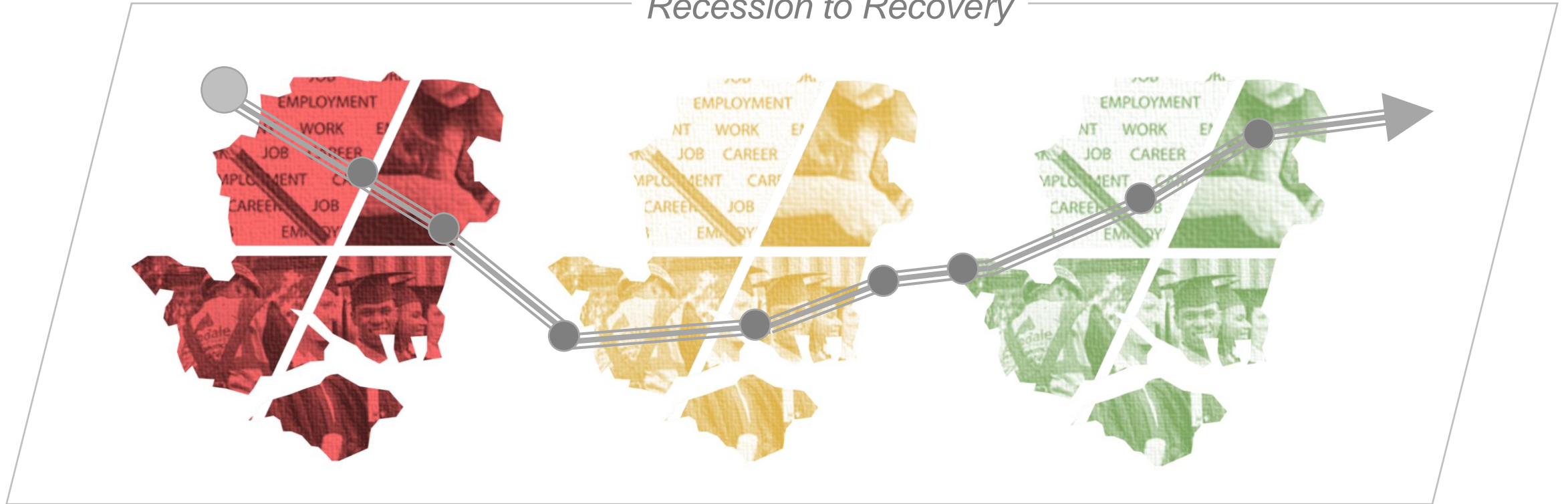


Recession to Recovery



Hampshire & Isle of Wight Monthly Intelligence Dashboard

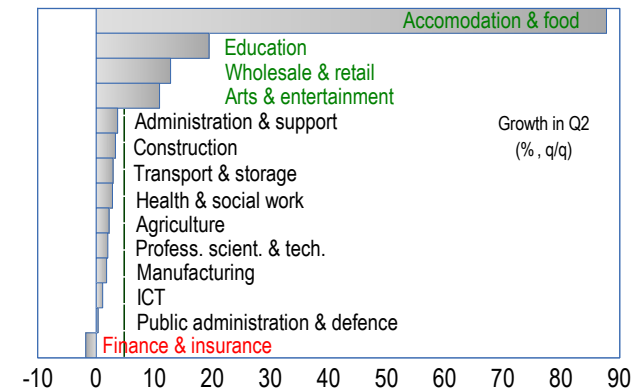
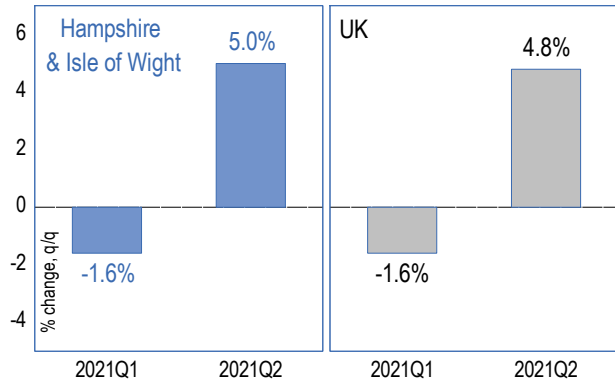
August 2021

Hampshire & Isle of Wight Local Resilience Forum
Business & Economy Working Group

