



18 July 2025

Growth seen in three UK sectors in June

- **Latest Lloyds UK Sector Tracker data shows that three out of 14 UK sectors reported output growth in June, while two saw new orders grow**
- **More sectors raised their prices, as every sector continues to face cost rises**
- **Data suggests businesses are working to remain competitive amid falls in demand**

Three of the UK's 14 sectors reported output growth in June, exclusive PMI data from Lloyds' latest UK Sector Tracker reveals.

According to Lloyds' data, the overall rise in the UK Composite PMI in June was driven by output growth in software and services (58.5), food and drink manufacturing (51.6) and financial services (51.3), which includes insurance providers, banks and other financial services firms.

The number of sectors reporting a rise in new orders remained unchanged month on month at two (out of 14) in June. Demand growth was seen in software and services (60.0) and food and drink manufacturing (53.2).

A reading on the Tracker above 50.0 indicates expansion, while a reading below 50.0 indicates contraction.

Cost inflation slows, but more sectors raise prices

For a second month in a row, all 14 sectors monitored by the Tracker saw input costs rise, although the overall rate of cost inflation slowed month on month. Tourism and recreation, which includes pubs, hotels and restaurants, saw business costs rise at the sharpest rate (74.9), while chemicals manufacturers saw the slowest cost rises (52.7).

The rate at which businesses raised their prices dropped to the slowest rate since February 2021. However, 13 sectors raised their prices in June – one more than in May. Healthcare was the only sector to reduce its prices month-on-month (46.5 in June vs. 50.1 in May).

Overall workforce levels decreased for a ninth consecutive month in June, with 12 of the 14 monitored sectors reporting lower headcount than the month before (vs. 13 in May). Software services (51.9) and real estate (50.1) both reported an uplift in staff numbers.

Nikesh Sawjani, Senior UK Economist at Lloyds, said: "Our data shows that the growth indicated by the headline PMI figures is being driven by a handful of sectors.

"Although price rises have slowed, they remain widespread. However, businesses still aren't passing on the full extent of their own cost increases to customers as they work to continue being competitive in a challenging demand environment."

Ends

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Notes

Output growth: Software services (58.5), food and drink manufacturing (51.6), financial services (51.3).

Output contraction: Real estate (48.6), transportation (48.1), chemicals manufacturing (48.0), commercial & professional services (47.8), industrial goods manufacturing (47.6), tourism and recreation (45.0), technology equipment manufacturing (42.6), household goods manufacturing (41.6), automobile and auto parts manufacturing (35.7), metals and mining (34.5) and healthcare (31.6).

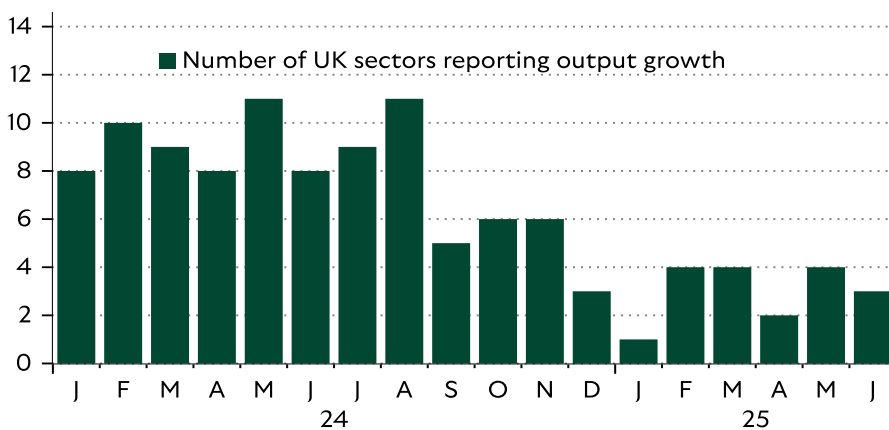
Growing demand, as measured by new orders: Software services (60.0), food and drink manufacturing (53.2).

