



Monthly Economy Update

November 2009

SEEDA Research & Economics

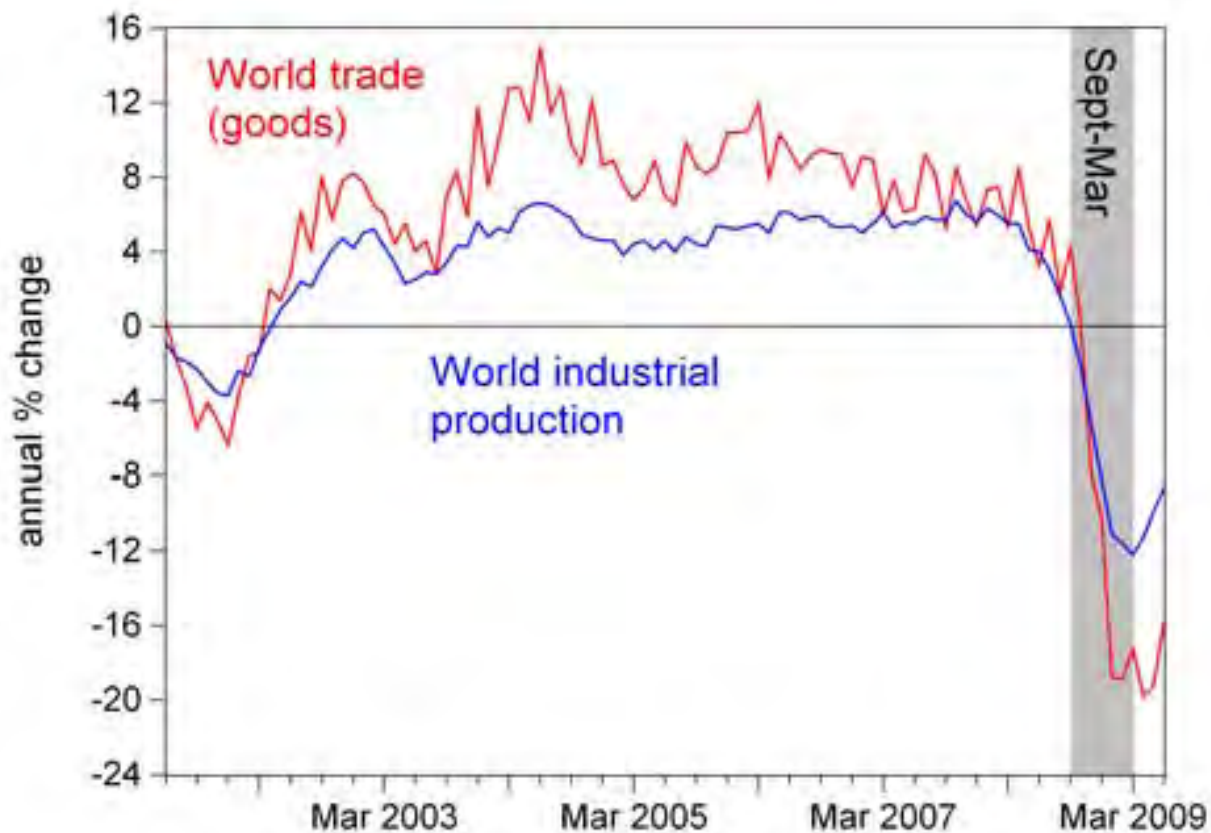
Agenda

Overview of the current state of the economy and the labour market

Sabine Rumscheidt and Claire Hann

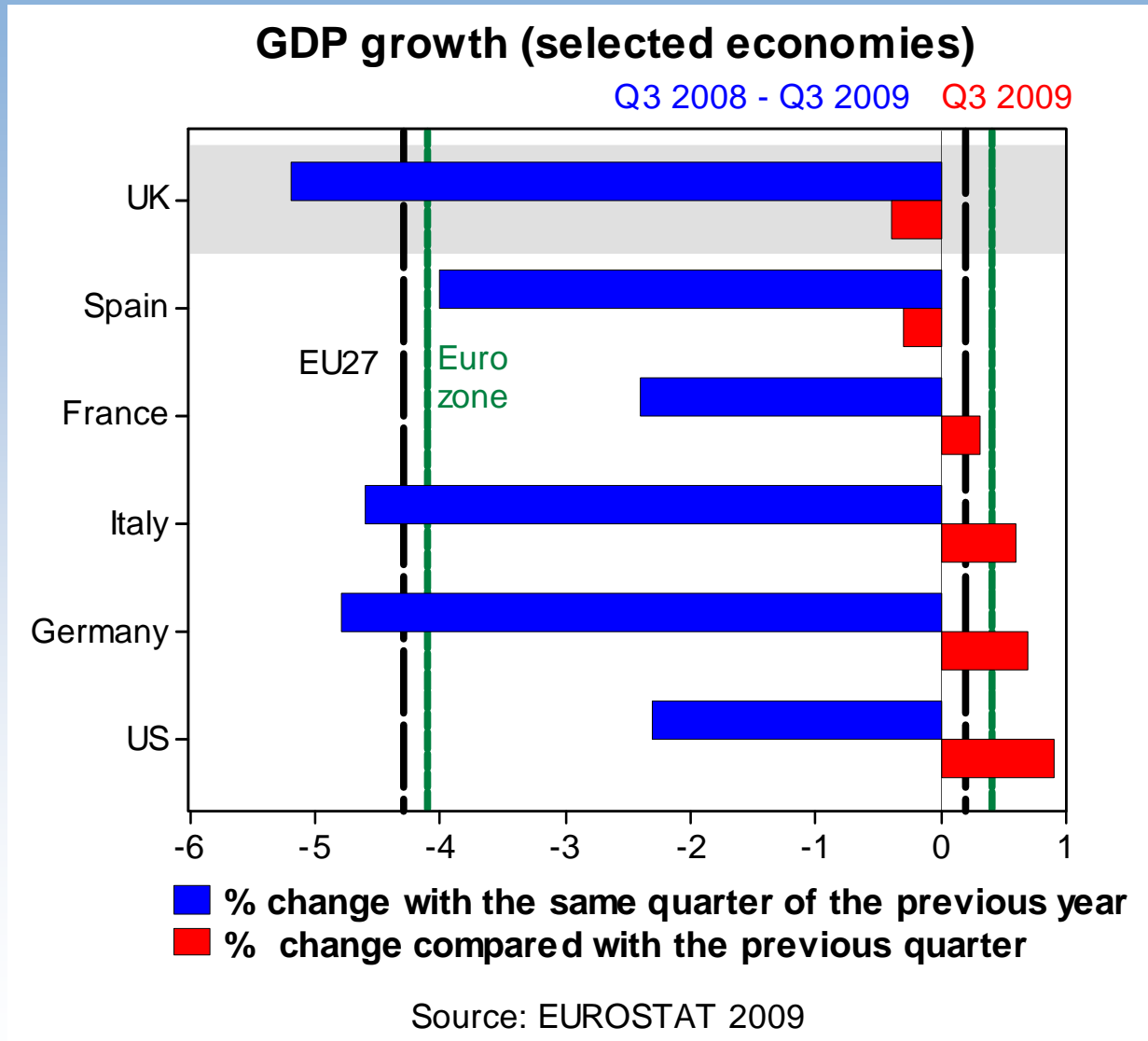