Contents

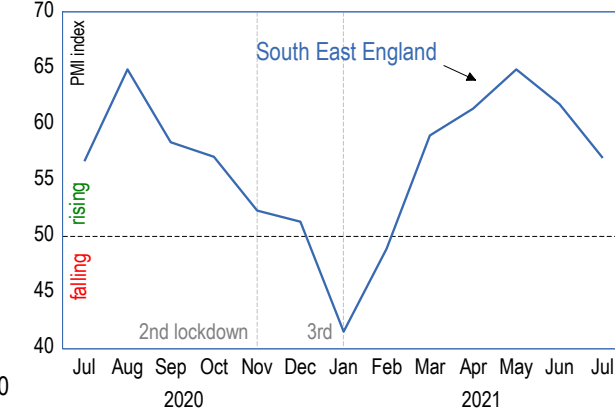
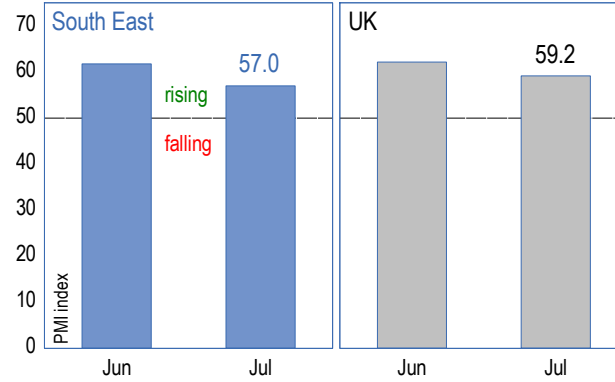
Theme	Indicators	
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Economic Growth



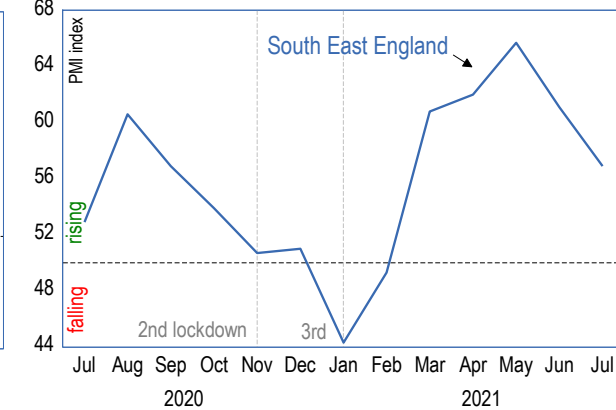
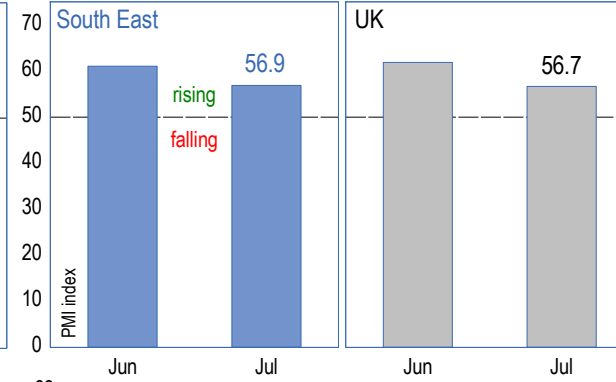
- The Hampshire & Isle of Wight economy bounced back in Q2 from its contraction in Q1. The economy increased by 5% from April to June, faster than the national average and ended the quarter with 1% growth in June, higher than in May (0.5%).†
- Growth in Q2 was driven mostly by retail, hospitality and education.

