

The world economy seems to be struggling a bit. The latest global PMI manufacturing survey figure was consistent with growth between 2%y/y and 3%y/y. That is weak. But it is also predominantly centred on emerging economies. The US and Eurozone are not sliding yet. That is good. But the UK is. That is not good. Slower. The rate of growth of the UK economy is slowing. According to the Purchasing Managers' Index (PMI), the service sector expanded at its slowest pace in more than three years in April. The rate of job creation by services firms slipped, too. In construction, growth was slower than at any point since mid-2013. While in manufacturing, which is around one-eighth the size of services, output fell for the first time since March 2013. Carry on at this rate and Q2 will be weaker than Q1.

Table toppers. East Midlands football team Leicester City famously won the English Premier League title last week, after an all-conquering season that stunned the sporting world. East Midlands also topped an economic league table this month with the release of the latest PMIs. It recorded the fastest rate of private sector growth of all UK regions in April, whilst in a further English football comparison, London and the North West continued to underperform, and the North East was at the wrong end of the table, recording a contraction alongside Scotland and the South West. Indeed when it comes to the last nine months as a whole (i.e. the timeframe of the English Premier League season) the East Midlands also lead the way in the PMI table, with an impressive and consistent performance, outperforming more illustrious London and North West competitors. Could the term 'Midlands Powerhouse' soon enter the political as well as footballing lexicon?

Wages up, jobs ... ? Although employment in UK services continued to rise, the pace of job growth was its slowest for more than two-and-a-half years. With firms reporting a rise in costs associated with the new National Living Wage, it would be easy to add two and two and come up with a premature answer that higher wages mean fewer jobs. In truth, we're living through an experiment: how will a materially higher minimum wage affect employment? Watch this space.

Expansion & contraction. NI's private sector is a bit like the curate's egg – good in parts. Overall, rates of growth in orders, business activity and employment exceeded the UK average in April. Services and retail are definitely the star performers. It's not so rosy for construction and manufacturing which are both now in contraction territory. The slowdown in the UK construction market is clearly impacting on local firms working in GB. The reversal in fortunes for construction orders was quite stark, moving from healthy rates of growth in March to rapid rates of decline in April. The worry is that the UK economic slowdown, if sustained, will impact on the wider Northern Ireland economy in due course.

Breather. It seems that Belfast is building again, according to the latest report from CBRE anyway. They say that there is increasing evidence of development activity in the city, most notably in the office, hotel and student accommodation sectors, with construction commencing on a number of new schemes and a notable increase in the number of planning applications being lodged. But while it may be all systems go in terms of development, it seems that the investment market is taking a breather. CBRE states that, as in the rest of the UK, there has been a noticeable pause in transactional activity in recent weeks as institutional buyers hold off decision-making on large assets until after the EU referendum on June 23. Some of the assets that were expected to be brought to market in the first half of 2016 have not yet appeared as a result.

Silver linings. Things look a bit rosier Stateside. Output growth in the dominant service sector accelerated in April, the equivalent of the PMI rising from 54.5 to 55.7. Both new orders and employment increased more strongly, as did prices. If they manage to keep up this kind of performance, growth in Q2 will put a disappointing Q1 in the shade and encourage thoughts of another interest rate rise. However, as across most of the world, manufacturing continues to disappoint: it barely grew in April.

Meh. Spring-like, the US labour market blew neither hot nor cold in April. A net 160,000

jobs were added, sufficiently below the 12-month average of 232,000 to raise an eyebrow, but nothing more. Unemployment was unchanged at 5.0%. Jobs grew strongest in professional services such as management consultancy as well as health care. Average pay growth, at 2.5%/y/y, is probably high enough above the 0.9% annual rise in inflation to give consumers some cheer, but not enough to encourage the rate-setting Fed to start feeling for the hike button.

Looking for more. After a disappointing manufacturing PMI China's services sector underwhelmed, too. The reading fell to 51.8 from 52.2. New orders provided some better news with a modest uplift giving the highest reading in three months. And the average headline reading in Q1 was the highest since Q2 2015. But it's not much to crow about. Especially given the support the economy has had from government spending and new credit since late last year.

As you were. The often derided Eurozone economy can hold its head up high for the second week in a row. After posting a respectable GDP growth figure for Q1 the composite PMI, covering both manufacturing and services, was practically unchanged in April, edging down from 53.1 to 53. Spain was the standout performer, as it was last week in the GDP report, with a reading of 55.2. Eurozone retail sales figures for March were also upbeat, rising 2.1%/y/y and on the heels of the UK's 2.4% figure. A staggering amount of repair remains to be done in the Eurozone but at least there are some positives.

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