



# Monthly Economy Update

## September 2009

SEEDA Research & Economics

# Agenda

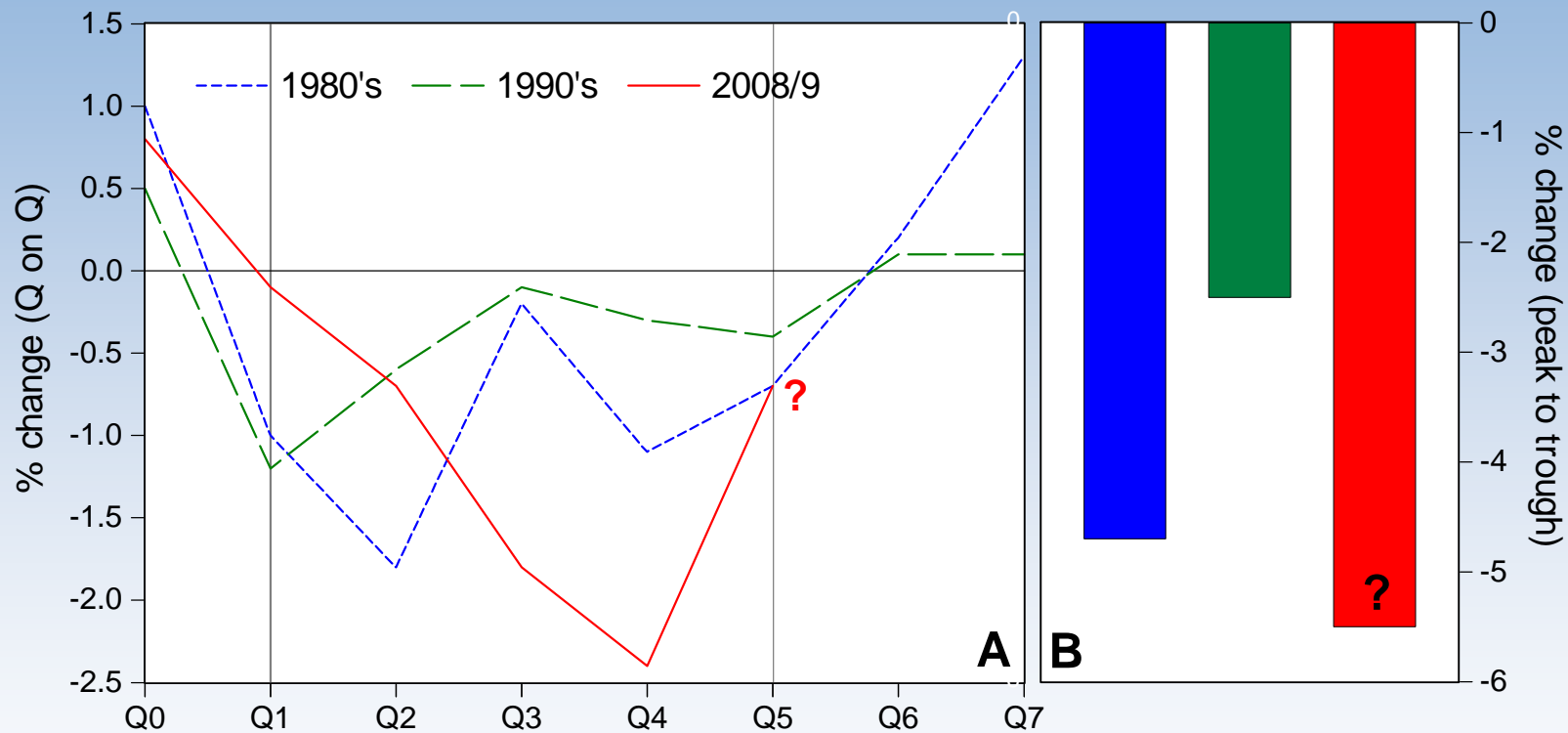
## Overview of the current state of the economy

- Current economic conditions (Sabine Rumscheidt)
- South East labour market (Claire Hann)

