

South West Observatory: Business & Economy

South West Economy Projections – April 2006

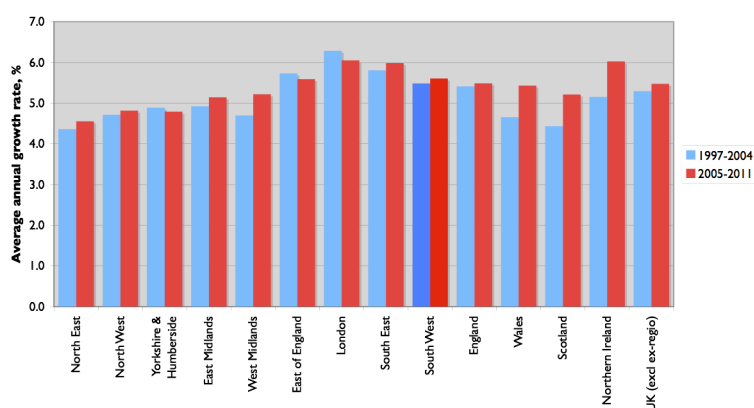
Introduction

This bulletin provides an outline of the latest economic projections for the South West region from the South West Observatory: Business & Economy. The projections are prepared on a twice-yearly basis by Economic Systems Consultancy & Research (ESCR). The projections described in this bulletin are based on information available as of April 2006 and cover the period from 2005-2011. More detailed projections can be obtained in MS Excel™ format from the SWBEM website (www.swbem.org.uk).

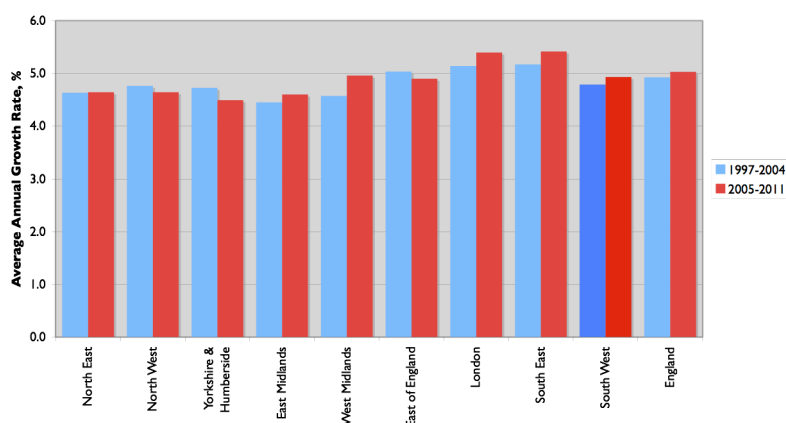
Output (GVA)

South West Gross Value Added (GVA) is projected to grow, in current price terms, from £78.9 billion in 2004 to around £86.2 billion in 2006 and £91.1 billion during 2007. GVA is projected to increase at an average annual rate of 5.6% over the period 2005-2011, the 3rd highest growth rate amongst the UK regions.

