14 October 2026

NatWest South East Growth Tracker

South East tops UK confidence rankings as growth continues





NatWest

PMI® by S&P Global

14 October 2026

NatWest South East Growth Tracker

Contents

Key findings

Business activity

Comment

Demand and outlook

Export markets

Jobs and capacity

Inflation

UK Regional Growth Tracker

UK sectors

Methodology and data

Further information

NatWest

PMI® by S&P Global

Key findings

September 2026

South East records one of the strongest growth performances in the UK

Business confidence strongest of all UK regions

Demand continues to rise as firms look ahead positively

The NatWest South East Growth Tracker provides a timely snapshot of regional economic performance.

The report tracks monthly changes in business activity, demand, employment, backlogs, prices and the year-ahead outlook. The data are compiled from local companies that participate in S&P Global's UK manufacturing and services PMI surveys.

For more reports on 12 UK nations and regions, visit www.natwest.com/business/insights/economics



© 2026 S&P Global



South East tops UK confidence rankings as growth continues

Latest NatWest South East Growth Tracker data signalled further growth in output and new orders, with rates of expansion outpacing respective national averages. Confidence in the outlook was the most upbeat since January, despite price pressures picking up.

From 52.7 in August, the headline South East Business Activity Index was broadly unchanged at 52.6 in September. This marked the sixth successive month of growth in private sector output.

In anecdotal evidence, panellists linked the rise in activity to new contract wins, improved client demand conditions and generally stronger order books.

Although moderate in nature and one of the strongest of the 12 UK areas (behind London and Northern Ireland), the upturn was the weakest in three months.

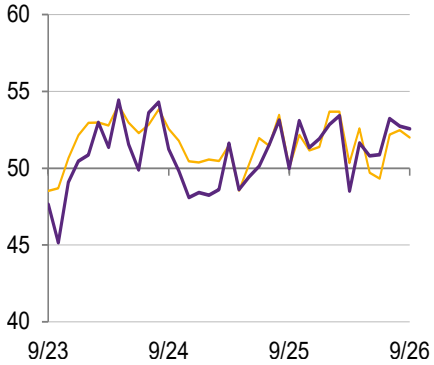
NatWest South East Business Activity Index September 2026

52.6

The Business Activity Index is a diffusion index calculated from companies' responses to a question on monthly changes in the volume of business activity. The index varies between 0 and 100 and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted.

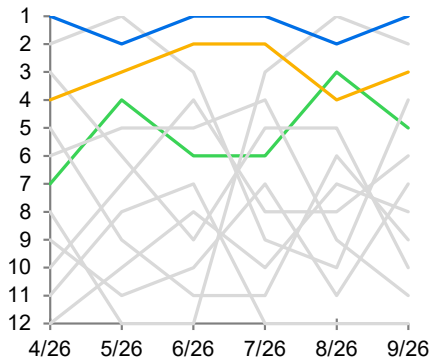
Data compiled 10-28 September

Business Activity
South East UK
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

London South West
South East
Business Activity Index, UK ranking



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Return to contents

© 2026 S&P Global

Comment

Catherine van Weenen, NatWest's Regional Managing Director, Commercial Mid-Market, for London & South East said:

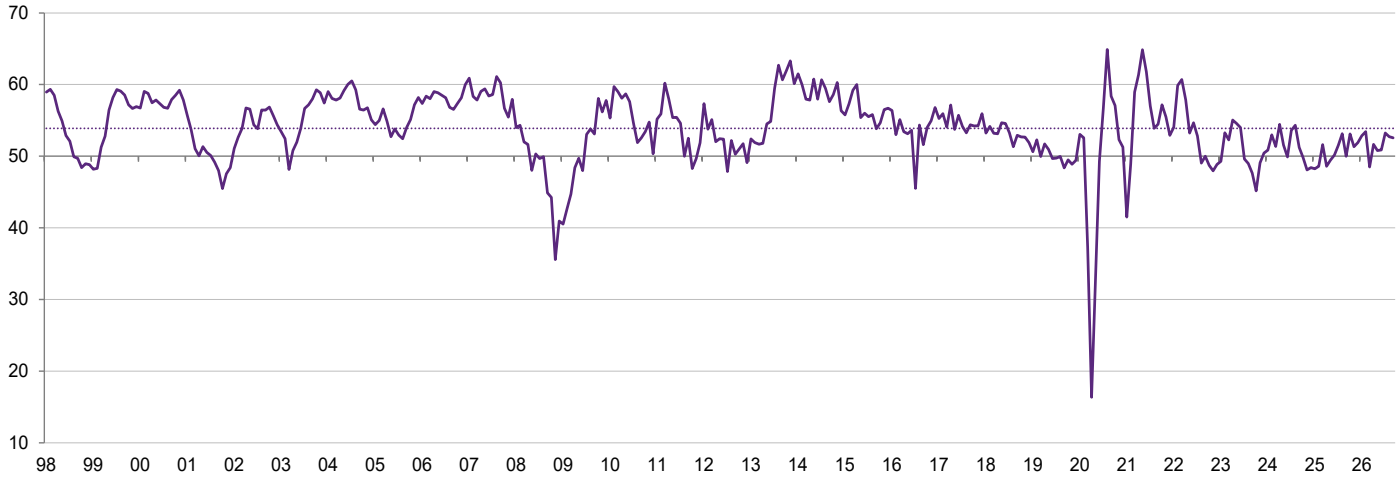
"The South East enters the final quarter of the year with real momentum behind it. Businesses are continuing to win new work, demand is improving and confidence is stronger here than anywhere else in the UK.

"It's encouraging to see firms looking ahead with growing optimism, supported by healthy pipelines and plans to invest and grow. While cost pressures remain a challenge, businesses across the region are showing resilience and are entering the final months of the year from a position of strength."



Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average since 1998.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global



Demand and outlook

Growth in new business volumes sustained for full quarter

September data indicated a third successive monthly increase in new work volumes across the South East private sector. In the qualitative part of the survey, firms reported a pick-up in demand, greater optimism among clients and successful marketing efforts.

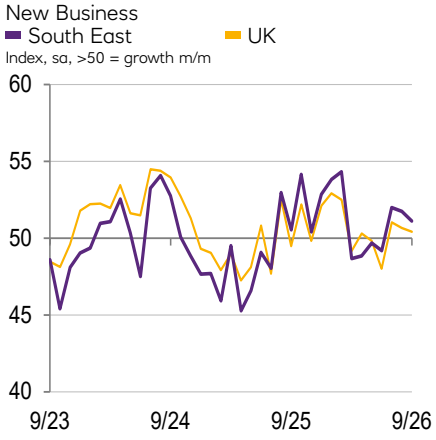
Although the rate of expansion was its slowest in three months and only marginal overall, it was stronger than the UK-wide trend.

There was a noticeable improvement in firms' expectations towards the next 12 months in September. The level of confidence rose to its highest since the start of the year and was the strongest of the 12 monitored UK areas.

Efforts to attract new customers, the planned launch of new products, greater marketing spend and generally stronger pipelines were reasons to be optimistic.

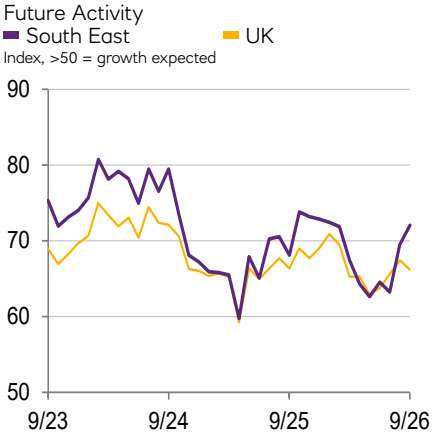
"Businesses are continuing to win new work, demand is improving and confidence is stronger here than anywhere else in the UK."

