

RECENT ECONOMIC NEWS

A2

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KEY FACTS and Statistics

EEF Business Trend Survey – 2008 Q3

The Total Output for 2008 Q3 has decreased marginally, whilst export orders increased to 18% from 10% in 2008 Q2.

% balances	2006	2007				2008			Long-run average
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Total Output	14	17	23	30	27	15	16	15	5
Total Orders	20	19	19	30	21	14	13	2	3
<i>Domestic Orders</i>	7	7	8	17	11	2	4	-13	-5
<i>Export Orders</i>	16	16	10	12	16	13	10	18	0
Capital Expenditure	8	10	11	28	15	17	14	-1	-3
Average Domestic Prices	7	4	7	8	1	6	18	27	-5
Average Export Prices	1	2	1	0	-6	4	12	18	-9

CIPS Report – August

The Composite PMI has increased from 46.1 in July to 48 in August, the first increase since February 2008.

Services	2008							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Diffusion indices ¹								
Services Activity	52.5	54.0	52.1	50.4	49.8	47.1	47.4	49.2
New Business	52.3	54.6	53.4	51.5	48.0	45.1	44.7	47.1
Expectations	65.4	69.3	65.8	65.3	64.9	59.4	56.1	61.0
Output Prices	55.3	56.8	56.2	55.2	55.8	56.0	55.9	55.2
Manufacturing PMI	50.6	51.2	51.1	50.3	49.2	45.9	44.1	45.9
Output	52.8	53.0	51.9	50.5	49.7	43.4	43.2	48.7
Construction PMI	53.9	52.4	47.2	46.1	43.9	38.8	36.7	40.5
Composite CIPS PMI²	48.4	53.4	51.5	50.1	49.3	46.3	46.1	48.0

Lending to Individuals – July

Total lending has increased from £4 billion in June to £4.3 billion in July. Secured lending has also increased marginally, although the growth rate has eased recently.

Seasonally adjusted	£ billion (sa)				Year on year earlier (nsa,%)		
	May	Jun	Jul	Stock	May	Jun	Jul
Total Lending	5.2	4.0	4.3	1,449	8.0	7.3	6.9
Secured Lending	3.8	3.1	3.2	1,218	8.2	7.5	7.0
Consumer Credit	1.3	0.9	1.1	231	7.0	7.0	6.7

REC Report of Jobs – August

Staff vacancies have decreased in the last three months, whilst staff availability increased.

	August 08	May 08	June 08	July 08	August 07
Staff Appointments	above/less 50 = more/fewer staff placements than last month				
Permanent staff	41.5	48.6	48.2	44.1	60.1
Temporary staff	46.4	55.6	54.3	50.7	57.3
Staff Availability	above/below 50 = more/fewer candidates per vacancy than last month				
Permanent staff	63.9	54.4	56.4	59.9	43.0
Temporary staff	64.4	56.4	56.5	58.3	46.0
Pay Pressure	above/below 50 = higher/lower starting salaries than last month				
Permanent staff	50.3	53.2	54.1	50.8	61.5
Temporary staff	50.9	52.1	52.4	51.1	58.5
Vacancies	above/below 50 = more/fewer vacancies than last month				
Permanent staff	44.9	49.9	48.0	46.2	59.9
Temporary staff	47.7	52.6	51.4	49.2	57.8

Halifax House Prices – August

According to Halifax, the average house prices are now worth £174,178.

Halifax	07Q4	08Q1	08Q2	June	July	August
Period on Period (%sa)	-0.9	-1.0	-5.4	-1.9	-1.7	-1.8
3m on 3m a year earlier (%sa)	-	-	-	-6.1	-8.8	-10.9
Average House Price (£sa)	196,792	194,893	184,344	180,344	177,421	174,178

Construction Round up – 2008 Q2

Despite output in the construction sector contracting in the second quarter, the PMI picked up in August

Output CVM	07Q1	07Q2	07Q3	07Q4	08Q1	08Q2
Period on Period (% , sa)	0.3	0.9	0.4	1.1	1.1	-0.5
Year on Year earlier (% , sa)	2.1	2.9	2.6	2.7	3.5	2.1
Total Output (£m, sa)	20,388	20,570	20,653	20,872	21,107	21,012

New Construction Orders CVM	07Q4	08Q1	08Q2	Apr	May	Jun
Period on Period (% , sa)	3.3	-5.7	-7.5	14.6	-23.9	-6.2
Year on Year earlier (% , sa)	3.5	-5.9	-21.0	-3.1	-30.0	-29.7
Total Orders (£m, sa)	8,382	7,902	7,308	2,952	2,247	2,108

CIPS Construction Diffusion Indices¹	Mar	Apr	May	Jun	Jul	Aug
PMI	47.2	46.1	43.9	38.8	36.7	40.5
New Orders	48.9	49.1	45.9	43.5	41.0	42.6
Employment	52.4	50.1	50.2	47.8	45.6	47.0
Input Prices	75.0	75.1	72.9	81.3	78.9	78.5
Future business activity	61.7	60.1	58.4	57.8	51.2	51.2

FORTHCOMING UK STATISTICS:

Monday 8 th September	Index of Production (Jul)
	Producer Price Indices (Aug)
Wednesday 10 th September	UK Trade (Jul)
Thursday 11 th September	BoE / NOP Inflation Attitudes (Aug)
Friday 12 th September	IPD UK Property Index (Aug)