Projected GVA growth, 2005-2011

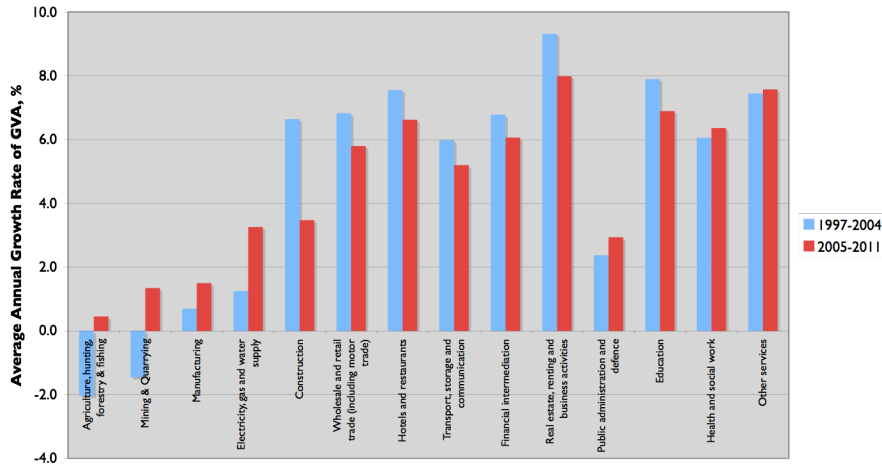


Projected Growth of GVA per head



Projection population growth for the South West is, however, marginally above that for most other English regions, so that GVA per head is projected to grow at below the rate for England as a whole. This implies that GVA per head in the South West is projected to decline marginally relative to the national level over the period to 2011.

Projected Output Growth by Industry

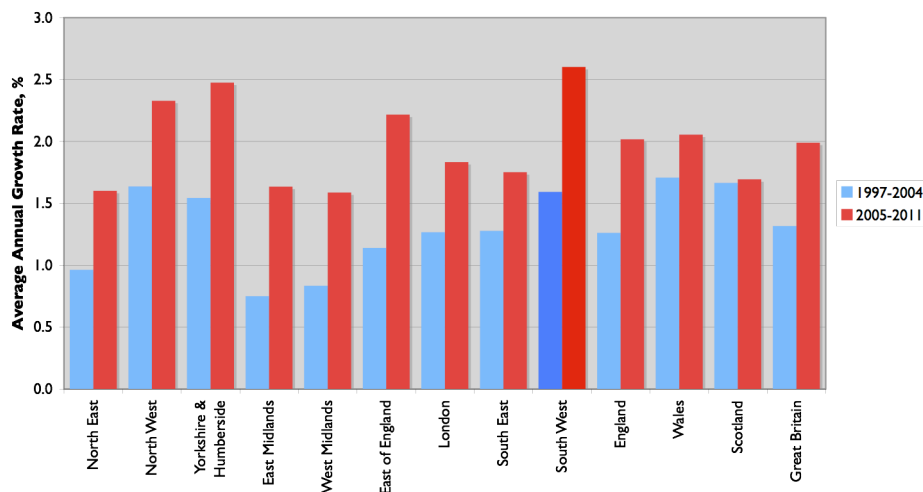


The projections suggest that all broad industry sectors in the South West will grow, in current (nominal) price terms, over the period 2005-2011, although output Mining & Quarrying, Manufacturing and (particularly), Agriculture, Forestry & Fishing is expected to decline in real terms over this period. The fastest growing sectors are projected to be Retail & Wholesale Distribution and 'Other Services'. More detailed sector projections for 2005-7 are available from the swbem website.