New Business



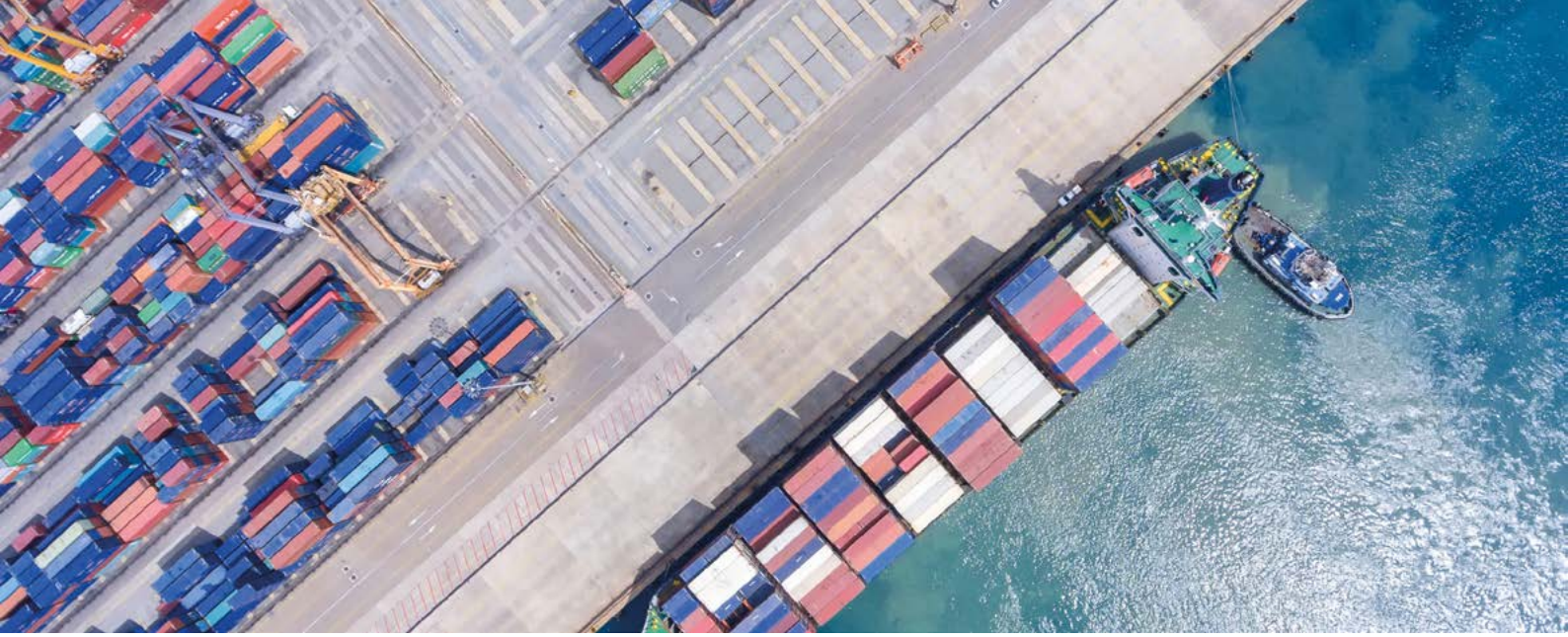
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Future Activity



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global



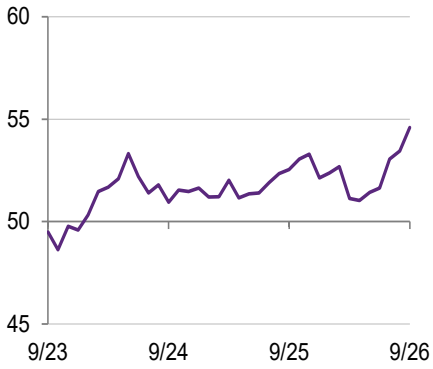
Export markets

Strongest improvement in export climate for South East since April 2022

The South East Export Climate Index (ECI) pushed higher to 54.6 in September. Up from 53.4 in August, this was the strongest reading in almost four-and-a-half years.

All five of the South East's key export markets imparted positive directional influences. Growth in output was particularly strong in the US, the Netherlands and Ireland, while expansions were also signalled in Germany and France.

