

## Business Productivity & Competitiveness

### Productivity - Gross Value Added (GVA)

- Gross Value Added (GVA) is a key indicator of the productivity of an economy, measuring the contribution to the economy of each individual producer, industry or sector.
- Data on GVA is only published for certain areas, which means that data for Dudley is paired with that for Sandwell. The latest local data available is for 2008. The latest national and regional data available is for 2009.

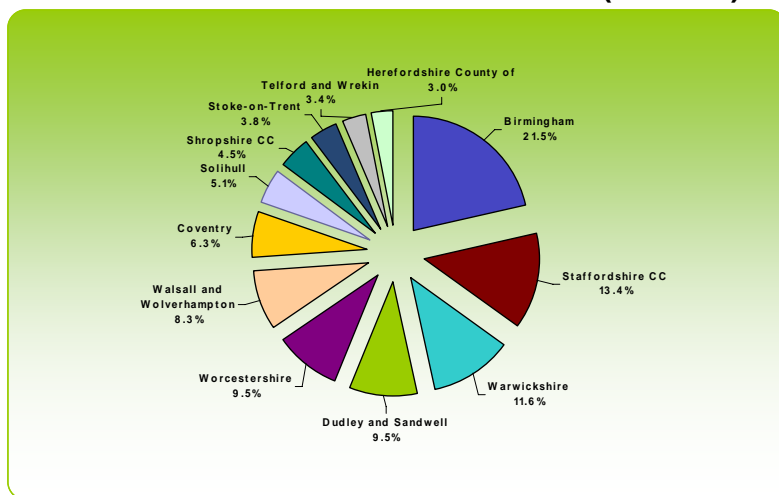
### Black Country Output Gap

- A key objective for the Black Country sub-region is to close the gap between the output performance of these areas, in terms of Gross Value Added (GVA) per head, compared with the UK average.
- The Black Country Output Gap has also continued to rise since 2001. It currently stands at £6.2bn, an increase of almost £1bn over the last year. In 2004, the output gap was £3bn.

### Total GVA

- Total GVA provides an indication of the overall economic output of the area.
- In 2008, Dudley's & Sandwell's economy was worth almost £9bn (total GVA), accounting for 9.5% of the total GVA for the WM region and making it the fourth largest economy in the region.
- In 2008, Birmingham and Staffordshire have the largest shares of total GVA in the WM region (21.5% and 13% respectively). Birmingham, Staffordshire and Warwickshire together contribute 47% of total GVA for the WM region.

### Local Shares of West Midlands Total GVA (£93.8bn) - 2008

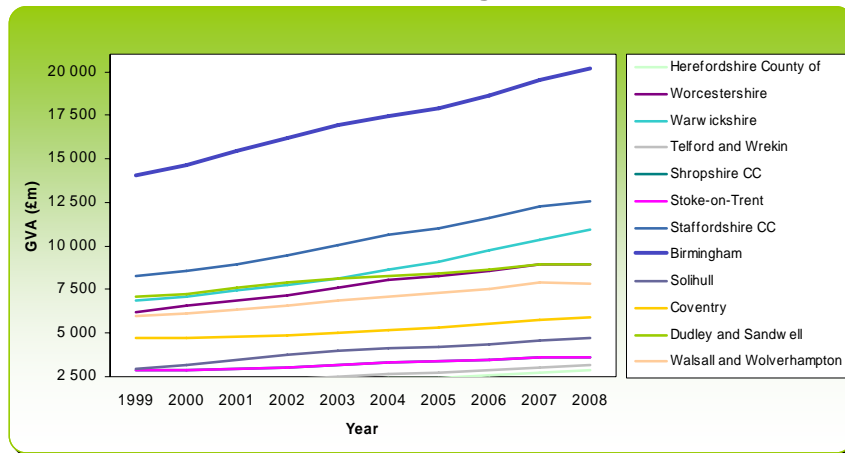


Source: ONS

- Total GVA for Dudley & Sandwell decreased by 0.3% (£27m) between 2007 and 2008, compared to almost 4% growth in the previous year. Total GVA in the West Midlands region grew by 2.2% (£2bn) over this period, the lowest rate of growth since 1996. Nationally, total GVA increased by 3.6%.
- Most areas in the WM region demonstrated an increase in total GVA between 2007 and 2008. The highest increases, above the national growth rate, were in Warwickshire (5.6%), Telford & Wrekin (5.4%) and Herefordshire (4.9%).

