

**Manufacturers in the East of England are seeing a mixed economic picture for the second half as concerns of a downturn loom due to a slower consumer spending and weaker overseas demand.**

After a robust performance in the first half, the trend has reversed as global markets soften, according to a survey from Make UK and BDO. This is reflected in negative output figures of -14 per cent. But output and order levels for the final quarter in the region are notably strong (+36 per cent and +38 per cent respectively) and well above the national average. Recruitment in the region, which was strong in the last quarter, is projected to weaken and investment intentions have also dropped, falling below the national average.

Keith Ferguson, head of manufacturing at BDO in the East of England, said: “East of England manufacturers are starting to feel the squeeze as the Bank of England’s plan to stamp out inflation takes hold. In the absence of an overarching industrial strategy from government, businesses will be tightening their purse strings, protecting margins and focusing on building operational efficiencies over the next few months.”

Make UK and BDO are predicting a contraction of -0.5 per cent, a slight decline from the earlier forecast. Forecasts for 2024 have also been downgraded, with expected growth at just 0.5 per cent, down from the earlier estimate of 0.8 per cent.