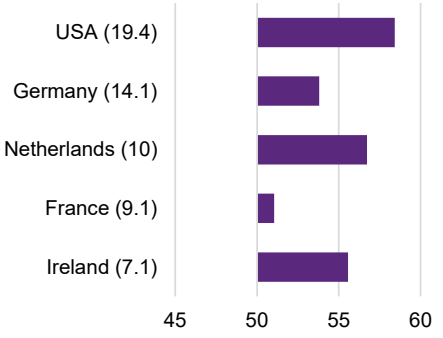
Export Conditions
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

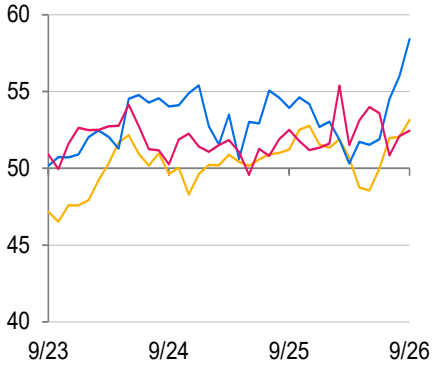
The South East Export Climate Index (ECI) is an indicator for the economic health of the region's export markets. It is calculated by combining national PMI output data, weighted according to each nation's share of manufacturing exports of the South East. A reading above 50 signals an improvement in export conditions, and below 50 a deterioration.

Top export markets, South East
% share of exports shown in brackets
Output Index, sa, >50 = growth m/m Sep '26



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Output
Eurozone US China
Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global



Jobs and capacity

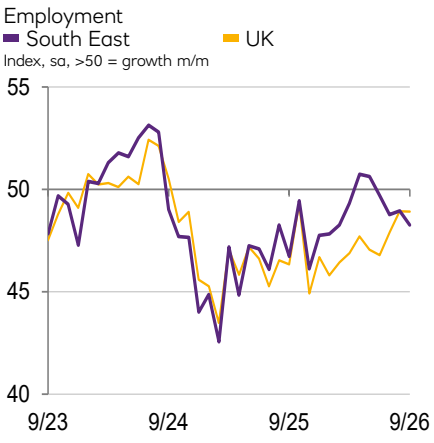
South East firms continue to cut employment in September

Latest data marked the fourth reduction in payroll numbers at South East companies in as many months. Efforts to streamline operations and to protect margins were noted by panellists. While some firms reported redundancies, others opted against the replacement of leavers.

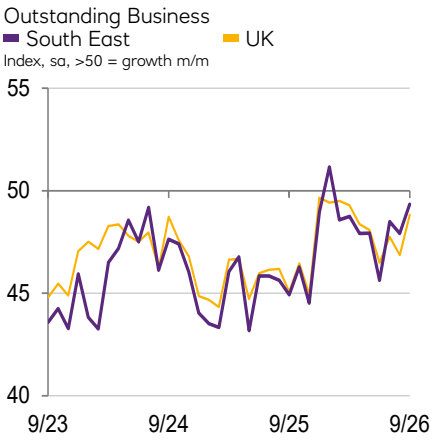
The rate of job losses was only modest in nature, but it was the most pronounced since February and stronger than the UK average.

South East private sector businesses signalled a further drop in volumes of backlogged orders at the end of the third quarter, thereby stretching the current trend of reduction to eight months. Respondents noted having sufficient capacity to work through existing orders.

The rate of backlog depletion was only slight, however, and the weakest seen across the aforementioned period. Compared to the national average, the local drop in work outstanding was only mild.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global



Inflation

Inflationary pressures rise across South East economy

Average cost burdens faced by firms in the South East rose at a substantial pace in September. The rate of cost inflation was the strongest seen across the third quarter, though was broadly in line with the UK-wide trend.

Survey respondents noted paying more for raw materials (often those derived from oil), fuel and transport. The conflict in the Middle East and raised levels of uncertainty were reported as the key drivers of cost pressure.