# Economic conditions

# UK GDP declines further in Q2...

## UK Recessions (A) Change in GDP from peak to trough (B)



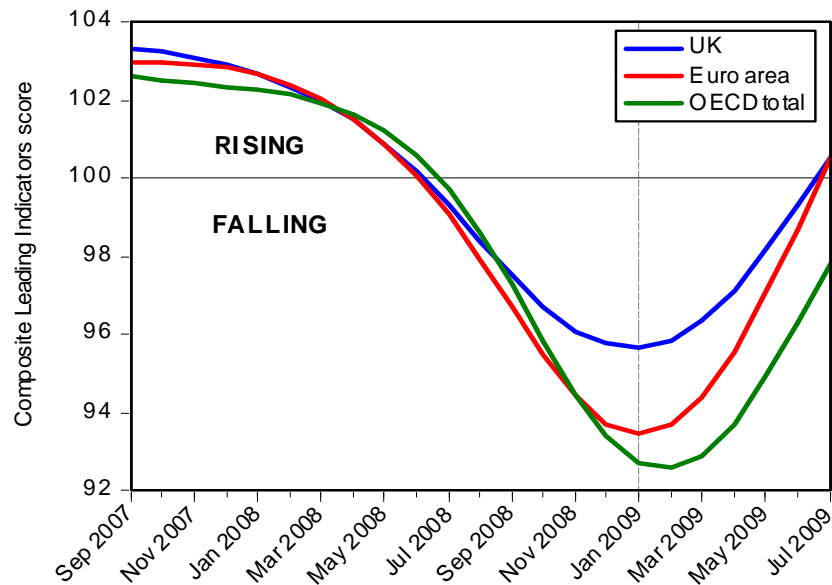
Source: ONS 2009

# ...but signs of recovery

Q-Q		Q2('09)	Y-Y
0.3	GER		-5.9
0.3	FRA		-2.6
-0.7	UK		-5.5
-0.3	USA		-3.9
0.9	JAP		-6.5

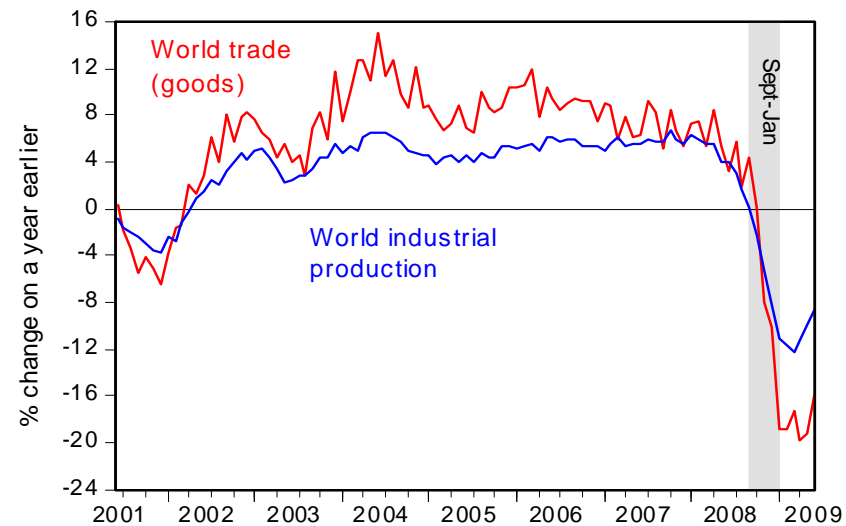
Source: Eurostat 2009

### OECD composite leading indicators



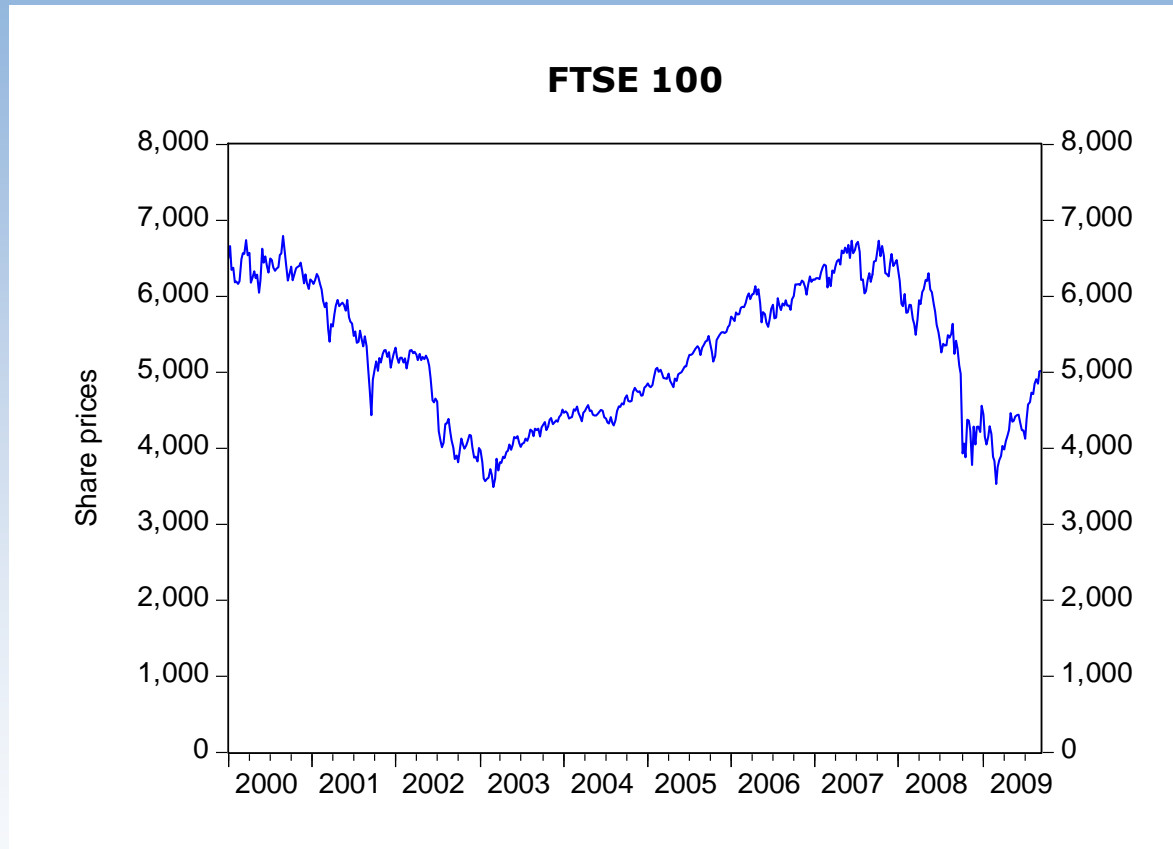
Source: OECD

### World Industrial Production and Trade



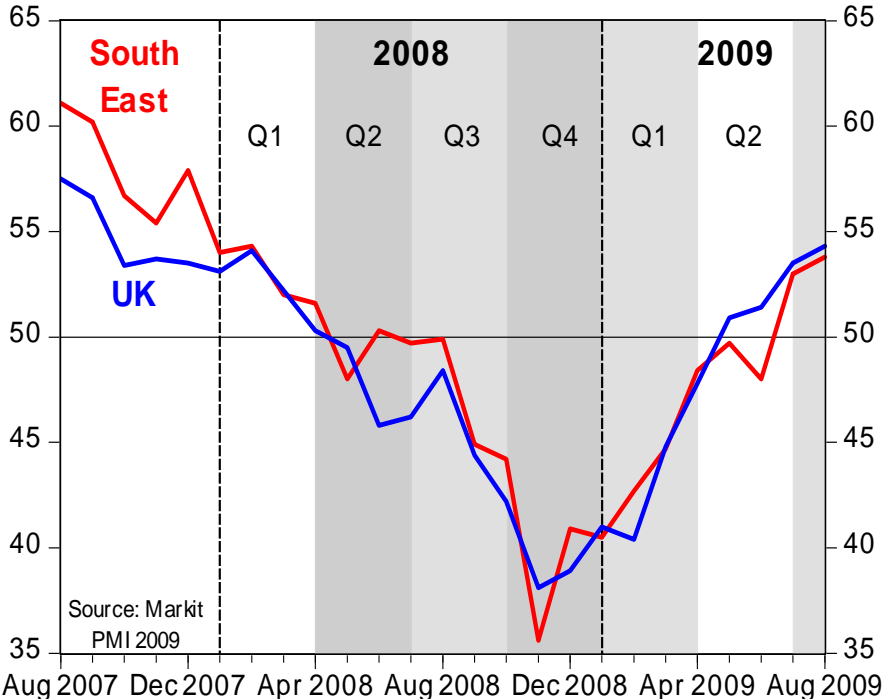
Source: CPB Netherlands Bureau for Economic Policy Analysis