Global economy - background

Skidding - world trade and industrial production



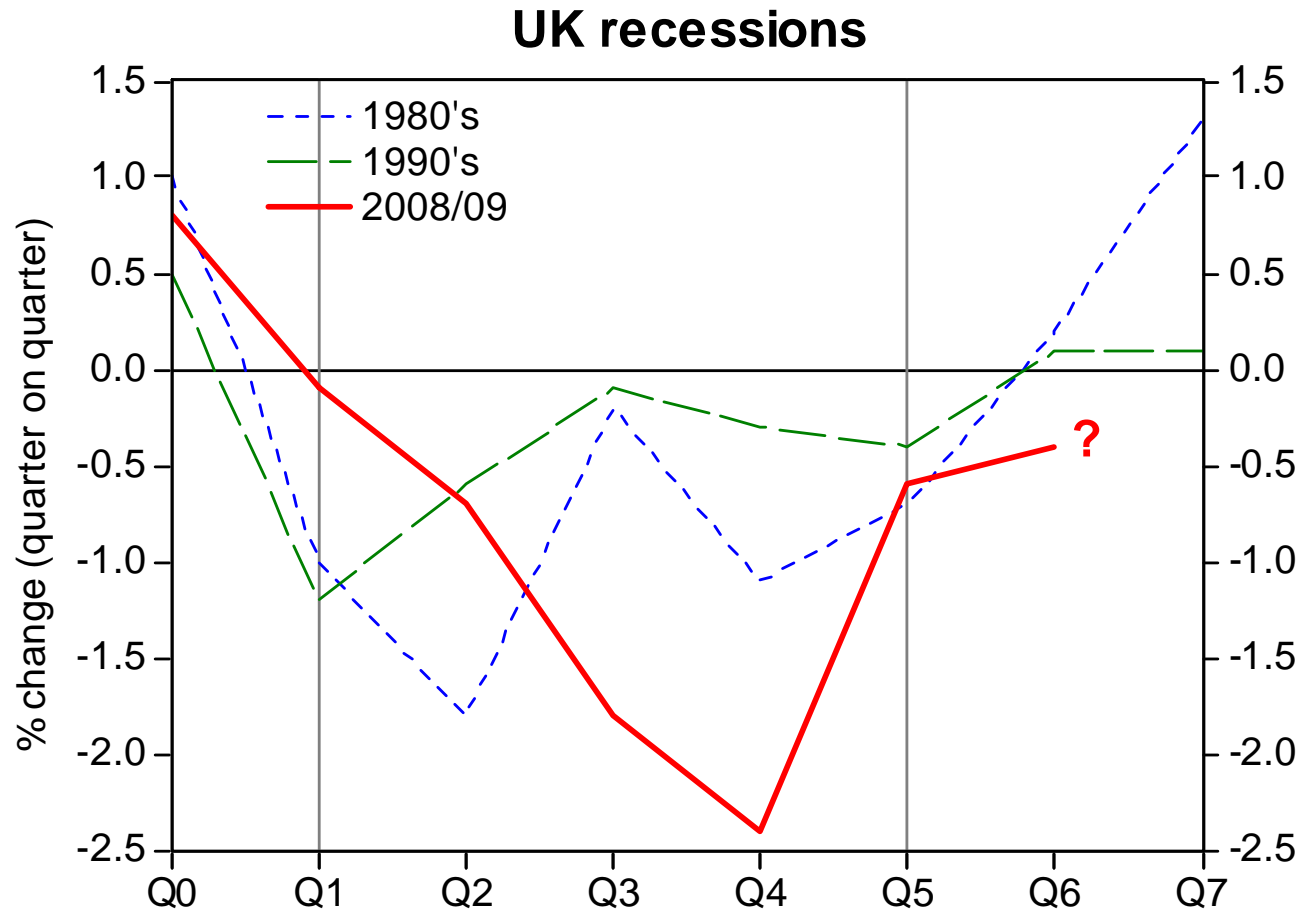
Source: CPB Netherlands Bureau for Economic Policy Analysis

Growth returned to most economies



UK economy

UK GDP declines further in Q3...