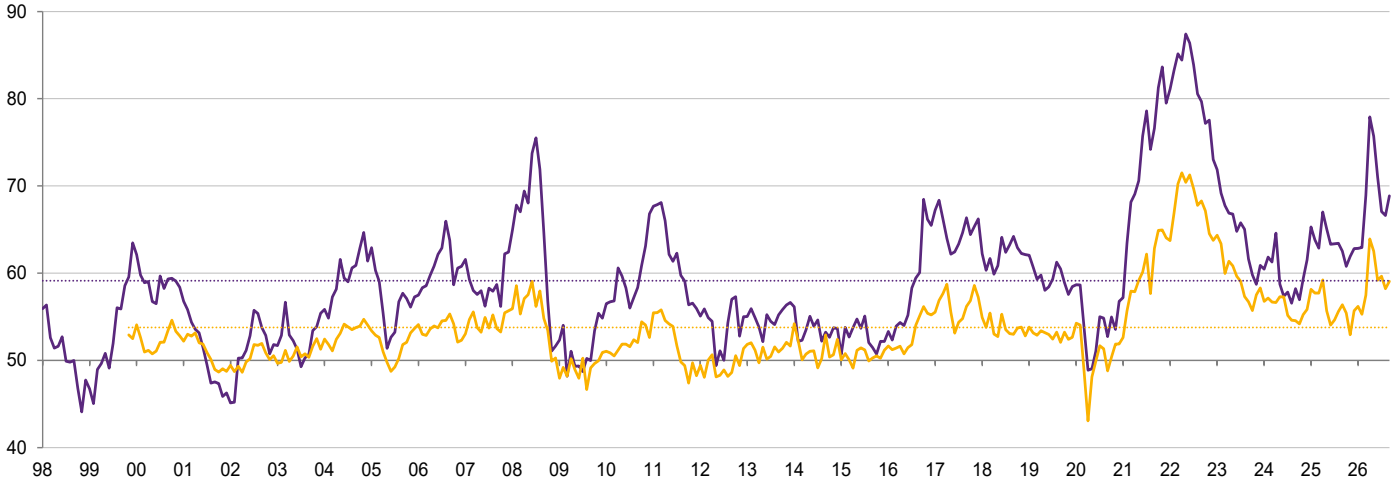
Prices charged for the provision of South East goods and services increased at a steeper rate at the end of the third quarter. The rate of selling price inflation, although less marked than that of costs, was substantial and more pronounced than the national average.

Where firms noted passing through higher costs to customers, they linked this to efforts to protect margins.

"While cost pressures remain a challenge, businesses across the region are showing resilience..."

Input Prices Output Prices

Index, sa, >50 = inflation m/m. Dots = long-run average since 1998.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global

UK Regional Growth Tracker

Business Activity

The majority of the 12 UK nations and regions monitored by the Growth Tracker saw an increase in business activity in September. London saw the steepest expansion, while the North East, West Midlands and East Midlands each recorded renewed increases in output. Scotland and the North West both recorded modest falls in activity.

Employment

Employment rose across more areas in September, the number rising from just two in August to five at the end of the third quarter – the most since November 2024. Scotland maintained the fastest rate of job creation, as has been the case in each of the past four months. At the other end of the scale, the West Midlands meanwhile saw the steepest reduction in workforce numbers.

Future Activity

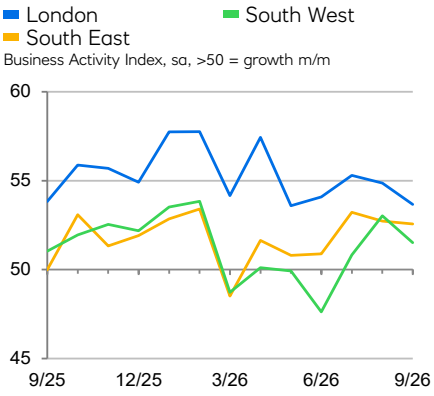
There was once again widespread optimism towards the outlook for activity over the next 12 months. Expectations did, however, ease in the majority of cases. One exception was the South East, which recorded the highest overall degree of optimism, while Wales registered the most marked improvement in confidence from the month before.



