



Monthly Economy Update

October 2009

SEEDA Research & Economics

Agenda

1) Current economic conditions

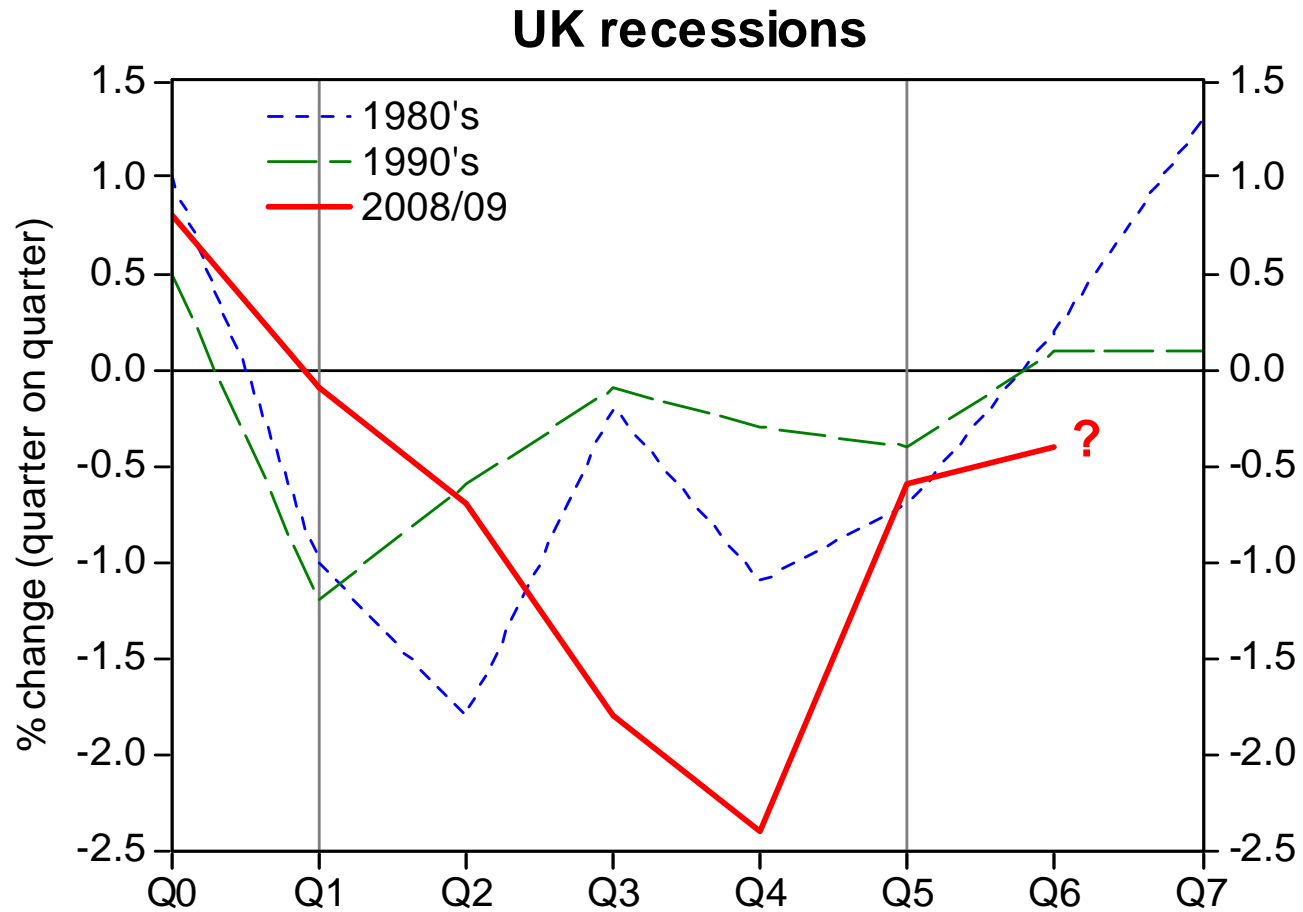
Sabine Rumscheidt

2) South East labour market

Claire Hann

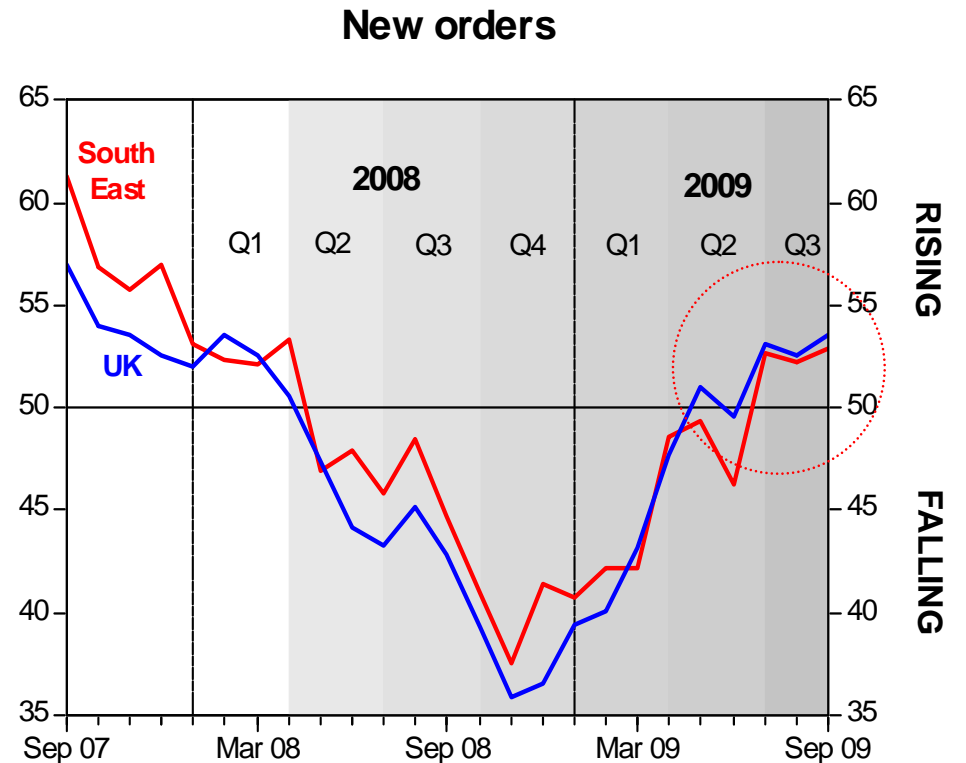
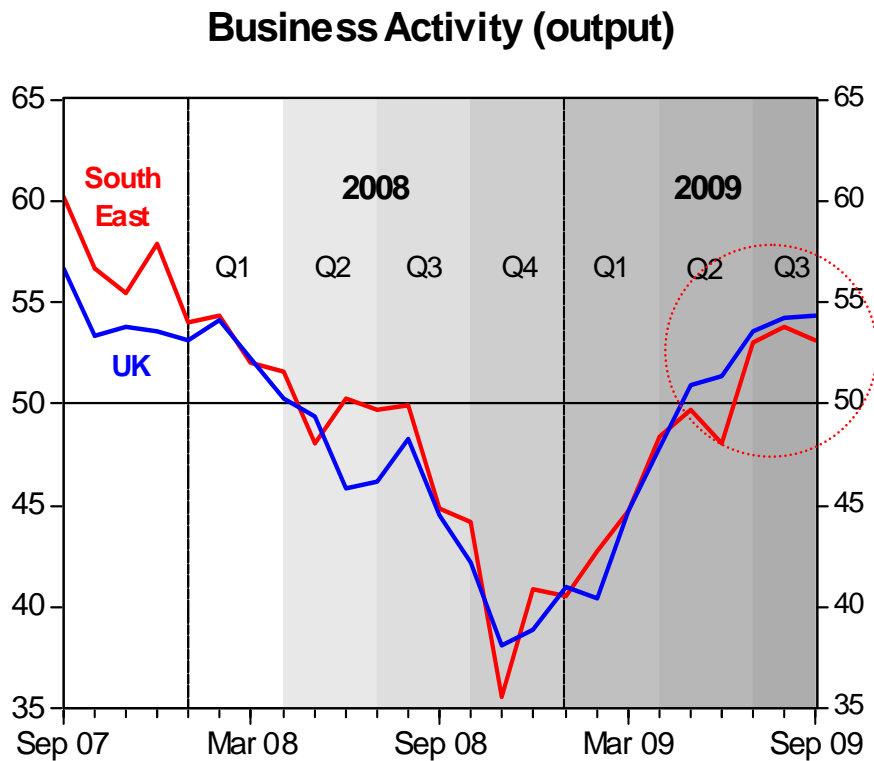
Economic conditions

UK GDP declines further in Q3...