# Some resurgence in the stock market

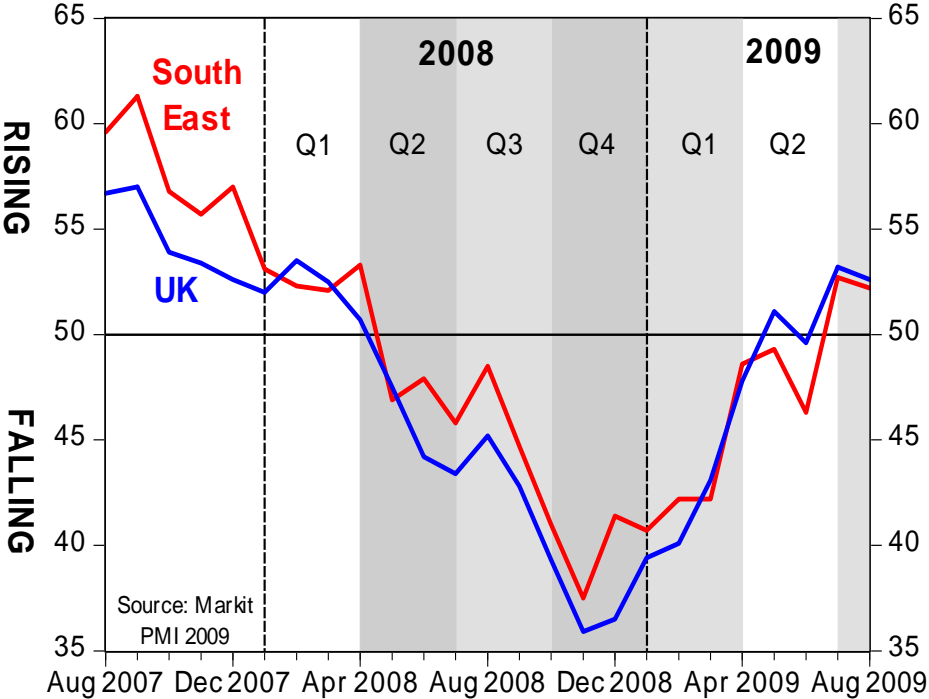


# Output and orders increase in July and August

**Business activity (output)**

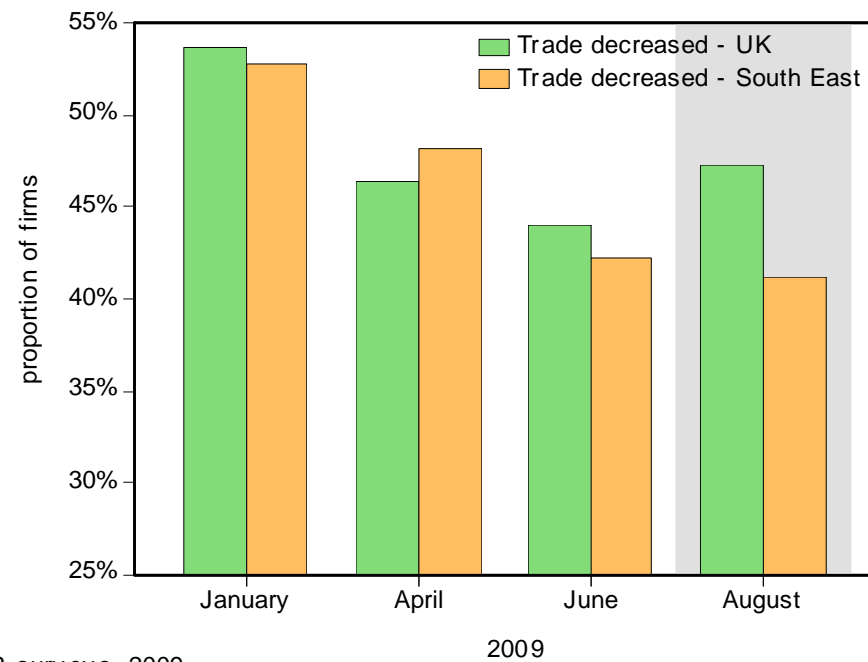
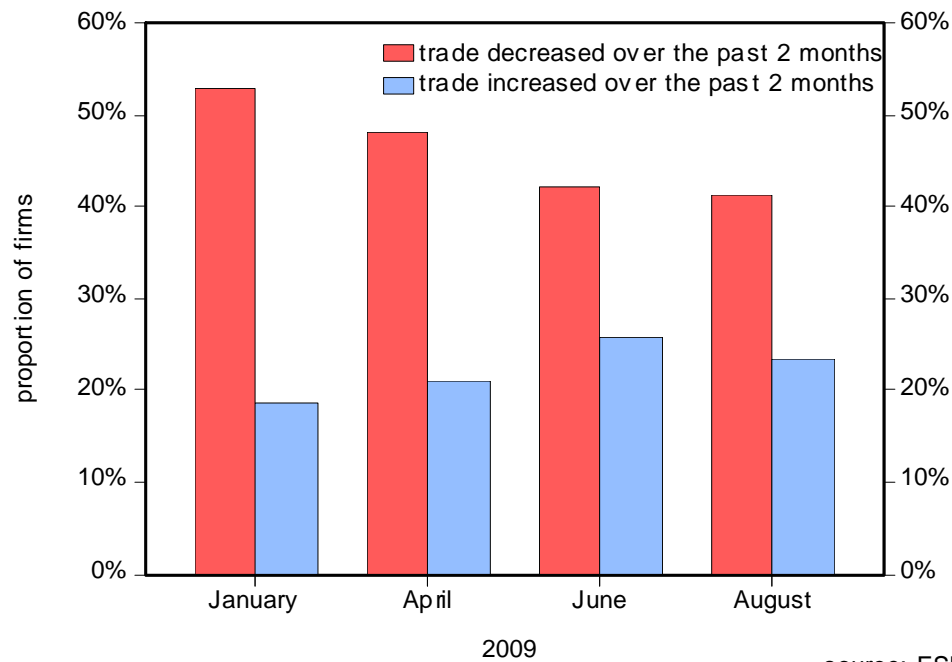


