# Uneven Economic Recovery in the UK vs Green Jobs Growth in Oxford: Challenges and Opportunities Ahead



### Uneven Economic Recovery in the UK Poses a Challenge for the Next Government

The UK's post-pandemic economic recovery has shown uneven progress, driven largely by professional services and IT sectors but lagging in retail and manufacturing. Data from the Office for National Statistics suggests that from Q4 2019 to the present, consultancy, accounting, and software sectors have grown by over 10%, while retail output has fallen by 4.4%. The chemicals industry has seen a significant 25% drop in output, exacerbated by Brexit and high energy costs.

Andrew Goodwin, an economist at Oxford Economics, noted that resilient sectors like consultancy and software benefitted from remote working during the pandemic. With Labour likely to win the upcoming election, the party faces the challenge of fostering a more balanced economic recovery. Labour has committed to accelerating UK growth to the highest levels in the G7 by promoting private investment and establishing partnerships with businesses.

Overall UK GDP has grown by only 1.8% since late 2019, trailing behind other G7 countries. Business-facing services and software companies have thrived, with technical activities up by 12.2%, driven by scientific research and management consulting. The IT sector has also grown, with output in information and communication services up by 18.6%.

Manufacturing has struggled, particularly in energy-intensive industries like chemicals, paints, and rubber, prompting calls for competitive energy costs and supportive industrial policies. While the automotive sector has rebounded, with production up by 30% compared to pre-pandemic levels, consumer sectors remain sluggish, recovering slowly from prolonged economic pressures.

Key figures in the industry emphasize the need for a long-term strategic approach to support manufacturing and address the disparity in economic recovery.

### Green Jobs in Oxford Amid UK Manufacturing Decline

New analysis reveals that Oxford has maintained a considerable number of green jobs despite a national decline in manufacturing strength. The Institute for Public Policy Research (IPPR) found that Britain has lost one-third of its manufacturing prowess over the past 30 years but continues to lead in producing key components for the green economy.

Between 2016 and 2022, about 689 people in Oxford were employed in green manufacturing sectors, including 116 in green transport and 335 in heat pump manufacturing. The IPPR noted that jobs in the net-zero sector tend to offer higher productivity and better pay, averaging £10,000 more annually compared to the national average.

Amid manufacturing decline, sectors related to the green transition, such as electric trains, heat pumps, and renewable energy turbines, provide promising opportunities. Leaders in green manufacturing emphasize the need for stable regulatory support and financial incentives to capitalize on these opportunities.

IPPR’s analysis underscores the potential for green manufacturing to address broader economic challenges, including achieving net-zero targets, stimulating economic growth, and enhancing resilience to future shocks.

### Summary

The divergent trajectories of various sectors in the UK point to a complex economic landscape that the next government will need to navigate. While some sectors flourish, others continue to struggle, emphasizing the need for strategic interventions to ensure broad-based and sustainable growth. Concurrently, Oxford’s relative success in green jobs highlights the potential for targeted investments in renewable and sustainable industries as a path to national economic resilience and growth.