Source: ONS 2009

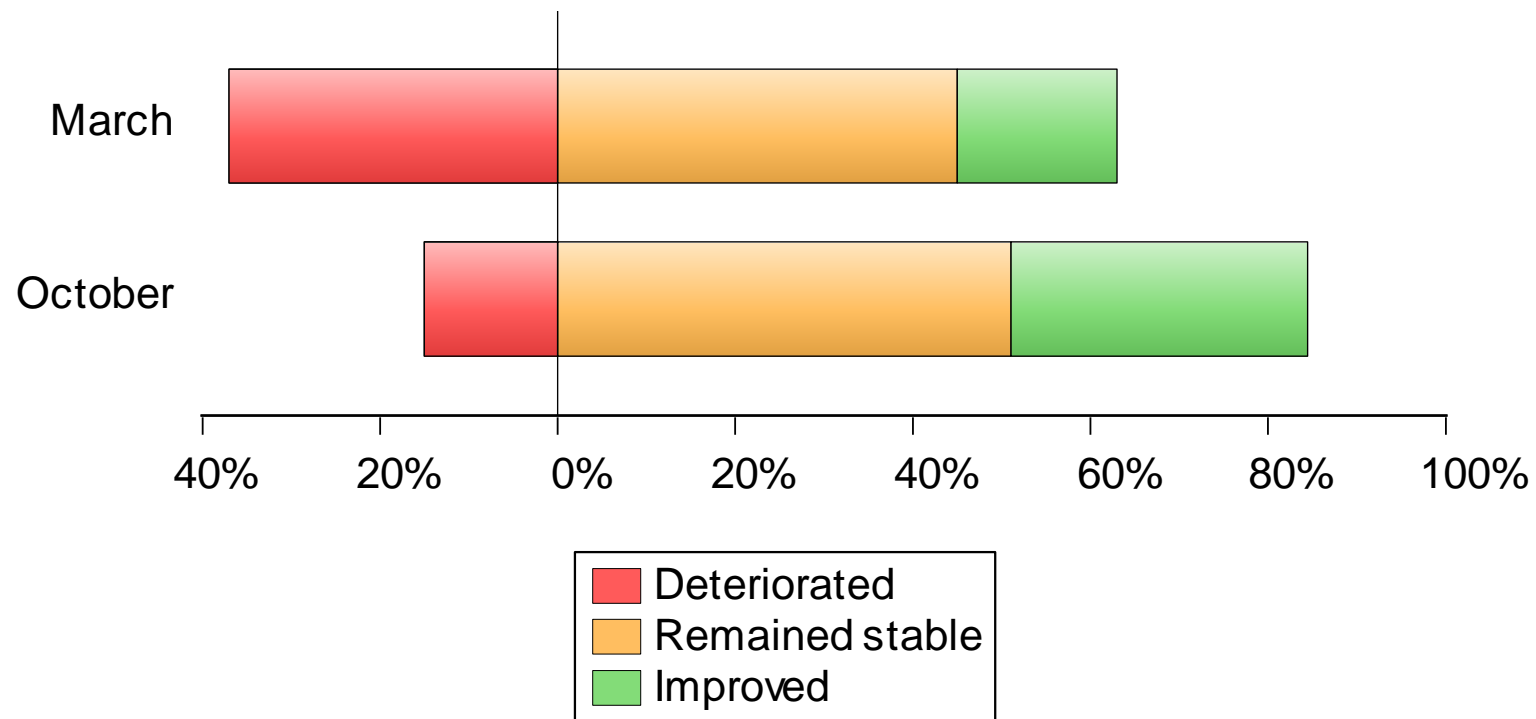
But there are signs of recovery...



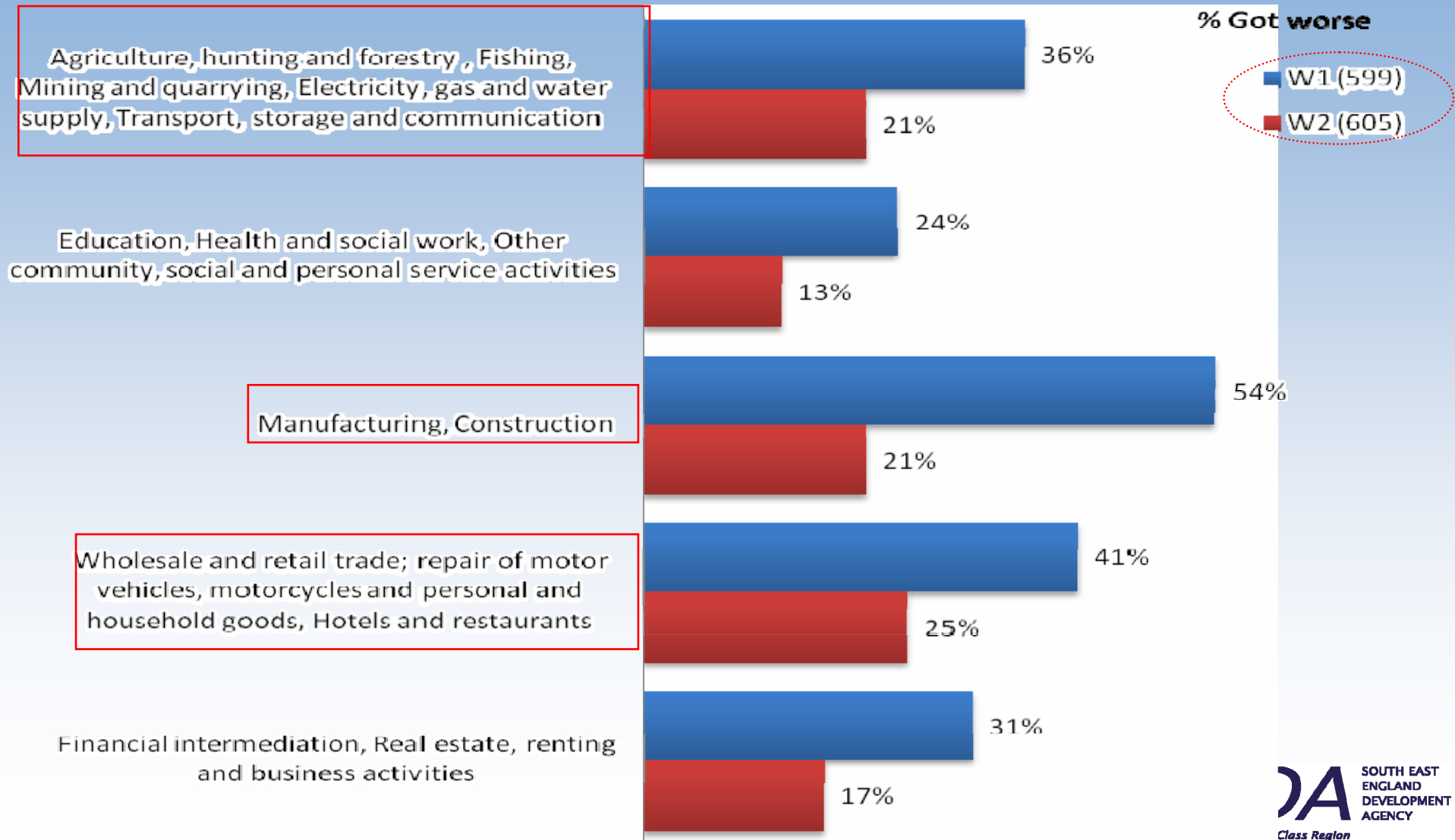
Source: RDA / Markit Purchasing Managers' Index

Business performance improved...

Would you say that overall, your business performance in the past 3 months has improved, remained stable or got worse?