**Volume of New Orders**



# But mixed evidence – many firms reporting decreased trade

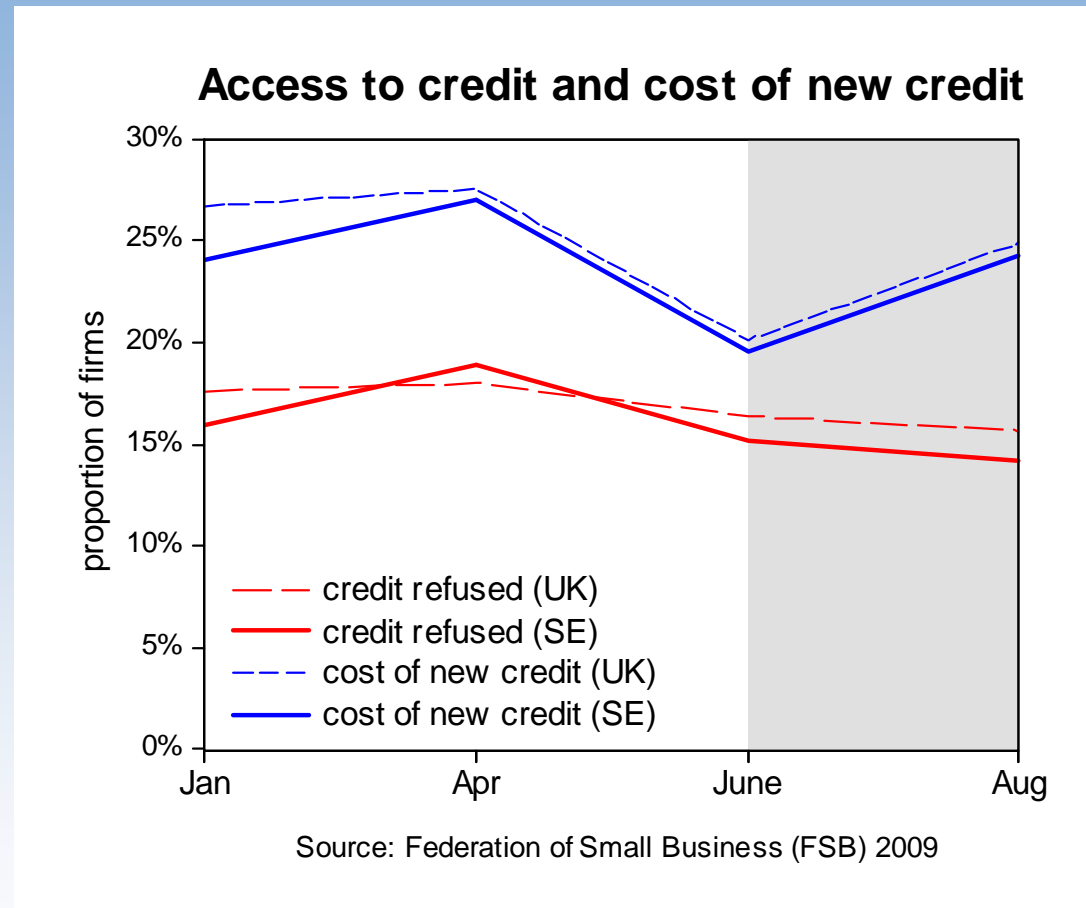
Has your level of trade increased or decreased over the past 2 months?