- Those areas experiencing negative growth in total GVA were Worcestershire (-0.1%), Stoke-on-Trent (0%), Dudley & Sandwell (-0.3%) and Walsall & Wolverhampton (-0.9%).
- However, all areas in the WM region saw a drop in the rate of growth in total GVA between 2007 and 2008, with the exception of Telford & Wrekin where total GVA increased by 5.4% compared to 5.1% for the previous year.
- In 2009, total GVA for the WM region was £91.2bn, a decrease of 2.75% and 7% of the UK total. London had the largest share of total GVA with 21.5% of the UK total.
- All regions saw a reduction in GVA in 2009. This is the first year to see a reduction in GVA across all regions since the start of GVA data time series in 1989. Overall, total GVA decreased by 3%. The largest decrease was in the East of England (3.2%) followed by the West Midlands (2.75%) and the South East (2.7%).
- Between 1999 and 2008, total GVA for Dudley and Sandwell increased by 26% (£1.9bn). This compared to a 42% increase for the WM region (£28bn). Nationally, total GVA increased by 56% over this period.

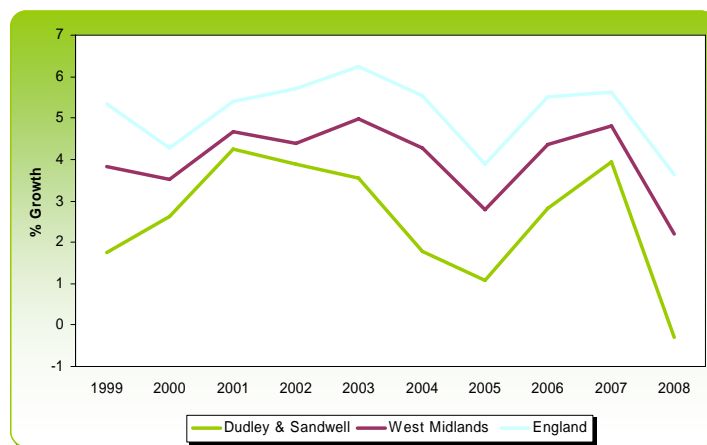
**Total GVA - West Midlands Strategic Authorities - 1999- 2008**



Source: ONS

- Between 1999 and 2008, the annual growth rate in total GVA for Dudley & Sandwell has consistently been below levels of growth regionally and nationally.

**Total GVA - Annual Growth Rates - 1999-2008**

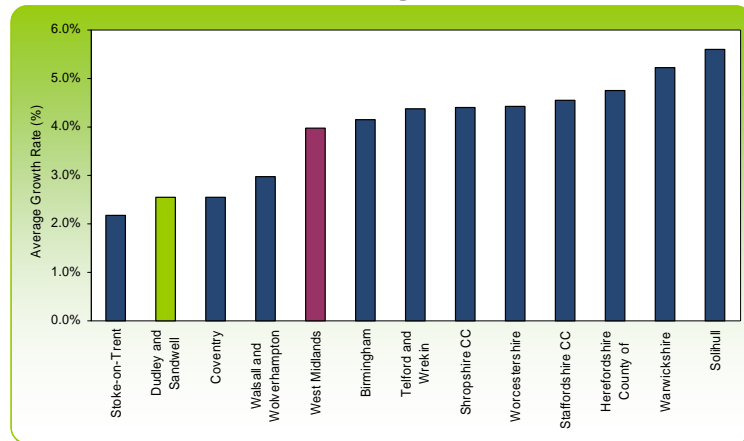


Source: ONS

- Between 1999 and 2008, the average annual growth rate for Dudley and Sandwell was 2.5%, the second lowest rate of growth in the WM region. This compares to 4.0% for the WM region and 5.0% for England.

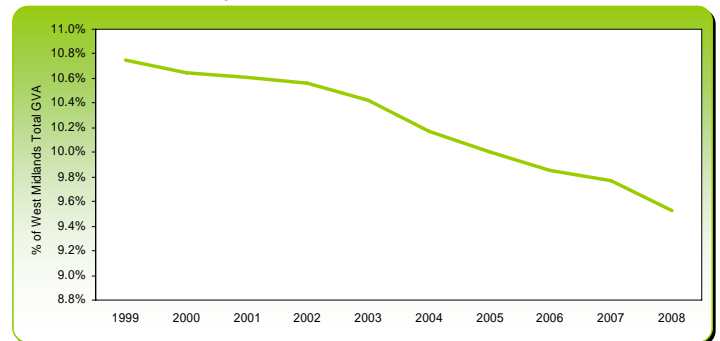
- Stoke-on-Trent is growing at a faster rate than all other areas, increasing its total GVA on average by 5.6% per year. Solihull demonstrates the lowest average annual growth at 2.1%.

**Total GVA - Average Annual Growth  
West Midlands Region - 1999-2008**



Source: ONS

**Contribution to West Midlands Total GVA  
Dudley & Sandwell - 1999 - 2008**



Source: ONS

- Whilst making a significant contribution to total GVA for the region, and showing some growth over the period 1999-2008, Dudley's & Sandwell's contribution to regional GVA is steadily reducing.