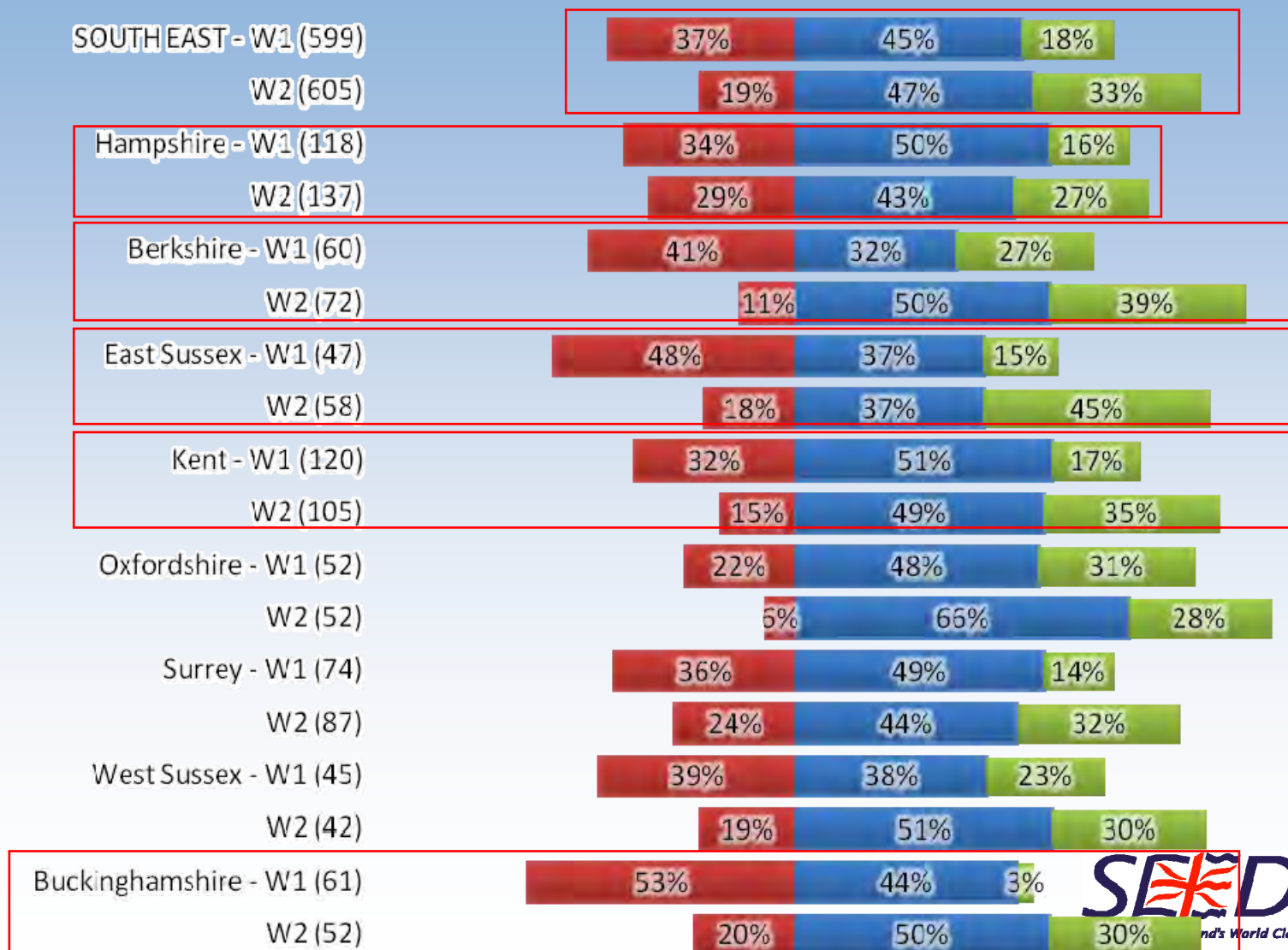


Positive net balance in all sectors, but some are coping better....

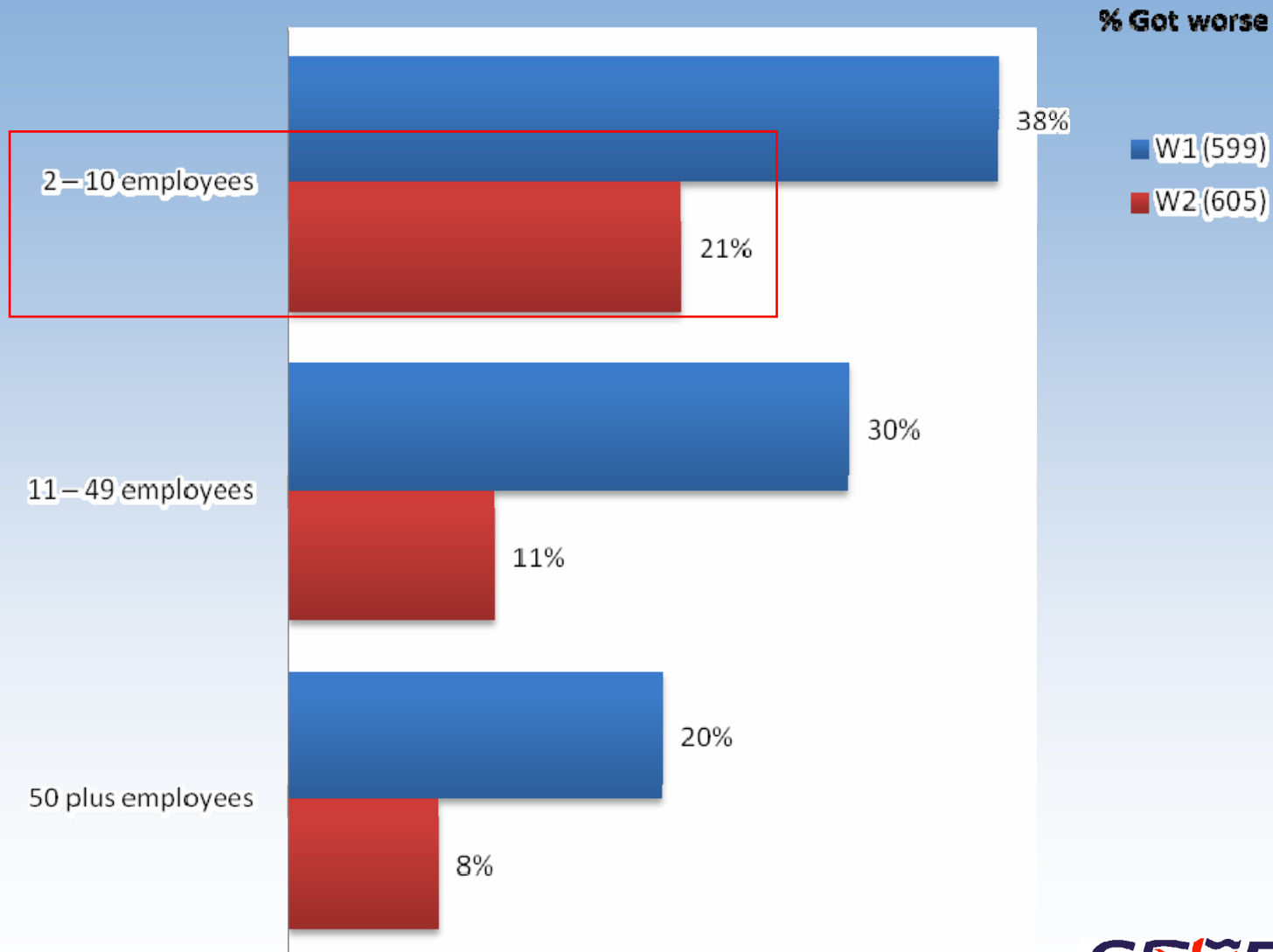


All counties have improved, but there are differences....