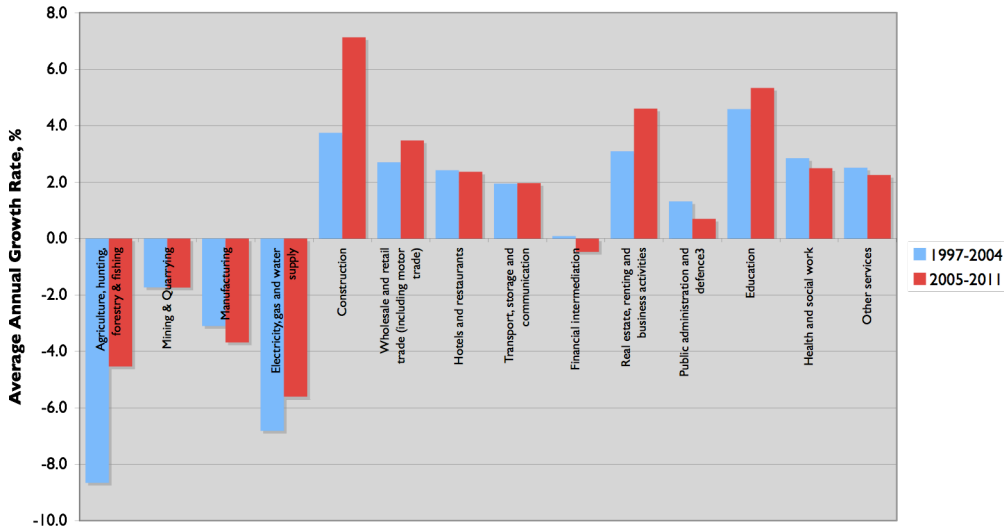
Employment

Total employment in the South West (measured by employee jobs) is projected to rise at an average annual rate of 2.6 per cent during 2005-2011, the highest growth rate among the UK regions. This implies around 370,000 new jobs in the region over this period, many of them part-time.

Projected Employment Growth (Employee Jobs)



Projected Employment Growth by Industry (Employee Jobs)

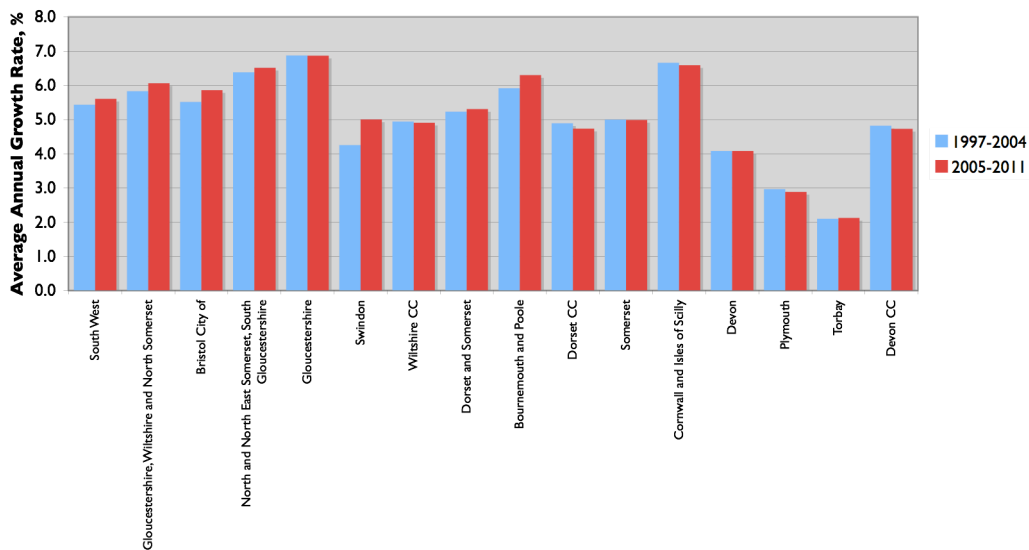


As in the recent past, employment growth is projected to be concentrated in Services (both private and public) and Construction, with the 'Production' sectors (primary, secondary, manufacturing, energy & water) seeing continued falls in employment during 2005-2011. More detailed employment projections for 2005-7 can be obtained from the swbem website.

South West Sub-Regions

Output growth is projected to be strongest in the urban north-east of the region and in Cornwall, with slower growth projected for the rural sub-regions and for Plymouth and Torbay.

Projected Output Growth, South West Sub-Regions



Methods

The South West Observatory: Business & Economy projections are intended to give an indication of economic prospects for the South West region if recent trends continue (so far as these can be identified from available data) and if the national economy performs as predicted by the most recent HM Treasury forecasts.

The projections are based on detailed analysis of recent trends in output and employment by industry at national, regional and sub-regional levels. This analysis uses official ONS estimates of output (GVA) and employment (ABI Employee Jobs). The projections take account of the relationships between regional and national economic activity by sector and of the most recent HM Treasury forecasts for UK economic growth. The detailed sector projections utilise additional information on output and employment from the South West regional accounts.

