

RECENT ECONOMIC NEWS**A2**

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KEY FACTS**Index of Production – June**

Ten out of the 13 manufacturing sectors fell on the quarter. Within the sector, tobacco fell by 12.7 per cent in the second quarter, and fell by 13 per cent compared to the same quarter a year earlier. Meat processing and production fell 3.4 per cent on the quarter.

CIPS Report – July

The composite CIPS measure fell slightly in July. While the PMI services increased marginally in July, PMI manufacturing and PMI construction decreased this month.

MPC Interest Rates – August

MPC kept rates at 5 per cent.

Halifax House Prices – July

Halifax reported that house prices fell by 1.7 per cent on the month.

FORTHCOMING UK STATISTICS:

Mon 11 th August	UK Trade (Jun) Producer Price Indices (Jul)
Tue 12 th August	Consumer Price Indices (Jul)
Wed 13 th August	Labour Market Statistics (Jun/Jul) Inflation report
Thu 14 th August	IPD UK Property Index (Jul)

FACTS IN DETAIL

Index of Production – June

Industrial production (SA, % changes):	2006	2007	2007		2008		
			Q1	Q2	Apr	May	Jun
Period on period	0.3	0.3	-0.2	-0.8	0.0	-0.8	-0.2
3 months on 3 months a yr ago			0.4	-1.1	0.4	-0.5	-1.1
3 months on 3 months					-0.1	-0.6	-0.8

Manufacturing output (SA, % changes):	2006	2007	2007		2008		
			Q1	Q2	Apr	May	Jun
Period on period	1.5	0.6	0.4	-0.8	0.0	-0.6	-0.5
3 months on 3 months a yr ago			0.9	-0.8	0.7	-0.1	-0.8
3 months on 3 months					0.2	-0.3	-0.8

CIPS Report – July

Services	2007	2008						
Diffusion indices ¹	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Services Activity	52.4	52.5	54.0	52.1	50.4	49.8	47.1	47.4
New Business	52.5	52.3	54.6	53.4	51.5	48.0	45.1	44.7
Expectations	67.5	65.4	69.3	65.8	65.3	64.9	59.4	56.1
Output Prices	54.5	55.3	56.8	56.2	55.2	55.8	56.0	55.9
Manufacturing PMI	52.4	50.6	51.2	51.1	50.3	49.2	45.9	44.3
Output	54.9	52.6	52.6	51.5	50.0	49.0	43.6	43.8
Construction PMI	56.0	53.9	52.4	47.2	46.1	43.9	38.8	36.7
Composite CIPS PMI²	52.7	52.3	53.4	51.6	50.1	49.3	46.2	46.1

Halifax House Prices – July

Halifax	07Q4	08Q1	08Q2	May	June	July
Period on Period (%sa)	-0.9	-1.0	-5.4	-2.5	-1.9	-1.7
Year on Year earlier (%nsa) ¹	5.2	1.1	-6.3	-6.4	-8.9	-11.0
3m on 3m a year earlier (%sa)	-	-	-	-3.8	-6.1	-8.8
Average House Price (£sa)	196,792	194,893	184,344	184,111	180,344	177,351