Business Activity



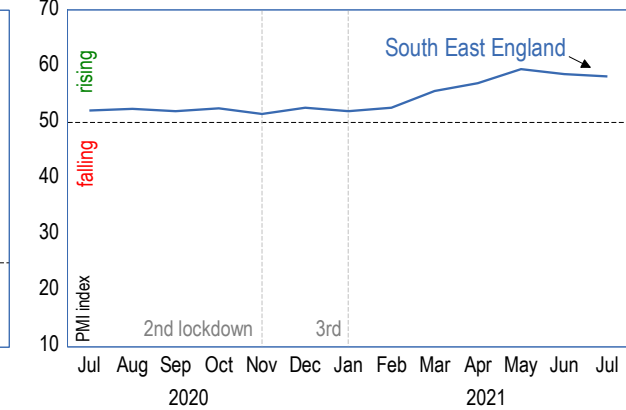
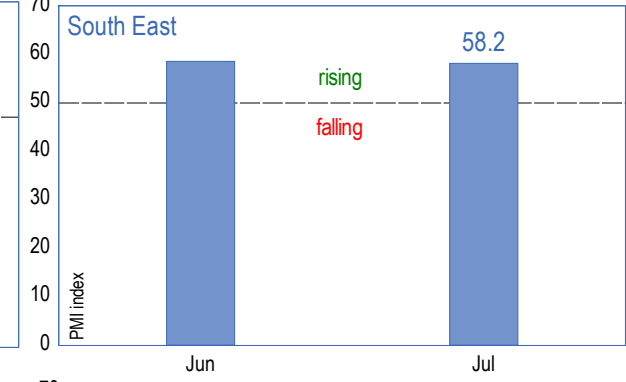
- Nearly 9 in 10 (89%) Hampshire & Isle of Wight businesses were currently trading in late June (ONS)*.
- Business activity in the South East continued to grow in July but softened over the last two months since a record rate of input cost inflation acted as a break on activity according to PMI business survey.

New Orders



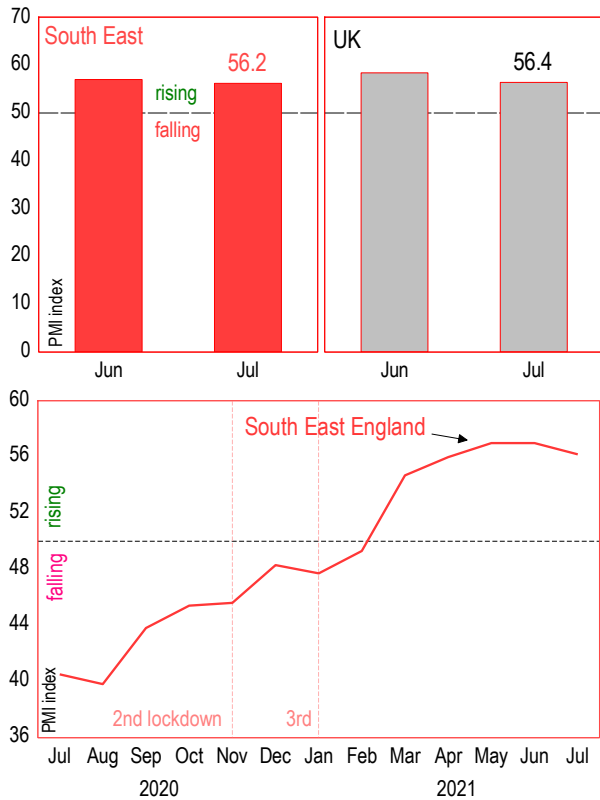
- July's PMI survey suggests solid growth in new orders volumes in the South East, albeit at lowest since February. Firms linked greater demand to the further easing of virus-related restrictions.
- Manufacturing new orders in the UK rose in the three months to July at their quickest rate since 1974 (CBI).

