



United Kingdom Report Tokyo

November 11th 2025

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Organization: Confederation of British Metalforming

Country: UK

Economy

Currency

Euro Exchange rate 1.14 Euros /£

Last Year 1.20Euros /£

Dollar Exchange rate 1.35 \$/£

Last Year 1.31 \$/£

Inflation

Basic inflation rate 3.8% October 2025

Was 5% at July 2024

The BoE have been continually under pressure to reduce the interest rate further but are very cautious due to underlying inflation pressures although easy are still a concern.

Forecasts suggest that inflation in the UK will remain elevated relative to many peer economies.

Economy

Labour Market

- The unemployment rate for people aged 16+ in the UK was estimated at 4.8% for June–August 2025. (4.1% 2024)
- Employment rate (aged 16–64) is **75.1%** in **2025**, it was 74.6 down in 2024.
- **Economic inactivity rate (aged 16–64) for June–August 2025 was about 21.0%.**
- **This is a huge concern as the government has failed to put control benefits as promised and are spiralling out of control, set to cost £34 Billion by 2030 , up 300% on 2019.**

Economy

Economic Growth

- Real GDP grew by 0.3% in Q2 2025 (April–June), compared to the previous quarter , in August 2025 GDP rose by 0.1% vs July; compared with a year earlier (Aug 2024 → Aug 2025) GDP was up 1.3%.
- Forecasts for growth in 2025 vary: the Organisation for Economic Co-operation and Development (OECD) projects ~**1.3% for 2025**.
- The Office for Budget Responsibility (OBR) warns of an **unsustainable path for UK public finances**, amid rising costs (climate, pensions, debt interest) and weak growth.

Economy

Economic Growth or lack of it!

- In September 2025, the PMI was 46.2 — a fairly weak reading, slight recovery in October (to 49.7) both of these figures were **linked to the cyber attack on JLR**.
- However the sector is still under pressure. has largely been in contraction (below 50) for a prolonged period, reflecting weak domestic demand, export challenges, cost pressures and subdued business confidence.
- **UK Construction PMI** slipped rapidly in **October to 44.1** (September 46.2). That's the **tenth consecutive contraction!!**

UK have the highest Energy Costs in the G7

Our Electricity Costs are 50% higher than Germany

They are 100% higher than USA

We will have further increases of between 10 and 20% in non – commodity costs between now and April.

This is to cover renewable energy I initiatives and infrastructure upgrades meaning 70% of the bill will be non-commodity.

Energy Lobbying



Parliamentlive.tv

Energy Security and Net Zero
Committee

parliamentlive.tv



ICOSPA

International Council of Sheet Metal Presswork Associations



Energy Media



(3) Downstream manufacturers to x

https://www.linkedin.com/pulse/downstream-manufacturers-foot-bill-gofge/?trackingId=pUt0isGxgLzej14ISOdBag%3D%3D

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Downstream manufacturers to foot the bill again warns the CBM, as non-commodity electricity prices set to soar

 Confederation of British Metalforming (CBM)
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Supply Chain

- 32% of UK businesses with 10+ employees reported having some form of concern about their supply chains over the next 12 months.
- Of those businesses reporting supply-chain concerns, 53% expected they would be impacted by increased costs of sourcing materials
- For the year to May 2025: The share of goods in UK total exports fell to approximately **40.8%, the lowest on record**, per a Financial Times analysis of ONS data.

Tariffs and JLR Cyber Attack have since caused a huge disruption to our Supply Chains!!

Material Supply

- Raw material sourcing cost pressure: A large share of manufacturers HAVE SEEN increased material sourcing costs. For metal forming, this directly ties into steel/aluminium prices, scrap availability, alloy supply, speciality metals, etc.
- Trade-barriers & global disruption risk: Issues like increased barriers to trade (tariffs, customs, regulatory divergence post-Brexit) and geopolitical
- Material shortages AS the metals sector is being exposed to raw-material supply shocks.
- A July announcement to on UK Steel Safeguarding by the Labour government to protect UK Steel makers, saw quotas reduce overnight costing downstream metal users millions of pounds.

JLR CYBER ATTACK

The attack which happened at the end of August 2025 took production down for six weeks yes mate it costs £1.9 billion and the weekly cost was estimated at £50 million per week.

JLR lost 50,000 vehicles which there is currently no plans to replace.

CBM immediately put a task force in place for its members to support them in navigating the issues they faced.

In many ways this was worse than the pandemic as in this case the JLR supply chain was isolated with no government support despite them suggesting otherwise.

Although production has restarted CBM continue to work with its members and JLR to ensure funds reach suppliers to keep the supply chain intact.

CBM Lobbying Activities

Main topics for lobbying aside from Energy have been :-

- CBM continue to work with Lobby Groups more recently with a new government in place on the Industrial Strategy and the **Employments Rights Bill** . Our Government are railroading this policy even with the biggest concern being 'day one' rights for workers.
- **Steel safeguarding** ; has already covered the UK has already been impacted by some self-harm protectionism measures but this is now been compounded by the EU announcing safeguarding measures of up to 50% and UK Steel companies pressure a government for the same.

Trade Association Activities

CBM have been actively been working to increase our membership this has resulted in the successful in recruiting several new key members this has more than covered those we have lost through economic pressure.

We continue to work with European organisations such as ELFI , Euroforge , ISTMA and talking with other associations such as Eurometal .

In the UK we actively involved with CBI , Make UK, Chamber of Commerce and UK Metals council.

We continue to be at the forefront of supporting our members on Skills and CBAM