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Manchester Drives Growth in UK Regional Productivity

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Greater Manchester is emerging as a leader in regional productivity, narrowing the long-standing gap with London. Between 2004 and 2023, the city recorded the highest rise in gross value added (GVA) per hour worked of any combined authority in the UK, with growth reaching 31% over that period.

While London remains the most productive region, significant disparities persist across the country. Many areas outside the capital and the south-east still fall below the national average. Manchester's strong performance, however, shows the potential for regional economic revival through coordinated investment and long-term planning.

Experts point to several drivers of Manchester's progress. Public funding has helped attract private investment, a principle often described as "crowding in." The city has consistently ranked among the top destinations outside London for foreign direct investment projects in recent years. Its leading universities, combined with strong partnerships between local authorities and businesses, have also provided a foundation for growth.

Manchester's regeneration has deep historical roots. After the 1996 IRA bombing, large-scale initiatives revitalised the city centre. The 2002 Commonwealth Games, the development of Salford's MediaCity, the expansion of the Metrolink transit system, and cultural projects such as The Lowry all contributed to building a more dynamic economy. Continued infrastructure investment has supported faster job creation and higher levels of economic activity compared to the UK average.

Despite this progress, challenges remain. Rising house prices and rents are limiting access to affordable housing, raising concerns about the inclusivity of growth. Local leaders emphasise that new development must provide opportunities for all communities and ensure pathways to participate in the modern economy.

Manchester's experience offers lessons for national policy. Analysts suggest that supporting regional growth requires consistent investment, devolved decision-making, and collaboration across public and private sectors. Encouraging productivity outside London could help reduce the UK's long-standing regional disparities and strengthen overall economic stability.

With the autumn budget approaching, policymakers are expected to consider strategies to boost productivity and regional development. Manchester's trajectory demonstrates how coordinated local efforts, sustained investment, and strong civic leadership can deliver long-term economic improvement.