■ Got worse ■ Stayed the same ■ Improved

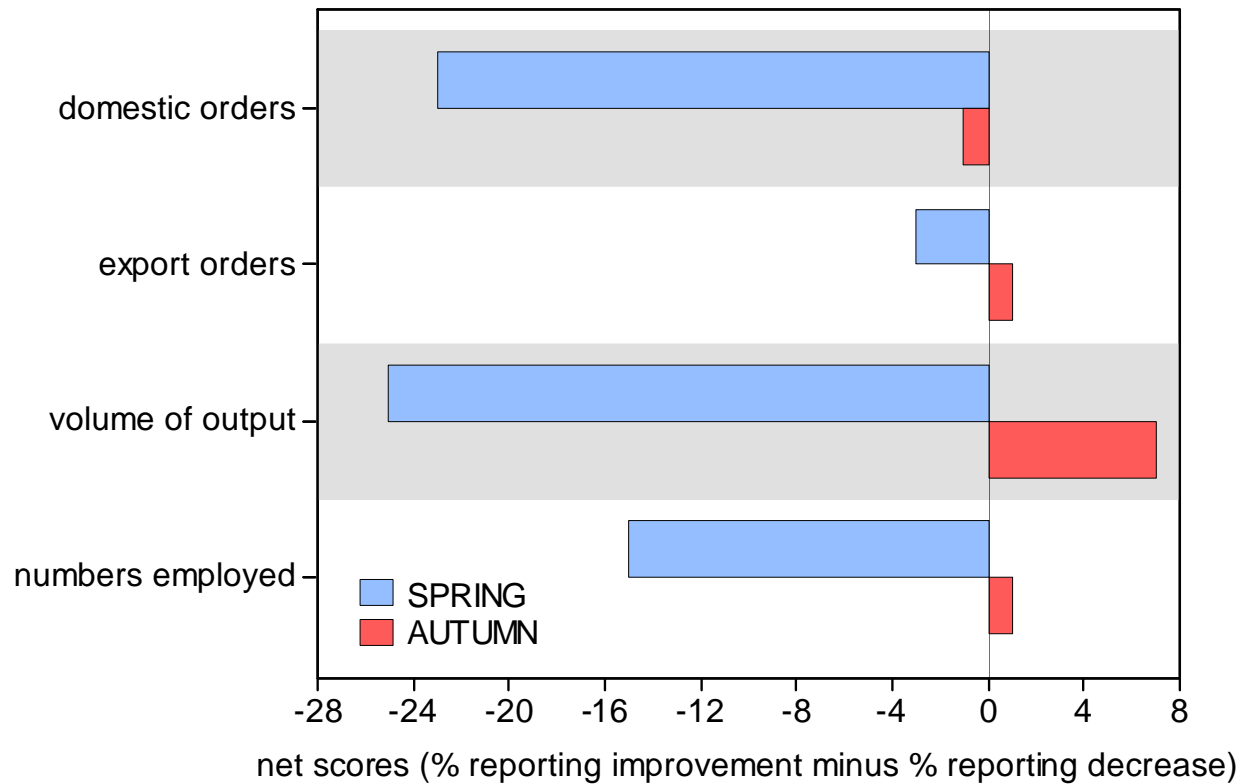


Small firms continue to suffer most...



Progress in most business areas...

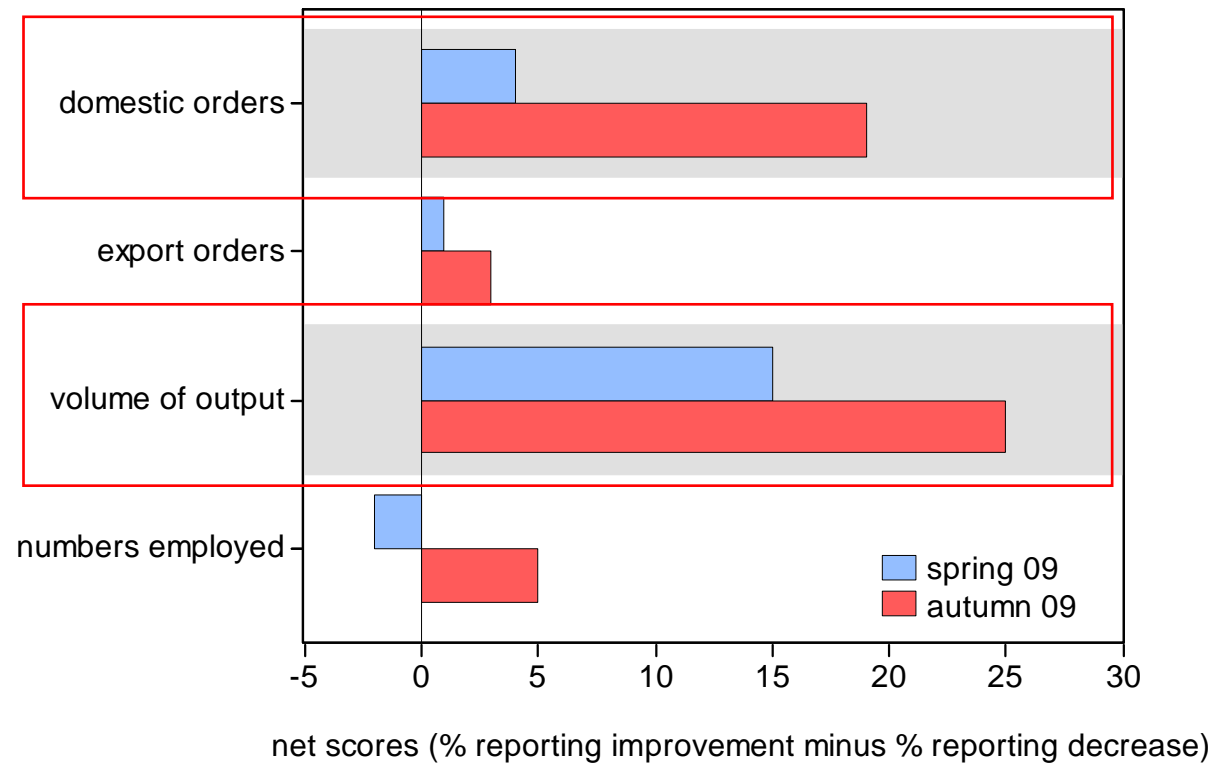
Over the past 3 months, what has been the trend with respects to...?



Source: NBS survey quarterly snapshot, Autumn 2009

...this trend is reflected in future expectations

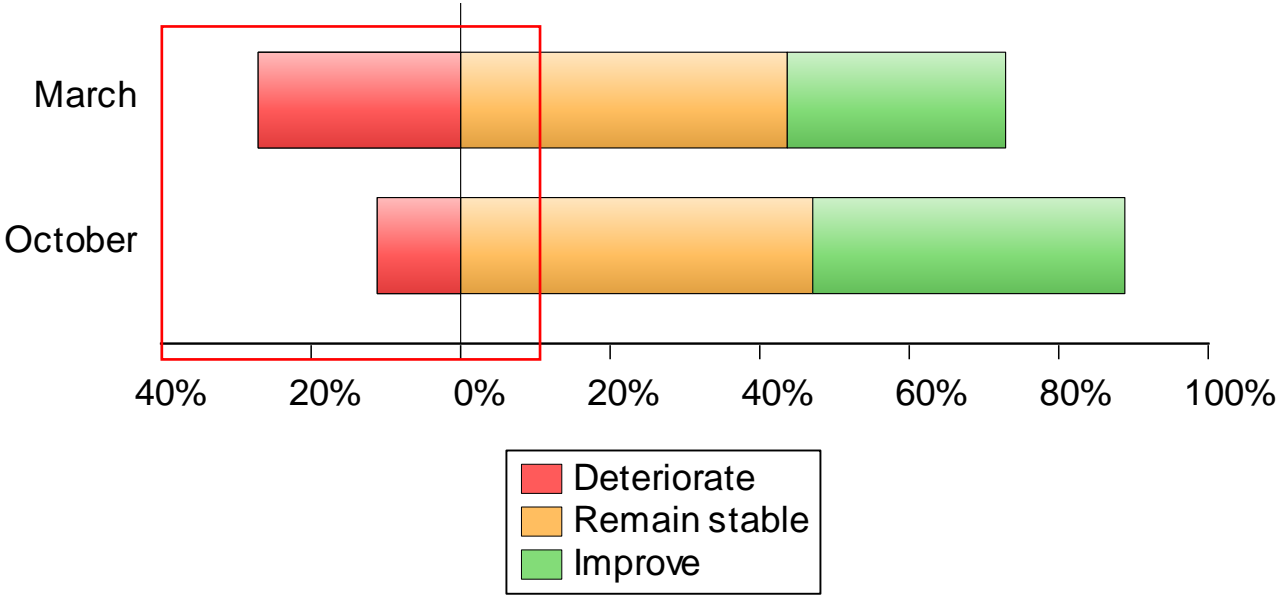
In the next 3 months, what is your expected trend with respects to...?