Exports

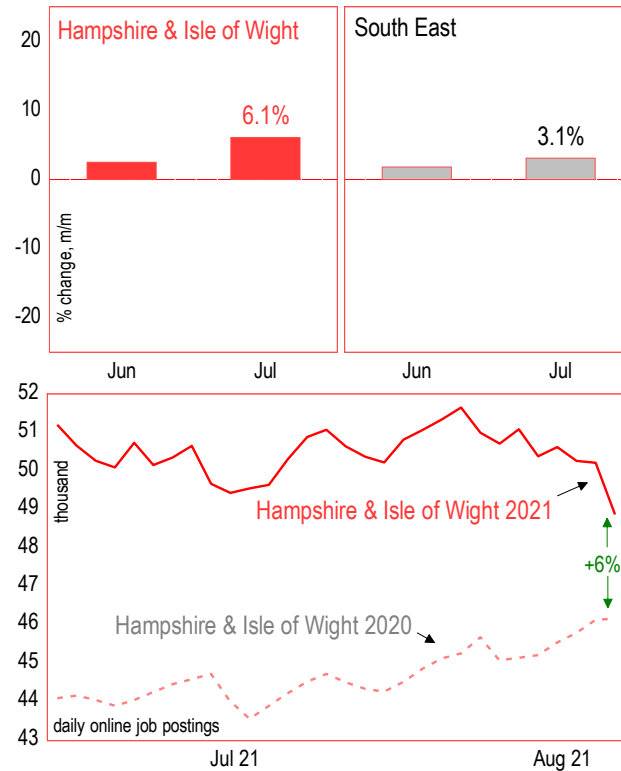


- Exports of goods fell in June, driven by falling exports to non-EU nations but exports to the EU were above Brexit levels in May and June (ONS).
- PMI survey indicates export demand growth in the South East softened slightly but stayed robust in July.
- UK manufacturing export orders grew in July for first time in 2.5 years (CBI).

