



# Regional Report North East

2010

Research  
Centre

 Fact Sheet

- The North East population increased 1.3% during the period of 2003 to 2008, this is lower than the UK average and only the North West had a lower percentage increase than the North East.
- The region has the lowest average weekly earnings across the UK.
- The North East contributes just 3% of UK output and 4% of exports.
- Regional output per head is the second lowest in the UK, at £15,460.

The North East region covers an area of 8,573 sq km, stretching from Berwick-upon-Tweed in the north to Redcar and Cleveland in the south and to Tynedale, the Wear Valley and Teeside in the west.

## Population trends

The North East had a population of 2.6 million in mid-2008, a slight increase of 1% from 2003. This compares to a 3% overall increase in the UK over the same period. The population of the North East is equivalent to 4% of the total for the UK, ranking it eleventh out of all the regions. Within the North East the population of Sunderland declined almost 1% from 2003 to 2008 while, in contrast, Durham's population increased 9% and Wear Valley's population grew by just over 3%. The region has a population density of 300 people per sq km which is above the UK average of 253 people. Middlesbrough is the most densely populated city in the region, with 2,579 people per sq km.

## Age profiles

The North East experienced a population growth of just over 1% over the period 2001 to 2008, the lowest growth of all the English regions. However, this followed a period of falling population over most of the previous two decades, partly associated with the decline in the manufacturing sector. Over 20% of the population is of pensionable age or over, which is higher than the UK average. Berwick-upon-Tweed has the

'oldest' population, with almost 30% of pensionable age. Across the region, 62% of the population are of working age, in line with the national average. Almost 6% of the population of the North East is aged under 5, which is also comparable to the UK average. Middlesbrough has the youngest population in the North East, with just under 7% aged under 5 and almost 18% of pensionable age.

## Households

There were 1.1 million households in the North East in 2006, an increase of just under 6% since the early 1990s. Of these households, 65% are owner occupied, compared to a UK average of 70%, while 13% are rented from the local authority, above the UK average of 10%. Average weekly earnings were £439 in the period up to April 2009, which is 10% below the UK average of £489. This is the lowest average earnings recorded across the whole of the UK. Average weekly household spending is estimated at £386, which is less than the UK average of £460. The Department for Communities and Local Government estimates that the average house price in the region was £140,551 at the end of 2009, implying that the North East is the cheapest region in the UK. The average house price for the UK as a whole was £200,307.

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## Regional Income

Regional output is commonly measured in terms of gross value added (GVA). Total GVA for the UK increased almost 6% in 2007 to £1,246bn. The North East region produced output worth £39.7bn, which is equivalent to just over 3% of national output, ranking it eleventh out of 12 regions. Regional output has increased 55% since 1997, but this is less than the national average increase of 69% and is the third smallest increase in all UK regions. Within the North East, Sunderland experienced the largest increase in output, rising almost 70%, and Hartlepool and Stockton-on-Tees reported the smallest gain, rising only 35%. Tyneside is responsible for almost 38% of the region's total output.

Regional output can also be compared on a per head basis by dividing GVA by the region's total population. In 2007 the national average for GVA per head was £20,430 while that for the North East was £15,460, which is 76% of the UK average. The North East's GVA per head has increased by 55% since 1997, which is below the national increase of 61%. Across the region, GVA per head ranges from just £12,124 in Durham to £18,361 in Tyneside. Over the last 10 years the largest increase in GVA per head was recorded in Sunderland at 76% in comparison to Hartlepool and Stockton-on-Tees which achieved the second slowest growth across the U.K as a whole, at just 28%.

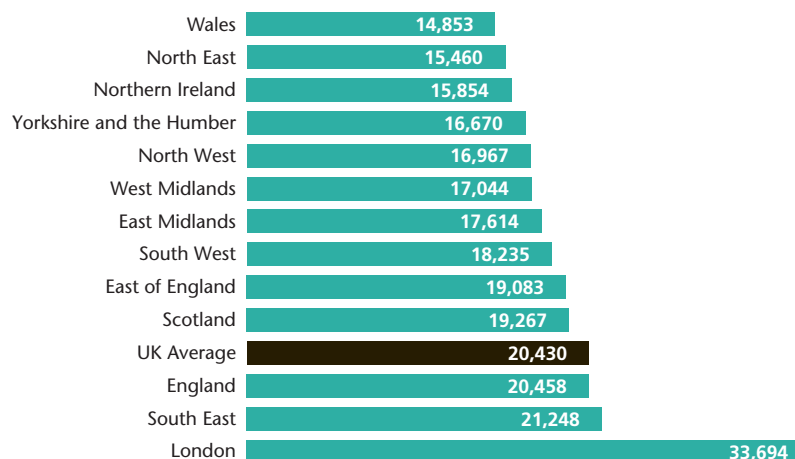
## Major Industries

The largest contributor to the area's output is real estate, renting and

## Major Industries in South East (% of output)



## Regional output per head in 2007 (£)



business activities, which produces just over 19% of output. This is followed by manufacturing which accounts for 17% and wholesale & retail which accounts for a further 11%. These three industries produce over 47% of the total output of the region. This is lower than the national average, which is 49%. Manufacturing is more important to the region than the UK average. Public administration and defence, education, and health and social work account for a greater proportion than the UK average, which points towards a higher proportion of public sector jobs within the region. In contrast, the output shares of both real estate and financial intermediation are below the national average.

## Exports

Exports from the North East amounted to £9.6bn in 2009, which is equivalent to 4% of all UK exports. Chemical goods account for 42% of the region's foreign

sales. Machinery and transport is the other main export sector, accounting for almost 41% of sales. At present, 63% of the North East's exports go to Europe, 21% to North America and 10% to Asia.

## Workforce

The North East has a lower proportion of its population either in work or actively seeking work, than any other region in England. The economic activity ratio for the region currently stands at 75%, which is lower than the UK average of 79%.

At the end of 2009 just over 1 million people were employed within the North East region. The service sector accounted for 81% of total employment. Within that, distribution, transport, finance, and business sectors accounted for 42% of jobs, while public administration, education, and health jobs employed a further 38% of people in work. Manufacturing accounts for a larger proportion of jobs within the region than the national average, at 12%, while construction jobs account for a lower than average 6%.

At the end of 2009, the North East had an unemployment rate of 9.3%. This is well above the UK average of 7.8%. Just under 4% of all employees have a second job to supplement income which is marginally lower than the UK average.

Sources: ONS Regional Trends 2010 Edition, ONS Labour Market Statistics, Department for Communities and Local Government (DCLG).