Source: NBS survey quarterly snapshot, Autumn 2009

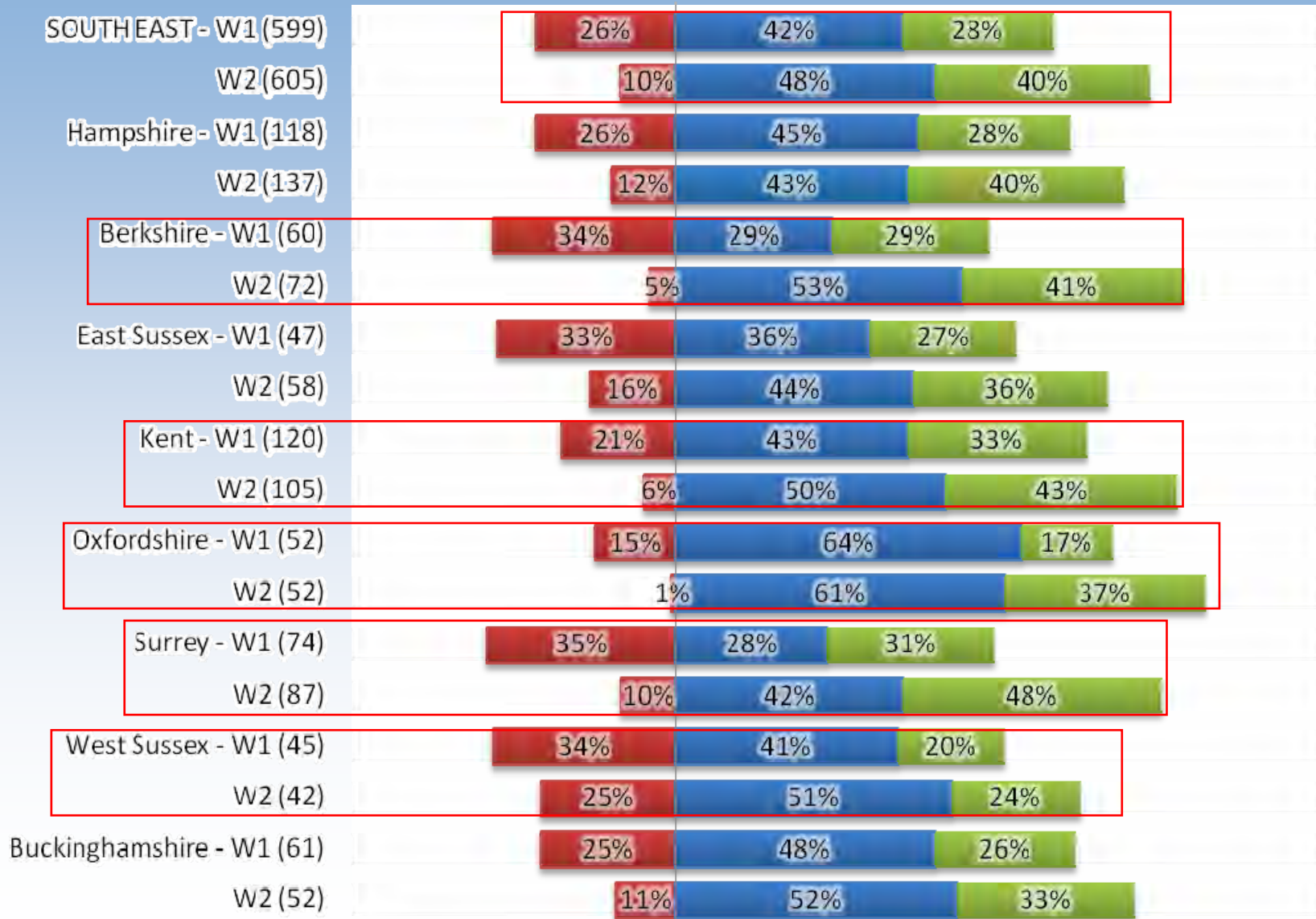
Business climate is on the increase

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



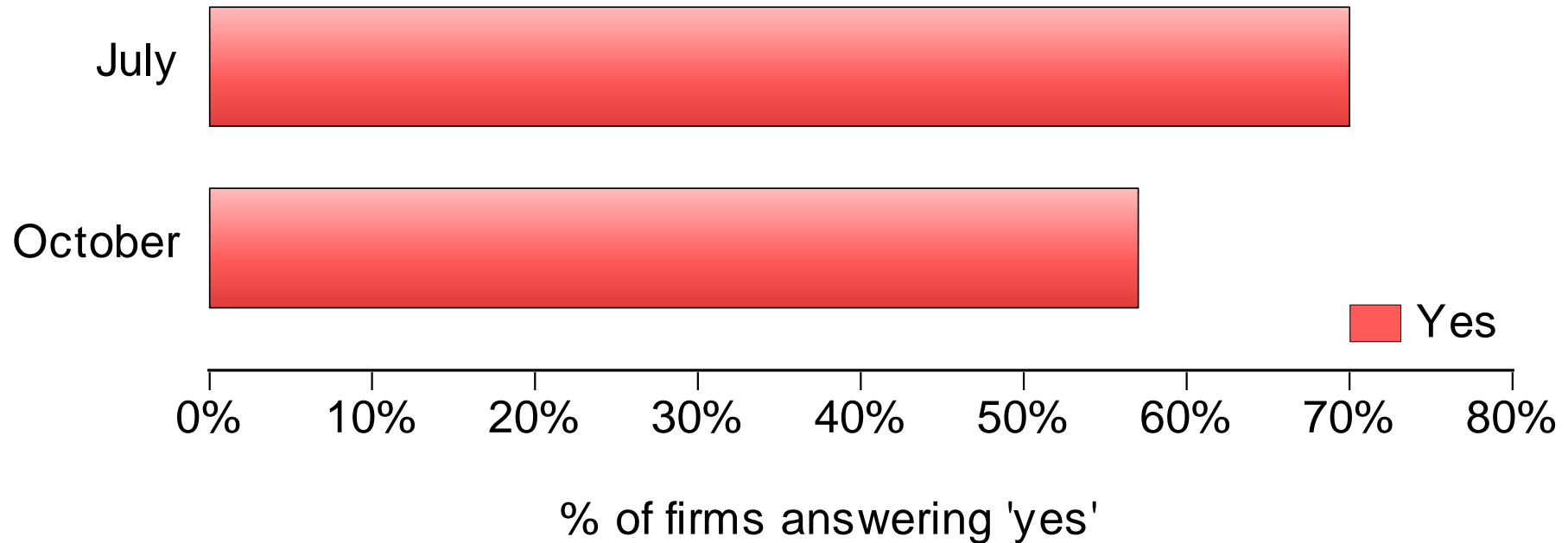
Business climate, sub-regional differences...

