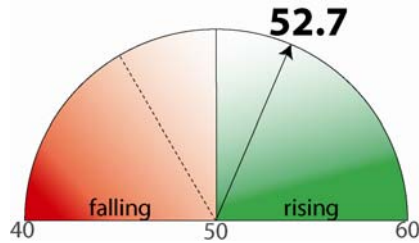


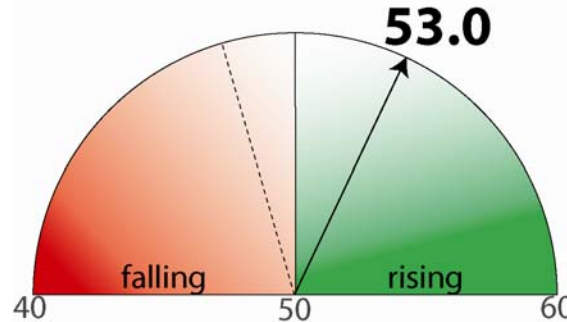
Business Indicators

50=no change



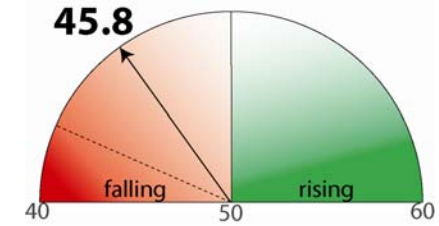
New Orders

RBS PMI, July 2009, June → July change



Business Activity

RBS PMI, July 2009, June → July change



Employment

RBS PMI, July 2009, June → July change

Labour Market

Finance & Investment

(<0 = decrease ; >0 = increase)



-1.7
Net score

Cost of finance

RDA NBS, June 2009



-2
Net score

Planned Investment

RDA NBS, June 2009



2,200

Redundancy notifications

BIS/JC+, July 2009



32,000

Vacancies

ONS, July 2009



155,000

Unemployment

Claimant count, ONS, July 2009

Other Indicators



70%

Firms with output below capacity

RDA NBS, June 2009



2

Net score

House prices

RICS, July 2009



Shows 'overall' conditions:

Red – conditions are currently difficult

Green – conditions have improved

Thresholds for change to green (red)

Cost of finance, planned investment, house prices:

Net score positive (negative) for three months in a row

Redundancy notifications, vacancies, unemployment:

Conditions have been improving (deteriorating) for three months in a row.

Output below capacity:

Percentage of firms falls below (rises above) 60%



Red – Worse score or absolute number than in the previous survey

Amber – Similar score / number

Green – Better score or absolute number than in the previous survey

Purchasing Managers' Index (PMI) scores:

Less than 50 – falling activity compared to previous month

50 – no change on previous month

More than 50 – rising activity compared to previous month

Used for: **Business Activity, New orders, Employment intentions**

Net scores: determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

Less than 0 – more firms reporting decreases than increases

0 – similar numbers of firms reporting decreases and increases

More than 0 – more firms reporting increases than decreases

Used for: **Cost of finance, Planned investment, house prices**

NB – negative score can be good e.g. decrease in cost of finance

Example 1:



- The red outline indicates that conditions are currently difficult – investment intentions are low.
- The red traffic light indicates that the net score is worse (lower) than the previous period, i.e. in the last survey investment intentions were higher.
- The net score (-2) shows the scale of the deterioration of conditions this month – here this is relatively close to zero, showing that the proportion of firms planning decreases in investment is higher than (though broadly similar to) the proportion planning increases.

Example 2:



- With the PMI, a score of 50 signifies no change in activity on the previous month. Here, a score of 49.3 for May indicates that firms are reporting fewer new orders than in April.
- The dotted line indicates the PMI score for the previous month. Here this is lower than 49.3, indicating that the fall in new orders between March and April was larger than the fall in orders between April and May.
- The size of the gap indicates the magnitude of the change between last month and this month.
- This chart therefore indicates a “slower decline” in May.

Sources:

RDA NBS – RDAs' National Business Survey

RICS – Royal Institute of Chartered Surveyors

ONS – Office for National Statistics

BIS – Department for Business, Innovation & Skills

JC+ - Jobcentre Plus

RBS PMI – Royal Bank of Scotland Purchasing Managers' Index

Unemployment and house price figures are seasonally adjusted, vacancy and redundancy figures are not.