Monthly Business Dashboard – April 2013[1]
Hampshire County Council Area

- **DOTTED LINE** – shows that **Confidence** in the economy (consumer and business confidence) drives the level of **Business Activity** (output, the volume of new orders/future output and employment in private sector). This in turn impacts on **Labour Market** performance and **Costs/Prices** in the economy, which in turn impact on confidence.

- **CONFIDENCE** – the *green bars* indicate that **Business Confidence** in the South East (and nationally) recovered strongly in the first quarter of 2013. The business confidence index in the region improved from -0.2 in Q4 to 17.5 in Q1, the second highest level in the country. The UK index stood at 12.8 in Q1, up from +4.2 in Q4. **Business sentiment in the South East in the first quarter reached the highest level since the second quarter of 2010.** In the UK business confidence stood at the highest level since the second quarter of 2011. As indicated by the *size of the bar* the level of business confidence (net balance) in the region was above the national average.[2] The overall level of business sentiment in the South East remains subdued (*red area*).

  The *amber bar* indicates that **New Capital Investment intentions in the South East remained unchanged compared to last month.** The average for England increased slightly (*green bar*). In the South East some 29% of workplaces (weighted by employment) expect to make new capital investment between February and April 2013 compared to 31% reported in the previous period. The *red area* indicates subdued level of new capital investment intentions in the South East.

  The *amber bars* indicate that **Consumer Confidence in the South East and nationally remained unchanged in March**. The *size of the bar* indicates marginally higher levels of consumer confidence in the South East than nationally. The overall level of consumer sentiment in the South East remains subdued (*red area*).[3]

- **BUSINESS ACTIVITY** – the level of **Business Activity or Output in private sector in the South East expanded in March but the pace of growth eased on the previous month**. The pace of output growth in the region eased from 51.9 in February to 51.7 in March (< 50 indicates contraction). According to Markit business activity increased in manufacturing and service related activities in the South East. The level of business activity in the region was marginally stronger than the UK average.

  The **volume of New Orders (a leading indicator of short-term growth) in the South East eased on February but remained robust last month**. The South East index was 53.6 in March, marginally below the increase recorded in February,. The pace of expansion was robust and stronger than the UK average.

  Employment growth in private sector in the South East stalled in March according to the latest business survey. The pace of growth in the seasonally adjusted employment index in the South East eased from 52.2 in February to 50.0 (no growth) in

[1] For further information about the comparative performance of Hampshire see **Quarterly Business Dashboard - Hampshire (2012 Q4)** and **Economy & Business Snapshot – March 2013**.
[2] **Net balance**: determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases
[3] Please note: the area indicator helps to reduce volatility in monthly data

March. The latest survey data on job creation is broadly in line with the official data from the Office for National Statistics.[4]

- **LABOUR MARKET** – the *amber bars* indicate that the **Unemployment rates in the Hampshire county council area and the UK remained unchanged in March**. The *size of the bar* shows that the claimant count unemployment rate (for 16-64 year olds) in Hampshire (2%) was well below the national average (3.9%). The *red area* indicates marginally higher claimant unemployment rate in Hampshire in March compared to December 2012.[5]

  As indicated by the *green bars* the **Youth Unemployment rate (16-24 year olds) in Hampshire and the UK decreased in March**. At 3.4% the claimant count youth unemployment rate in Hampshire was well below the national average (5.7%). The *red area* indicates higher claimant count youth unemployment rate in Hampshire in March compared to December 2012.[6]

  As shown by the *green bar* the **Employment rate in the Hampshire county council area increased in the most recent year for which data is available** (year to December 2012) **compared to the previous year**. The employment rate in the Hampshire county council area increased by 1.5 percentage in the year to December 2012, significantly faster than the average rates of employment growth registered in the UK or the South East (*dark green* bar for Hampshire).

  The *size of the bar* shows that the employment rate in Hampshire (76.9%) was well above the national average (70.6%). The *green area* indicates that the employment rate in Hampshire remained higher than two years previously (the year to December 2010).

- **PRICES/COSTS** – As indicated by the *amber bar* **Wages and other Labour Costs pressures in the region remained broadly unchanged last month**. In the South East some 18% of workplaces (weighted by employment) reported higher wages and other labour costs in January compared to October, compared to 19% reported in the previous month. Wages and other labour costs in the South East remain subdued (*green area*) - workplaces accounting for 73% of employment in the South East reported no change in wages and other labour costs in January compared to October 2012.

  Input (factory) Price inflation in the South East and UK increased in March (*red bars*), but the pace of the increase eased on February. Growth in the seasonally adjusted index in the region eased from 55.9 in February to 54.9 in March (< 50 indicates falling prices). According to Markit the growth was solid but slower than the long-run survey average (*green area*). The growth in input prices was driven by rising prices of food, fuel and utilities.

  The **Consumer Price Inflation (CPI) held steady at 2.8 per cent in March, unchanged from February** (*amber bar)*. The largest upward pressure came from recreation and cultural activities.

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[4] For further information on the UK, regional and sub-regional employment growth see **Labour Market Update – Hampshire (April 2012)**.
[5] This data is not adjusted for seasonal factors.
[6] Claimant count youth unemployment. For further details see **Labour Market Update – Hampshire (April 2012)**.

Economic & Business Intelligence Service, Research & Intelligence, Hampshire County Council. For further information contact Ivan.Perkovic@hants.gov.uk

The main downward pressures came from the prices of furniture and furnishing, alcoholic beverages and tobacco and transport. As indicated by the *red area,* the CPI inflation remained above the Bank of England Target (2%).

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Economic & Business Intelligence Service, Research & Intelligence, Hampshire County Council. For further information contact Ivan.Perkovic@hants.gov.uk