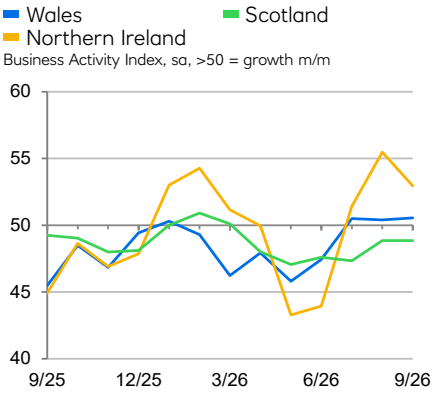
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



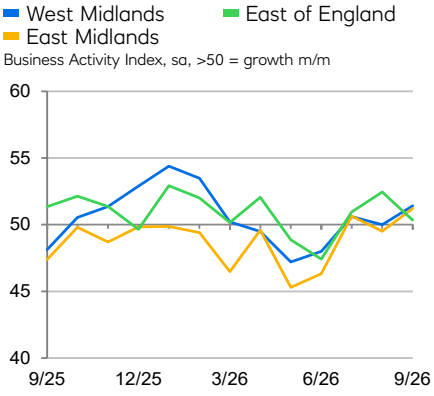
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



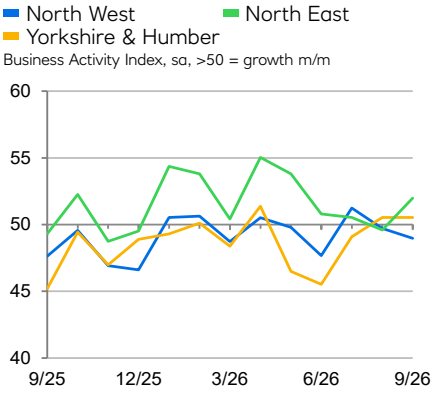
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.



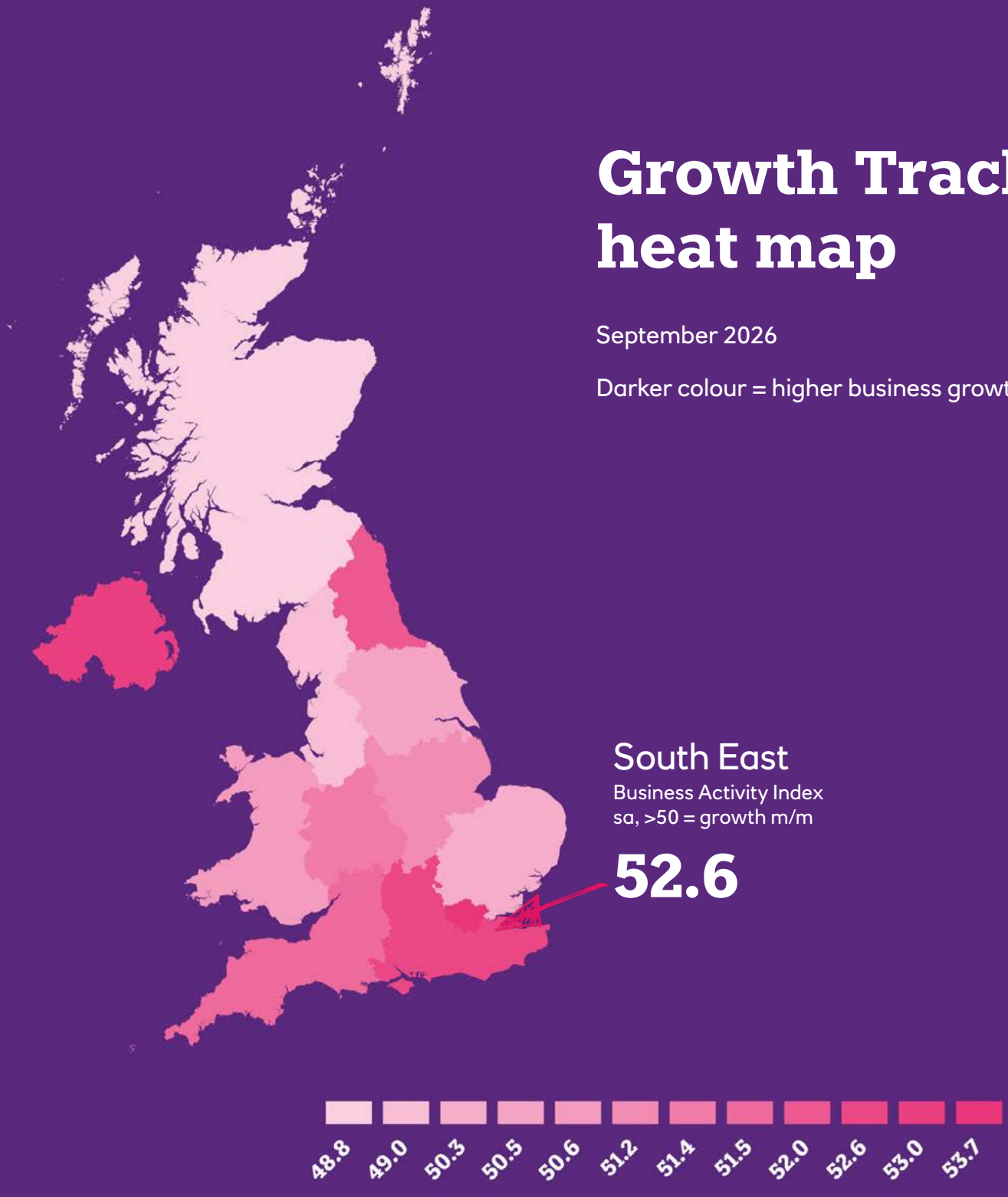
Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global