■ Get worse ■ Remain the same ■ Improve



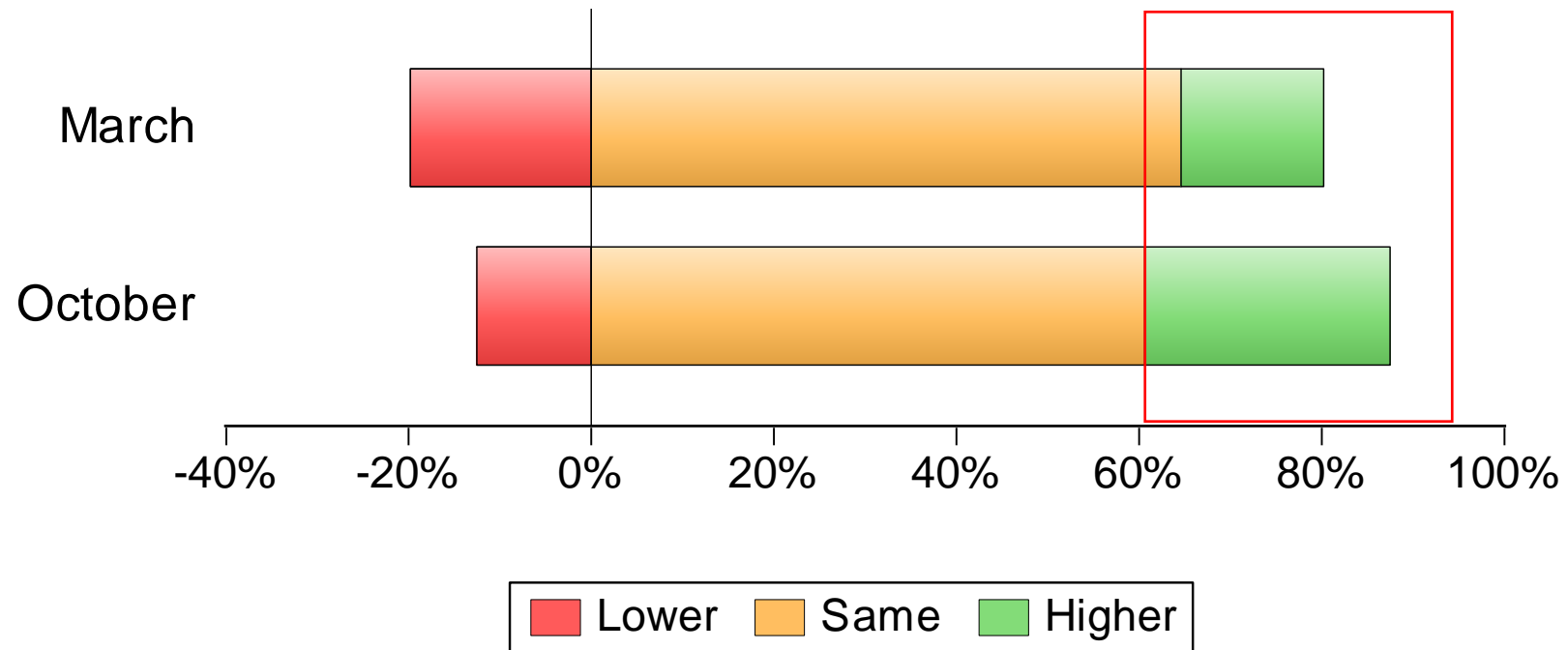
Less firms are working below capacity

Is your present level of output below capacity?



Investment has picked up slightly

What has been the trend in the past 3 months with respect to overall investment in the business?

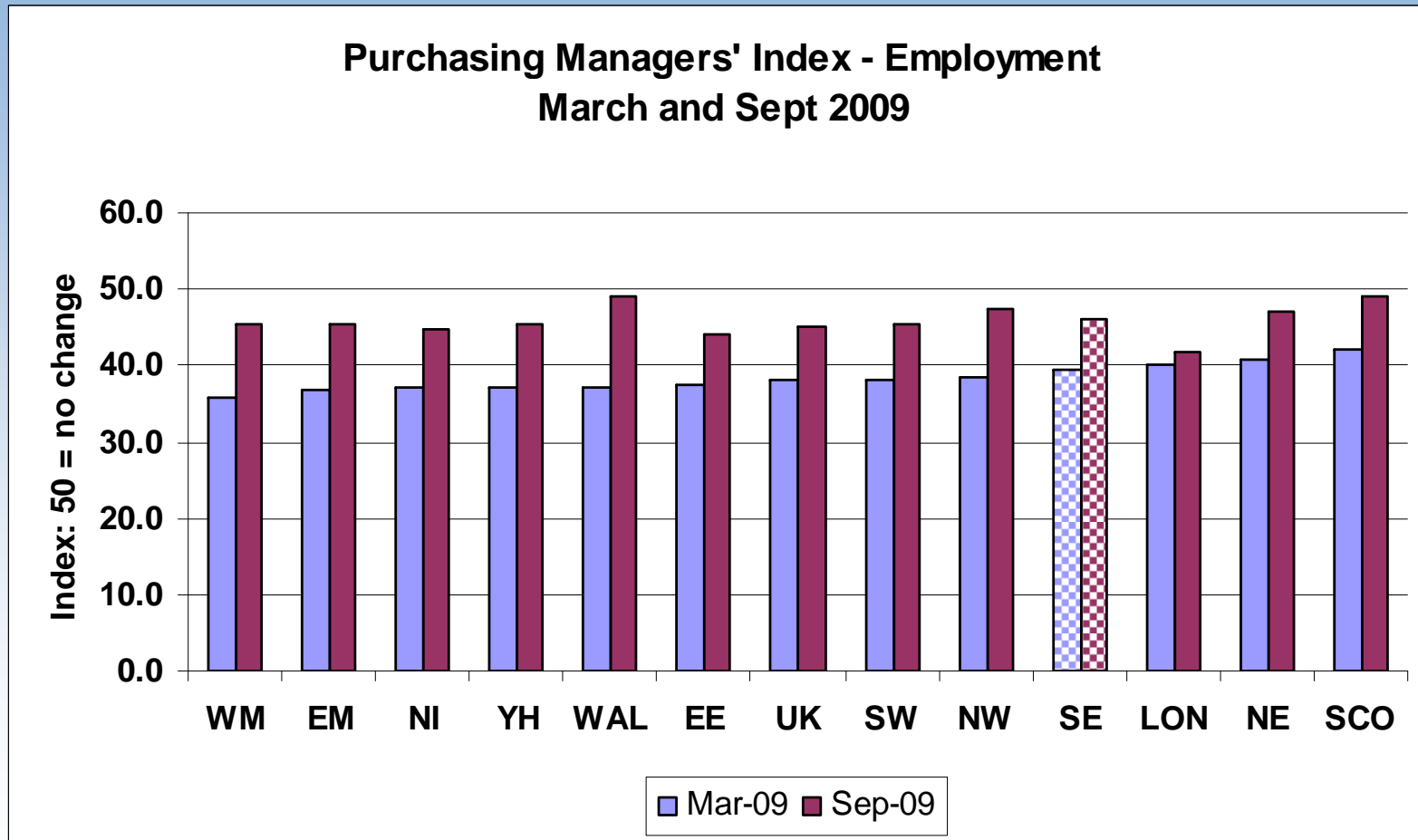


Summary

- **Businesses conditions have improved across the South East, in all sectors and most counties.**
- **However, despite these improvements, conditions remain tough across the region and many firms are continuing to struggle.**
- **Signs are generally positive and the UK economy looks set to leave recession in the near future.**
- **However, any recovery looks set to be slow and protracted.**
- **Still risk and uncertainty: temporary demand boost?**

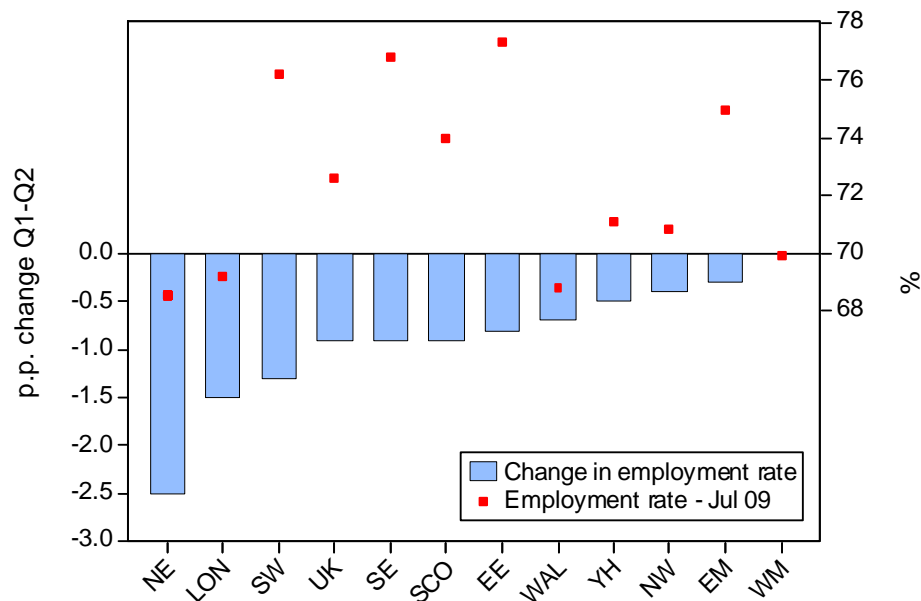
Labour Market impacts

Pace of job shedding slowing down, with greatest improvement in northern and midlands regions?