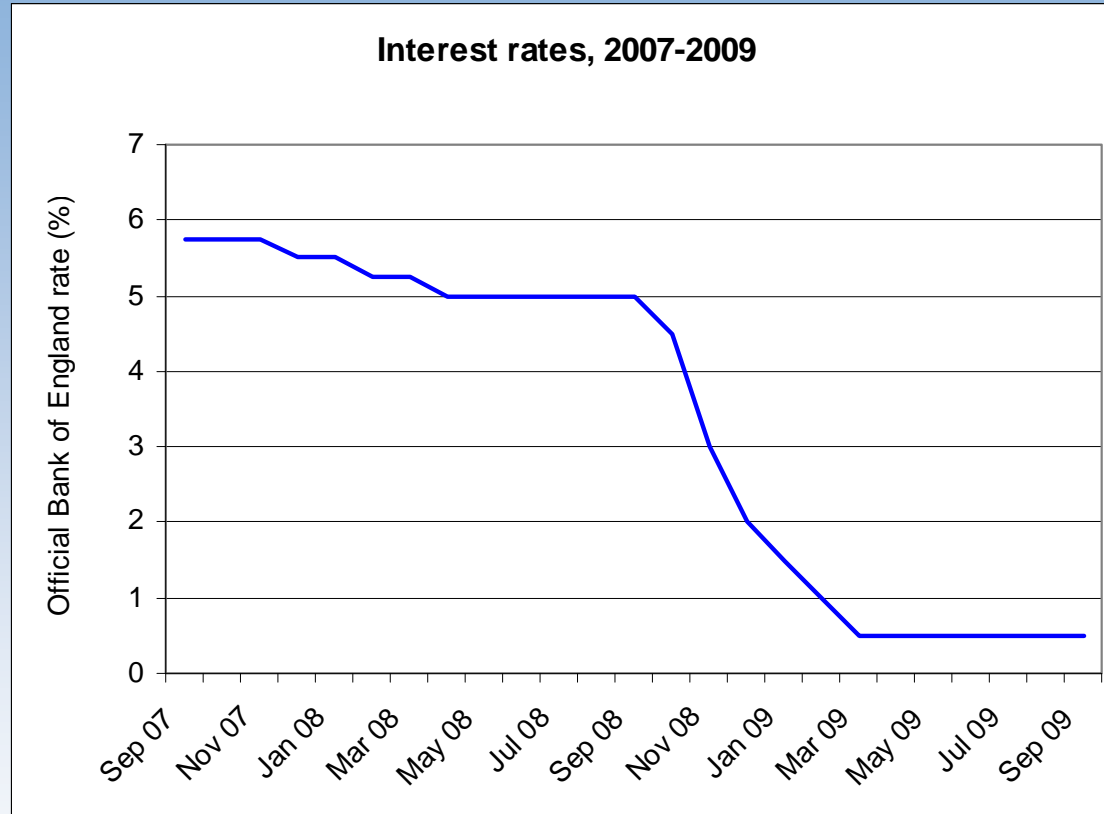
source: FSB surveys, 2009



# Credit: more accessible, but expensive

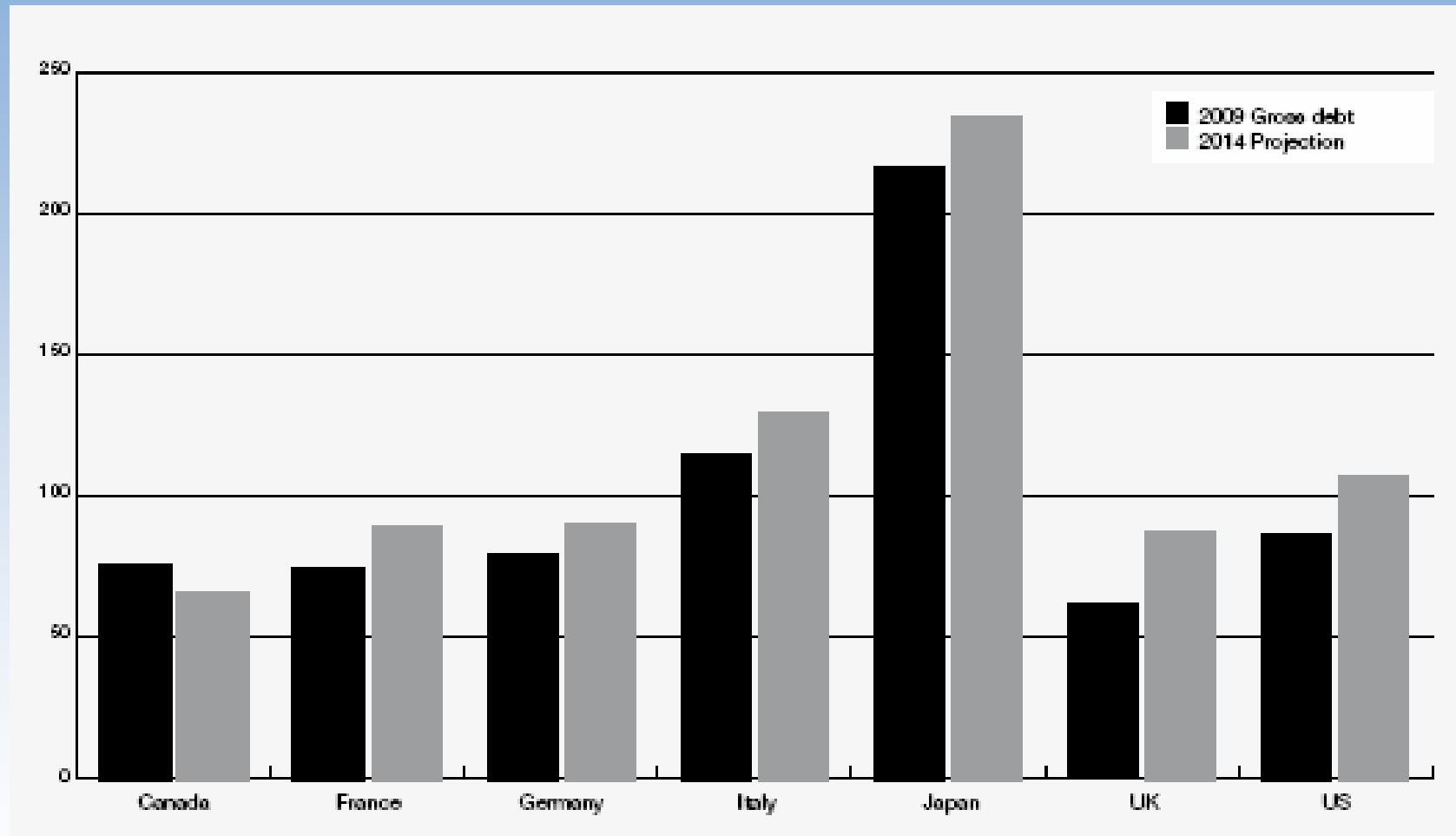


# Monetary policy



**No more room for maneuver → Quantitative easing → Deficit → Public debt**

# Perspective: National public debt as a proportion of GDP



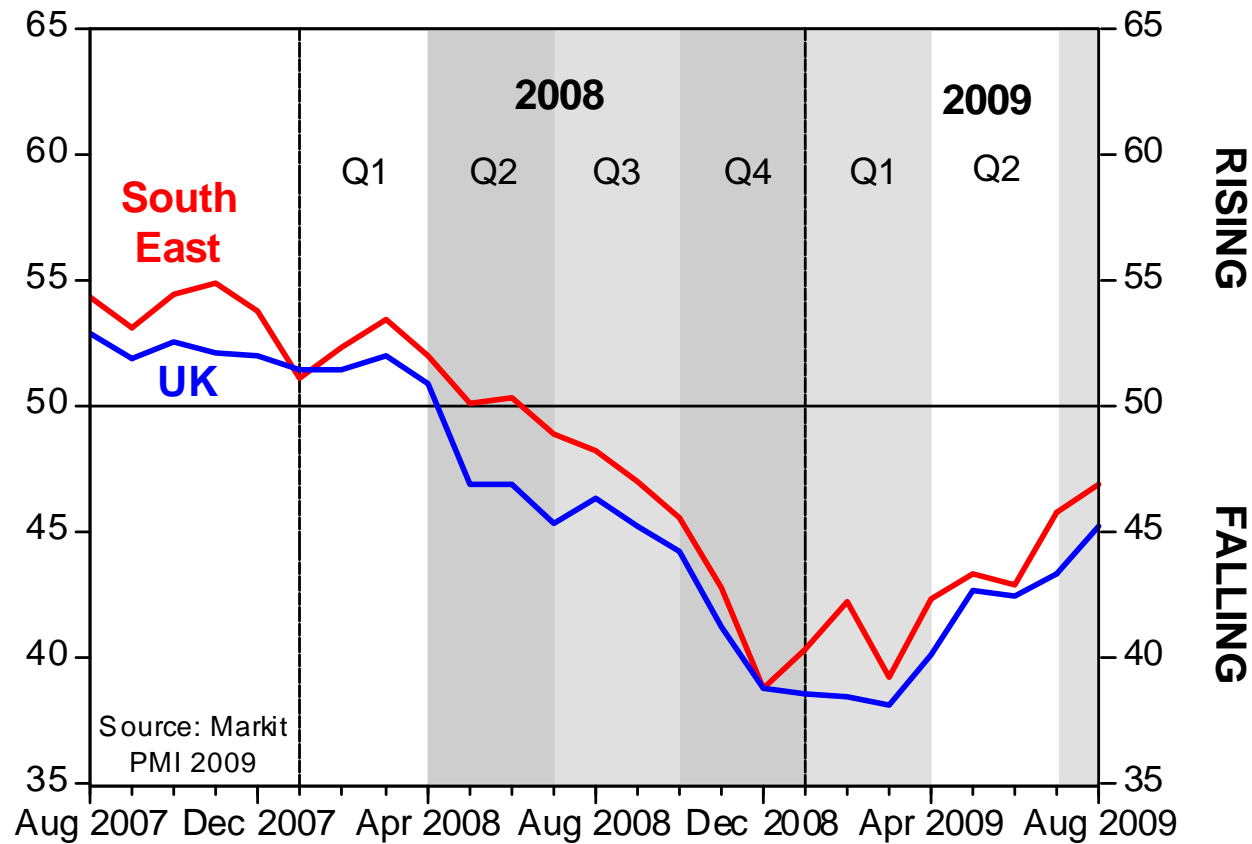
Source: International Monetary Fund (2009), *IMF Staff Position Note: Fiscal Implications of the Global Economic and Financial Crisis*; and *World Economic Outlook database*, April 2009.