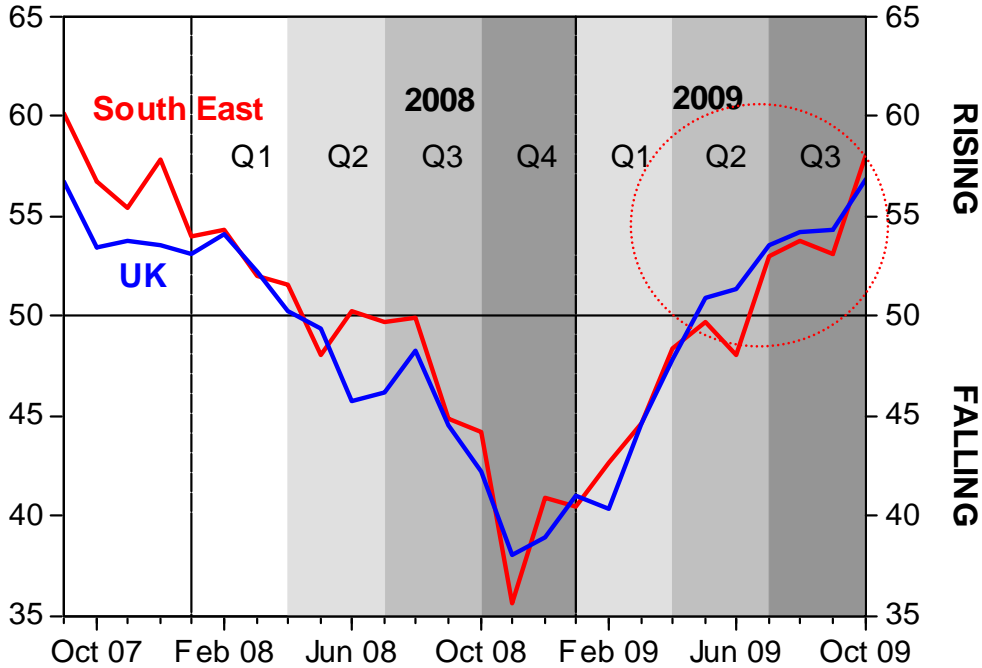


Source: ONS 2009

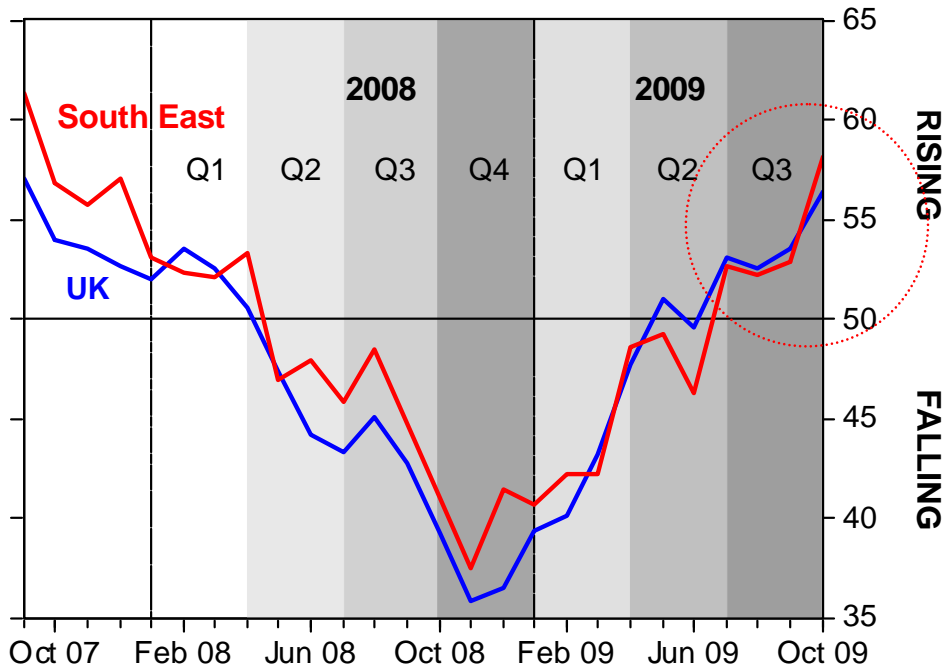
South East economy

Purchasing Managers' Index (PMI) rising for the fourth consecutive month

Business output

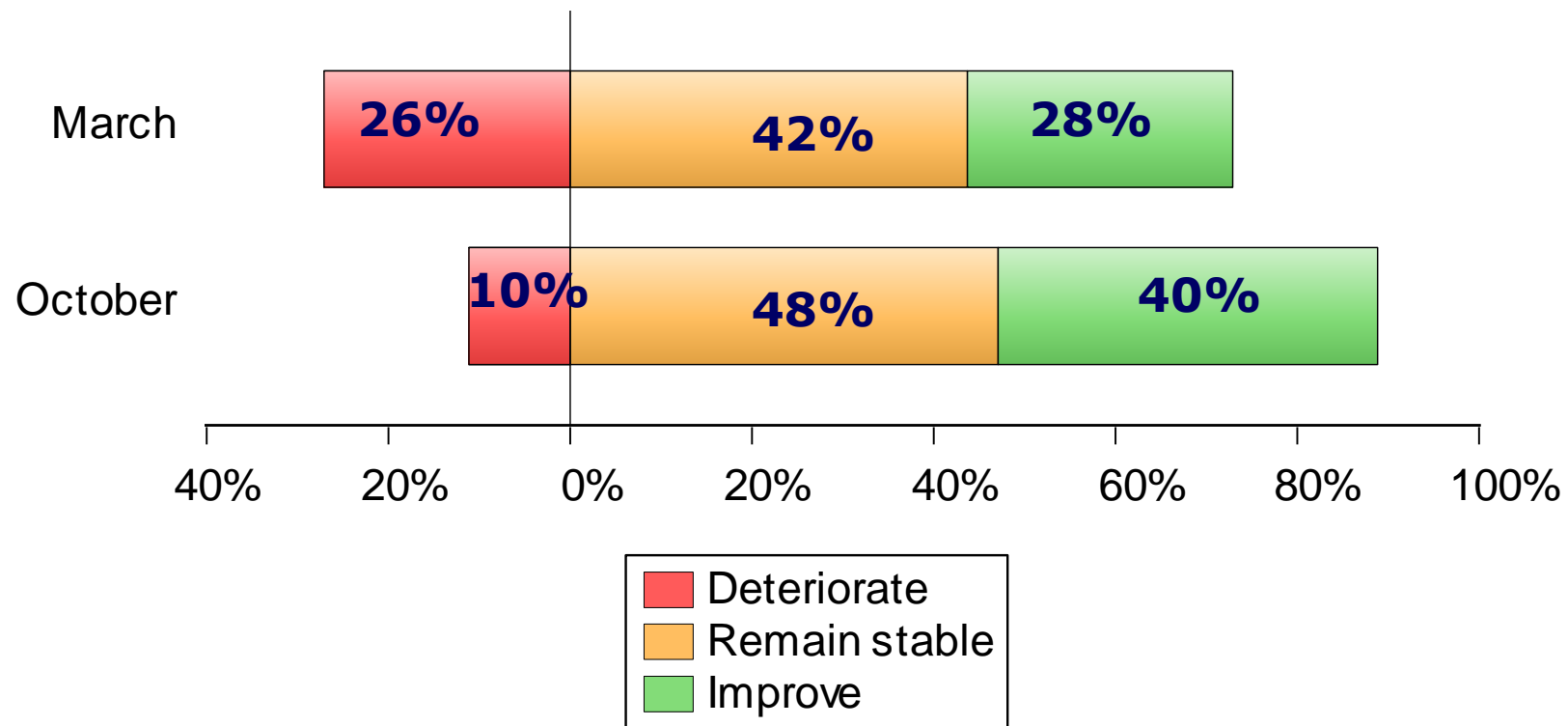


New Orders



Business climate - business more optimistic

Over the next 3 months do you expect the business climate in which your business operates to generally improve, remain stable, or get worse?

