

## **South East business confidence rises with increased demand for goods**

**14 December 2009**

South East businesses are gaining confidence and are creating the highest level of new activity in over two years according to the latest survey of the private sector economy, sponsored by the South East England Development Agency (SEEDA).

The recent trend for increased output among manufacturers is continuing with survey respondents commenting on improved demand conditions and clients becoming more willing to carry on with projects previously put on hold due to unfavourable economic conditions, survey respondents said.

The rate of redundancies is the slowest since August 2008, when the rate of unemployment was its highest at any point in the recession.

The South East PMI (Purchasing Managers' Index) survey is conducted among a representative panel of manufacturing and service sector companies in the region.

Paul Lovejoy, SEEDA Executive Director of Strategy, said: "The November PMI business survey is encouraging news for the region. Manufacturing has been the main driver of growth across the South East in recent months and we now look to a sustainable upturn with stronger service sector activity.

"SEEDA is committed to ensuring that the region is able to respond to the upturn from a position of strength. We provide businesses with the support they need to grow, through our in-depth knowledge of their needs and the economic conditions in which they operate."

**...ENDS...**

### **Notes to Editors**

- **Full survey available from SEEDA press office:**  
Scott Swinton (Media Relations Manager) 01483 501 362; [scottswinton@seeda.co.uk](mailto:scottswinton@seeda.co.uk)
- **SEEDA, the South East England Development Agency**, is the Government-funded agency responsible for the sustainable economic development of the South East of England – the driving force of the UK's economy. Through supporting businesses, encouraging innovation, developing skills and engaging with public and private partners, we aim to create a successful, sustainable future for the region.

**More/**

- **SEEDA's support helped deliver the following** over the period 2005-2008:
  - 17,500 jobs created or safeguarded
  - 32,500 people helped to get work
  - 10,000 businesses created or attracted to region
  - 137,500 businesses assisted
  - £638m investment, 45% levered from private sector
  - 200ha Brownfield land remediated
  - 148,500 people assisted in skills development
  
- The South East PMI features original survey data collected from a representative panel of companies based in the South East and operating in both manufacturing and service sectors.
- The survey forms part of a series of regional surveys published by Markit Economics and is derived from the highly regarded national PMI surveys produced by Markit for the Chartered Institute of Purchasing and Supply.
- Purchasing Managers' Indexes (or PMIs) are monthly surveys of carefully selected companies which provide an advance indication of what is really happening in the private sector economy by tracking variables such as output, new orders, employment and prices across both manufacturing and service sectors. The PMI surveys are based on fact, not opinion, and are the first indicators of economic conditions each month. The data are collected using identical methods in all countries and regions so that accurate comparisons may be made.
- Questionnaires are completed in the latter half of each month and are collected and processed by economists at Markit Economics. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month.
- Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration.
- Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.
- The indexes are seasonally adjusted to take into consideration expected variations for the time of year, such as summer holiday shutdowns and national holidays.
- **Markit** is a leading, global financial information services company with over 1,300 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place.
- **Markit Economics** is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

For media enquiries, please contact: Scott Swinton (Media Relations Manager): 01483 501 362; [scottswinton@seeda.co.uk](mailto:scottswinton@seeda.co.uk)