# Summary

- 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?

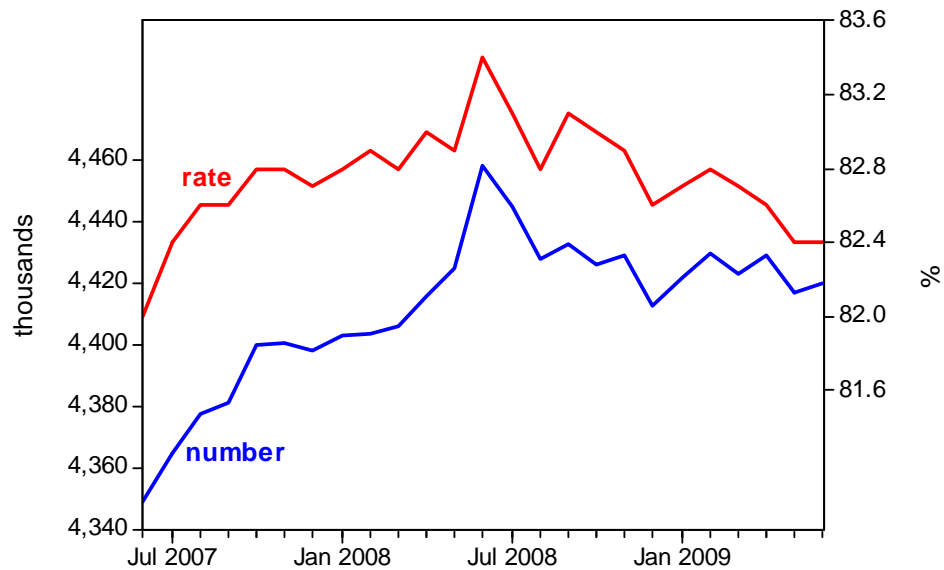
# Labour Market impacts

# Job shedding continues, but at a slower rate...



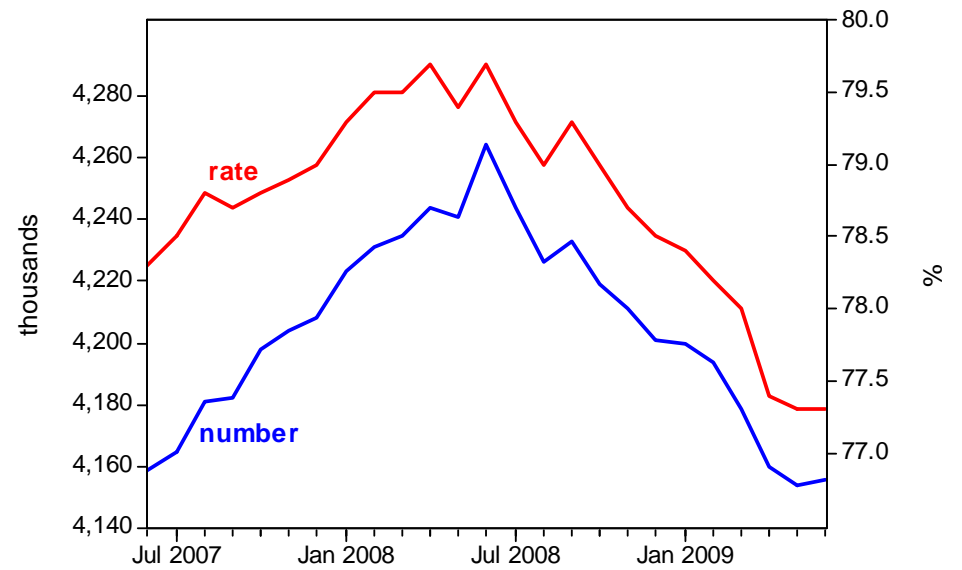
# Is the fall in economic activity and employment slowing down?