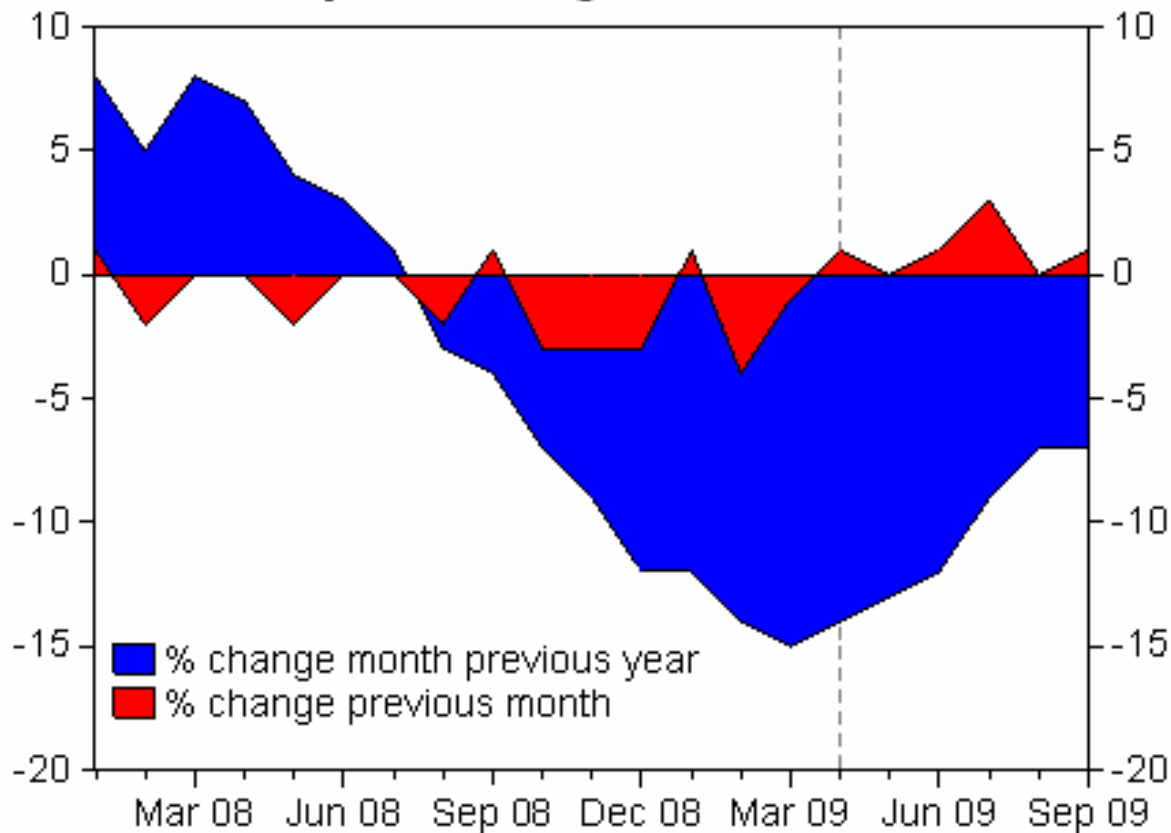


Source: Business Snapshot Survey, October 2009

Housing market recovery



Houseprice change in the South East



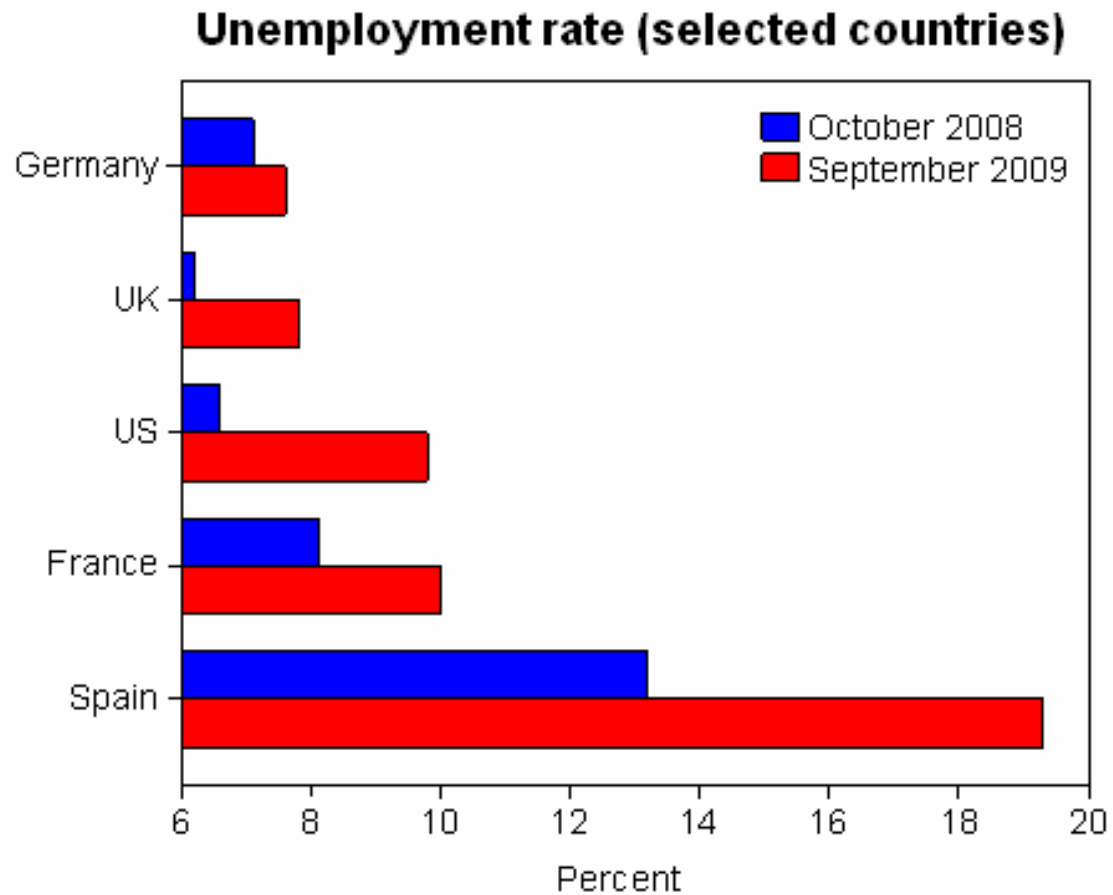
Source: CLG 2009

- 11% from peak in Jan 2008
From 278,000 to 247,000
in Sept 09

Not shrinking since April 09

The end of decline - but does that mean upswing?

...but one most not get too excited.



Source: EUROSTAT 2009

But there are signs of recovery...

POLISH FOOD SALES POINT WAY TO RECOVERY

SALES of Polish food have risen for the first time in almost a year, a trend seen as an indicator of economic recovery.

Demand slumped by almost a quarter earlier this year as an estimated 200,000 construction workers and au pairs returned home as jobs dried up and the pound fell against the zloty.

The latest figures from Tesco point to a 15 per cent recovery in sales in recent weeks as the flow of migration starts to reverse. Tesco has almost doubled the number of Polish food



lines this week to 211. Polish foods buyer Tomasz Zarebinski said: "Many Poles found it equally hard over there and have come back. That has led to the first rise in demand for Polish food for nearly a year."

Among the range are Lowicz ready meals, Drosed pate, as well as favourites such as golabki

(cabbage rolls), flaki (tripe), fasolka (beans), and beers such as Tyskie. Polish unemployment stands at 10.9 per cent compared with 7.8 per cent in Britain.

