#### MAYOR OF LONDONLONDON ASSEMBLY

# **London's Economy Today - Issue 270 - February 2025**

# **Key information**

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#### **Contents**

Overview
Economic indicators
Long-term sickness and the London labour market
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### **Overview**

- UK sees slow growth at the end of 2024
- UK inflation hits a 10-month high
- London's international tourist numbers almost back to pre-pandemic levels

## **Economic indicators**

- In January 2025, the sentiment of London's PMI new business activity remained positive but decreased with the PMI new business index in London decreasing from 53.5 in December 2024 to 53.0 in January 2025. An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.
- In January 2025, more property surveyors in London reported rising prices than falling prices. The net balance index was 22, and it was 35 in December 2024. The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.
- Consumer confidence in London increased in February 2025. The consumer confidence index in London increased from 3 in January to 7 in February 2025. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

## Long-term sickness and the London labour market

Post-pandemic concerns about rising rates of long-term sickness among working-age people have been recognised across the UK. But how severe is this issue in London and who is most affected? GLA Economics has published a new working paper that provides up-to-date analysis and data on this topic. This supplement introduces this research and summarises a few of the key findings which include that:

- London faces a long-term sickness challenge. 920,000, or 15%, of working-age Londoners, have a long-term health condition limiting the type or amount of work they can do.
- One-in-10 employed Londoners report a health condition, leading to around 1 million of work hours lost through sickness absences annually.
- Economic inactivity resulting from long-term sickness has grown in London since the pandemic but much more slowly than in the rest of the UK.
- The rise of mental health issues among young adults in London has been a key driver of the rise in work-limiting long-term sickness in the capital.

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Back to table of contents