The Business and Economy Module of the South West Observatory provides a dynamic source of economic and business research and intelligence, with comprehensive data and analysis to support regional development and evidence-based decision-making. To improve the availability of regional data, the Business Economy Module has developed a set of regional accounts which are freely available to all. The Business and Economy module is funded and supported by the South West of England Regional Development Agency. For further information please visit the Business and Economy Module website (www.swbem.org.uk).

The South West Regional Observatory's Business and Economy Module uses a wide range of information and data sourced from third party suppliers within its analysis and reports, and cannot be held responsible for the accuracy or timeliness of this information and data. The Business and Economy Module will not be liable for any losses suffered or liabilities incurred by third parties' use or reliance, in any way, on the information contained in this publication.

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South West Observatory:
Business + Economy

Actual & Projected GVA, 2003-2011

£ million, current price

	2004	2005	2006	2007	2008	2011	Growth Rate 1997- 2004	2005- 2011
North East	34324	35334	36652	38428	40313	46163	4.4	4.6
North West	102402	105783	109983	115561	121516	140286	4.7	4.8
Yorkshire & Humberside	75518	77819	80943	85053	89429	103062	4.9	4.8
East Midlands	66032	68395	71385	75236	79351	92418	4.9	5.1
West Midlands	82070	85020	88805	93670	98876	115381	4.7	5.2
East of England	100700	104071	108964	115431	122402	144233	5.7	5.6
London	165603	171240	179589	191508	204515	243605	6.3	6.1
South East	158805	165133	173591	184632	196584	234088	5.8	6.0
South West	78960	82070	86136	91164	96563	113854	5.5	5.6
England	864413	894865	936049	990681	1049549	1233090	5.4	5.5
Wales	39243	41257	43336	45730	48339	56668	4.7	5.4
Scotland	82050	86480	90727	95536	100731	117312	4.4	5.2
Northern Ireland	23058	24495	25865	27444	29173	34799	5.2	6.0
UK (excl ex-regio)	1008764	1047096	1095977	1159391	1227793	1441870	5.3	5.5
<i>£ per head, current price</i>								
North East	13487	13955	14493	15209	15969	18327	4.6	4.6
North West	14999	15510	16103	16893	17735	20369	4.8	4.6
Yorkshire & Humberside	14987	15453	16029	16795	17609	20117	4.7	4.5
East Midlands	15429	15915	16523	17323	18176	20847	4.5	4.6
West Midlands	15386	15916	16587	17453	18378	21283	4.6	5.0
East of England	18339	18802	19556	20580	21681	25055	5.0	4.9
London	22290	22906	23879	25308	26862	31399	5.1	5.4
South East	19581	20222	21143	22365	23685	27753	5.2	5.4
South West	15672	16207	16900	17770	18703	21638	4.8	4.9
England	17256	17802	18542	19539	20611	23899	4.9	5.0

per head, Index, England = 100

North East	78.2	78.4	78.2	77.8	77.5	76.7
North West	86.9	87.1	86.8	86.5	86.0	85.2
Yorkshire & Humberside	86.9	86.8	86.4	86.0	85.4	84.2
East Midlands	89.4	89.4	89.1	88.7	88.2	87.2
West Midlands	89.2	89.4	89.5	89.3	89.2	89.1
East of England	106.3	105.6	105.5	105.3	105.2	104.8
London	129.2	128.7	128.8	129.5	130.3	131.4
South East	113.5	113.6	114.0	114.5	114.9	116.1
South West	90.8	91.0	91.1	90.9	90.7	90.5