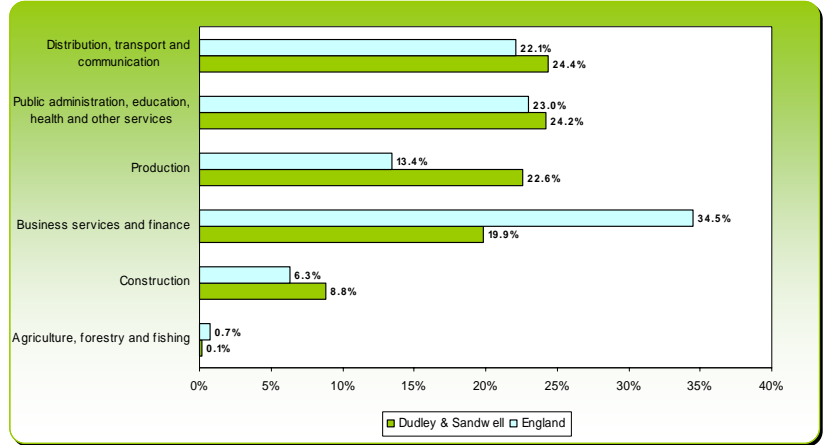
Total GVA - West Midlands Region							
West Midlands Strategic Authorities	1999		Change 1999-2008 (%)	2008		Change 2007-2008 (%)	Average Annual Growth Rate 1999-2008
	Total GVA (£m)	% of WM Total		Total GVA (£m)	% of WM Total		
Birmingham	14,074	21.4	38.9	20,182	21.5	3.2	4.2
Staffordshire	8,307	12.6	47.6	12,558	13.4	2.4	4.6
Warwickshire	6,848	10.4	50.9	10,910	11.6	5.6	5.2
<b>Dudley &amp; Sandwell</b>	<b>7,081</b>	<b>10.8</b>	<b>26.2</b>	<b>8,936</b>	<b>9.5</b>	<b>-0.3</b>	<b>2.5</b>
Worcestershire	6,210	9.4	43.8	8,921	9.5	-0.1	4.4
Walsall & Wolverhampton	5,981	9.0	31.6	7,804	8.3	-0.9	3.0
Coventry	4,736	7.2	22.1	5,896	6.3	2.0	2.5
Solihull	2,951	4.5	55.8	4,744	5.1	3.2	5.6
Shropshire	2,813	4.3	45.7	4,175	4.5	1.9	4.4
Stoke-on-Trent	2,860	4.3	25.4	3,586	3.8	0	2.1
Telford & Wrekin	2,137	3.2	42.2	3,203	3.4	5.4	4.4
Herefordshire	1,895	2.9	42.9	2,840	3.0	4.9	4.8

Source: ONS

## Total GVA by Industry Sector

- Total GVA is influenced by the types of industries operating in the area. In 2008, the industry sector which generated the highest level of GVA output in Dudley & Sandwell, almost one quarter of total GVA, was the distribution, transport and communications industry (24%). This is the highest GVA output in this sector in the West Midlands metropolitan area and above the national average (22%).

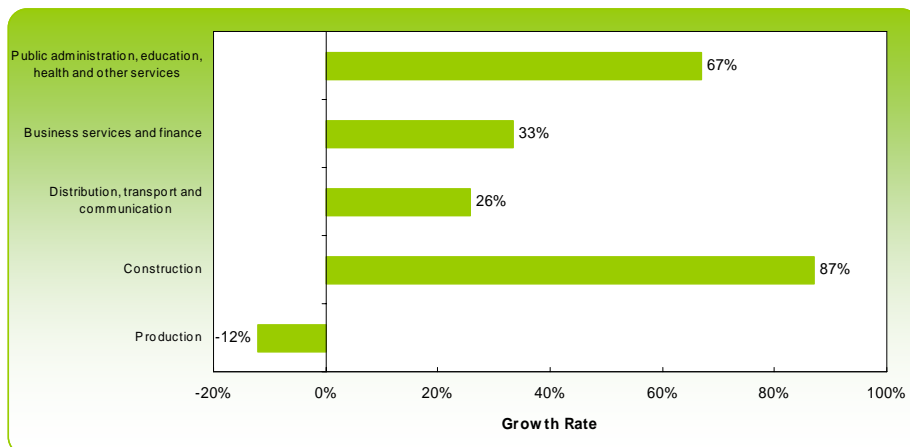
**Total GVA by Industry Sector - Dudley & Sandwell - 2008**



Source: ONS

- Dudley & Sandwell have the highest level of GVA output in the production sector in the West Midlands metropolitan area.
- Nationally, the business services and finance sector accounts for the highest level of total GVA output.
- In 1999, the highest level of GVA output in Dudley & Sandwell was generated by the production sector (32.5%), followed by distribution, transport and communications (24%) and business services and finance (19%). The most notable change for Dudley & Sandwell is the increase in public administration, education, health and other services from 18% of Dudley & Sandwell's total GVA output in 1999 to 24% in 2008.
- Over the 10 year period, between 1999 and 2008, all industry sectors in Dudley & Sandwell experienced growth in GVA output, with the exception of the production sector which decreased by 12%. Growth has been driven by the construction sector which grew by 87% (£367m), followed by public administration, education, health and other services which increased by 67% (£868m).