Contracting demand, as measured by new orders: Real estate (48.6), chemicals manufacturing (48.5), financial services (47.7), household goods manufacturing (46.1), transportation (45.9), commercial and professional services (45.3), industrial goods manufacturing (44.1), tourism and recreation (42.7), technology equipment manufacturing (41.6), automobile and auto parts manufacturing (37.8), healthcare (36.4), and metals and mining (32.3).

APPENDIX CHARTS

1. Number of UK sectors reporting output growth

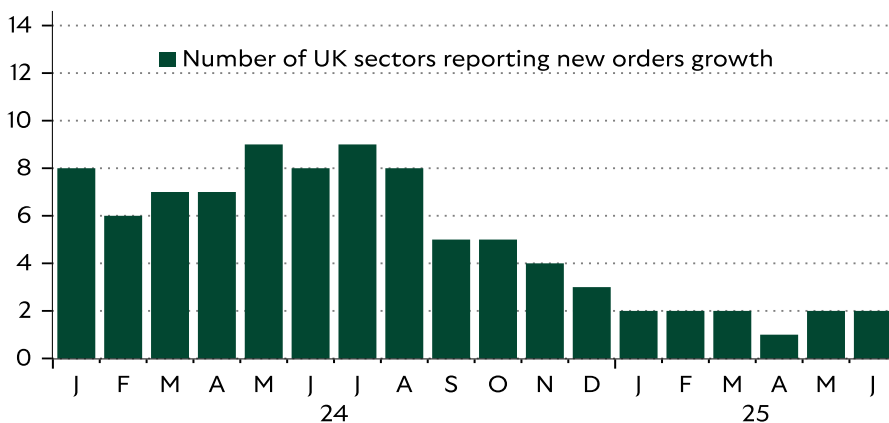
No of UK sectors (out of 14)



Source: Lloyds UK Sector Tracker, S&P Global, Macrobond, Lloyds Bank Market Insights

2. Number of UK sectors reporting new orders (demand) growth

No of UK sectors (out of 14)

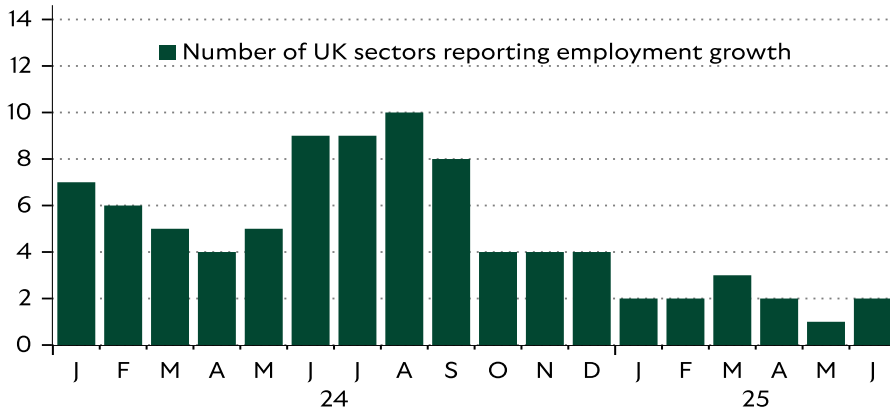


Source: Lloyds UK Sector Tracker, S&P Global, Macrobond, Lloyds Bank Market Insights

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3. Number of UK sectors reporting employment growth

No of UK sectors (out of 14)



Source: Lloyds UK Sector Tracker, S&P Global, Macrobond, Lloyds Bank Market Insights

Methodology

The Lloyds UK Sector Tracker includes indices compiled from responses to S&P Global's UK manufacturing and services PMI® survey panels, covering around 1,300 private sector companies.

The Lloyds UK Sector Tracker monitors the following 14 individual UK sectors: Chemicals, Metals & Mining, Automobile & Auto Parts, Beverages & Food, Household Products, Industrial Goods, Technology Equipment, Tourism & Recreation, Financial Services (this sector has been updated to include banks, insurance providers and other financial services firms), Commercial & Professional Services, Transportation, Software & Services, Healthcare and Real Estate.

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 Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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

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