### Economic activity falling steadily



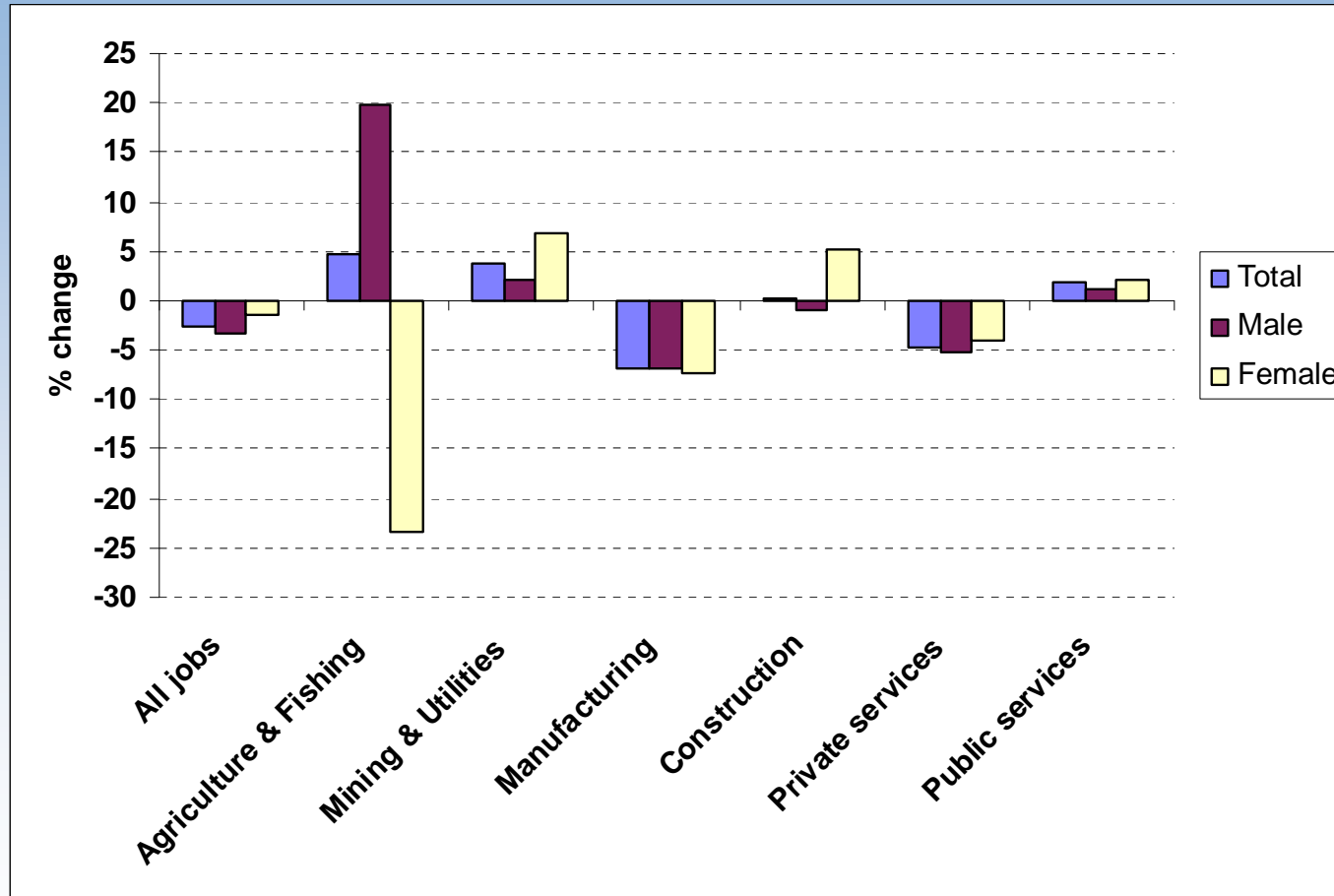
Source: ONS 2009

### Fall in employment slowing down?



Source: ONS 2009

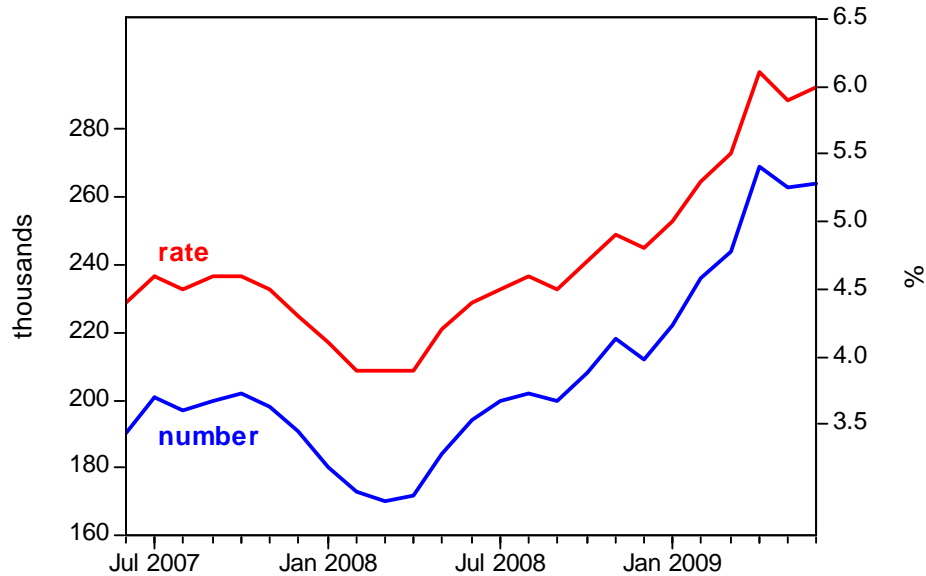
# Change in employment by industry, June 2008-June 2009





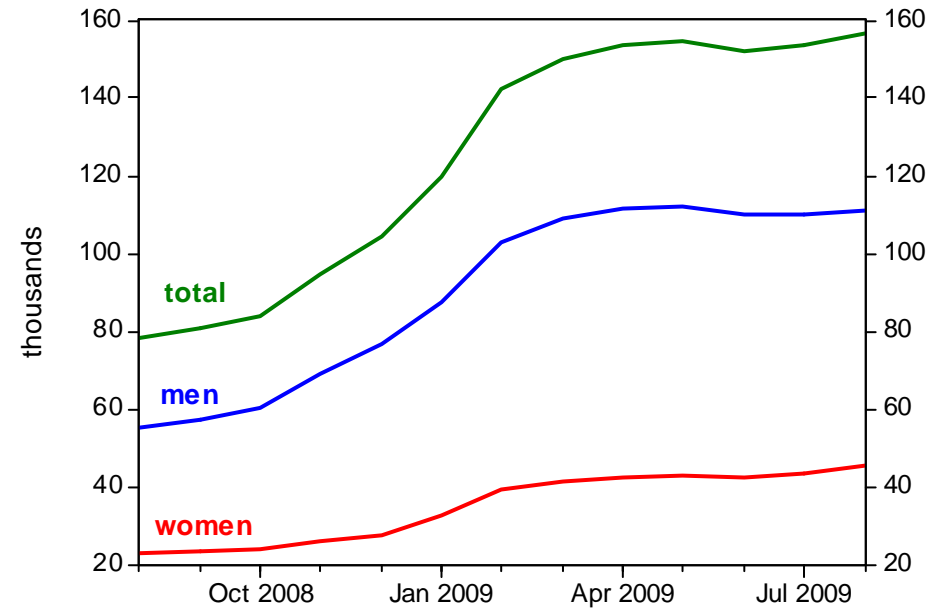
# Unemployment: a mixed picture

Unemployment still rising sharply....  
but for how much longer?