Actual & Projected Employment (Employee Jobs)

thousands								Growth Rates	
	2003	2004	2005	2006	2007	2008	2011	1997-2004	2005-2011
North East	1011	1006	1019	1033	1048	1065	1121	1.0	1.6
North West	2973	3026	3089	3155	3225	3299	3546	1.6	2.3
Yorkshire & Humberside	2199	2250	2300	2354	2409	2468	2664	1.5	2.5
East Midlands	1774	1805	1830	1857	1885	1916	2017	0.7	1.6
West Midlands	2323	2344	2375	2408	2444	2482	2610	0.8	1.6
East of England	2305	2309	2356	2405	2456	2510	2687	1.1	2.2
London	3929	3954	4021	4090	4163	4238	4484	1.3	1.8
South East	3628	3644	3701	3760	3823	3889	4107	1.3	1.8
South West	2146	2195	2246	2300	2357	2418	2620	1.6	2.6
England	22286	22533	22936	23362	23811	24285	25857	1.3	2.0
Wales	1117	1161	1183	1205	1229	1254	1336	1.7	2.1
Scotland	2307	2331	2366	2404	2443	2484	2617	1.7	1.7
Great Britain	25711	26025	26485	26971	27483	28023	29810	1.3	2.0

South West GVA by Industry Sector

£ million, current price								Growth Rates	
	2003	2004	2005	2006	2007	2008	2011	1997-2004	2005-2011
Agriculture, hunting, forestry & fishing	1367	1283	1298	1311	1311	1309	1333	-2.0	0.5
Mining & Quarrying	331	329	337	345	347	348	365	-1.5	1.3
Manufacturing	11385	11757	11724	11823	12047	12282	12818	0.7	1.5
Electricity, gas and water supply	1796	1861	1946	2028	2081	2131	2360	1.2	3.3
Construction	4634	4555	4621	4744	4933	5132	5671	6.6	3.5
Wholesale and retail trade	9586	10172	10657	11244	11912	12618	14947	6.8	5.8
Hotels and restaurants	3022	3263	3408	3604	3863	4143	5008	7.6	6.6
Transport, storage and communication	4959	5210	5428	5694	5999	6320	7359	6.0	5.2
Financial intermediation	4315	4403	4568	4801	5124	5473	6504	6.8	6.1
Real estate, renting and business activities	17414	18925	20064	21510	23335	25329	31817	9.3	8.0
Public administration and defence	5278	5295	5383	5518	5693	5874	6403	2.4	2.9
Education	4809	5186	5554	5956	6348	6759	8288	7.9	6.9
Health and social work	5165	5504	5787	6133	6535	6964	8378	6.1	6.4
Other services	3656	3941	4150	4426	4788	5184	6433	7.4	7.6
FISIM	-2631	-2723	-2854	-3000	-3149	-3303	-3831	9.3	5.0
Total	75086	78960	82070	86136	91164	96563	113854	5.4	5.6

South West Employment by Industry Sector

Employee Jobs (thousands)								Growth Rates	
	2003	2004	2005	2006	2007	2008	2011	1997-2004	2005-2011
Agriculture, hunting, forestry & fishing	27	28	27	25	24	23	20	-8.7	-4.5
Mining & Quarrying	5	5	5	4	4	4	4	-1.7	-1.7
Manufacturing	268	255	246	237	228	220	196	-3.1	-3.7
Electricity, gas and water supply	11	10	10	9	9	8	7	-6.8	-5.6
Construction	95	102	109	117	125	134	165	3.7	7.1
Wholesale and retail trade	415	419	433	448	464	480	532	2.7	3.5
Hotels and restaurants	173	172	176	180	184	189	203	2.4	2.4
Transport, storage and communication	102	109	111	113	115	117	124	1.9	2.0
Financial intermediation	81	81	80	80	80	79	78	0.1	-0.5
Real estate, renting and business activities	284	293	306	320	335	350	401	3.1	4.6
Public administration and defence	125	137	138	139	140	141	144	1.3	0.7
Education	203	211	222	234	246	259	303	4.6	5.3
Health and social work	259	273	280	287	294	301	324	2.8	2.5
Other services	99	101	103	106	108	110	118	2.5	2.2
Total	2146	2195	2246	2300	2357	2418	2620	1.6	2.6