**Total GVA by Industry Sector - Dudley & Sandwell  
Growth Rate - 1999-2008**



Source: ONS

Total GVA by Industry Sector - Dudley & Sandwell				
Industry Sector	Total GVA 1999 (£m)	Total GVA 2008 (£m)	Change 1999-2008	
			£m	%
Agriculture, forestry and fishing	3	11	8	267
Production	2300	2021	- 279	-12
Construction	422	789	367	87
Distribution, transport and communication	1730	2 177	447	26
Business services and finance	1331	1 775	444	33
Public administration, education, health and other services	1295	2 163	868	67

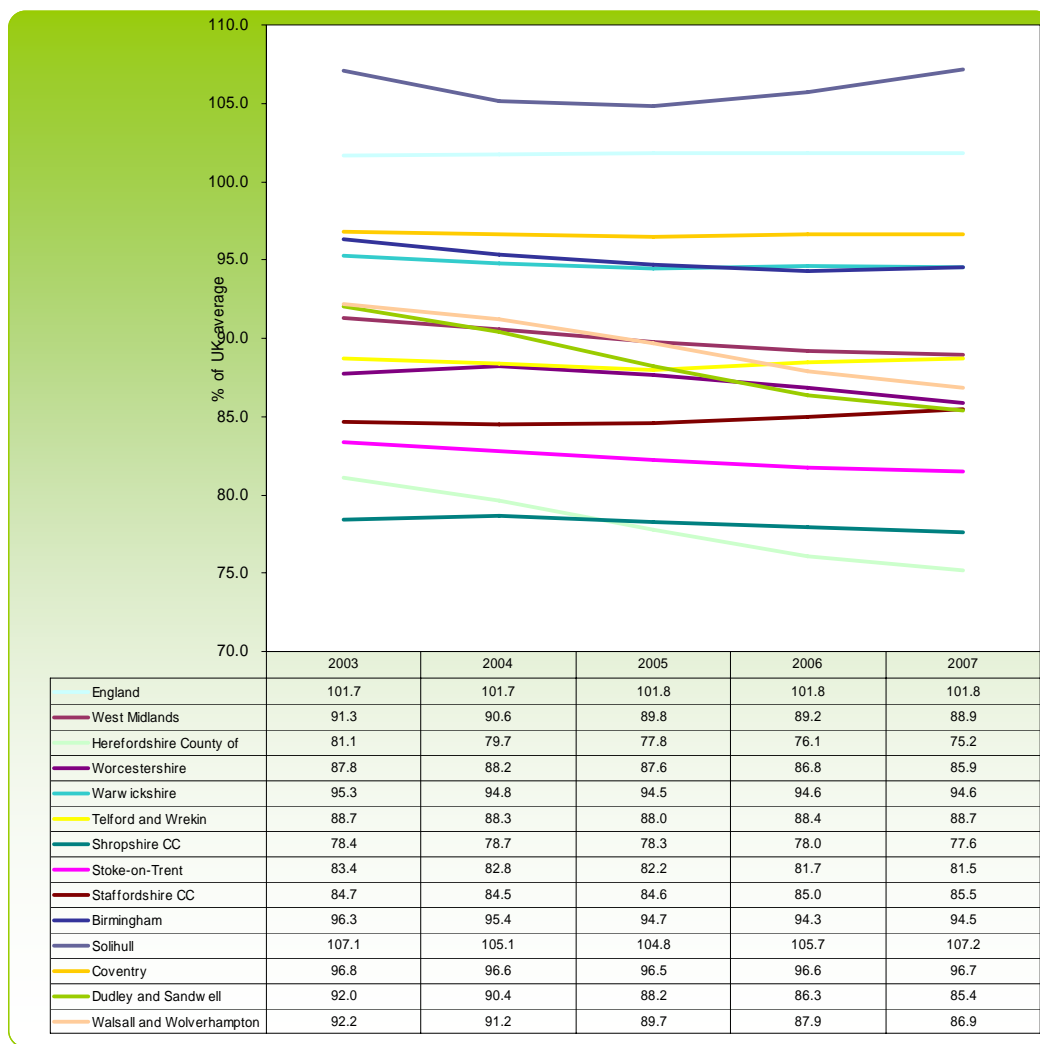
Source: ONS

- All areas in the West Midlands metropolitan area experienced the largest growth rate in GVA output in the construction sector over the period 1999 to 2008, with the exception of Coventry which saw the highest rate of growth in the business services and finance sector.
- The largest amount of growth in GVA output was in the business services and finance sector for Birmingham (£2.8bn), Solihull (£733m) and Coventry (£787m) and in public administration, education, health and other services for Dudley & Sandwell (£868m) and Walsall & Wolverhampton (£773m). Dudley & Sandwell had the second highest amount of growth in public administration, education, health and other services after Birmingham (£2.4bn).
- All areas in the West Midlands metropolitan area saw a decrease in GVA output in the production sector between 1999 and 2008, with the exception of Solihull, with a slight increase of almost 1%. Coventry experienced the largest decrease (41%).