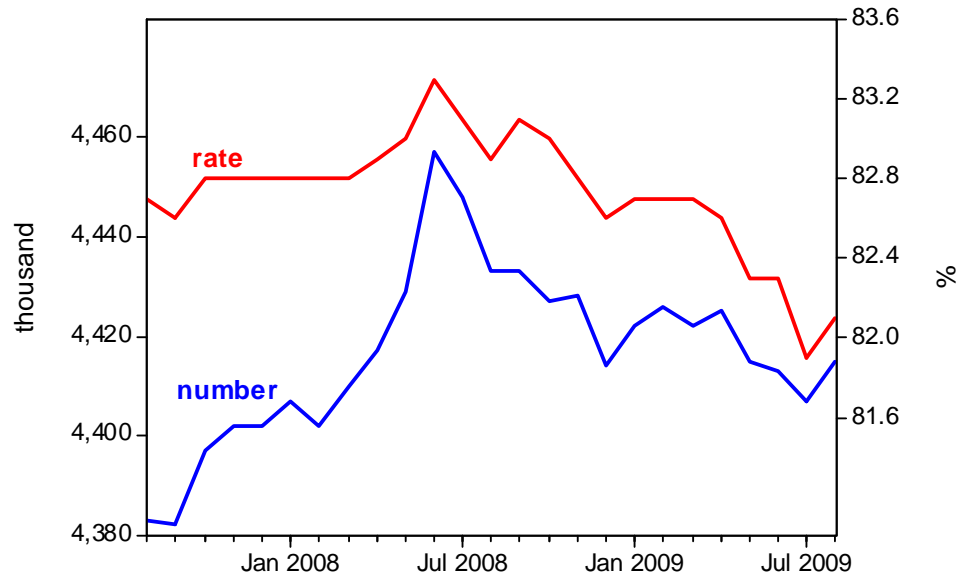


Delicacies: pate and, left, stew

Labour Market Impacts

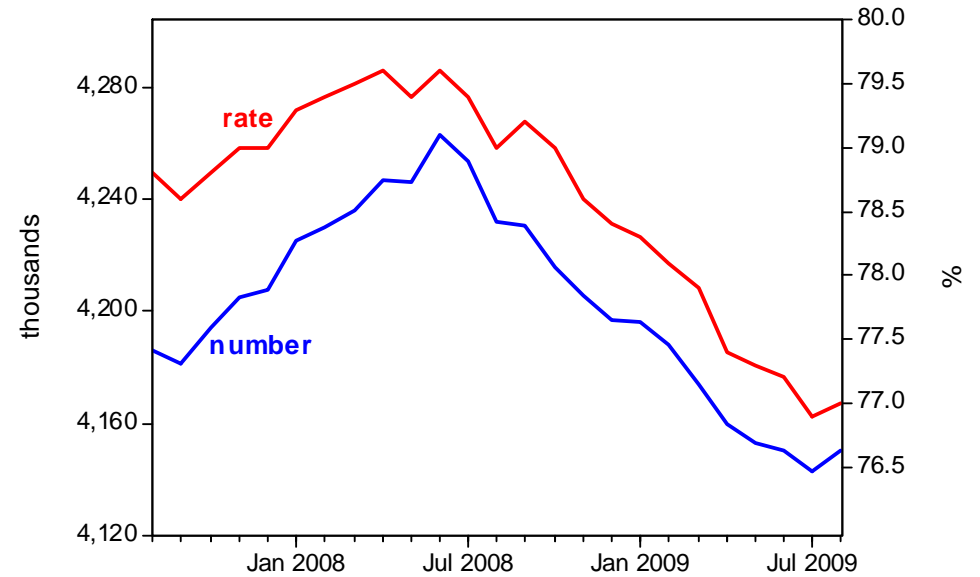
Economic activity levelling off? But employment still falling

Is the fall in economic activity easing...?



Source: ONS 2009

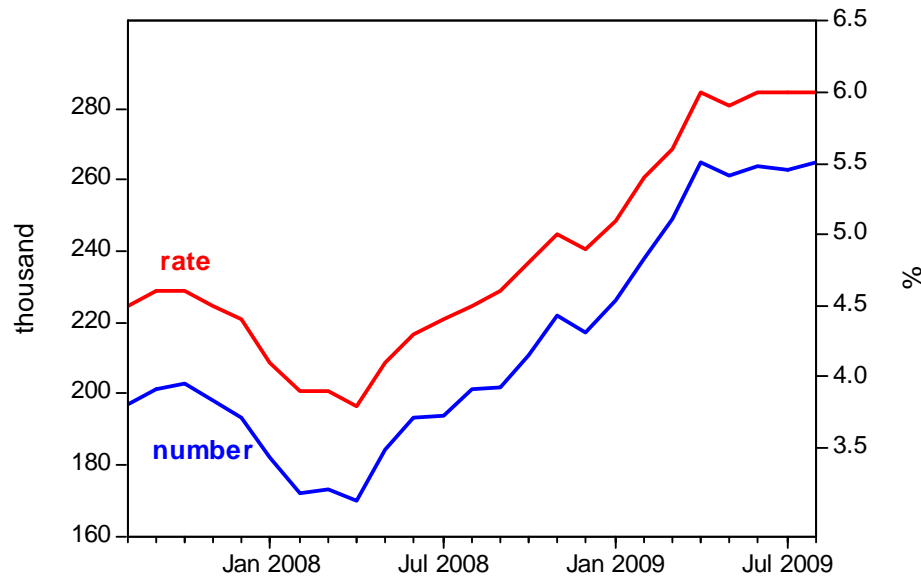
Employment continues to fall



Source: ONS 2009

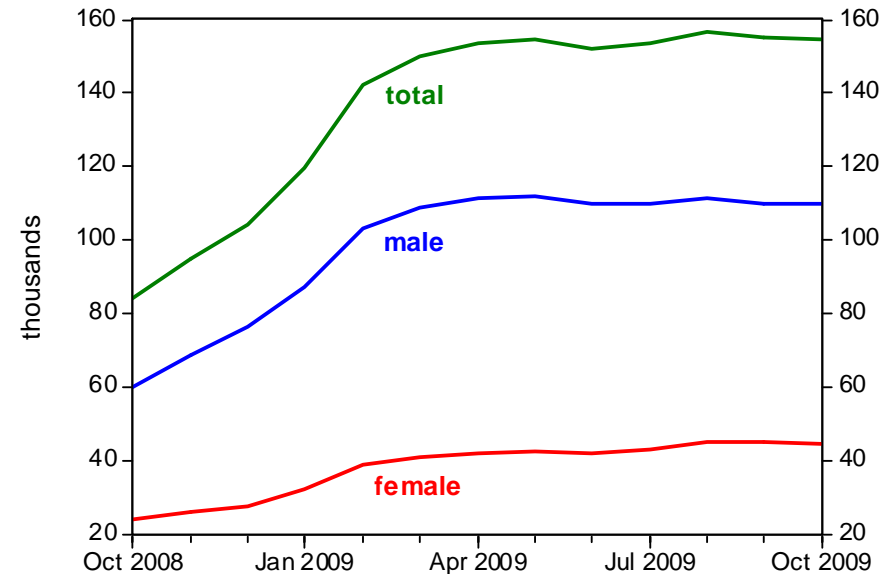
Rise in unemployment seems to be easing?

Unemployment levelling off...?