Growth Tracker heat map

September 2026

Darker colour = higher business growth



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

© 2026 S&P Global

UK sectors

Sector specialisation: South East

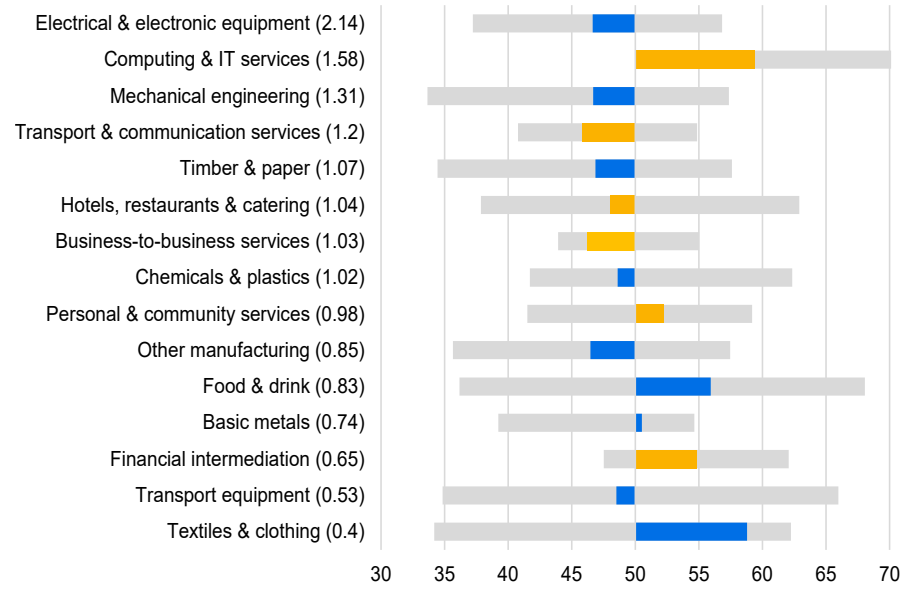
The chart shows UK output indices by sector, ranked by location quotients for the South East. Location quotients (LQs) are ratios derived by comparing the share of sector output (or gross value added) in regions with the national share of output in the same sector.

Focusing on the manufacturing and service sectors in isolation, a location quotient is calculated by taking a sector's proportion of regional output and comparing it with the UK-wide share of output in the sector. An LQ of 1.0 in a sector means that the region and the UK as a whole are equally specialised in that sector. An LQ greater than 1.0 indicates that the sector has a greater economic footprint in the region than it does for the UK as a whole.

UK sectors ranked by importance to the South East economy

Manufacturing Services 3-year range

UK Output Index, sa, >50 = growth m/m Sep '26



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Location quotients for the South East are shown in brackets. Latest data are smoothed as three-month moving averages (3mma).

Sector in focus: Business-to-business services

Output levels came close to stabilising across the business-to-business services sector in the third quarter of the year, recording only a marginal contraction that was the weakest since mid-2025. This reflected more stable underlying demand conditions, with inflows of new business falling only modestly and at the softest rate for nearly two years.