#### GVA per filled job

- The latest data available for GVA per filled job is for 2007.
- In 2007, Dudley & Sandwell had the fourth lowest GVA per filled job in the West Midlands region (85.4% of the UK average). This is a reduction from 86.3% in 2006 and is below the West Midlands figure, 88.9% of the UK average.
- Between 2003 and 2007, all areas within the West Midlands metropolitan area saw a decrease in GVA per filled job, with the exception of Solihull which demonstrated a small increase of 0.1.
- Dudley and Sandwell accounted for the largest reduction followed by Walsall and Wolverhampton. In 2003, GVA per filled job in Dudley & Sandwell was 8% below the UK average. In 2007, the gap with the UK average increased to 14.6%.
- All areas have consistently performed below the national average with the exception of Solihull.

## GVA per filled job - West Midlands Region 2003-2007

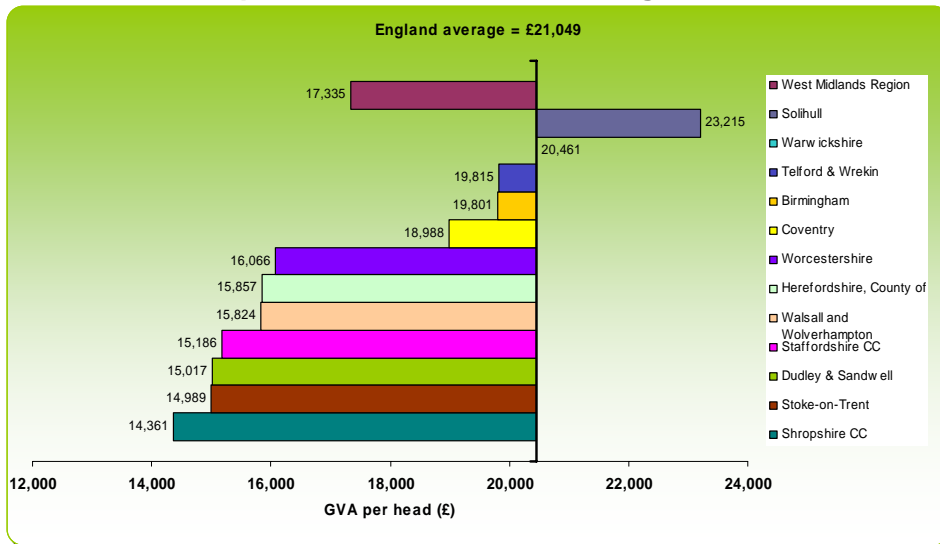


Source: ONS

### GVA per head

- GVA per head can be affected by a number of factors such as commuting levels, worklessness and business performance.
- GVA per filled job in Dudley & Sandwell is closer to the West Midlands average than GVA per head. In 2008, GVA per head was 71.3% of the UK average compared to 83.4% for the West Midlands region. This gap of 16% compares to a 3.5% gap in GVA per filled job between Dudley & Sandwell and the West Midlands region.
- GVA per head of population in Dudley & Sandwell was estimated to be £15,017 in 2008. This is lower than the West Midlands region of £17,335 and is significantly lagging behind the England average of £21,049.
- Dudley & Sandwell had the third lowest GVA per head in the WM region.

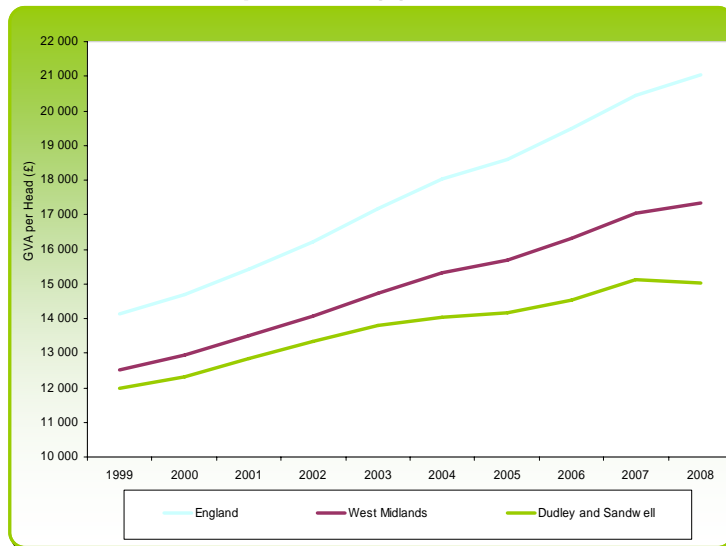
### GVA per head - West Midlands Region - 2008



Source: ONS

- The growth rate for Dudley and Sandwell between 2007 and 2008 was -0.7% compared to a 1.7% increase for the West Midlands region and 3% for England.
- Over the period between 1999 and 2008, GVA per head for Dudley and Sandwell increased by 25%. This compares to 39% for the West Midlands region and 49% for England.
- However, whilst GVA per head is showing an increase, the average annual growth rate for Dudley & Sandwell between 1999 and 2008 is 2.5% (second lowest in the WM Region) compared to 3.7% for the WM region and 4.6% nationally.