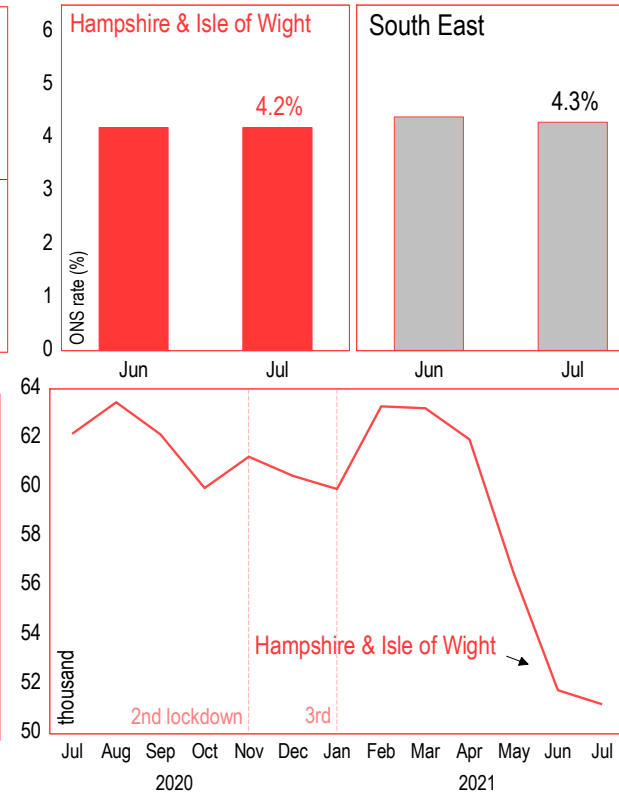
Employment



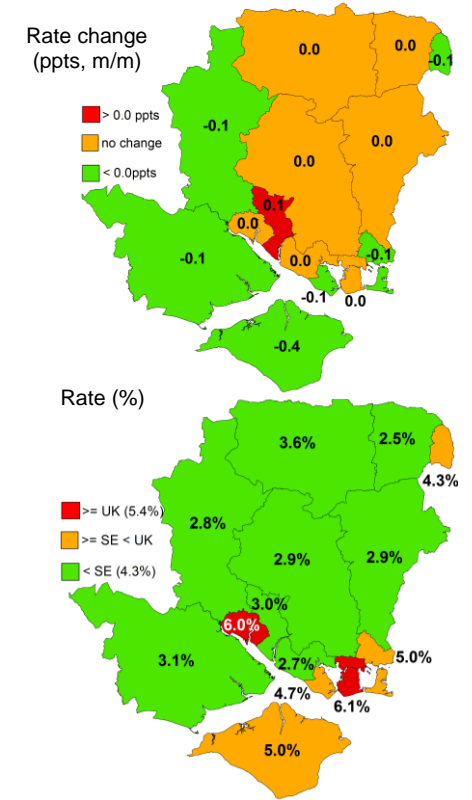
Job Postings



Claimant Unemployment



Local Claimants



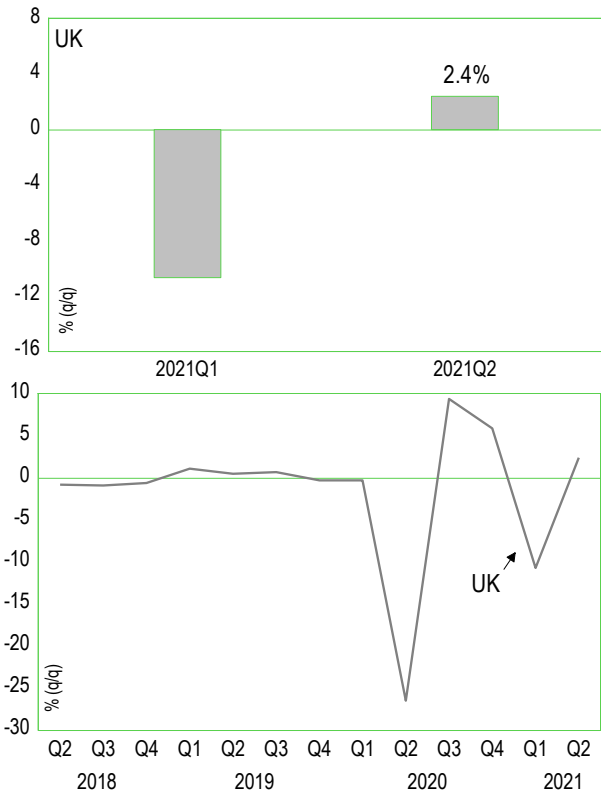
- Hampshire & Isle of Wight had 104,300 residents on the job support schemes: 47,800 on furlough in June (6% of eligible employees) and 56,500 self-employed residents (56% take-up rate) in early June. Retail & hospitality furlough figures decreased by 10,470, down two fifths (-42%) on the month, faster than the UK (-37%).

- Hiring intentions in Hampshire & Isle of Wight increased in July faster than in June, but they remained 2% below pre-pandemic levels (Feb 2020).
- Although softening to a three-month low, employment growth was robust in the South East, with output requirements and rising backlogs behind July's hiring growth (PMI).

- Claimant count unemployment in Hampshire & Isle of Wight not adjusted for seasonal factors decreased by 570 to 51,190 in July, slower than in June, while the working age rate was unchanged at 4.2%
- The decrease was driven by a fall in youth unemployment of 495 fewer young claimants (9,305) last month.

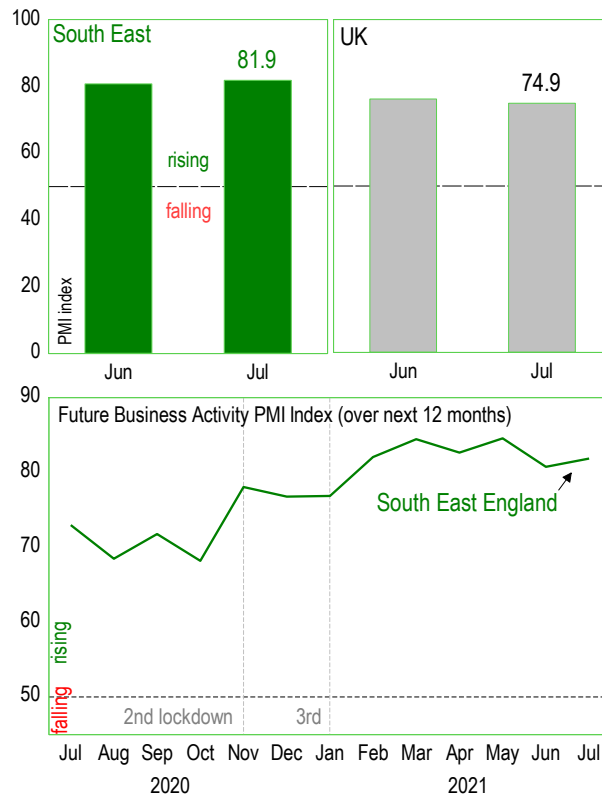
- Most Hampshire & Isle of Wight local authorities saw either a decrease or no change in the monthly claimant rates, with Eastleigh being the only exception. The largest fall (-0.4 ppts) was found in the Isle of Wight in July.
- According to the Bank of England latest outlook, unemployment in the UK will peak in Q3 2021.