A sustained sharp decline in backlogs of work across the sector pointed to underutilised capacity. As such, job numbers were cut further in the three months to September, maintaining a sequence of decline seen since early last year. After accelerating in the second quarter to the fastest seen since the initial phase of the pandemic, the pace of job shedding showed an easing trend, tallying with a partial recovery in business confidence.

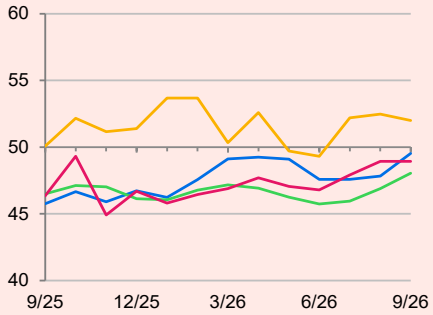
As for prices, rates of both input cost and output charge inflation were running below the highs seen in the second quarter, but they remained elevated by historical standards.

Output / Employment

/ Business-to-business services*

/ Manufacturing & services

Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

*Data are smoothed as three-month moving average (3mma).

© 2026 S&P Global

Methodology

The NatWest South East Growth Tracker is compiled by S&P Global from responses to questionnaires sent to South East companies that participate in S&P Global's UK manufacturing and services PMI surveys.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

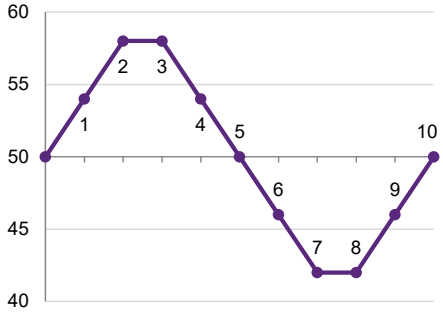
The headline figure is the Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity (at service providers) or output (at manufacturers) compared with one month previously. The South East Business Activity Index is comparable to the UK Composite Output Index.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.

Index interpretation

Index, sa, >50 = growth m/m



Sources: NatWest, S&P Global PMI. ©2026 S&P Global.

Key

1	Growth, from no change
2	Growth, faster rate
3	Growth, same rate
4	Growth, slower rate
5	No change, from growth
6	Decline, from no change
7	Decline, faster rate
8	Decline, same rate
9	Decline, slower rate
10	No change, from decline

Data

South East manufacturing and services

Index, sa, 50 = no change over previous month. *50 = no change over next 12 months.

	Business Activity	New Business	Export Climate Index	Employment	Outstanding Business	Future Activity	Input Prices	Output Prices
4/26	51.6	48.8	51.0	50.7	47.9	64.3	77.9	63.9
5/26	50.8	49.7	51.4	50.6	47.9	62.6	75.7	62.5
6/26	50.9	49.2	51.6	49.7	45.6	64.5	71.0	59.2
7/26	53.2	52.0	53.1	48.8	48.5	63.2	67.1	59.6
8/26	52.7	51.7	53.4	49.0	47.9	69.5	66.6	58.2
9/26	52.6	51.1	54.6	48.3	49.3	72.0	68.9	59.1

© 2026 S&P Global

Further information

NatWest

NatWest serves customers in England and Wales, supporting them with their personal, private, and business banking needs. NatWest helps customers at all stages in their lives, from opening student accounts, to buying their first home, setting up a business, and saving for retirement.

Alongside a wide range of banking services, NatWest offers businesses specialist sector knowledge in areas such as manufacturing and technology, as well as access to specialist entrepreneurial support.

www.natwest.com/business/insights/economics

www.linkedin.com/company/natwest-business/

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.spglobal.com/marketintelligence/en/mi/products/pmi

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organisations plan for tomorrow, today.

www.spglobal.com

Contact

Emma Parker
Corporate Affairs Manager
NatWest
emma.parker@natwest.com

Eleanor Dennison
Economist
S&P Global Market Intelligence
+44 1344 328 197
eleanor.dennison@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
+44 7483 439 812
hannah.brook@spglobal.com

press.mi@spglobal.com

© 2026 S&P Global

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.



NatWest

PMI®

by S&P Global