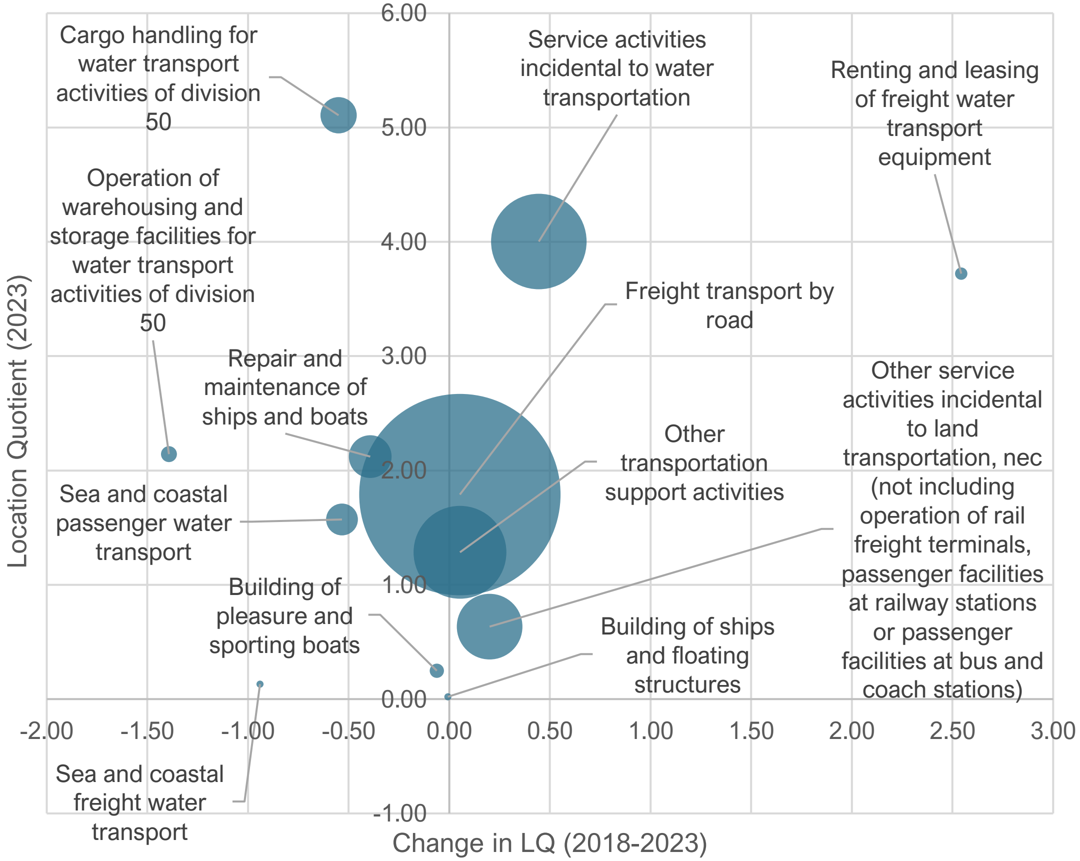


Chart Source: Business Register and Employment Survey (BRES), ONS 2023.

At Metro Dynamics, we **care** about places, our clients, and our colleagues.

We are an **independent** organisation, **curious** about our work, and **collaborative** in our approach. We strive to **make a difference** in all that we do.

10 Years

Metro —— Dynamics

3 Waterhouse Square
138 Holborn
London
EC1N 2SW

020 3865 3082

1 St Peter's Square
Manchester
M2 3DE

0161 8833736