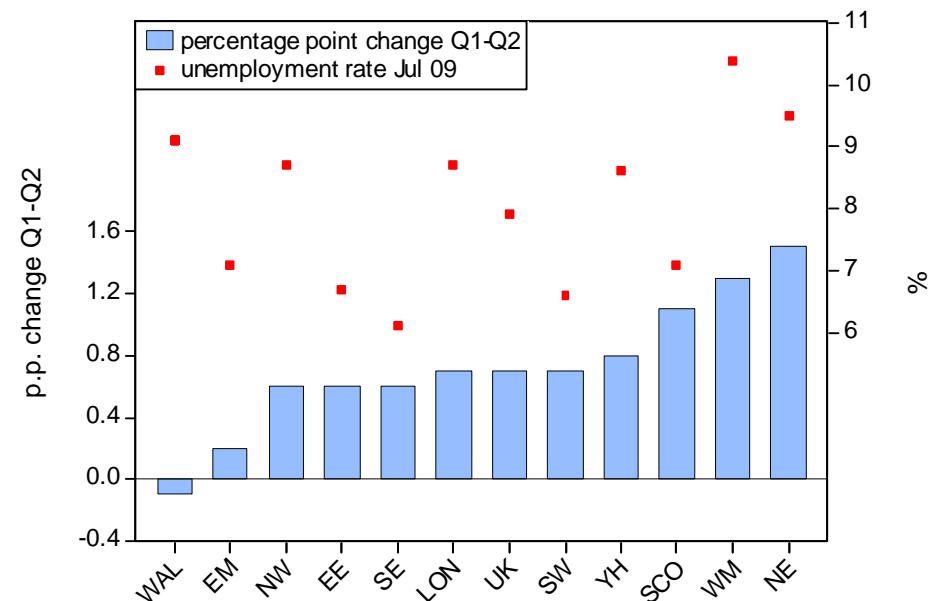
South East labour market holding up reasonably well compared to other regions during the recession

Change in employment rate, Q1 to Q2 2009, UK regions



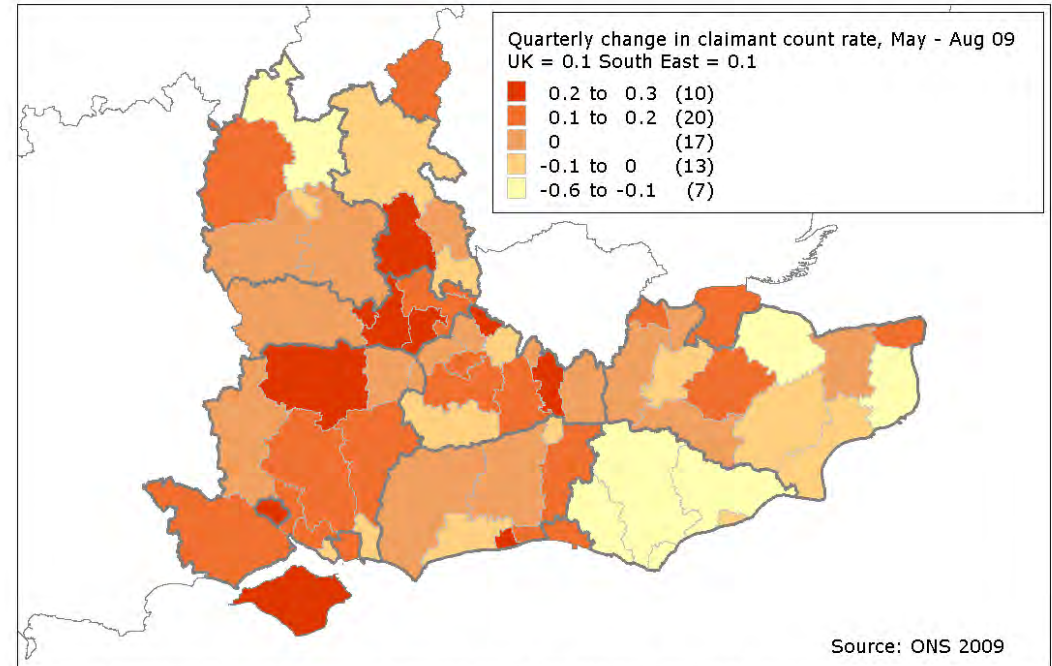
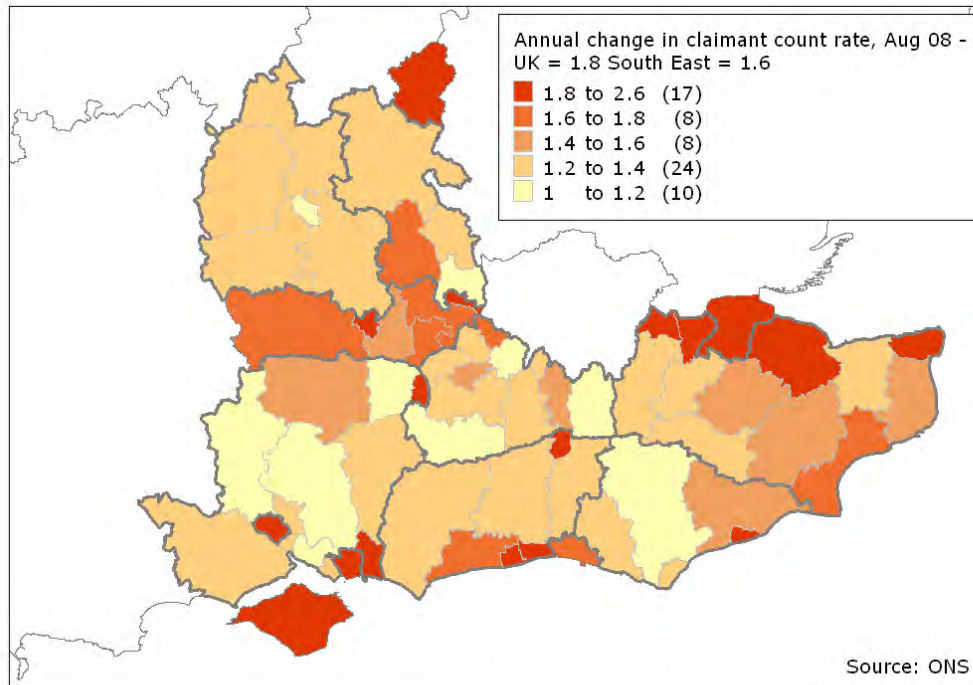
Source: ONS 2009