Business Investment



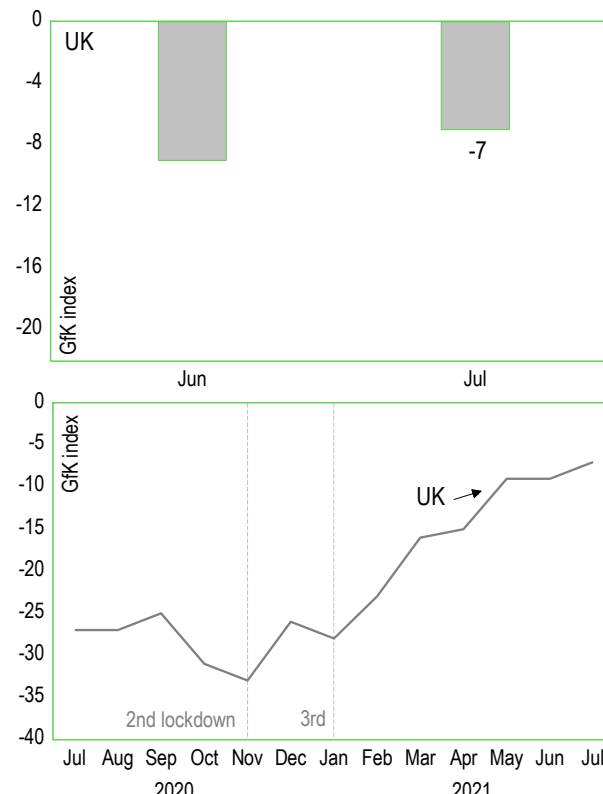
- Business investment grew by 2.4% in Q2, but it is still 15.3% lower than pre-pandemic levels (Q4 2019). ICT and other machinery & equipment contributed most to growth (ONS).
- CBI survey suggests that investment intentions for plant & machinery in the year ahead improved to their highest since 1988 in July.

Business Confidence



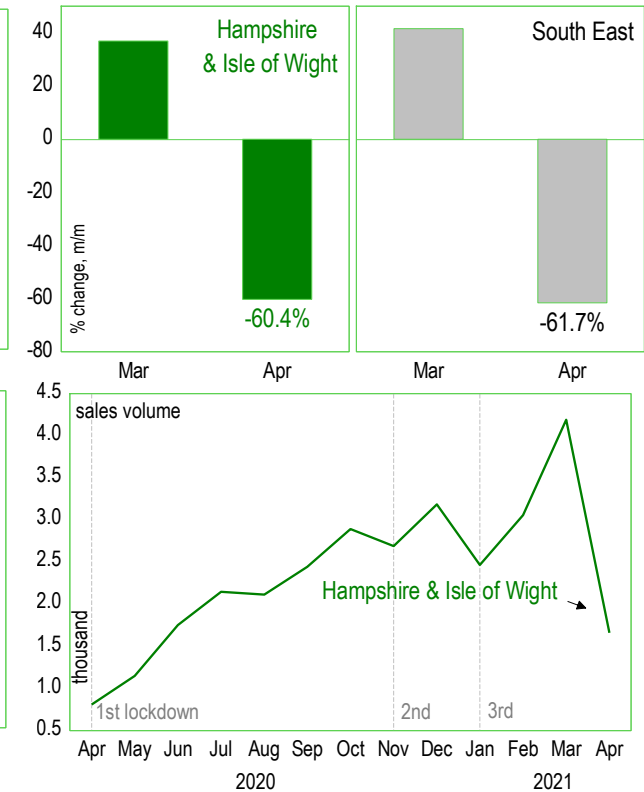
- Over a third (36%) of Hampshire & Isle of Wight businesses had zero or less than three month's cash reserves, higher than the UK average (30%) in early July (ONS).*
- However, PMI shows that business confidence towards future activity in the South East improved robustly to the highest across UK regions in July

Consumer Confidence



- Retail sales volumes fell by 2.5% between June and July 2021, although higher quarter on quarter and pre-pandemic levels.
- Consumer confidence increased to pre-pandemic levels (Feb 2020) in July. This was driven by an increase in major purchases partly offset by the outlook for the economy (GfK).

House Sales



- House sales, not adjusted for seasonal factors, in Hampshire & Isle of Wight plummeted in April, after an increase in March, similar to the South East average.
- Close to 1,700 residential property transactions took place in April, less than half (-60%) than in March, but more than twice than April last year.