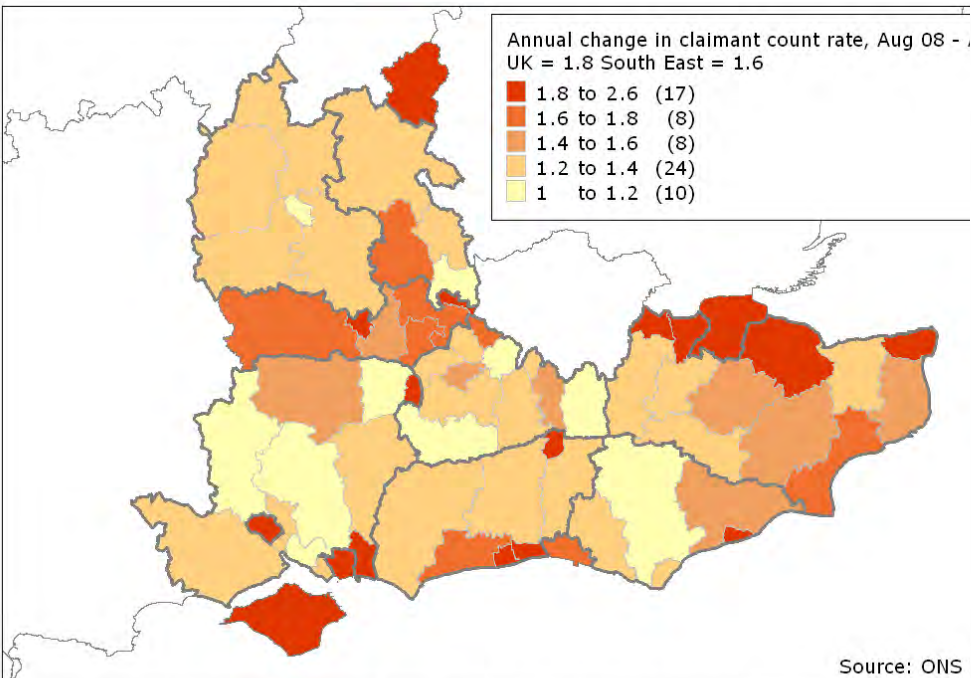
Source: ONS 2009

Claimant count remains broadly flat

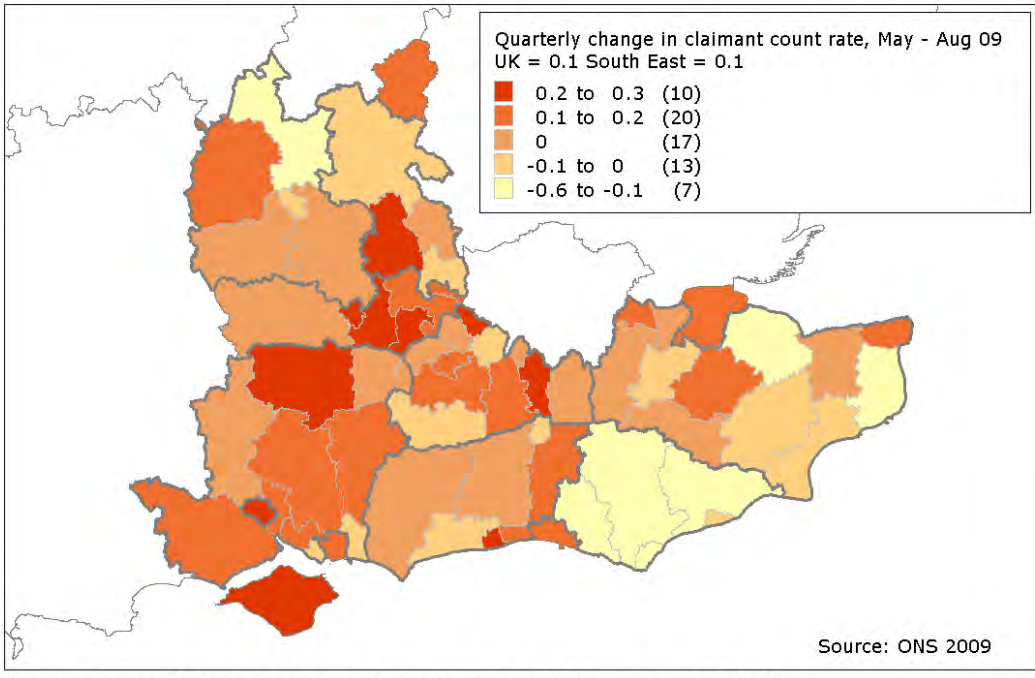


Source: ONS 2009