### GVA per head (£) - 1999-2008



Source: ONS

- The gap in GVA per head between Dudley & Sandwell and the national average is increasing. In 1999, the gap in GVA per head between Dudley & Sandwell and the UK average was £2,170 (84.6% of the UK average). In 2008, this gap has widened to slightly over £6,000 (71.3% of the UK average).

## Earnings

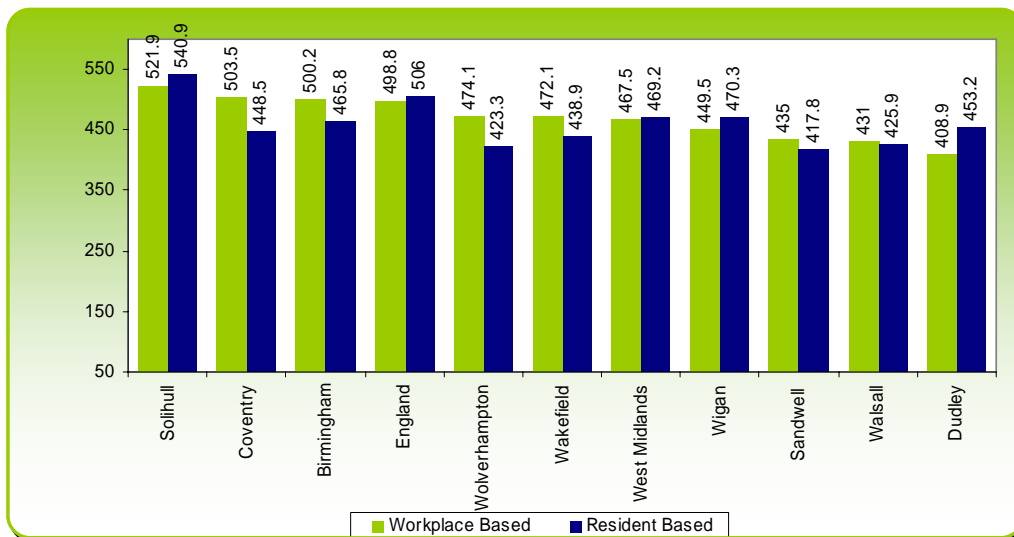
- Earnings provide an indicator of the competitiveness of the area's labour market. Earnings information is available for people working in the area (workplace earnings), where people may or may not live in the area, and people living in the area (resident earnings), where people may or may not work in the area.

## Workplace Earnings

### Average Gross Weekly Full Time Earnings

- In 2010, average (median) gross weekly earnings for people working full time in Dudley Borough were £408.90. This is below the average weekly earnings for the WM region (£467.50) and England (£504.50).
- Dudley Borough has the lowest level of workplace weekly earnings in the Black Country and the comparison group. Coventry has the highest level of weekly earnings in the comparison group (£503.50).
- Dudley Borough's workplace weekly earnings saw a decrease between 2009 and 2010 (-0.2%). This compares to an increase of 2.4% regionally and 0.7% nationally.

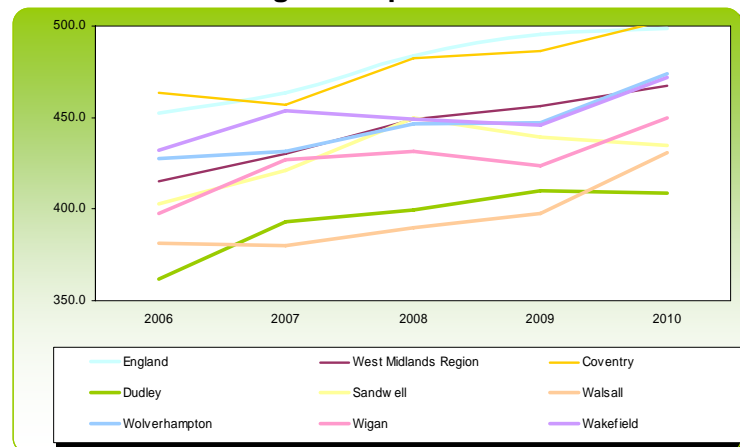
**Median Gross Weekly Full Time Earnings - 2010**



Source: ASHE, 2010

- Over the period 2006 to 2010, weekly workplace earnings for Dudley Borough increased by 13%, compared to 12.7% for the WM region and 10.3% for England.
- Dudley Borough has the second highest rate of growth in the comparison group. Wigan and Walsall experienced the highest rate of growth in weekly earnings (13.1%) and Sandwell displayed the lowest level of growth (8.0%).
- In 2006, weekly earnings in Dudley Borough were 80% of the national average. In 2010, the gap has reduced slightly with earnings at 82% of the national average.