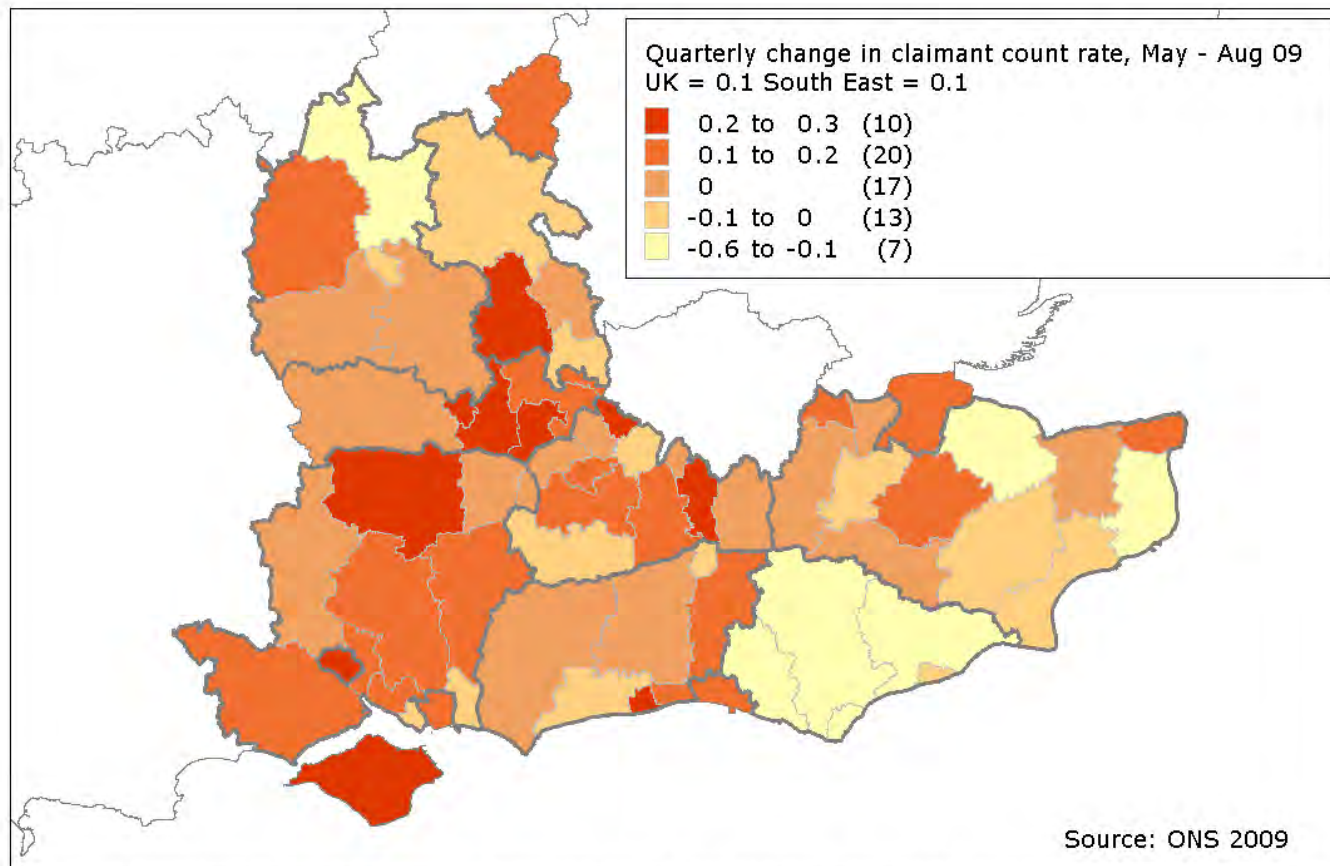
Source: ONS 2009

Has the rise in claimant count levelled off?



Source: ONS 2009

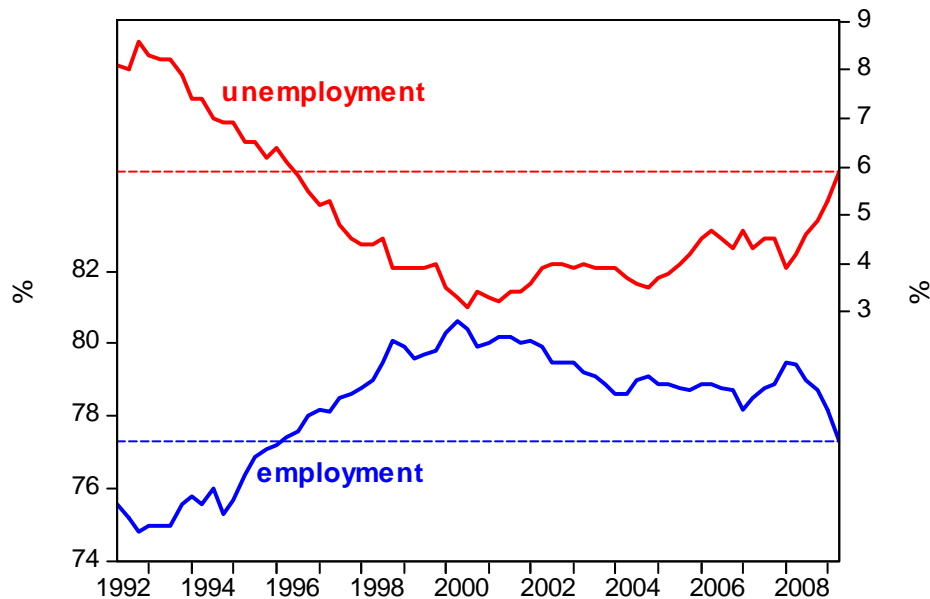
# Unemployment rate rising more rapidly in Inner South East



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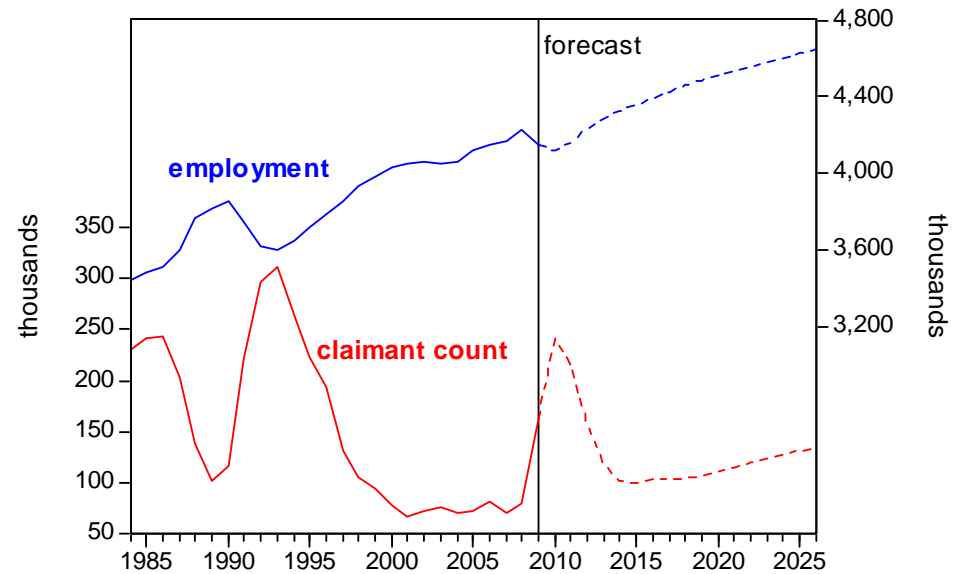
# The longer term view

Employment and unemployment rates  
South East, 1992 Q2 to 2009 Q2



Source: ONS 2009

Employment and unemployment (claimant count)  
in the South East, 1984-2026



Source: Experian Business Strategies 2009

**Thank you**

**SEEDA Research & Economics**

Email: [research@seeda.co.uk](mailto:research@seeda.co.uk)