Claimant count rising slowly, but picture across the SE is not uniform

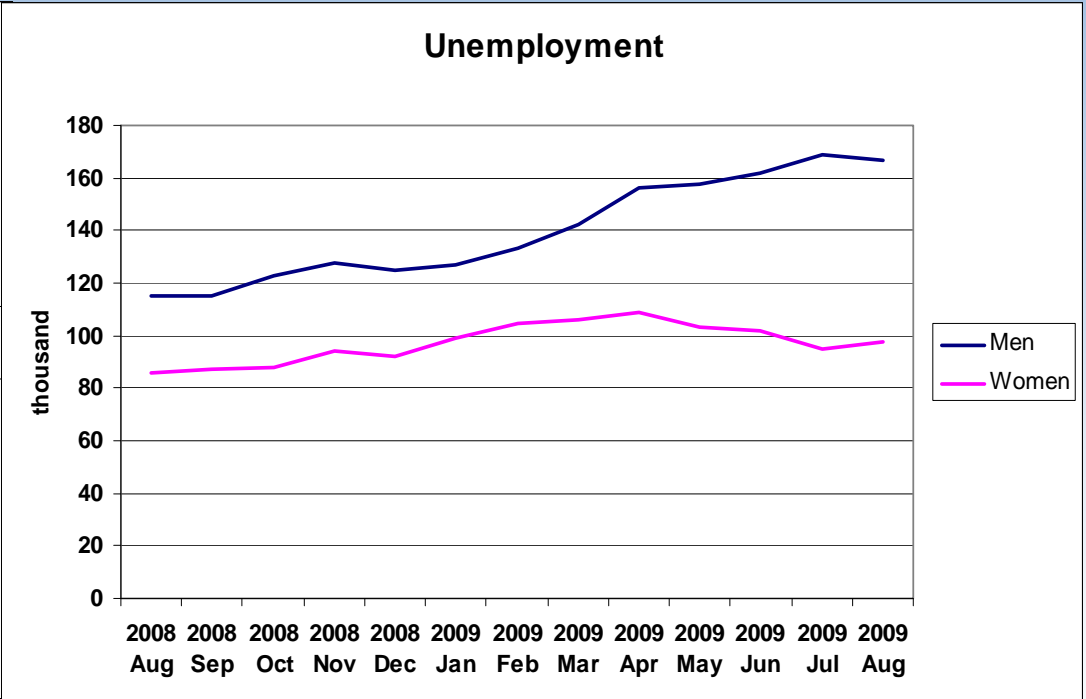
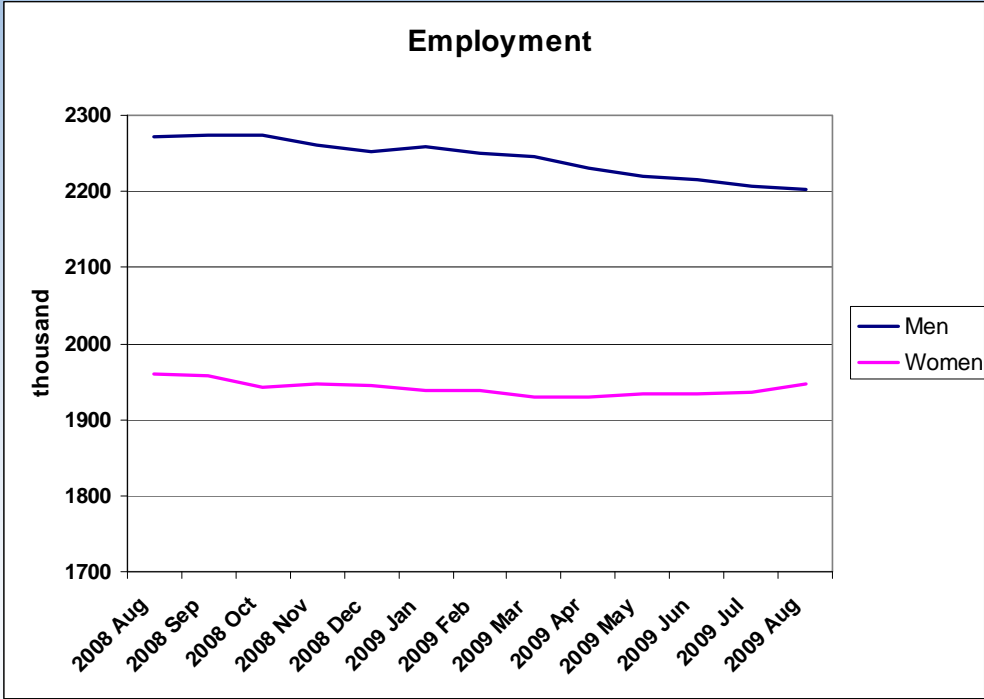