**Median Gross Weekly Full Time Earnings Workplace - 2006 - 2010**



Source: ASHE



### Median Gross Full Time Weekly Earnings (Workplace)

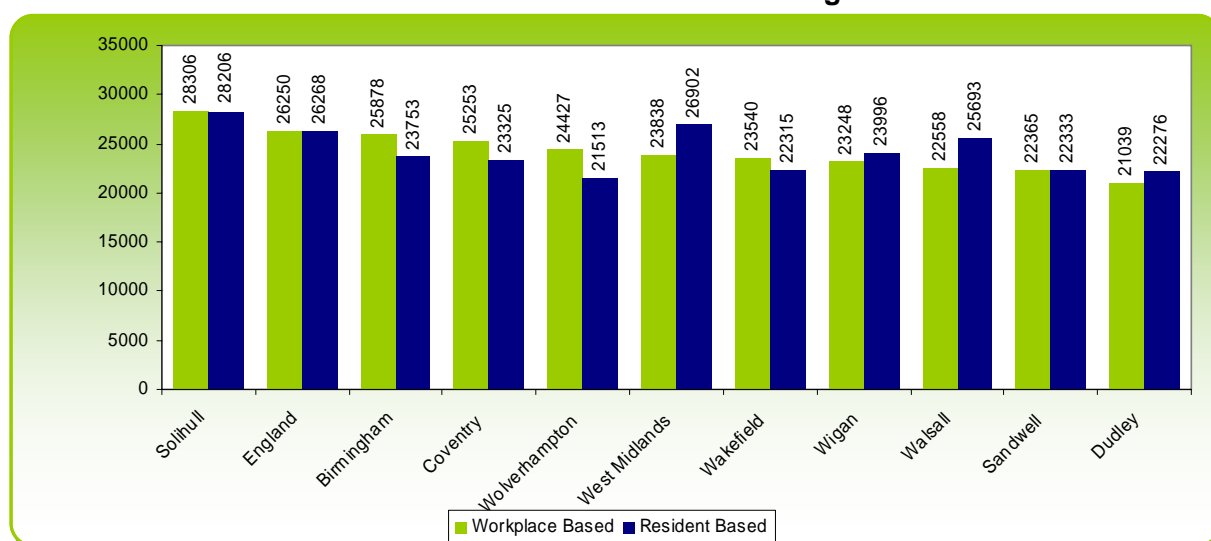
Area	2006 (£)	2010 (£)	Change 09-10 (%)	Change 06-10 (%)	% of WM average		% of England average	
					2006	2010	2006	2010
<b>Dudley</b>	<b>361.7</b>	<b>408.9</b>	<b>-0.2</b>	<b>13.0</b>	<b>87</b>	<b>88</b>	<b>80</b>	<b>82</b>
Sandwell	402.6	435.0	-1.0	8.0	97	93	89	87
Walsall	381.1	431.0	8.4	13.1	92	92	84	86
Wolverhampton	427.5	474.1	6.0	10.9	103	101	95	95
Black Country	393.2	437.3	3.3	11.2	95	96	87	88
West Midlands Region	414.9	456.4	2.4	12.7	-	-	92	92
England	452.3	495.2	0.7	10.3	-	-	-	-
Coventry	463.6	486.1	3.6	8.6	112	108	103	101
Wigan	397.5	423.5	6.1	13.1	96	96	88	90
Wakefield	432.0	446.0	5.9	9.3	104	101	96	95

Source: ASHE

### Median Gross Annual Full Time Earnings

- In 2010, average (median) gross annual full time earnings for people working full time in Dudley Borough were £21,039, a decrease of 1.7% from 2009. This is below the West Midlands average (£23,838) and the England average (£26,250).
- Dudley Borough has the lowest level of annual earnings in the Black Country and the comparison group. Coventry has the highest level of annual earnings in the comparison group (£25,253).

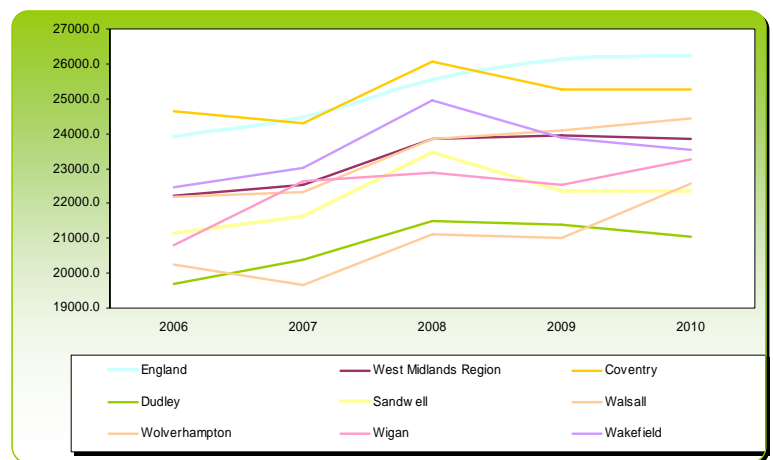
### Median Gross Annual Full Time Earnings - 2010