South West GVA by sub-region (NUTS2, NUTS3), current price

£ million, current prices	Projected					Growth Rates		
	2003	2004	2005	2006	2007	2011	1997-2004	2005-2011
South West	75086	78960	82070	86136	91164	113854	5.4	5.6
Gloucestershire, Wiltshire and North Somerset	40441	42618	44094	46321	49303	62780	5.8	6.1
Bristol City of	8984	9418	9593	10005	10650	13503	5.5	5.9
North and North East Somerset, South Gloucestershire	10556	11183	11653	12306	13151	17018	6.4	6.5
Gloucestershire	10021	10681	11282	12003	12851	16808	6.9	6.9
Swindon	4404	4554	4509	4627	4899	6043	4.3	5.0
Wiltshire CC	6475	6781	7058	7381	7754	9408	4.9	4.9
Dorset and Somerset	15875	16658	17299	18119	19119	23591	5.2	5.3
Bournemouth and Poole	4649	4898	5029	5275	5636	7258	5.9	6.3
Dorset CC	4630	4849	5071	5309	5563	6694	4.9	4.7
Somerset	6596	6912	7198	7535	7921	9639	5.0	5.0
Cornwall and Isles of Scilly	5322	5693	6146	6584	7006	9013	6.7	6.6
Devon	13448	13991	14531	15112	15735	18470	4.1	4.1
Plymouth	3177	3269	3356	3451	3552	3981	3.0	2.9
Torbay	1340	1366	1382	1407	1439	1568	2.1	2.1
Devon CC	8931	9357	9793	10255	10744	12921	4.8	4.7
£ per head, current price								
South West	15019	15692	16206	16899	17768	21631	4.8	4.9
Gloucestershire, Wiltshire and North Somerset	18456	19340	19893	20774	21975	27343	5.3	5.4
Bristol City of	22946	24031	24429	25399	26975	33740	5.4	5.5
North and North East Somerset, South Gloucestershire	17328	18219	18849	19759	20954	26393	5.7	5.8
Gloucestershire	17629	18696	19631	20769	22122	28321	6.5	6.3
Swindon	24305	24968	24611	25119	26409	31855	3.7	4.4
Wiltshire CC	14689	15267	15761	16366	17048	20110	4.1	4.1
Dorset and Somerset	13153	13709	14144	14725	15439	18579	4.6	4.7
Bournemouth and Poole	15435	16223	16626	17410	18563	23626	5.8	6.0
Dorset CC	11627	12079	12540	13042	13568	15913	4.1	4.0
Somerset	12997	13505	13945	14478	15093	17788	4.2	4.1
Cornwall and Isles of Scilly	10364	10992	11758	12488	13167	16370	5.7	5.7
Devon	12364	12776	13187	13621	14089	16102	3.5	3.4
Plymouth	13157	13523	13897	14271	14667	16375	3.2	2.8
Torbay	10208	10293	10331	10413	10573	11076	1.2	1.2
Devon CC	12492	12983	13477	13998	14548	16948	4.0	3.9
Index, SW = 100								
Gloucestershire, Wiltshire and North Somerset	123	123	123	123	124	126		
Bristol City of	153	153	151	150	152	156		
North and North East Somerset, South Gloucestershire	115	116	116	117	118	122		
Gloucestershire	117	119	121	123	125	131		
Swindon	162	159	152	149	149	147		
Wiltshire CC	98	97	97	97	96	93		
Dorset and Somerset	88	87	87	87	87	86		
Bournemouth and Poole	103	103	103	103	104	109		
Dorset CC	77	77	77	77	76	74		
Somerset	87	86	86	86	85	82		
Cornwall and Isles of Scilly	69	70	73	74	74	76		
Devon	82	81	81	81	79	74		
Plymouth	88	86	86	84	83	76		
Torbay	68	66	64	62	60	51		
Devon CC	83	83	83	83	82	78		