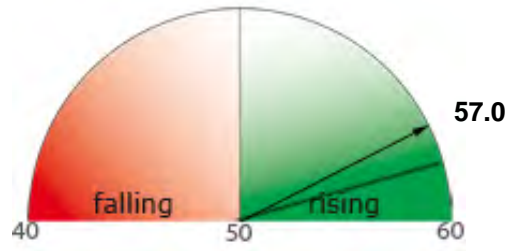


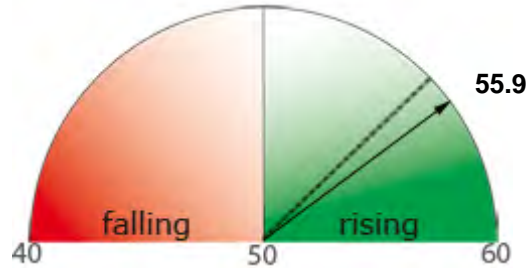
Monthly Economy Dashboard March 2011

Business Indicators 50=no change



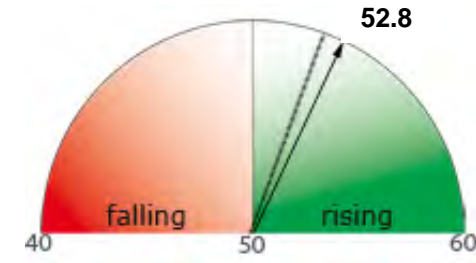
New Orders

RDA PMI, Jan 2011 → Feb 2011 change



Business Activity

RDA PMI, Jan 2011 → Feb 2011 change



Employment

RDA PMI, Jan 2010 → Feb 2011 change

Labour Market

Quarterly Indicators



10.2

Business Confidence

ICAEW BCM, Q1 2011



+10

**% net balance
Planned investment**

SEEDA Business Survey, Feb 2011



4,829

Redundancy notifications

BIS/JC+, March 2011



37,639

Vacancies

JC+, February 2011



282,000

Unemployment

Labour Force Survey, ONS, Nov - Jan 2011

Inflation



67.9

Input prices (Costs)

RDA PMI, Jan → Feb '11 change
(Rising >50 / Falling <50)



-21

**Net score, NSA
House prices**

RICS, February 2011



Shows 'overall' conditions:

Red – conditions are currently difficult

Green – conditions have improved

Thresholds for change to green (red)

Cost of finance, planned investment, house prices:

Net score positive (negative) for three months in a row

Redundancy notifications, vacancies, unemployment:

Conditions have been improving (deteriorating) for three months in a row.

Output below capacity:

Percentage of firms falls below (rises above) 50%



Red – Worse score or absolute number than in the previous survey

Amber – Similar score / number

Green – Better score or absolute number than in the previous survey

Purchasing Managers' Index (PMI) scores:

Less than 50 – falling activity compared to previous month

50 – no change on previous month

More than 50 – rising activity compared to previous month

Used for: **Business Activity, New orders, Employment intentions**

Net scores: determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

Less than 0 – more firms reporting decreases than increases

0 – similar numbers of firms reporting decreases and increases

More than 0 – more firms reporting increases than decreases

Used for: **Cost of finance, Planned investment, house prices**

NB – negative score can be good e.g. decrease in cost of finance

Quarterly indicators:

- The pair of indicators is switched every month until a new quarterly cycle starts. Then, the former indicators are used again.

Example 1:



- The red outline indicates that conditions are currently difficult – investment intentions are low.
- The red traffic light indicates that the net score is worse (lower) than the previous period, i.e. in the last survey investment intentions were higher.
- The net score (-2) shows the scale of the deterioration of conditions –

Example 2:



RBS PMI, May 2009, April → May change

- With the PMI, a score of 49.3 for May indicates that firms are reporting fewer new orders than in April.
- The dotted line indicates the PMI score for the previous month. Here this is lower than 49.3, indicating that the fall in new orders between March and April was larger than the fall in orders between April and May.
- This chart therefore indicates a "slower decline" in May.

Sources:

EEF – The manufacturers' organisation

ICAEW – Institute of Chartered Accountants in England and Wales

FSB – Federation of Small Businesses

RICS – Royal Institute of Chartered Surveyors

ONS – Office for National Statistics

BIS – Department for Business, Innovation & Skills

JC+ - Jobcentre Plus

RDA PMI – Regional Development Agency Purchasing Managers' Index

Unemployment figures are seasonally adjusted while house prices, vacancy and redundancy figures are not. Cost of finance relates to *existing* finance (e.g. loans, overdrafts, etc.)