Source: ASHE, 2010

- Between 2009 and 2010, Dudley Borough saw the highest decrease in annual earnings in the comparison group (-1.7%). Annual earnings for the WM region decreased by 0.5%. Nationally, annual earnings increased by 0.4%, compared to a 2.3% increase for the previous year. Walsall experienced the greatest increase in annual earnings (7.4%).
- Between 2006 and 2010, the rate of growth in annual earnings for Dudley Borough was 6.9%, which is lower than the WM region (7.3%) and England (9.7%).
- Dudley Borough saw continued growth in annual earnings from 2005 to 2008; however, this has slowed from this point onwards.
- Dudley Borough demonstrated the fourth lowest rate of growth in the comparison group between 2006 and 2010. The highest rate of growth was in Wigan (11.8%) and the lowest growth rate was in Coventry (2.4%).
- The gap between Dudley Borough regional and national earnings levels is widening.
- In 2006, the gap between annual earnings in Dudley Borough and regional earnings was £1,768 (92% of regional average). In 2010, this has increased to almost £2,800 (88% of regional average).
- The gap between earnings levels in Dudley Borough and national average earnings is even more significant. In 2006, the gap was £4,200 (82% of the national average) increasing to over £5,200 in 2010 (80% of the national average).

**Median Gross Annual Full Time Earnings  
2006 - 2010**



Source: ASHE

Median Gross Full Time Annual Earnings (Workplace)						
Area	2006 (£)	2010 (£)	Change 09-10 (%)	Change 06-10 (%)	% of England average	
					2006	2010
<b>Dudley</b>	<b>19,679</b>	<b>21,039</b>	<b>-1.7</b>	<b>6.9</b>	<b>82</b>	<b>80</b>
Sandwell	21,149	22,365	0.0	5.7	88	85
Walsall	20,230	22,558	7.4	11.5	97	86
Wolverhampton	22,185	24,427	1.4	10.1	93	93
Black Country	20,811	22,597	1.7	8.6	87	86
West Midlands Region	22,208	23,838	-0.5	7.3	93	91
England	23,920	26,250	0.4	9.7	-	-
Coventry	24,656	25,253	-0.1	2.4	103	96
Wigan	20,788	23,248	3.1	11.8	87	89
Wakefield	22,466	23,540	-1.4	4.8	94	90

Source: ASHE

## Resident Earnings

- Residents in Dudley Borough earn more than people working full time in the area, both for weekly and annual earnings. This reflects the level of out-commuting from the Borough.
- In 2010, residents working full time earned on average £453.20 weekly compared to £408.90 for employees. This is below the regional and national average earnings (£469.20 and £506.00 respectively).
- Gross full time annual earnings were £22,276 (compared to £21,069 for employees), and again this is below the West Midlands average of £23,902 and the England average of £26,268.
- Residents' weekly earnings have increased by 4.4% from £434.00 in 2009. This is the second highest increase in the comparison group and is a higher rate of growth than that experienced regionally (2.6%) and nationally (2.0%). The highest percentage increase in the comparison group was seen in Wigan (5.6%). Wolverhampton was the only area in the comparison group to experience a decrease (-0.4%).
- Between 2006 and 2010, the rate of growth in residents' weekly earnings for Dudley Borough was 13.6%, compared to 11.7% for the WM region and 11.6% for England.
- Annual full time earnings increased by 6.7% over the same period compared to 7.2% regionally and 9.7% nationally.

## Earnings - Male & Female

- Weekly full time workplace earnings for male full time employees are £422.90, an increase of 0.4% from 2009.
- Weekly full time workplace earnings for female full time employees have increased by 4% from 2009. Weekly full-time workplace earnings for females are almost 10% lower than earnings for males.
- Weekly workplace earnings for males and females, both full time and part time, are below regional and national earnings levels.
- Full time earnings for male and female residents are below regional and national earnings. Part time earnings for female residents are above regional and national average earnings.
- Figures for resident male part time earnings are unavailable due to small sample issues.

### Median Gross Weekly Full Time Earnings - 2010

Area	Workplace Earnings				Residence Based			
	Male Full Time	Male Part Time	Female Full Time	Female Part Time	Male Full Time	Male Part Time	Female Full Time	Female Part Time
<b>Dudley</b>	<b>422.9</b>	<b>123.7</b>	<b>379.2</b>	<b>141.7</b>	<b>476.4</b>	<b>-</b>	<b>400.7</b>	<b>161.5</b>
West Midlands Region	502.8	139.3	400.0	154.4	503.9	141.9	401.9	157.6
England	546.2	142.6	442.2	156.7	547.2	143.8	443.0	157.5

Source: ASHE, 2010