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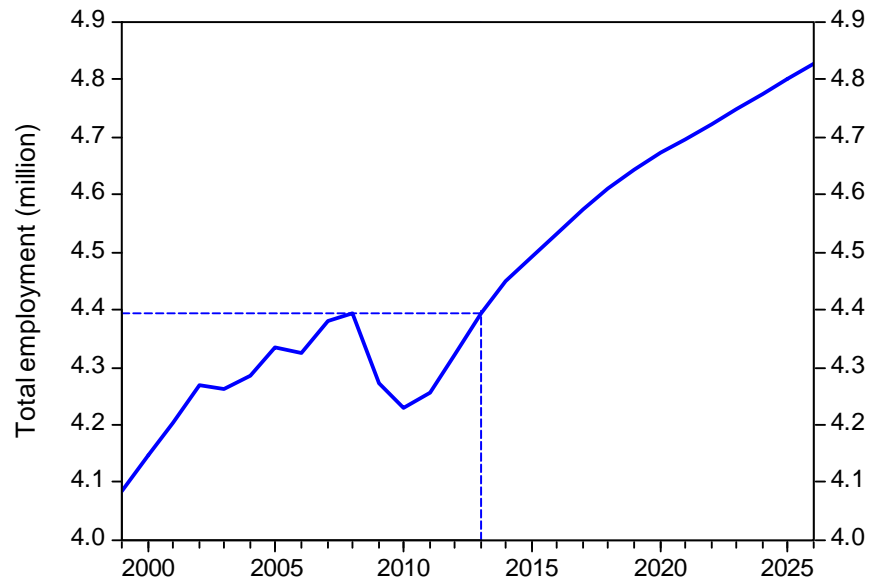
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Men losing jobs faster than women?



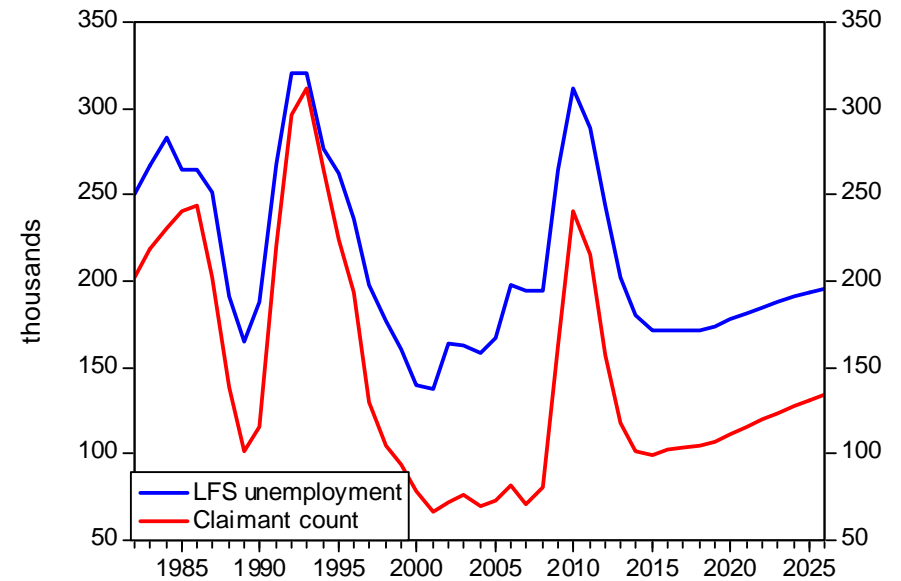
A long haul for the labour market

Employment not expected to recover to pre-recession levels until 2013



Source: Experian Autumn 2009 forecasts

Unemployment will never fall back to pre-recession levels?



Source: Experian Autumn 2009 forecasts

Thank you

SEEDA Research & Economics

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