Employment



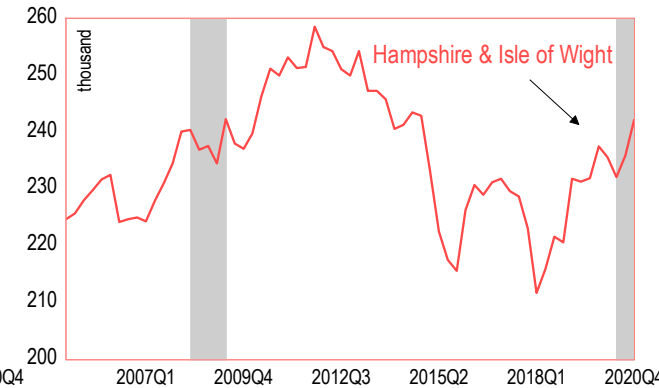
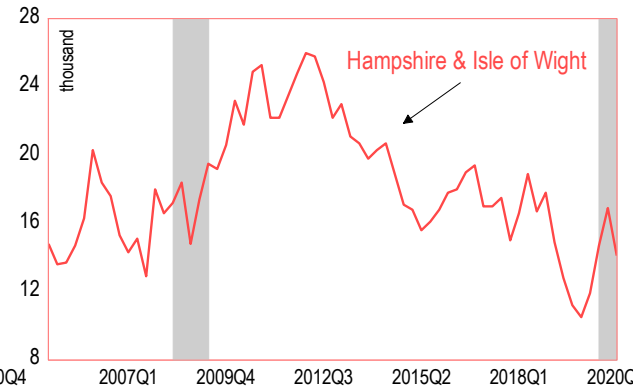
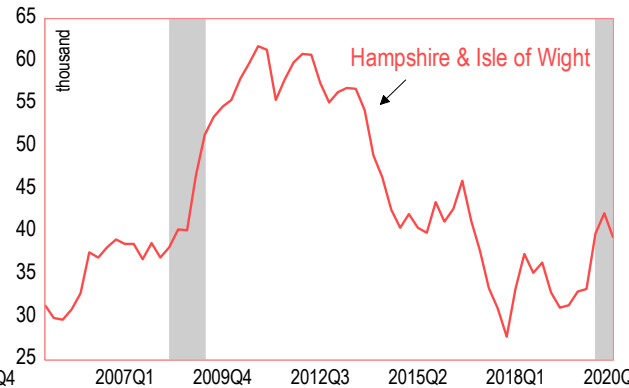
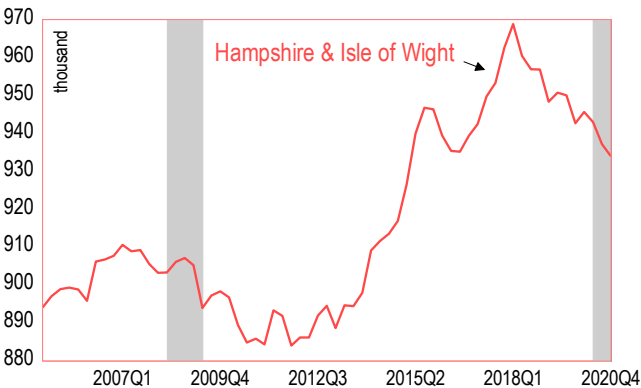
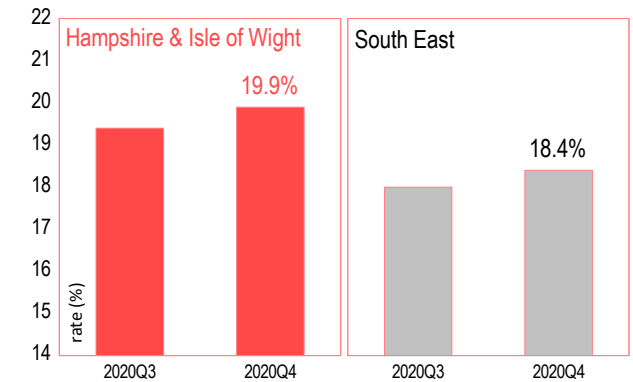
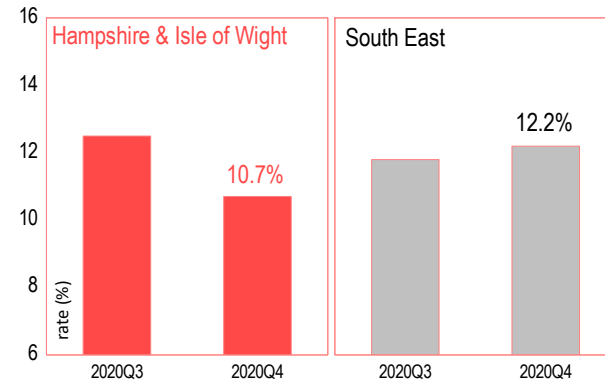
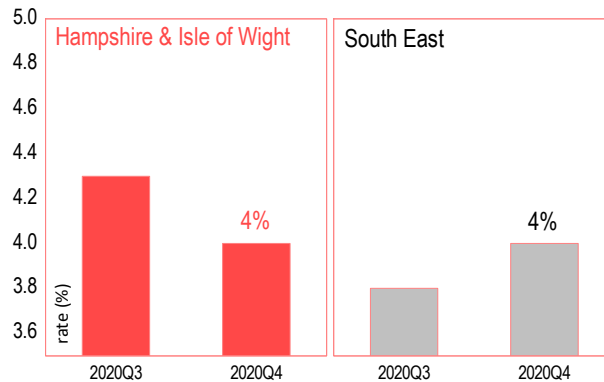
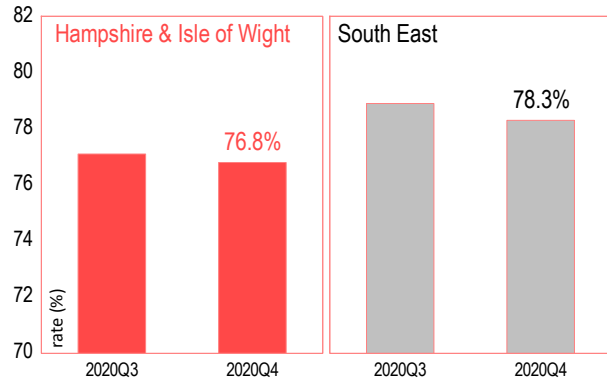
Unemployment