Change in unemployment rate, Q1 to Q2 2009, UK regions



Source: ONS 2009

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

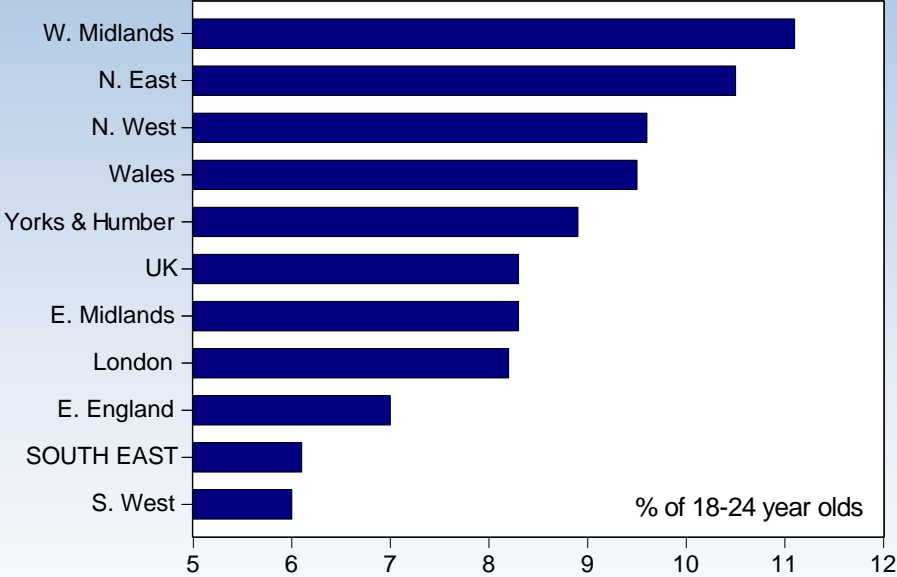


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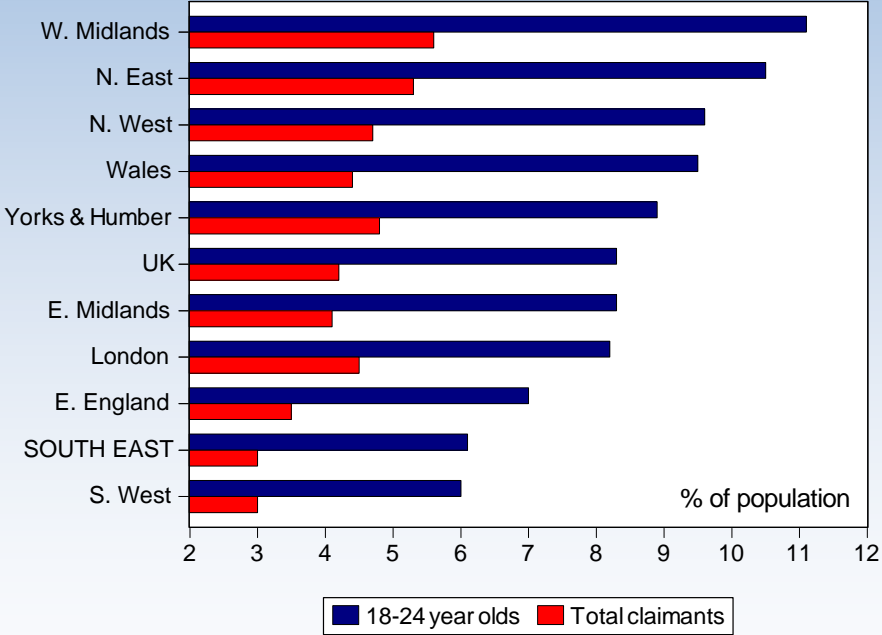
South East has one of the smallest unemployment rates amongst 18-24 year olds

% of 18-24 year olds claiming JSA, Sept 2009



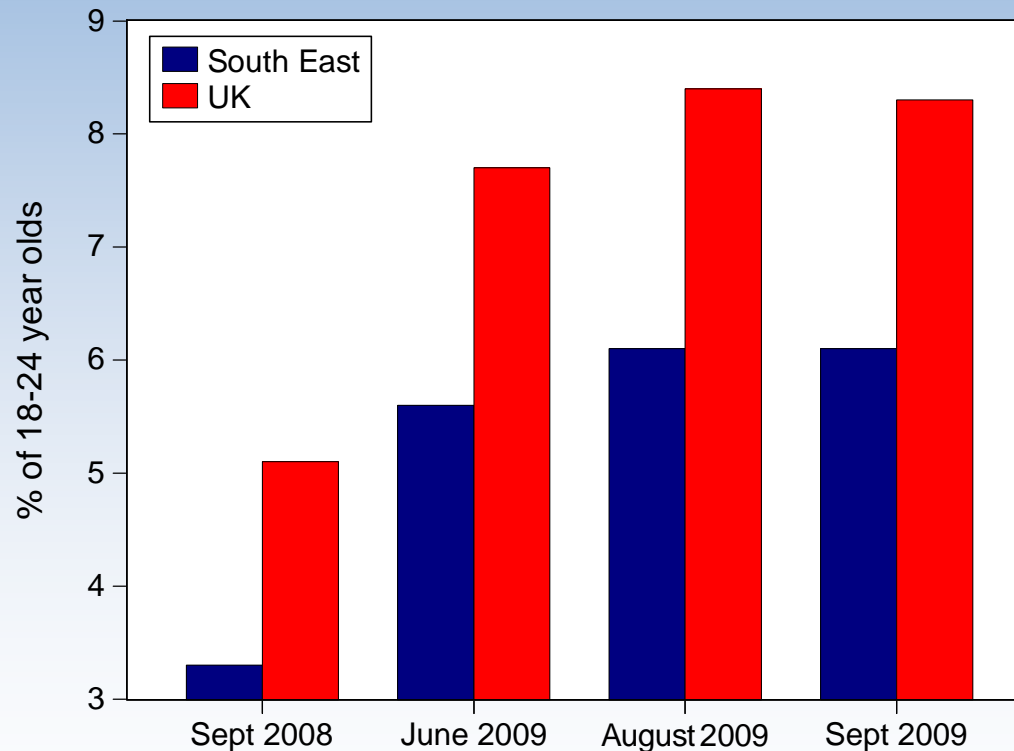
Source: ONS 2009

Claimant count rate and % of 18-24 year olds claiming JSA Sept 2009



Rise in unemployment amongst young people slowed down over the summer

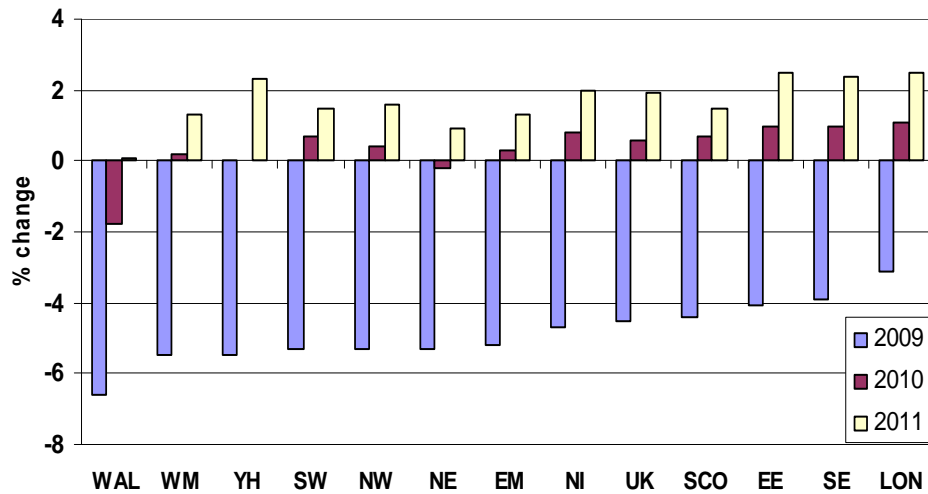
**% of 18-24 year olds claiming JSA
Sept 2008 to Sept 2009**



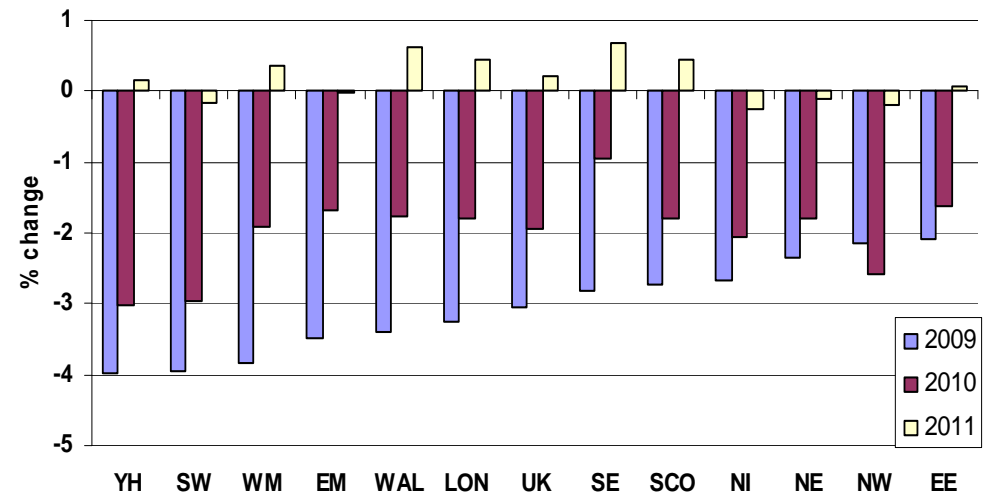
Source: ONS 2009

South East to see fastest and strongest recovery of all regions?

Projected change in output, UK regions
2009-2011



Projected change in employment, UK regions,
2009-2011



Source: Experian Business Strategies, Spring 2009

Thank you

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