Youth Unemployment



Economic Inactivity



- Employment among Hampshire & the Isle of Wight residents decreased in 2020 but not as much as originally feared.**
- There were 8,700 or nearly 1% fewer residents in employment in 2020 than in 2019. The resident-based employment rate fell to 76.8% in 2020, the lowest rate since 2014.

- The number of unemployed people on the survey-based measure in Hampshire & the Isle of Wight increased by 6,300 to 39,300 in the year to Dec 2020 but the increase has been masked by annual data
- The unemployment rate (4%) was slightly lower than in the year to September but higher than in 2019.

- About 1 in 10 of all young people in Hampshire & the Isle of Wight were unemployed in the year to Dec 2020. Youth unemployment increased by 3,600 on the year, but it decreased compared to the year to Sep 2020.
- Monthly measure of unemployment better describes short-term changes in unemployment for small areas.

- With about one in five people of working age economically inactive, the rate in Hampshire & the Isle of Wight stood above South East in the year to December 2020.
- The number of economically inactive people increased by 2% or 4,800 to 242,300 and the inactivity rate reached its highest level since 2014.

How to read 'traffic lights':



Refers to decline or growth relative to the previous period (business activity indicators, PMI employment, job postings and business investment).

In the case of business and consumer sentiment it refers to the direction of travel relative to the previous period.

For labour market indicators the change refers to the rate not the level. For example, a rise in the employment rate would see an upward green arrow, while a decrease in unemployment would see a downward green arrow.



Little or no change on previous period.

† The local estimate is preliminary and it needs to be treated with a high degree of caution since it is based on the sectoral mix of Hampshire and the Isle of Wight and the national sectoral impacts.

Sources:

The primary data source are the Office for National Statistics (ONS) and HMRC while additional data comes from several commercial sources such as IHS Markit, Emsi, CBI, BCC, HM Land Registry and the Bank of England.

Monthly/Quarterly data for Business Activity, Jobs & Unemployment and Sentiment & Investment.

Rolling annual data available quarterly for Quarterly Labour Market Indicators.

In the case of several monthly indicators South East is used as a proxy geography for Hampshire.

*ONS Business Insights and Impact on the UK Economy Survey.

**For further information on Hampshire's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at:

<https://www.hants.gov.uk/business/ebis/reports>

This publication is produced by the Economic and Business Intelligence Service (EBIS), Hampshire County Council